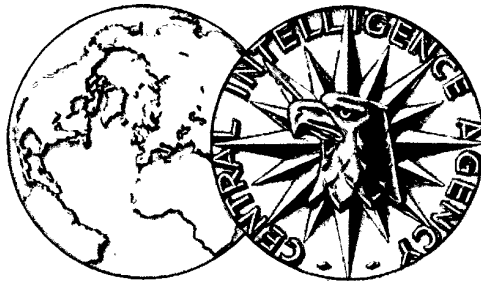


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TURKEY

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Map of Turkey

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SUMMARY

The chief problems in Turkey today arise from the fact that it borders the USSR, obstinately withstands Soviet pressure, and persists in obstructing certain major Soviet aims. This situation not only influences Turkey's foreign relations but also strongly affects its internal political and economic affairs. In seeking to counter the Soviet purpose to force subservience upon them, the Turks are doing their utmost to strengthen relations with the US and the UK and have constantly reiterated their allegiance to the UN.

While the Turks are almost unanimous in supporting their government's policy of resisting Soviet pressure, there is considerable difference of opinion among them about the conduct of internal affairs. Since the end of the war, despite the Soviet menace, the Turkish Government has issued licenses to opposition political parties. One major opposition party has emerged—the Democratic Party, which was well supported in elections to the National Assembly in the summer of 1946. Other political parties, however, have not won many adherents, while such subversive elements as do exist are weak and are under effective control of the police and security services.

The opposition party's main criticism of the government has been concentrated upon domestic political and economic policies. The Democrats constantly insist upon the amendment of certain restrictive laws which they regard as unconstitutional, such as the law on electoral procedure and the press law, by means of which the government has been able to exercise arbitrary control over balloting and over the Turkish press. They also condemn the government for failure to improve difficult economic conditions and to halt the rising cost of living, for its allegedly high-handed attitude toward legitimate opposition, as well as for its protection of government officials accused of malfeasance and corruption.

During the past year, the more liberal members of the government party—the People's Republican Party (PRP)—have joined in this criticism, and they have found encouragement in the advocacy by President İnönü (who is titular leader of the PRP) of a policy of political tolerance, provided the national security is not imperiled. So strong was this opposition that the government headed by Premier Peker, which was accused of being excessively authoritarian, was forced out of office in September 1947. A more moderate group under Premier Saka, which succeeded, was unable, however, to satisfy the critics and was in due course subjected to the same sort of criticism. Despite the fact that some of the restrictive legislation was amended—for example, the State of Siege which had been in effect in the Straits area and Turkish Thrace since early in the war was brought to an end—Premier Saka's cabinet also fell in June 1948. Its successor, under the same leader, included several of the liberal

Note: The information herein is as of August 1948.

The intelligence organizations of the Departments of State, Army, Navy, and the Air Force have concurred in this report.

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PRP deputies who had been most vociferous in their condemnation of the "old-guard" mentality.

A few members of the opposition Democratic Party have advocated rather more extreme measures aimed at speedy reform and, of course, the removal of the PRP from power. A split has ensued in the Democratic Party ranks, after repudiation by the party's leadership of any unconstitutional excesses. Some of these advocates of more extreme measures recently joined forces to form the new Nation Party, whose strength in the country cannot yet be assessed. It is clearly evident, however, that the great majority of the Turks fully approve President İnönü's policy of carefully avoiding extremes, while Turkey develops its democratic processes of government, in order to frustrate infiltration by subversive elements intent upon destruction of individual freedom and national independence.

A US Survey Group visited Turkey in the summer of 1947 after Congress had voted \$400 million to aid Greece and Turkey. This group recommended that the \$100 million allocated to Turkey be devoted to modernizing and training the Turkish armed forces and to alleviating the heavy financial burden of maintaining those forces.

A program to implement these recommendations, which were enthusiastically welcomed and endorsed by the government and people of Turkey, was then drawn up, and in October the first shipment of US aid matériel arrived in a Turkish port. In 1948 Congress voted a further \$225 million to aid Greece and Turkey; of this sum \$75 million has been tentatively allotted to the continuation of the program of improving Turkey's military defense structure.

As a participating nation in the European recovery program, Turkey may be assisted in obtaining matériel and equipment with the object of increasing economic production, particularly agricultural and mineral, so that Turkey may contribute to the recovery of Western Europe.* Turkey, whose foreign trade in prewar years was very largely with Western Europe, is directly interested in the economic recovery of that area, as well as in its preservation from domination by the Soviet Union.

Government plans for economic rehabilitation and resumption of the program of industrialization and development, which were necessarily suspended during the war, have been announced, but their extensive implementation must depend upon the amount of foreign exchange—especially dollars—that becomes available. Although during the war substantial gold holdings were accumulated, the government drew heavily upon them in 1947 and is reluctant to reduce them still further. Turkey's dollar requirements, needed to obtain machinery and durable goods of many kinds in the US, must be obtained through export sales to the US or countries willing to settle in convertible currency. Dollar exchange may be further provided in Foreign Cooperation Administration credits under programs to aid in the recovery of Europe, through credits from other official or private US sources, or from the International Bank for Reconstruction and Development.

There has been no appreciable lessening in Soviet pressure on Turkey. The situ-

* It has subsequently been announced that an ECA loan of \$30 million will be made to Turkey.

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ation regarding revision of the Montreux Agreement of 1936 concerning the status of the Straits is at a deadlock, since the USSR has not abandoned its demands for privileges in the control and defense of this waterway. The USSR, which has also sought to annex certain strategic areas in northeastern Turkey, is—with Soviet-dominated Balkan countries—Turkey's neighbor to the west, north, and northeast, and the continuing critical situations in both Greece and Palestine are causing the Turkish Government the greatest anxiety. The fall of Greece to Soviet-Communist control would give the USSR strategic domination over the Straits.

The Turkish Government has urged the representatives of the Arab States to reach an amicable settlement with the Zionists, if only to put an end to the opportunities afforded to the USSR by the Arab-Zionist conflict for infiltration by subversive Soviet agents and the further extension of Soviet influence.

The fall of Turkey itself to Soviet domination would make the strategic communications and oil resources of the Near and Middle East far more vulnerable than they now are to Soviet aggression. It would also prevent the use of sites of potential usefulness as bases for striking at industrial and other vulnerable targets in the USSR. The Turks, however, are adamant in their determination to resist Soviet demands, and large forces are kept under arms because of the possibility of Soviet aggression. Despite the Turkish desire to reduce the cost of the excessively large and financially burdensome armed forces, and thus accelerate reconstruction and development of the national economy, Turkey's resistance to Soviet demands will not weaken. Every effort will be made by the Turkish Government to achieve programs for economic expansion and to progress further in the firm establishment of democratic processes of government, in which substantial progress has recently been made, but not at the cost of any surrender of the nation's independence. US aid to Turkey is not only providing military advantages in the form of equipment, construction, and training but is also of great psychological value to the Turks. While it falls short of a direct US military guarantee, which would certainly be eagerly welcomed, the support which is being extended by the US is regarded by the Turks as a clear indication that they are not left alone to withstand Soviet demands.

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CHAPTER I

POLITICAL SITUATION

1. GENESIS OF THE PRESENT POLITICAL SYSTEM.

a. Establishment of the Republic.

The evolution of a democratic system of government in Turkey originated with the revolutionary establishment of the republic in 1923. For centuries Turkey was a part of the Ottoman Empire under the autocratic and imperialistic regime of the Sultans, who as Caliphs were also the titular spiritual leaders of all Moslems. At the end of the 17th century the Ottoman Empire stretched, in Europe, from the Adriatic Sea across the plains of Hungary to the northern coast of the Black Sea; in Asia, from northern Iran to southern Arabia; in Africa, across the Nile Valley and along the Mediterranean coast as far as Morocco. From that time onward the empire steadily shrank as a result of the decadence and oriental sloth of the Sultans, successful rebellions by the conquered peoples, and wars with other powers.

Finally, Turkey's defeat as an ally of Germany in World War I resulted in the collapse of the empire and partial occupation by the Allies. At this time the Greeks were permitted by the Allies to land at Izmir and to march inland up the rich valleys leading from Turkey's western coast, and partition of Anatolia itself was being considered. The empire was lost, and the "sick man of Europe" now seemed condemned to dismemberment, a situation which the Sultan and his corrupt regime were impotent to correct.

A group of nationalists under the leadership of Mustafa Kemal Pasha (who later adopted the name of Kamal Atatürk) then rose in protest against this threatened dismemberment and established a National Assembly in opposition to the Sultan's Government. With some assistance from the newly established Soviet Union, Atatürk, who already had a brilliant military reputation as well as a long record of rebellion against the Sultanate, assembled an army which succeeded in driving the Greeks out of the country. By playing on the conflicting ambitions of the Allies, the nationalist government succeeded, at the Conference of Lausanne in 1923, in gaining full recognition as the sovereign authority in Turkey and in compelling the armies of occupation to evacuate. The republic was then established by decision of the Grand National Assembly on 29 October 1923. Ankara, strategically less vulnerable than Istanbul and more free of subversive and minority elements, was made the capital. Atatürk was elected the first President, and Ismet Pasha (subsequently named Ismet İnönü) became Premier and formed a cabinet. The Sultan had already been forced to leave the country.

b. Regeneration and Reform under Atatürk.

With irresistible reformist zeal, Atatürk then began the task of pulling the Turks out of their traditional oriental lethargy and rebuilding a new country upon

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the ruins of the old. One of the first steps was to decrease the reactionary influence of the church. The Caliphate was abolished, and the "millet" system, by which the Sultans had governed their subjects within separate religious and national groups, was discontinued after an agreement had been reached with the Greeks for a mass exchange of minorities. The Moslem religious schools were closed, Islamic orders were dissolved, and education was secularized under a Ministry of National Education.

The list of reforms instituted by Atatürk is almost endless. The "capitulations," under which subjects of a few foreign powers who resided in Turkey were given special customs, taxation, judicial, and other privileges, were abolished. Old codes of law were replaced by new ones based upon the Swiss Civil, the Italian Penal, and the German Commercial Codes. The Arabic script was discarded in favor of a new Latinized phonetic alphabet. The Western calendar was adopted. To help rid the people of their oriental habits, the fez was abolished by law, and the wearing of Eastern-type clothing in general was discouraged.

The economic policy of the republic was ultra-nationalist and "*étatist*" (providing for benevolent guidance and control of public and private enterprise by the state). The government assumed control over the manufacture and sale of numerous articles, some as complete monopolies. The development of agriculture, commerce, industry, and national wealth was encouraged through newly formed state banks. Construction of public utility projects was initiated, and foreign-owned railroads were acquired by the state, which built new lines and placed them all under the control and operation of the Ministry of Communications.

There was opposition, especially in the early days. Some of the Kurds, part of a minority group representing between five and ten percent of the population, rose in rebellion but were suppressed and have since been under careful surveillance. Other opposition from political and religious groups was also ruthlessly suppressed. In 1930, however, an opposition Free Party was authorized by Atatürk himself as an experiment in democracy. A number of liberals deserted the government party to join the new party, and reactionary elements began a campaign to undermine the republic. Atatürk thereupon decided that the time was not yet ripe for bi-party representation and abolished the opposition party. Despite certain dictatorial practices, which he claimed were necessary to accomplish his reforms, Atatürk carefully retained a basically democratic system while striving to educate the illiterate peasant population in liberalism and modern concepts of society. (See Appendix B.) Although there was some continuing opposition, Atatürk generally enjoyed the support of the majority of the population, and the anniversary of his death on 10 November 1938 is a day of national mourning.

c. *The İnönü Era.*

Ismet İnönü, who succeeded Atatürk as President, lacks his predecessor's driving energy, but he has generally tried to follow Atatürk's constructive policies. Turkey's domestic affairs, however, were soon overshadowed by the urgent and taxing problems posed by World War II. Under İnönü's cautious guidance, Turkey remained neutral almost throughout the war, though leaning heavily upon its alliance with

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the UK for support in the event of Axis attack.* The Turks congratulate themselves for having followed this course, not only because they thus escaped defeat and occupation by the Germans, but still more because they avoided the subsequent "liberation" by the USSR. On 23 February 1945, Turkey declared war on Germany and Japan, having been invited to do so by the three major powers at the Yalta Conference, and subsequently joined the United Nations.

Throughout the war and up to the present time, Turkey has felt obliged to keep large forces under arms. Funds to maintain these forces were at first partially obtained through imposition of a Wealth ("Varlik") Tax. There was considerable discrimination in this matter against the Armenian, Greek, and Jewish minorities, who were placed in camps and road-building gangs if they did not pay. Martial law, which was established in Thrace and the Straits area in 1940, was renewed as a precautionary measure against possible aggression until 23 December 1947. At that time a government decision (supported by the National Assembly) allowed it to lapse following allegations that the law was continued as a means of stifling press criticism of the government.

The wartime burden on finances and manpower resulted in low government allocations for domestic rehabilitation and economic development. Despite adverse economic conditions, however, President Inönü announced in 1945 that Turkey would try a multi-party system. Although a number of new parties have been licensed, only the Democratic Party and the new Nation Party, formed in July 1948, have any real significance as opposition forces. In 1946 the administration also allowed elections to the Grand National Assembly by direct vote instead of through selected secondary electors. While many state controls remain, and the administration is accused by the opposition of corrupt bureaucracy and dictatorial practices, progress toward the democracy conceived by Atatürk has continued under Inönü's leadership.

2. PRESENT GOVERNMENTAL STRUCTURE.

The existing Turkish Constitution is basically democratic, containing guarantees of civil liberties and individual rights. Executive, legislative, and judicial powers of the state are vested in the Grand National Assembly, which is elected through universal suffrage. Candidates for the Assembly usually represent a licensed political party, but they may be independents without party affiliations. Assembly deputies may not be active army, navy, or air force officers, nor may they hold any other government post except the presidency or membership in the cabinet. The President of the Republic is elected by the Assembly from among its members for a four-year term and is eligible for re-election any number of times. The prime minister is chosen by the President from the Assembly and selects his cabinet officers from among the deputies. Cabinet appointments, however, must be approved by the President. The Grand Na-

* President Inönü has claimed that Turkish neutrality was an important contribution to the victory of the United Nations because it provided a deterrent to German attack upon the Suez Canal from the east and upon the USSR across the southern Caucasus. Had there been an Anglo-American invasion of the Balkans, Turkey probably would have entered the war earlier and as an active belligerent.

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tional Assembly is a single-chamber body. It controls the acts of the government and may vote it out of office by a simple majority; legislative powers are exercised directly by the Assembly. The judicial branch functions under the Ministry of Justice. Members of the Council of State, or Supreme Judicial Tribunal, are elected by the Grand National Assembly.

Both Atatürk and İnönü, while retaining more control over affairs than the constitution warrants, have held the belief that the Turks could learn in increasing measure how to exercise their constitutional rights to influence affairs of state. Events have justified this belief, and while the personal power of the President is still considerable, the voice of the people is becoming progressively stronger in the government.

3. POLITICAL PARTIES AND CURRENT ISSUES.

Except for earlier experiments in democracy which were abandoned, the only authorized political party until 1945 was the People's Republican Party (PRP) founded by Atatürk. The leading members of this party framed the constitution, formed the government, and from the earliest days have ruled the republic. The cardinal principles of the party ("The Six Arrows") were incorporated into the Turkish constitution: "The Turkish State is republican, nationalist, populist, *étatist*, secular, and revolutionary." The PRP is still in power, with a large majority in the National Assembly. The cabinet which assumed office in June 1948 is headed by Hasan Saka, who has long been a major leader in the party.

The only other parties represented in the Assembly are the Democratic Party, led by Celal Bayar who was formerly an important figure in the PRP and once held the post of prime minister, and the small dissident group which recently formed the Nation Party. Although the Democratic Party is less than three years old, it has gained considerable support, which appears to be increasing as the party organization becomes more firmly established. The basic purposes of the party do not differ radically from those of the PRP, and the two parties are united in their support of Turkey's present foreign policy.

On certain domestic issues, however, there is disagreement. The Democrats favor strengthening private enterprise and decreasing state control; two of their chief aims are to limit the presidential tenure of office to two four-year terms and to put the President above party politics by removing him from the leadership of any party. They almost succeeded in achieving the latter objective toward the end of 1947, when President İnönü informed a PRP Congress that his replacement by another party leader would be acceptable to him. The Congress, however, stubbornly rejected any resolutions which reflected the leniency of its more moderate members toward Democratic Party criticism and re-elected President İnönü to the PRP presidency. At the same time, the PRP Congress appointed Hilmi Uran as its Vice President and charged him with assuming many of the administrative duties formerly performed by the party's President.

The Democrats accuse Premier Saka's administration of economic mismanagement and of failure to lower the high cost of living. They also condemn the govern-

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ment for sustaining the privileges of an entrenched and corrupt bureaucracy and for retaining certain laws which they regard as unconstitutional. One of these is the Press Law which, despite fairly recent revisions, has been used by the government to suspend periodicals for publishing articles at which it takes offense. The National Congress of the Democratic Party has decided that Democratic deputies could walk out of the Assembly if, after a reasonable period, these "unconstitutional" regulations were not repealed.

In the general elections of 1946, the Democrats won 63 out of 465 seats in the National Assembly. There are indications that the PRP, in some of the larger cities where the Democrats obtained their greatest support, tampered with election results: Inönü himself, even in the announced returns, received a surprisingly small vote for his re-election as deputy for Ankara. It is probable, therefore, that the Democrats actually won more seats than they received. They had, indeed, seemed to be gaining so much strength prior to the elections that the PRP hastily moved the election date forward a few months to forestall further gains by the opposition.

Dissension within the PRP, of which there had been earlier indications, became more clearly evident after a declaration in July 1947 by President Inönü calling for more harmony between the parties in the national interest as well as for impartial treatment of members of both parties by administrative officials. On a subsequent tour by Inönü of the northeastern provinces, during which the President was accompanied by deputies of both parties, he visited the Democratic Party headquarters in a number of towns and emphatically repeated his declaration in the presence of provincial and municipal officials as well as Democrats. The more moderate and progressive PRP deputies welcomed Inönü's declaration, while those who opposed the adoption of a less intolerant attitude toward the opposition party rallied to their leader, Recep Peker, then heading a cabinet which included a number of ministers accused by Democrats and moderate PRP deputies alike of being reactionary. After bitter debates between PRP members of the Assembly, 34 deputies voted against the government and many abstained. A few days later, the Premier dismissed some of the ministers who had been most criticized, but after further sharp debate among the Assembly's PRP members, an even larger number (47) voted against the government, and there were more abstentions. In September, Premier Peker gave way to this pressure and the cabinet resigned, an event unprecedented in the history of the republic: it was the first time a Turkish cabinet had been forced out of office by the weight of criticism expressed by a section of the general public, by the press, and by deputies of the government as well as the opposition party.

The cabinet under Hasan Saka, who held the Foreign Affairs portfolio in the preceding cabinet, followed policies that were somewhat less intransigent than those of its predecessor. The Assembly vote upon Saka's statement of policy was on partisan lines. While the Democrats fully agreed with the government's declaration that there would be no change in Turkey's policy of firm resistance to Soviet pressure, they described the Saka program as vague and not likely to solve Turkey's economic problems.

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After the Assembly's debate, during which Saka stated that a commission would be formed to find ways to lower the cost of living and also that the boundaries between state economic controls and private initiative would be re-examined, the Premier indicated that "anti-democratic" laws (of which the Democrats complain) would be amended.

In an effort to regain the support it lost to the Democrats, the government is making the necessary arrangements—such as the preparation of approved text books—to permit the teaching of religion on an optional basis in Turkish schools, which have remained secular ever since Atatürk so decreed. This recommendation, although it has aroused misgivings among those who fear it may arouse reactionary feelings, should prove popular with many older Turks whose children have had little religious training because of the restrictive measures stemming from Atatürk's distrust of and contempt for the Moslem Church. This decision should help to strengthen Turkey's relations with other states whose populations are chiefly or wholly Moslem.

Criticism of the government for economic mismanagement, for its alleged protection of officials charged with malfeasance, and for its hesitation to produce legislation to amend the press and electoral laws to the satisfaction of the Democratic Party did not cease.* Moderate members of the PRP joined in some of these attacks upon the government and, despite a break in the ranks of the opposition party, Premier Saka's cabinet fell in June 1948. A new cabinet was formed at once under the same leader, and it included several of the PRP progressives who had been most critical of the die-hard conservatives in this older party. The new government will undoubtedly pursue a policy of economic retrenchment, and will initiate legislation to amend some of the restrictive laws which have aroused complaint. The government has already prepared a new law which re-defines the powers and duties of the police, and a new law will be presented with respect to electoral procedures, which will permit ballots to be cast in secret and openly counted. Those members of the opposition party who have demanded more vigorous measures aimed at reform and the overthrow of the PRP have been repudiated by Celal Bayar and other Democratic Party leaders. This was the group which formed the Nation Party in July 1948. Bayar and his associates have thus shown their agreement with the views of President İnönü, who advocates the avoidance of extremes in order to forestall penetration of political parties by subversive elements whose objective is the destruction of democratic institutions and of national independence.

Of the other political parties which have been licensed by the government, two have been suppressed because of suspected Communist influence within them. None of these minor parties has gained any substantial support.

4. COMMUNISM.

There is no Communist Party in Turkey. Turkish law forbids the existence of associations affiliated with foreign organizations or having international objectives;

* Dissatisfaction with a revised electoral law later was indicated by the substantial percentage of the electorate which abstained from voting in the October 1948 by-elections.

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nor may any Turk foment class differences or advocate the overthrow of the present regime. Communists in Turkey must, therefore, work with the utmost secrecy. Their number is estimated to be considerably less than one tenth of one percent of the population. Subversive Communist individuals and groups, however, do exist in sufficient numbers (particularly in intellectual circles) to require constant vigilance on the part of the Turkish police and security services. Official representatives of the Soviet Union and satellite states are believed to make considerable use of agents for the dissemination of Communist and Soviet propaganda, always aided by Turkish-language broadcasts from Radio Moscow.

There is no anti-government labor group of any strength in Turkey, although scattered groups of workers with grievances against the government (fully exploited by the real Communist agents) do exist in such places as the tobacco factories (especially in Izmir), among the coal miners in the Zonguldak area, and in various state-operated enterprises. Individual labor "syndicates" have been formed from time to time, with leftist periodicals to support their claims. The new Labor Ministry has produced a plan for government-sponsored labor unions which denies strike privileges to the workers, and the necessary legislation has been approved by the National Assembly.

The effect of Soviet and Communist propaganda has been very slight. One very important reason for this is that the Turks, always mistrustful of the USSR, strongly resent Soviet demands which, if granted, would infringe upon their national sovereignty. Thus the opportunities for Soviet and Communist agents in Turkey are not great. Even if Communistic tendencies among the population were far greater than they are, the minute care and vigilance of the Turkish police and security services would act as an effective check against the spread of Communism in Turkey.

5. STABILITY OF THE PRESENT REGIME.

Despite the ever-present economic and financial problems and growing popular discontent arising from the government's apparent inability to solve them and to lower the high cost of living, the Turkish regime is secure against any discernible internal threat. The process of enacting legislation to provide Turkish citizens with their constitutional rights will, in all likelihood, continue.

Regardless of possibly adverse by-elections, the PRP is expected to remain in power until the next general elections in 1950, although the actual membership of the government may occasionally be changed. The Democratic Party and other opposition groups will, of course, continue to participate in political controversy. Criticism of the government will center upon such matters as economic conditions, bureaucratic venality, and civil liberties. President İnönü and the leaders of both the major political parties may be expected to continue to prevent political differences from endangering the national security.

The possibility of a slowly growing trend away from *étatisme*, which would gradually decrease the government's direct participation in industry, commerce, mining, etc.—in fact, lessen its hitherto overwhelming share and control of the national economy—has become discernible. (See Chapter II.)

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The unity with which the Turks maintain their determination to resist Soviet pressure, and the thoroughness of the government's surveillance over the few Communist and other subversive elements in the country, constitute additional factors of stability. The only threats to Turkey's security are from outside its borders: Communist domination of Greece would seriously endanger the stability of the republic, and there are menacing possibilities in the Soviet Union's ability to exploit the Arab-Zionist conflict by fomenting chaos as a means of extending its own influence and lessening that of Turkey's most powerful friends, the US and UK.

Turkey has no desire or claim for territorial gain, and will promote peace through the UN or otherwise to the utmost of its ability, provided there is no infringement upon its territorial rights and national independence. Apart from any threat inherent in situations outside Turkey, the regime is stable and the republic secure.

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CHAPTER II

ECONOMIC SITUATION

1. GENERAL DESCRIPTION OF THE ECONOMY.

The Turkish economy, which is primarily agricultural (with over 80 percent of the gainfully employed dependent upon agriculture for a living),* is largely subject to government control. The profound feelings of nationalism which led to military and political upheaval after Turkey's defeat in World War I (from which in 1923 emerged the new republic and the revolutionary reforms which followed) were applied to the nation's economy as well. The *étatist* principle, which is written into the Turkish Constitution, is that the state should exercise paternalistic and benevolent supervision and control over the entire economy and that, for the benefit of all, it should itself initiate and operate those enterprises which it finds advantageous and which no individual or independent domestic group can or will undertake.

There were several reasons for the adoption of this economic policy. Military and political actions by the Turkish nationalists had succeeded in removing foreign forces from the country and in bringing about a sharp cleavage with the imperial Ottoman regime. It was judged vitally necessary to achieve a similar and equally thorough economic break with the past. Foreign financial interests which, through concessions granted during the Ottoman regime, exercised considerable control over the imperial financial and economic structure, were bought out and gradually eliminated. This break, it was felt, could be achieved only by the investment of state funds, particularly (until the years immediately preceding World War II) because the government was as strict in its policy of avoiding foreign loans as it was in its determination to deny new concessions to foreigners. As rapidly and thoroughly as possible, the Turk was to become economic, as well as political and military, master of his own territory. Additional reasons for the adoption of *étatism* were found in the need to increase production to the greatest extent possible, to further industrialization, to reduce dependence upon foreign sources for critical materials and military armaments, and to obtain additional revenue. Foreign capital being proscribed, it was felt that such large-scale development programs could be undertaken only by the state and that, unless the government assumed direct responsibility, Turkey would continue indefinitely to remain an economically backward state.

Thus the Turkish Government became Turkey's largest business concern. The government itself, through newly created state-owned banks and other institutions, set about encouraging agricultural production, developing existing or creating new industries (such as textiles, iron and steel, chemicals, pulp and paper, sugar, wine, and tanning), and increasing production of coal, iron ore, copper, chromite, and other minerals. Elimination of foreign financial interests and privileges through outright

* For statistics of the population and their occupations, see Appendix B.

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purchase brought the government into complete control of the entire railroad system, and state-operated maritime and air services were developed. The manufacture of some products (cigarettes, matches, spirituous liquors, and others) became government monopolies. While a precise analogy with the Soviet economic system should not be drawn, the Turkish Government did adopt the Soviet practice of drawing up Four-Year and Five-Year Plans for its economic development programs. Moreover, while individual enterprise has by no means been excluded (and is now probably an increasingly important factor), the government's ownership and operation of means of communication, many public utilities (more often municipally owned, with state financial aid), all heavy and some light industries, and many other enterprises, together with its frequently arbitrary regulation of all production and all foreign trade and exchange, make the government itself the overwhelmingly dominant factor in the national economy.

The system, which provided undeniable initial benefits, has some very severe disadvantages, since political, rather than economic, criteria are applied to the establishment and conduct of state enterprises, the result inevitably being very serious economic inefficiency. Such state ventures as the Karabük steel mills, the Zonguldak coal-mining operations, and the textile industry at Adana are examples of incompetent management and uneconomical enterprises which have avoided bankruptcy only because they are sustained at the expense of the state. Although progress has been achieved (for example, in public works construction and irrigation) ultra-modern ventures continue to be undertaken at the expense of the many less spectacular enterprises which are essential to the healthy establishment and growth of a sound economy. The gap between the ox-drawn plow and the intricate machinery of spinning and weaving mills has not yet been filled.

The government has signified its intention of relaxing its strangle hold upon private enterprise and has given evidence that foreign investment and technical aid will also be encouraged. The opposition Democratic Party, which is less closely associated with *étatisme*, has, through an official spokesman, welcomed this statement of policy. Many changes will have to take place, however, before any real departure from this collectivist economic concept can be effected. The government (and the People's Republican Party which controls it) would have to adopt a policy directed toward a comprehensive revision of the various laws which restrict individual enterprise. Moreover, a fundamental change in the attitude of Turkey's large and well-entrenched bureaucracy would be needed.

The Turkish labor laws, recently enacted and now administered under the newly established Ministry of Labor, show evidence of a desire to improve the lot of the laborers. While labor unions exist and are, indeed, encouraged and supported by the government, they are virtually without political power and subject to very rigid state control. The right to strike, for example, is denied them. In this agricultural state, which has not progressed far toward the industrialization it desires, there is a dearth of skilled labor. The need for education in modern techniques in agriculture, industry, and other fields is recognized by the government, which is adopting measures to meet

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it. Foreign technical advisers are brought into Turkey, state funds are provided to improve and expand educational institutions in the country, and students are sent abroad at government expense for advanced educational studies.

The Turks are at present gaining greater political freedom and an increasingly powerful and articulate place in the conduct of political affairs. Some of them are beginning to believe that the time is opportune for a reassessment of the individual's place in the national economy. While some strengthening of private enterprise is not unlikely, however, there is as yet no positive evidence that the economic freedom of the Turk will soon become commensurate with his increased political liberty. The prevailing *étatist* system is very strongly established.

2. NATURAL RESOURCES.

The topography of Turkey consists, broadly speaking, of mountainous plateaus; the highest ranges are around the Anatolian perimeter, and the richer arable lands are in river valleys, on the coastal plains, and in Turkish Thrace. (See Appendix A.)

Estimates of the amount of land under cultivation vary widely, but it is probable that about one-tenth of Turkey's total area is cultivated—although the potentially arable land may be as much as one third of the total area. The following figures for 1944, compiled by the Turkish Government, are perhaps fairly accurate, but they should be accepted with reserve (the percentage given for pasture, for example, is probably much too great):

	Percent
Land under cultivation	10.41
Fallow land	6.19
Pasture land	50.22
Orchards, tree and forest land	17.09
Marshes and lakes	1.27
Unproductive land	14.82
	<hr/>
Total	100.00

Rainfall on the plateaus is often insufficient, and the country is subject to occasional drought. Agricultural methods are primitive, and the land must periodically be left fallow and unproductive, owing to the fact that fertilizers are not extensively used. All of these factors tend to reduce the amount of land under cultivation.

The central plateau is largely devoid of trees because of the shortage of rain, the damage done to young trees by pastured animals, and the lack of any large-scale plans for conservation. There are, however, some thick forests (chiefly near the coasts), though no adequate measures have yet been taken to repair the damages caused by centuries of reckless treatment of this potentially valuable resource.

Fish are plentiful in the sea waters around Turkey and also in some of the rivers and lakes. By far the greater part of the catch is for local consumption. The value of this resource to the national economy may be substantially increased under a de-

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velopment program which would provide for improved fishing methods, better means of refrigeration, and canning for domestic and foreign markets.

The government has for some years been carrying out on a limited scale a program of water conservation, including the construction of dams to provide water for urban needs and irrigation. Experts from the US are expected to give technical advice on the preparation of a flood-control program, with particular reference to the Seyhan and Ceyhan River valleys, where considerable damage to crops occurred in the spring of 1948. Some progress has been made in the use of water power as a source of electricity, and the government has drawn up plans for the construction of hydroelectric plants, such as the one now being completed on the Porsuk River, near Eskişehir. For the cities and towns which do have electricity, however, Turkey still depends heavily upon imported Diesel oil or gasoline, and upon domestic coal and lignite, to provide the necessary power.

Turkey is rich in mineral resources, the exploitation of which has been greatly handicapped by inadequate means of economical transportation. Mines and mining are treated in a separate section of this study (Chapter II, Section 5).

3. AGRICULTURE.

With four-fifths of the gainfully employed population engaged in agricultural and pastoral work, farm products are the source of the greatest part of the national income. Turkey is almost completely self-sufficient in agricultural production.* Normally, only luxury food and beverage products (tea, coffee, cocoa powder, chocolate, some processed foods, etc.) are imported, although a greatly increased domestic demand for sugar has temporarily necessitated the import of that commodity until home production is able to meet the demand. Thus, it is only in exceptional circumstances that Turkey needs to rely upon foreign sources for basic agricultural products. Its own crop surpluses, indeed, provide by far the greater part of Turkey's exports. (See Chapter II, Section 7, Foreign Trade.)

Variations in climate and soil make possible the cultivation of crops ranging from types grown in northern latitudes to the sub-tropical. The most important cereal is wheat, and next in importance are barley and corn. The figures below show the comparative agricultural and pastoral production with the average prewar yields.

Fruits are grown almost everywhere in Turkey, the most valuable region commercially being near the west coast (in the Izmir hinterland), where grapes, olives, and figs are extensively cultivated and constitute an important part of Turkey's exports. Turkey's dried figs, raisins, and sultanas are world-famous, and the hazelnuts of the Black Sea coast have normally provided about half the world's annual production.

As the table shows, other valuable crops are tobacco (Turkey's leading export product), cotton, and sugar-beets. The production of tobacco in 1947 was the highest

* The Turkish Government has found it necessary in 1948 to import wheat and flour. This, however, is abnormal and due to excessive exportation after the poor harvest of 1947. The situation is apparently a result of faulty management, which was the subject of acrimonious debate in the National Assembly and was undoubtedly one of the reasons for the cabinet changes made by Premier Hasan Saka in June 1948.

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PRODUCTION AND NET TRADE OF MAJOR AGRICULTURAL COMMODITIES
1,000 Metric Tons (except as noted)

Commodity	Average Production 1934 - 1938 (except as noted)	1946	1947	Net Trade	
				Average 1934 - 1938	1947
Wheat	3,696	3,156	3,537	+81	+75
Barley	1,975	1,560	1,558	+93	+50
Rye	340	373	399	+23	
Corn	551	595	550	+ 3	
Oats	219	186	186	+13	+18
Sugar, refined	61	96.5	97	-20	-30
Dry Legumes	468	185	195	+ 3	
Figs, dried	14	35	36	+31	
Hazelnuts, unshelled	73	55		+52	
Nuts, Other	110	90			
Oil, Olive	21	65	59	+ 4	
	1939-1940 average				
Grapes, (Table and Raisin)	963	1,897	639	+92	
	1935-1939 average			1935-1939 average	
Tobacco	58	90	92	+35	+42
	1935-1939 average				
Cotton	54	59	54	+17	-10
Opium	.250	.313	.279		+ .159
Raisins		55	30	+62	
Meat	184		204		+ .107
Eggs * (no. of million)	864	863	876		5,372 m. Tons or approx. 119 million

* Includes both turkey and chicken eggs.

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PRODUCTION AND NET TRADE OF MAJOR PASTORAL COMMODITIES

Commodity	Number of Animals (Taxable and Untaxable) Average 1934 - 1938	1946	1947	Net Trade	
				Average 1934-1938	1947
Livestock and Livestock Products					
Cattle	8 million head Average 1935-1939	9 million head	9 million head	+61 thousand head	+57 thousand head-1946
Sheep	19 million head	23 million head	24 million head	+522 thousand head	1946 +233 thousand head
Goats	14 million head	16 million head	16 million head		
Hides or Skins				+4.5 metric tons	-6 metric tons
Mohair		+6 metric tons	+5 metric tons		+2 metric tons

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on record. Excessive stocks are causing considerable anxiety, owing in large part to the difficulty of arranging for exports to Germany, an important consumer of the lower grades before the war. Following a reduction in price, the government sugar monopoly supplies were almost exhausted and stocks to replenish them were sought abroad. Eventually, however, and as additional refineries are constructed and commence production, Turkey should be self-sufficient in this product. Turkish opium and mohair are also of importance, particularly as exports. Livestock, chiefly sheep, goats, and cattle, is raised in every province in the country.

The government is constantly striving to educate farmers in modern, scientific methods of agricultural production. In this connection, the State Agricultural Institute in Ankara has been useful, while model state farms and specialized education of rural children in the state-operated Village Institutes should serve to modernize farming methods and thus to increase production. President İnönü himself, fully realizing the backwardness of the farming population, devotes considerable personal care and attention to rural education. Turkey's agricultural production should be greatly increased by such means and with increased state aid in the provision of imported agricultural machinery and fertilizers, of selected seeds, and with improved means of storage and transport.

Production has been curtailed by shortage of manpower, the result of the government's policy of maintaining large forces under arms in face of the continued threat from abroad to Turkey's territorial integrity and sovereign rights. Agricultural co-operatives, like the labor unions, are under the strictest government control, and any discontent must find expression through the established constitutional processes. A Land Act, providing for the distribution of land to individual farmers, is now being applied, and should tend to add to the peasants' desire to learn new and better methods and to increase production. The process of redistribution is a very slow one, however, and its effects will not be substantial for many years.

Although Turkey imports a certain quantity of some agricultural products (e.g. sugar and rice), it could be self-sufficient in food production in time of war, subject to the loss to the enemy of substantial agricultural territory. Because of this (and also because its exportable surpluses of food crops are not yet substantial), Turkey is not of direct strategic significance to the United States, insofar as agricultural production is concerned.

4. COMMERCE AND INDUSTRY.

Under the republic, far-reaching plans for the development of trade and industry have been initiated and, to a considerable extent, carried out. A number of institutions owned and operated by the state, such as the Sümer and Eti banks (which are not banks in the ordinary sense), have been created for this purpose. The textile industry has been greatly expanded, and new industries, such as iron and steel, sugar and paper, have been created. Encouragement of the mining industry, which has made possible development of the copper mines at Erganimaden and the chromite

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mines at Güleman (see Chapter II, Section 5), and development of hydroelectric power are the responsibilities of the Eti Bank.

Turkey's only iron and steel works, at Karabük, near the Zonguldak coal basin but some 600 miles by rail from the source of iron ore at Divriği, has two blast furnaces (only one of which is in operation), four open-hearth furnaces and a rolling mill. In 1946, 78,000 metric tons of pig iron and about 80,000 metric tons of steel ingots were produced.

Shortening the rail connection with the source of iron ore at Divriği is planned, as are improved methods at the mines, in order to reduce the cost of extracting and transporting the ore. At present, however, these operations—like other state-operated enterprises—are not efficiently planned or managed, since the criteria applied in their construction and administration are far more political than economic (see Chapter II, Section 1). Many state commercial enterprises, monopolies, and government-owned and operated enterprises would long ago have been bankrupt because of misguided planning or maladministration but for costly state protection.

The table on the following page shows Turkey's prewar and postwar production of principal industrial commodities.

Plans for further industrialization and economic development, which include expansion of the very small chemical industry and greater textile, pulp, and paper production, are in part dependent upon the government's continued success in replacing depleted railroad equipment, in importing locomotives and rolling stock and in improving communications and acquiring additional tonnage for the state-operated merchant marine. Progress toward these objectives has been achieved during the past two years, but since such capital equipment is almost all of foreign manufacture, further progress will depend largely upon the amount of foreign exchange available to the government for these purposes.

An important factor in the continued development of Turkey's commerce and industry is the need for a more soundly balanced economy. The discrepancy between the peasant's primitive means of livelihood and the imposing structures of the capital at Ankara and of the new industrial centers is too great (see Chapter II, Section 1). There is need not only for improving agricultural methods and conditions but also for the creation of light industries, food processing and canning plants, public works, and intermediate enterprises of all kinds, in order to achieve a more firmly established basis for both commerce and industry.

The training of a large corps of skilled workmen is at least as important a prerequisite to the expansion of Turkish industry and commerce as the need for capital equipment. Technical training and aid have to some extent already been furnished from the US, through both official and private channels. But much more training and education are needed in a population which is for the most part still illiterate.

Whether or not the government will carry out its avowed intention of encouraging individual enterprise and will also possibly seek foreign private investment cannot yet be ascertained. The trend may perhaps be indicated by the government's granting permission to a US corporation to manufacture light bulbs in Turkey. Recently, also,

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PRODUCTION OF PRINCIPAL INDUSTRIAL COMMODITIES
(Production in metric tons except as noted)

Commodity	AVERAGE 1936-1939 (except as noted)	1946	1947
Cotton Yarn	18,405	27,792	28,824
Woven Cotton *	(Average 1938-1941) 44,986,250 meters	82,101,935 meters	93,000,000 meters
Wool Yarn	4,263	6,432	6,744
Woven Wool *	(Average 1938-1941) 2,353,250 meters	5,245,204 meters	5,355,000 meters
Cement	247,239	324,708	344,628
Bottles	3,234	8,952	8,424
Glass	966	1,464	2,004
Paper Products (Printed Paper, cardboard, etc.)	7,383	15,408	18,612
Steel Ingots	No production be- fore World War II	80,000	94,000
Hides and Leather *	(Average 1939-1942) 1,824	1,402	1,802
Box-calf and Patent Leather *	(Average 1939-1942) 2,056,696 Dm ²	5,154,204 Dm ²	3,037,709 Dm ²
Kid Leather *	(Average 1939-1942) 18,753 pcs.	44,000 pcs.	40,452 pcs.
Shoes, military *	(Average 1939-1942) 755,342 prs.	531,164 prs.	627,189 prs.
Shoes, civilian *	(Average 1939-1942) 96,054 prs.	141,194 prs.	116,862 prs.
Caustic Soda (Lye)	(1945) 592	614	1,120
Hydrochloric Acid	(1945) 126	155	137
Sulphuric Acid	(1945) 6,720	6,173	7,512
Superphosphates	(1945) 5,362	3,804	4,739
Ammonium Sulphate	(1945) 2,232	2,530	N. A.

* Sümer Bank production only.

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responsible government officials have stated that certain state-owned industrial enterprises may be transferred to private ownership if sufficient private capital is offered. In any event, it is assuredly the government's purpose to expand Turkey's commerce and industry as rapidly as possible.

5. MINING AND MINERALS.

Exploitation of Turkey's rich mineral resources has been restricted under the republican regime by a number of factors (particularly transportation deficiencies and shortage of capital) combined with a profound mistrust of foreign participation and influence in the national economy. Nevertheless, considerable progress has been made, much of it through a state-owned institution, the Eti Bank. The government itself in this way has fostered production of the coal mines of the Zonguldak basin, chromite at Güleman, copper at Erganimaden, iron ore at Divriği, and other minerals elsewhere.

Coal and lignite production increased somewhat during 1947, the total for washed coal being 2,623,315 metric tons and for lignite an estimated 800,000 metric tons. The government is making great efforts to modernize coal and lignite extraction methods, and it is expected that part of an ECA credit extended to Turkey will be applied to this purpose with the object of promoting coal exports for the European recovery program. Financial aid for further expansion of mining will undoubtedly be sought from ECA or the International Bank for Reconstruction and Development. In addition to the planned installation of modern machinery and equipment and to the improvement of port and transportation facilities, the government is making some effort to better working conditions for the miners. A good start was made at the coal mines in 1947 when compulsory paid labor service, a wartime measure, was abolished, and the wages earned by underground workers were made exempt from income tax.

Increased output of manufactured iron and steel at the Karabük works has resulted in greater iron ore production at Divriği: 147,620 metric tons in 1947, compared with 112,210 metric tons in 1946. Production is regulated to meet Karabük demands. The high cost of extracting and transporting the ore should eventually be decreased by improved methods of extraction and by shortening transportation routes, both of which projects are included in the government's plans.

Production of metallic copper is increasing very gradually, and the rate will be accelerated after installation at Erganimaden of a flotation plant and a new smelter bought with the help of Export-Import Bank credits. Total production in 1947 (9,405 metric tons of blister copper and 675 metric tons of refined copper) slightly exceeded that of 1946. The ore at Erganimaden is rich and the potential output is large. With further foreign financial aid, the government hopes that new installations may increase production by 1950 to 20,000 metric tons.

Turkey is noted for its production and export of metallurgical grade chromite. The best-grade ore is produced at the government-operated mines at Güleman, where production should soon increase following installation of an ore concentrator, purchased in the US with the help of Export-Import Bank credits. Although all chromite is not produced by the state, the government owns the Güleman site, which is the most

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valuable, and controls all sales. Production during the war was high, with British and Americans successfully outbidding Germans for the purchase of this strategically valuable ore. Since the end of hostilities in Europe production has decreased, as the following statistics show:

1938	214,000 metric tons	1944	182,000 metric tons
1939	192,000 metric tons	1945	147,000 metric tons
		1946	103,000 metric tons

Total production in 1947 is not known, but since the Güleman producer was inoperative in the last six months of the year, it was undoubtedly less than in 1946. Currently, exports are going to the US under contracts negotiated by the responsible Turkish government agency, the Eti Bank.

Turkey's requirements of petroleum products must all be imported, and the rate of consumption is sharply increasing. Acceleration in the expansion of Turkey's commerce and industry, as well as the delivery of military and road construction matériel, is contributing to a considerably increased demand for petroleum products. To these problems arising from Turkey's lack of this essential mineral must be added the further difficulty of obtaining supplies from sources other than the refinery at Haifa, from which the greater part of Turkey's supplies were shipped, now that shipments from Palestine have stopped. Announcement in March 1948 that one of the projects of the government's Mineral Research and Exploration Institute (M.T.A.E.) had resulted in the discovery of petroleum at Well No. 9 at Raman Dağ in southeastern Turkey caused immense enthusiasm. The well, which was drilled under the supervision of US experts, had an initial production rate of some 300 barrels daily. Plans were promptly set under way for further drilling in this area and for the construction of storage facilities and, should further discoveries warrant, of installations to refine the crude oil. Obviously, however, even if the most optimistic forecasts are justified, it will be some years before Turkey can supply its own petroleum needs. Meanwhile, exploration is also to be conducted in the region of Adana, which is regarded as promising, and probably near the Syrian border as well.

Lead and zinc (with silver as a by-product) and some gold are mined in Turkey, but no production of these minerals has been reported since 1939. Production of all four minerals is expected to be resumed in the near future.

Production of salt normally leaves an exportable surplus of upward of 100,000 metric tons, and Turkey is self-sufficient in sulphur, except for special refined grades. Turkish manganese, antimony, emery, boracite, mercury, and meerschaut are also exported. Production of minerals other than those listed, which in many instances ceased in 1939, is only gradually being resumed and has never been of any national significance.

Expanded exploitation of Turkey's mineral resources in the future must depend largely upon the amount of foreign exchange available to the government for the purchase of capital equipment. Technical aid from abroad and large-scale training in modern techniques of exploration and exploitation are additional requirements, if

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Turkey's rich mineral resources are to contribute to the national wealth and income to a much greater extent than in the past. The encouragement of private, competitive enterprise, if seriously adopted as a policy by the government (see Chapter II, Section 1), may result in more soundly conceived and better conducted operations.

It is highly probable that, in the absence of war, Turkey's mineral production will slowly increase well beyond present levels. The rate of expansion would be greatly accelerated, of course, should the present threat of war be removed.

6. BANKING AND STATE FINANCE.

The control and administration of financial and banking transactions in Turkey—whether for individuals, corporations, municipalities, or other organizations—is exercised largely by state-owned and operated institutions. This was not the case before foundation of the republic in 1923, when banking and finance under the Imperial Ottoman regime had been principally conducted by foreign institutions, representing mainly French, British, German, and Italian interests. The most important of these institutions was the Ottoman Bank (established largely by French and British interests, with head offices in Paris and London) which, though foreign-owned, fulfilled the role of state bank. Its status as such continued through the early years of the republic until 1930, when the Central Bank was created with government funds to assume the state's central banking functions. Later, the Central Bank was entrusted with the control of all foreign exchange transactions. Gradually, additional investment and commercial banking organizations were created by the government—such as the İş (Work) Bank, the Ziraat (Agriculture) Bank, the İller (Provinces) Bank, and the Sümer and Eti industrial banks—and control and administration of banking passed out of the hands of the foreign institutions into those of the state organizations. Such privately owned banks as do exist with Turkish capital are of relatively minor importance and are negligible insofar as political influence is concerned. This is also true of the branches of foreign banks in Turkey.

The recent war left its scars upon the Turkish economy, although some advantage was derived from Turkey's long period of neutrality; not only was there freedom from the devastation of direct hostilities, but some individual traders gained fat profits from sales to Germany, and from US and British buying to prevent such sales. Furthermore, the government itself succeeded in increasing its gold holdings at home and abroad from \$38 million to more than five times that amount. However, the wartime shortage of normally imported goods sent the price of such articles (e.g., automobiles, tires, and spare parts, manufactured iron and steel products, and machinery), sharply upward. The cost of living steadily climbed to four times prewar levels and more, a situation which still causes considerable hardship (in urban centers particularly) because of the absence of a corresponding and adequate rise in wage rates.

Despite the fact that Turkey did not participate in World War II hostilities, the Turks are faced with serious financial problems in their efforts to build up defenses and to reconstruct and develop the national economy. Not the least of these problems has been the cost of maintaining large forces under arms—first to meet a possible German attack, and now because of the unrelenting Soviet pressure and threat of attack. For

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the second successive year, Turkey's national budget (for the calendar year 1948) is well in excess of one billion liras.* The increase is due largely to heavy appropriations for national defense and in part to appropriations for rehabilitation and construction projects. In 1947 the ordinary and extraordinary budgeted appropriations for national defense, together with those for the gendarmerie, security services, and customs guards, totalled over 46 percent of the total budget.** It is probable that the percentage for 1948, after all budgetary transfers and extraordinary appropriations have been made, will not be less. Not all the budgeted expenditures will be met out of revenue. As in recent years, the government will be compelled to borrow internally about 10 percent of the national budgeted expenditures.

Revaluation of the government's gold and foreign exchange holdings, following devaluation of the Turkish lira in September 1946, showed a profit of 260,820,000 liras. This was applied principally to reduction of the internal floating debt. The comparative figures for the Public Debt at the end of 1946 and at the end of 1947 were as follows:

INTERNAL DEBT	31 DECEMBER 1946	31 DECEMBER 1947	INCREASE	DECREASE
		(in million liras)		
Floating	755.1	217.9		537.2
Funded	389.4	704.2	314.8	
	<u>1,144.5</u>	<u>922.1</u>		<u>222.4</u>
FOREIGN DEBT		(in million liras)		
Funded	741.1	755.5	14.4	
	<u>1,885.6</u>	<u>1,677.6</u>		<u>208.0</u>

The total public debt at the end of 1947 (1,885,600,000 liras) was therefore less than one-third larger than the government's total budget for the preceding year, and it showed a reduction of 11 percent during the year. The net increase in foreign indebtedness (14,400,000 liras) was chiefly due to the government's further use during 1947 of credits previously extended in the United States, such as the Export-Import Bank's credit of \$25,000,000.

In March 1947, Turkey became a member of the International Bank for Reconstruction and Development and a participant in the International Monetary Fund. Preliminary negotiations have already commenced for assistance by the International Bank in financing some of Turkey's economic projects. The situation regarding the extension of credits under the European recovery program is discussed separately in this study (Chapter II, Section 8).

* The rate of exchange is 2.80 liras to the dollar.

** Ministry of National Defense—Ordinary	Liras
Ministry of National Defense—Extraordinary	415,606,000
Directorate General of Security	115,000,000
Gendarmerie	31,729,000
Customs Guards	36,296,000
Total	13,310,000
	611,941,000
	(\$218,550,000), or
	46.6 percent of the total budget of 1,313,596,000 liras (\$469,141,000)

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SECRET**7. FOREIGN TRADE AND EXCHANGE.***a. General.*

Despite its usual self-sufficiency in essential foods, Turkey's export and import trade is of great importance to the national economy; the acquisition of foreign exchange, and of dollars especially, is of the utmost significance if plans for economic expansion are to be implemented. The volume of Turkey's foreign trade, however, is far less than that of western industrialized nations: Turkey's population, for example, is about four times that of Switzerland, and yet the total value of its exports and imports in 1946 was less than one-fourth as great. Turkey is thus in a relatively weak position among the nations which, it is hoped, will contribute to the recovery of Western Europe (see Chapter II, Section 8). Turkey's contribution to that recovery program will be directly affected by its ability, with whatever foreign financial aid that may be available, to import such manufactured products as ships, locomotives, and rolling stock, automobiles, machinery, petroleum products, and many other articles which cannot be produced in Turkey in sufficient quantity or at all. To finance such imports, Turkey must find foreign markets for its exportable surpluses (agricultural and pastoral products, such as tobacco, dried fruits, cereals, and livestock). The maintenance and growth of Turkey's agricultural and mineral productive capacity, the development of industrialization, the realization of programs for economic expansion, and the modernization and improvement of the armed forces all depend upon the extent to which Turkey can continue (with or without foreign financial aid) to obtain from abroad the needed manufactured products and technical assistance.

b. Volume and Orientation.

The following tables indicate the principal commodities exported and imported in Turkey's prewar and postwar foreign trade:

FOREIGN TRADE—COMMODITIES

	<i>Exports</i>	
	1938 (Approx. \$112,000,000)	1946 (Approx. \$216,000,000)
	<i>Percent</i>	<i>Percent</i>
Tobacco	27	22
Dried and fresh fruits	14	14
Cereals	11	13
Nuts	11	12
Livestock	2	8
Hides and skins	2	3
All other	33	28
	—	—
Total	100	100

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	<i>Imports</i>	
	1938 (Approx. \$115,000,000)	1946 (Approx. \$120,000,000)
	<i>Percent</i>	<i>Percent</i>
Iron and steel	19	12
Machinery, instruments, and agricultural implements	16	19
Cotton yarn and cloth	15	9
Wool yarn and cloth	5	6
Petroleum products	5	7
All other	40	47
Total	100	100

While the types of product exported and imported by Turkey have not been changed by the recent war, important changes in the direction of Turkey's foreign trade have taken place, as the following tables illustrate:

FOREIGN TRADE—COUNTRIES

<i>Exports</i>			
1938 (Approx. \$112,000,000)		1946 (Approx. \$216,000,000)	
	<i>Percent</i>		<i>Percent</i>
Germany	43	United States	19
United States	12	United Kingdom	18
Italy	10	Palestine	9
USSR	4	Greece	9
Czechoslovakia	3	Egypt	7
United Kingdom	3	Sweden	7
All other	25	All other	31
Total	100	Total	100

<i>Imports</i>			
1938 (Approx. \$115,000,000)		1946 (Approx. \$120,000,000)	
	<i>Percent</i>		<i>Percent</i>
Germany	47	United States	31
United Kingdom	11	United Kingdom	19
United States	10	Switzerland	8
Italy	5	Sweden	6
USSR	4	Italy	6
Czechoslovakia	4	India	4
All other	19	All other	26
Total	100	Total	100

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The most important individual changes resulting from the war are the elimination of Germany (with which about half of Turkey's prewar foreign trade was conducted) both as a customer and source of supply, and the greatly increased importance of the US as Turkey's principal supplier of durable goods. More recently, Turkey's trade with Czechoslovakia has expanded. Turkish tobacco, skins, sesame, and cottonseed cakes are exported in return for rolling stock and other products manufactured in Czechoslovakia. A difficult problem now confronting the Turks is the sale of excess stocks of tobacco (by far the most valuable export product), largely because of the loss of the very important prewar German market. The Turkish Government is making every effort to recapture some or all of this lost export trade.

c. Foreign Exchange.

The disruption and consequent reorientation of Turkey's foreign trade have led to serious foreign exchange problems. Wartime scarcities caused a substantial backlog demand for many products, particularly for durable goods which at the end of hostilities became gradually available, principally in the US. Thus Turkey's dollar requirements were very considerably increased. Faced with the prospect of a tremendous expansion in the volume of imports of consumer and producer goods to replace worn or depleted articles and to initiate programs for rehabilitation and development, the government in 1946 realized that foreign exchange far in excess of current holdings would be required. In an effort to adjust export prices to the internal price structure, the government in September of that year lowered the exchange value of Turkish currency, in terms of dollars, from 1.3 to 2.8 liras. It was hoped thus to facilitate export sales, to increase export receipts, and thereby to acquire sorely needed foreign exchange. One unfortunate effect of devaluation was, of course, the greater cost of Turkey's imports and the consequent rise in the already high cost of living. Moreover, the exchange provided was not nearly enough to meet Turkey's postwar requirements, which have subsequently been met in part by credits from US Government (e.g., the Export-Import Bank credit of \$25 million) and other sources, and by conversion of some of Turkey's gold holdings. The problem of acquiring dollar exchange became more difficult in 1947, when the UK suspended sterling convertibility. The Turkish Government at the time had substantial sterling holdings (about 16 million) and hence imposed restrictions upon exports against payment in sterling in order to reduce these holdings. The value of foreign trade for the calendar year 1947 continued to expand, as the figures in the table below show, but the foreign exchange situation has since been made more difficult by a decline in the volume of Turkey's export trade, which during the first four months of 1948 was less than half that for the corresponding period in the preceding year.

Turkey's customary annual export balance increased during the war because of the lowered volume of imports resulting from the wartime unavailability of many products, and also because the belligerents were outbidding each other for certain Turkish products (notably chromite). The export balance was further increased at the end of hostilities, although the figures showing far greater value of 1946 exports over those of 1945 (see table below) are to some extent misleading, in that they reflect

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MERCHANTISE FOREIGN TRADE

(In millions of liras)

	<i>Imports</i>	<i>Exports</i>	<i>Balance</i>
1930 — 1937 average	102	115	13
1938	150	145	—5
1939 — 1945 average	129	176	47
1946	224	432	208
1947	685	625	—60

devaluation of the lira in and after September 1946. In terms of dollars, the net export balance was double that of the 1939-1945 average, rather than about four and a half times the figure as the table shows in liras.

The sums represented by the export balance, however, were to a considerable extent unavailable in convertible currencies needed to finance imports regardless of their origin. The direction of Turkey's foreign trade is such that holdings of nonconvertible currencies have tended to accumulate. The Central Bank's access to hard currencies (particularly dollars) has therefore been the subject of examination, particularly in connection with Turkey's position in relation to European recovery (see Chapter II, Section 8).

FOREIGN EXCHANGE HOLDINGS OF THE CENTRAL BANK

(In million Turkish liras)

	31 Dec. 1946	27 Dec. 1947	Increase or Decrease
Hard currencies	30,370	—12,107	—42,477
Nonconvertible currencies	39,137	168,767	129,630

Actually, the hard currency position during the period covered in the table above deteriorated more than is indicated; the decrease shown is *net*, and does not reflect the fact that gold holdings to the extent of TL 154,756,000 or \$54,913,000 (see Chapter II, Section 6, Banking and State Finance) were converted into dollars to finance imports and other payments. During recent months, however, this situation has not further deteriorated. The Central Bank's gold holdings on 27 December 1947 were TL 476 millions, and on 1 May 1948 they were TL 470 millions. The sterling situation is improving, coincidentally with the lowered volume of exports to the sterling area, as a result of the restrictions imposed on sales against payment in sterling.

d. Trade and Payments Agreements.

Because of dollar shortages and the inconvertibility of sterling, the Turkish Government has for some time been reviewing its trade agreements policy. Since the end of hostilities, various clearing agreements have been negotiated (such as those with Belgium, Italy, and Sweden). Despite Turkey's regulation of imports and exports and its customs tariffs and rigid foreign exchange control, these agreements envisaged liberal trading, with payments in free exchange. Current difficulties arise, however, from the fact that many of its customers are as short of hard currencies as Turkey. The UK's suspension of sterling convertibility strongly emphasized this situation;

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similarly, less than a year after the trade and payments agreement with Italy became effective, Turkey's import deficit with that country amounted to TL 59 millions, with no prospect of settlement in hard currency.

The government now proposes negotiation of a new type of commodity-exchange agreement which would establish clearing accounts in the central banks of Turkey and other countries concerned; all payments for imports and exports to and from the respective countries would be made through these accounts. A ceiling would be established, however, limiting the debit balance either country might accumulate, and sums in excess of that amount would be "reimbursed upon demand of the credit institution" (i.e., the central bank of the creditor country) "in the free exchange chosen by it." An agreement of this type with Sweden was signed in Ankara in June 1948, providing for trade in listed commodities. The object of these proposed compensation-clearing agreements, with their accompanying commodity lists, is to promote the export of Turkish products for which markets cannot be found in hard currency countries. At the same time the sale of products acceptable to hard currency countries will be strongly encouraged. The supreme objective is the expansion of Turkey's exports in directions which will best enable the country to pay for its imports.

e. Trends and Prospects.

Government restriction of exports against payment in sterling will probably continue until sterling holdings are further reduced, whereupon these restrictions will be relaxed in order to establish an export-import equilibrium with sterling areas. Sale to the US during coming months, notably of tobacco and chromite, should lead to some improvement in Turkey's dollar position.

Accurate estimates of prospects for the 1948 crops are not yet possible. If present favorable weather conditions continue, bread-grain surpluses should be available for export, despite the fact that Turkey may be required to repay in kind the emergency grains currently being imported.

As has already been indicated, greatly increased foreign trade will depend upon the availability of foreign exchange for the purchase of capital goods needed to carry out plans for rehabilitation and development. Realization of these plans will be a slow process, no matter how favorably Turkey's requests for additional foreign financial aid may be received. Implementation of the development programs already started, and of others not yet initiated, will undoubtedly have a beneficial long-term effect upon Turkey's foreign trade.

8. US AID AND THE EUROPEAN RECOVERY PROGRAM.

a. Economic Advantages to Turkey of US Aid.

Under the Acts of Congress providing aid to Greece and Turkey, aid amounting to \$100 million and \$75 million (tentatively) was earmarked for Turkey in 1947 and 1948 respectively. After submission of the report prepared in the summer of 1947 by a US Survey Group (consisting of representatives of the Army, Navy, Air Force, and the Department of State, and headed by Ambassador Edwin C. Wilson), it was decided

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to apply the financial aid as a grant aimed at meeting Turkey's military requirements. The Turkish Government expressly indicated its wholehearted agreement with this decision, which was later applied also to the \$75 million tentatively apportioned to Turkey in 1948. A major purpose in applying the aid toward military needs was to bolster Turkish self-confidence and also to alleviate the heavy financial burden of maintaining large forces under arms in face of menacing Soviet demands. Moreover, it was expected that some of the funds thus released would be channeled into productive enterprise for the economic betterment of the country.

From the funds already provided Turkey, apart from allocations for equipment and training of the armed forces and for improving arsenals, \$5,000,000 is being spent for road construction and maintenance. Much of the equipment has already been delivered; the training program is well advanced, and the Turkish Government is enthusiastically cooperating in furthering this program, which it plans to continue with US technical advice after the aid grants are exhausted. Although the roads are laid down primarily because of their military value, they will be of considerable economic advantage in moving farm, mine, and other products to their markets. As construction proceeds, and as engineers and laborers learn the techniques of operating the equipment and building and maintaining the main highways and feeder roads, the economic benefits will become progressively greater.

b. The Status of Turkey in European Recovery Programs.

Turkey is one of the nations participating in the program for European recovery and has welcomed the opportunities thereby offered.* First, the Turks hope for direct advantages through technical and to some extent financial assistance in the development of projects calculated to increase production and thus enable Turkey to export surpluses to other participants; second, Turkey is vitally interested not only in preserving the political independence of the European states but also in their economic recovery. A very substantial part of Turkey's prewar foreign trade was with European nations participating in the recovery plans, as the figures below indicate.

The loss of trade with Germany has brought about a reorientation of Turkey's foreign trade. Difficulties currently being encountered in foreign exchange constitute

	TURKISH PREWAR FOREIGN TRADE	
	1938 Imports Percent	1938 Exports Percent
With participant European countries:	70.3 **	68.5 **
With USA	10.5	12.3
	-----	-----
	80.8	80.8
With other countries	19.2	19.2
	-----	-----
	100.0	100.0

* An ECA loan of \$30 million to Turkey has recently been announced.

** Includes all trade with Germany.

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a further factor directing trade into new channels. The volume of trade with the US has enormously increased, while sterling convertibility problems recently have severely restricted exports to the UK; to some extent, Czechoslovakia (a non-participant) has replaced Germany both as buyer and as a source of supply. Nevertheless, Turkey continues to depend very largely upon the participating countries for the maintenance and expansion of its foreign trade, and the further retarding of their recovery would have severe repercussions upon the Turkish economy.

In the early stages of the recovery program differences of opinion arose between Turkish Government representatives and US officials responsible for the preparation of tentative data. The Turks felt that the amount of the credits proposed would not ensure an effective Turkish contribution to the recovery of Europe. Turkey's need for imported machinery and capital equipment of many kinds, which could enable it to attain high production goals, was generally recognized. The point at issue in these early discussions was Turkey's ability to finance shipments of matériel rather than its requirements. Should all the difficulties be overcome, however, Turkey might well be able to contribute usefully to fulfillment of ECA purposes through an expanded volume of exportable surpluses. It is impossible to provide estimates as to the quantities that may be available, not only because of currently unresolved financial problems but also because Turkey's shipments to other participants would be chiefly in agricultural products, which depend upon crop, weather, and other unforeseeable conditions. The products regarded as more likely to become available would include bread and coarse grains, livestock, fats and oils, oilcake, nuts, dried fruit, and tobacco. It is hoped also that modernization of mining in the Zonguldak basin will be such as to enable Turkey to produce a substantial exportable surplus of much-needed coal.

9. PROSPECTS FOR ECONOMIC STABILITY.

In view of the constant Soviet threat to Turkey's political independence and territorial integrity, the development of the Turkish national economy will continue to be retarded. The chief deterrents are the high cost of maintaining large forces under arms (over 46 percent of the 1947 national budget expenditures were for national security), and the subjection of the entire economy and of every desirable economic project to supreme priorities imposed by military requirements.

Hardly less necessary to the attainment of a soundly balanced economic structure are the following developments: there must be much more education and technical training; agricultural methods must be modernized; storage and transportation facilities must be improved; and the existing gap between the primitive farmer (with his need for more farm machinery, fertilizers, and improved land-irrigation) and the modern state-owned mills and factories must be filled.

It is evident that the government recognizes the country's economic weaknesses. Government spokesmen have emphasized the need for universal education and technical training, and the government is seeking the assistance of foreign technical advisers in the development of agriculture, port and highway construction, exploration for mineral resources and their exploitation, flood control, expansion of the civil air

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services, and in many other fields. A number of experts from the US are already providing such technical aid at the expense of the Turkish Government. The road construction program, initiated with equipment and assistance in training provided under the US aid program, is designed not only to meet Turkey's military needs but also to provide lasting economic benefit. Financial aid provided by US Government (e.g., US military grants in aid, the Export-Import Bank, the European Cooperation Administration, the Office of Foreign Liquidation) and private sources, and probably by the International Bank for Reconstruction and Development, will make it possible to continue the program already launched of acquiring the capital equipment and technical aid needed for the rehabilitation and development of the Turkish economy.

Statements that the government really intends to foster both private enterprise and foreign investment in Turkey should be accepted with reserve until the National Assembly has enacted measures to implement the government's declared purpose. Within limitations, private enterprise is likely, nevertheless, to be permitted somewhat cautious expansion.

Despite the many difficulties obstructing expansion and despite the country's dependence upon foreign assistance, Turkey's economic growth may be expected to continue. Because the stability of the regime is not threatened by any serious political dissensions, there is no internal threat to Turkey's economic stability. It will become more secure in the absence of war, either in Turkey or the vicinity. The rapidity of economic expansion and development would be greatly accelerated should Turkey be freed from the threat of foreign aggression.

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CHAPTER III

FOREIGN AFFAIRS

1. FOREIGN POLICY.

When World War II began, Turkey had succeeded in establishing friendly relations with the USSR, the Western Powers, neighboring Balkan countries, and other states in the Near and Middle East.* The pact of friendship between the USSR and Germany in August 1939, however, had upset the balanced relations which the Turks wished to maintain. As a counter-move, Turkey signed with Great Britain and France a mutual assistance pact in October 1939, but this pact provided that Turkey would not be required to take any action inimical to the USSR. At once the Soviets began to demand special safeguards and privileges in the Straits, and thus Turkey entered an era of close friendship with Great Britain and of deteriorating relations with the Soviet Union.

Although continually stressing its alliance with Great Britain, Turkey took steps during the war to preserve its neutrality. In the single year of 1941, the Turks concluded a non-aggression pact with Bulgaria in February, an agreement with the USSR (in which each promised not to join an enemy who might attack the other) in March, a ten-year non-aggression pact with Germany in June, and a commercial treaty with Germany in October. As the war progressed, Turkey moved closer to the side of the Allies, and on 23 February 1945 the Turks declared war on Germany and Japan and later joined the United Nations.

Since the war, Turkey has depended upon close relations with the US and UK to offset pressure by the USSR and the threat of Soviet aggression, meanwhile hoping for the development of the UN as the ultimate protector of Turkish independence. Turkey's foreign policy is, therefore, based upon the following four factors:

- a. Continued support by the US.
- b. Membership in the UN and adherence to its declared principles.
- c. The alliance with the UK.
- d. Friendship with all nations, including the USSR.

To counter Soviet penetration and to gain support in the Middle East, Turkey began about two years ago to strengthen relations with various Arab states. Pacts of friendship which have been concluded with Iraq and Transjordan are non-military, however, and they in no way involve Turkey in Arab League affairs. The Turks have

* Friendly relations with the USSR were made a cornerstone of Turkey's foreign policy by the founders of the present regime in a treaty signed in 1921, even before the establishment of the Turkish Republic. The Western Powers recognized the new republic at the Conference of Lausanne in 1923. In 1932, Turkey joined the League of Nations and also initiated a rapprochement with Great Britain and France. In 1934, Turkey was instrumental in establishing the Balkan Entente with Greece, Yugoslavia, and Rumania. In 1937, Turkey signed an Asiatic pact of non-aggression with certain of the Middle Eastern States.

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also made efforts to improve their relations with Syria and Lebanon. In 1946, after years of delay, Turkey recognized the independence of both states, and an exchange of diplomatic representatives has since taken place. The Syrians' refusal, however, to acknowledge Turkey's sovereignty over Hatay, a Turkish province bordering Syria on the Gulf of Iskenderun, is still an outstanding issue between the two countries.* The Turks would like to settle their differences with Syria and are willing to make such concessions as the use of port facilities in the harbor of Iskenderun, but they refuse even to discuss the question of sovereignty over the area. Although at present the issue remains in abeyance, nationalistic elements in Syria have threatened to press their claims before the United Nations Security Council or International Court of Justice. The Turks regard their relations with Arab states as so important that, despite their sincere wish to avoid even the appearance of opposing the US, Turkey was among the few nations which supported the Arab viewpoint and voted against partition when the UN was considering the Palestine problem. Although Turkey is likely to fulfil its obligations as a member of the UN, the Turks regard the US policy of supporting the creation of an independent Zionist state in Palestine as a serious mistake likely to lead to Soviet penetration of the Middle East with potentially calamitous consequences.

Relations with Balkan states (except Greece) are subordinated to Turkish relations with the USSR while those states are under Soviet domination. Irritating difficulties have complicated relationships with Bulgaria during 1948. These include certain minor border incidents, the shooting down of Turkish aircraft which had mistakenly crossed the border, and accusations of espionage levelled at the Turkish Military Attaché in Sofia, followed by the removal of the Military Attachés of both countries. The Turks have maintained cordial relations with Greece for many years, and they view with great sympathy Greece's efforts to avoid becoming a Soviet satellite. They also realize that the fall of Greece to Communism would greatly endanger the stability of their own country. During the trouble in Iranian Azerbaijan in 1946, the Turks remained diplomatically aloof though their sympathies were unquestionably with the Iranian Government in its efforts to regain full sovereignty over Iranian territory. While in the past France has been an influential force in Turkey, particularly in cultural matters, present relations between the two countries are somewhat indeterminate. The 1939 British-French-Turkish Tripartite Agreement is still valid, however, and Turkey is represented in Paris by one of its most able diplomats, the wartime Minister for Foreign Affairs, Numan Menemencioglu.

Turkey has concluded trade and civil air agreements with a number of countries, and other such agreements are being negotiated. The Turks especially desire to promote trade with western industrial nations in order to fill the vacuum left by the collapse of Germany. During 1946 and 1947 the volume of trade with the US increased considerably, as did that with the UK. Trade with the UK and other countries in the sterling area, however, has been severely restricted by the UK's decision to suspend the

* Hatay, once a part of the Ottoman Empire, was turned over to France in 1921 by the Turkish nationalists. It was returned to Turkey in 1939 by France, which was then the mandatory power for Syria and Lebanon. See ORE 15, "The Hatay Question."

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convertibility of sterling, and the difficulty of obtaining hard currencies generally is retarding Turkey's foreign trade.

With the realization that their British allies must adopt a policy of retrenchment in the Near and Middle East, the Turks are depending more and more upon the US for help. They have been greatly heartened by the financial aid provided by the US and especially by the broad implications of a policy which, in the words used by President Truman in his speech to Congress on 12 March 1947, would "help free people to maintain their free institutions and their national integrity against aggressive movements that seek to impose on them totalitarian regimes." The Turks regard this message, and the Act of Congress calling for aid to Greece and Turkey which followed, as a categorical indication to the world that those two countries, at least, are not alone in seeking to thwart Soviet ambitions.

2. SOVIET-TURKISH RELATIONS.

While the Turkish Republic and the Soviet Union are successors to regimes which frequently warred against each other, it was the USSR which provided support to the struggling Turkish nationalists in their efforts to drive the invading Greeks from their soil and to found their republic. In April 1920 the nationalists concluded a pact with the Soviets by which they were to receive military supplies. In December of the same year, agreement was reached between the nationalists and Soviet Armenia as to their common boundary, an agreement which was confirmed in March 1921 by a treaty with the USSR signed at Moscow. In October 1921 the Turkish nationalists formally recognized the Armenian Soviet Socialist Republic. At the Conference of Lausanne in 1923, the status of the Straits was agreed upon among the powers concerned. The USSR, however, never ratified the treaty.

On 17 December 1925 Turkey and the Soviet Union signed a pact of friendship, which was extended and amplified exactly four years later. On 8 March 1931 each country agreed not to add to its Black Sea fleet without giving six months' notice to the other. When, in 1936, the Turks asked for revision of the status of the Straits because of the approaching world crisis, Turkey was granted permission at the Conference at Montreux to refortify the Straits. (See Chapter III, Section 5.)

The Soviets signed and ratified this treaty; yet to some extent it constituted a major turning-point in Soviet-Turkish relations, for the Soviets now realized that Turkey was depending on support from the Western European Powers—the UK and France. The Soviet-German pact of August 1939 engendered the worst fears in the Turkish mind, traditionally filled with misgivings as to the purposes of the northern colossus and not yet having learned for certain what secret agreements might have been concluded between Stalin and Hitler. With the object of drawing up some document which would incorporate mutual reassurance, the Turkish Minister for Foreign Affairs, Şükrü Saracoğlu (later premier), went to Moscow in September 1939 after Germany had attacked Poland. Unable to reach any agreement, he returned to Ankara with the report that the Soviets were demanding special safeguards and privileges in the Straits. On 19 October a tripartite Anglo-Turkish-French treaty of friend-

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ship and non-aggression was signed in the Turkish capital. To avoid even the appearance of any intention of opposing the USSR, however, the Turks inserted a clause that Turkey could not be obliged to take any action inimical to the USSR. A few days later, Vyacheslav Molotov in a speech at Moscow made perfectly clear Soviet disapproval of the treaty.

The signing by Turkey in June 1941 of a treaty of friendship with Germany (already dominant in the Balkans) served further to aggravate the Soviets, although the Turks continued to seek Soviet friendship, and both the USSR and Turkey had issued communiques stating that if either country were attacked by a third party, the other would remain neutral. Following Germany's attack upon the USSR, both the USSR and the UK reaffirmed their adherence to the Montreux Convention, stating that they would not infringe upon Turkey's territorial integrity and would assist Turkey if it were attacked.

As the war began to turn in favor of the USSR, the Moscow press and radio grew more and more hostile to the Turks and began taunting Turkey for its neutrality and criticizing the Turkish Government for having allowed Axis vessels passage through the Straits in alleged violation of the Montreux agreement. These attacks did not cease with Turkey's declaration of war upon Germany and Japan. Indeed, they increased in intensity. On 19 March 1945, less than one month after Turkey's entry into the war, the USSR denounced the 1925 Soviet-Turkish pact of friendship, stating that it no longer conformed to current conditions and would therefore be allowed to lapse after its expiration on 7 November 1945.

The Turkish Government officially accepted the Soviet statements at their face value and indicated its willingness to negotiate a new pact. In conversation with the Turkish Ambassador in Moscow, however, Foreign Commissar Molotov showed how remote the possibility of agreement was, for he is reported to have demanded that any substitute agreement must provide special privileges for the USSR in the Straits and also territorial concessions in northeastern Turkey (in the Kars-Ardahan region).^{*} Moreover, later in the same year, the semi-official Moscow press commented favorably upon a claim made by two Georgian professors and published in a Tbilisi (Tiflis) periodical to an area of northeastern Turkey which, it was said, should be annexed by historical right to the Georgian SSR.

Official relations since that time have been largely confined to the exchange of notes regarding the question of the Straits (see Chapter III, Section 5). The US and UK have supported the position taken by Turkey. Meanwhile the Moscow press and radio constantly vilify the "fascist" regime in Turkey, and Turkish language broadcasts from Radio Moscow have even gone so far as to call upon the people of Turkey to rise in revolt and overthrow their government. Turkey can do little to combat this war of nerves, but the Turks have made it clear that they will oppose with force any attempt to violate their sovereignty and territorial integrity.

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Diplomatic representation between the two countries became somewhat out of balance after July 1946, when the Soviet Ambassador left Turkey and did not return. The Turkish Government was preparing in February 1948 to adjust this situation by ordering its own Ambassador to return home, although there was no suggestion of a break in official relations. After publication in the press of news that the Turkish Ambassador had been ordered home, the USSR announced that a new Soviet Ambassador had been appointed to the Ankara post. Suggestions that the new Ambassador, Alexander Lavrishchev, who presented his credentials in April 1948, might renew the Soviet diplomatic offensive upon Turkey (possibly with a less hostile approach) have not so far proved accurate.

3. THE STRAITS QUESTION.

a. *To the End of World War I.*

The Black Sea was in effect an Ottoman Turkish lake from the Middle Ages until near the end of the 18th century when Tsarist Russia conquered the northern shores of the sea. During this time the Ottoman Empire exercised full control not only over the Black Sea but also over the Straits which connect it with the Aegean Sea.

The modern phase of the "Straits question" began in 1774 when, according to the provisions of the Treaty of Kutchuk Kainardji, Russia won passage rights through the Straits for its merchant vessels. Ever since, the problem has involved almost perpetual diplomatic wrangling, usually with Tsarist Russia or its successor, the USSR, on the one hand, and Great Britain on the other, each trying to win special privileges for its own merchantmen and men-of-war to the exclusion of the other. Occasionally, Russia won an advantage, as in the Treaty of Unkiar Iskelesi in 1833, to which a secret article was attached whereby the Sultan promised in the event of war to refuse passage through the Straits to all foreign warships except those of Russia. A few years later, in the 1841 Treaty of London, Russia lost this advantage when the Sultan agreed to close the Straits to all warships when the Ottoman Empire was at peace. Russian influence suffered still further after the defeat of Russia in the Crimean War. The ensuing Treaty of Paris of 1856 "neutralized" the Black Sea: all merchant vessels were given freedom of passage through the Straits, but both Tsar and Sultan agreed "not to establish upon that (i.e., the Black Sea) coast any military-maritime arsenal."

The Russians denounced this pact, and in another agreement, the 1871 Treaty of London, the "neutralization" clauses of 1856 were abrogated. "Military-maritime arsenals" were thus again permitted on the Black Sea shores, while the Sultan could allow passage "in time of peace to vessels of war of friendly and allied Powers" at his

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discretion. No change in this situation was effected at the 1878 Congress of Berlin—which did, however, deal with the Straits question to some extent; nor was there any change until World War I when, in their urgent desire to keep Tsarist Russia in the war, the Western Allied Powers offered the Straits and Constantinople (Istanbul) to Russia. In 1917, after the Bolshevik revolution, the Soviets renounced all claims under this Tsarist agreement.

b. Between the Two World Wars.

According to the Mudros Armistice of 1918, following the capitulation of the Ottoman Empire, the Straits were thrown open to all Allied ships, and the 1920 Treaty of Sèvres (which the Turks did not ratify and which never became effective) opened the Straits, “both in peace and war, to every vessel of commerce or of war, and to military and commercial aircraft, without distinction of flag.”

The nationalist Turks under Mustafa Kamal Atatürk concluded a series of agreements with their Soviet neighbors (Moscow, 16 March 1921; Kars, 13 October 1921; and with the Ukraine, 2 January 1922) containing stipulations regarding the Straits which are important in view of current events. The Treaty of Moscow, 1921, assured the “opening of the Straits to the commerce of all nations,” but on condition that any subsequent regulatory conference should “not be of such a nature as to diminish the full sovereignty of Turkey or the security of Constantinople,” and the contracting parties agreed to entrust the “final elaboration of an international agreement concerning the Black Sea to a conference composed of delegates of the littoral States.”

The post-World War I treaty of peace with Turkey was signed (on behalf of Turkey, by the new nationalist government) on 24 July 1923 at Lausanne, and the status of the Straits which prevailed until 1936 was there defined. The Straits were demilitarized and placed under supervision of an international “Straits Commission.” The US, “in the event of their acceding” to the convention (which did not occur, although an observer from this country was sent to Lausanne), was invited to have one representative on this Commission. If Turkey were neutral, merchantmen were to be allowed freedom of passage in peacetime or in war. Should Turkey be a belligerent, only neutral merchantmen were to be allowed passage. Again, Turkey being neutral, restrictions were to be imposed upon the passage of warships of any power in peace or war. Warships of a neutral power, Turkey being a belligerent, were to be allowed passage.

After the Abyssinian crisis had demonstrated the manifest weakness of the League of Nations, and with another world war apparently imminent, the Turks asked for a revised agreement. This was concluded at the Montreux Convention of 20 July 1936, which allowed Turkey to refortify the Straits. The present status of the Straits is governed by the Montreux agreement, the more important provisions of which are outlined as follows:

(1) *Merchant Vessels.*

Freedom of passage in peace or war. If Turkey considers itself under threat of war, freedom of passage by day only and via route to be indicated by Turkish authorities.

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Turkey being a belligerent, freedom of passage for countries not at war with Turkey, by day only and via route to be indicated by Turkish authorities.

(2) *Warships.*

In time of peace or war, Turkey being a non-belligerent, restricted passage for both Black Sea and non-littoral powers.

In time of war, Turkey being a belligerent, passage at discretion of Turkish Government.

If Turkey considers itself under threat of war, passage at discretion of Turkish Government, but such decision subject to League of Nations.

(3) *Civil Aircraft.*

Notice of flight to be given in advance to the Turkish Government, which must notify route to be followed over the Straits zone.

c. *World War II and After.*

During the course of Turkey's long period of neutrality in World War II, both the UK and the USSR reaffirmed their recognition of Turkey's territorial integrity, although late in 1939 the Soviets had already indicated to Şükrü Saracoğlu (then Turkish Minister for Foreign Affairs and in Moscow discussing a possible new agreement) that special privileges in the Straits were desired by them. The Turks were already aware of Soviet ambitions in Turkey, having learned the substance of Soviet-German conversations on the subject.* Soviet demands were not enlarged upon to the Turks, except orally to the Turkish Ambassador in Moscow during the war. At the Potsdam Conference it was agreed that each of the interested major powers should discuss the subject individually with Turkey.

The US was first to express its views. Following a statement by President Truman expressing the belief that navigation of certain inland waterways, including the Black Sea Straits, should be controlled by international authorities, the US on 2 November 1945 sent a note to the Turkish Government proposing that:

- (1) The Straits should be open at all times to merchant vessels.
- (2) The Straits should be open at all times to Black Sea powers.
- (3) The Straits should be closed to warships of non-Black Sea powers "except in cases specially provided for."
- (4) There should be certain other revisions of the Montreux Convention, such as substitution of the UN system for that of the League of Nations and the elimination of Japan as a signatory.

Not long after (22 November 1945), the UK sent a somewhat noncommittal note on the subject to the Turks. On 7 August 1946, the USSR in its turn delivered a note to the Turkish Government charging that the regime established at Montreux "does not meet the interests of the Black Sea Powers and does not insure conditions under which the use of the Straits for purposes inimical to the Black Sea Powers would be

* Captured German documents have revealed that in 1939 - 1941 the USSR again and again insisted upon a specially favored status with regard to the Straits. On one occasion, Molotov is reported to have told Hitler that the USSR regarded the Montreux agreement as "worthless."

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prevented." The note then listed a series of alleged wartime incidents "when the Axis Powers directed their warships and auxiliary craft through the Straits into the Black Sea and out of the Black Sea." It was then proposed by the Soviets that:

(1) The Straits should always be open to passage of merchant ships of all countries.

(2) The Straits should always be open to passage of warships of the Black Sea powers.

(3) The Straits should be closed to warships of non-Black Sea powers "except in cases specially provided for."

(4) Turkey and other Black Sea powers should establish the regime of the Straits, as the "sole sea passage" leading to and from the Black Sea.

(5) Turkey and the USSR should "organize joint means of defense of the Straits."

On 22 August 1946 the Turks, who had agreed to the calling of a revisionary conference and had welcomed US participation therein, replied to the Soviet note with a defense of their wartime position in allowing passage to certain Axis vessels, which they claimed were small and unarmed. While expressing willingness to negotiate revision on an international basis of the Montreux Convention, the Turks refused to accept the fourth and fifth points of the Soviet note on the grounds that Point 4 ignored the interests of other powers and Point 5 was "not compatible with the inalienable rights of the sovereignty of Turkey."

On 19 August 1946 the US, in a note to the USSR, repeated its views as expressed in the 2 November 1945 note to Turkey and expressed disagreement with the suggestion that the Straits regime should be established exclusively by the Black Sea powers, adding that Turkey should remain primarily responsible for defense of the Straits and that if the regime became subject to threat or attack, the situation should be dealt with by the UN Security Council.

The UK, meanwhile, had indicated that its policy with regard to the Straits was similar to that of the US, while France agreed to the desirability of calling "an international conference," in which France should participate and to which the US should be invited.

The USSR sent a further note (24 September 1946) to Turkey repeating the views expressed in the earlier note but citing the Soviet-Turkish treaties of 1921 and 1922 as precedents for implementing Soviet desires. The USSR called for further direct negotiations prior to any revisionary conference. The US (9 October 1946) repeated its views, and the UK (8 October 1946) in a note to the USSR indicated its opinion that negotiations as contemplated at Potsdam had now been completed. The next step, in the view of both the US and the UK, was that the suggested international conference should now take place. The USSR on 26 October 1946, in a note to the UK, rejected this viewpoint and stated its view that to call the conference would be premature.

On 18 October 1946 the Turks replied to the second Soviet note, again firmly opposing Points 4 and 5 of that and the earlier note, and reiterating their willingness to attend a conference of the USSR, the US, the UK, France, and all other Montreux

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signatories (except Japan) to negotiate revision of the present status of the Straits. No notes on this subject have been delivered since then. The Turks, who remain adamant against any revision impairing their sovereignty over the Straits, have stated unofficially that they will take no initiative in bringing the question up for discussion. The Soviets, meanwhile, continue determined to participate in the control and defense of the area.

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CHAPTER IV

MILITARY SITUATION

1. CHARACTERISTICS OF THE ARMED FORCES.*

a. Army.

(1) *Organization:* 3 Armies, 13 Army Corps, 35 Infantry Divisions, 3 Cavalry Divisions, 6 Armored Brigades, and 4 Fortress Commands. There are about 38,200 additional security troops (gendarmerie and customs guards).

(2) *Equipment:* Under the program of aid developed by the US Mission, Turkey is receiving modern war matériel and equipment which to some extent will replace the army's present obsolescent weapons and equipment of German, British, and other foreign manufacture. While Turkey must import all heavier and motorized matériel, some small arms ammunition, powder, shells, fuses, mines, etc., are produced locally. Under the US aid program, Turkish arsenals will be enlarged and improved.

(3) *Recruitment:* In addition to the regular army, two classes of conscripts (1927 and 1928) are under arms, the class of 1926 having been released during July and August on extended furlough. Turkish Army units are now at approximately 33 per cent of war strength. Total strength of the army, exclusive of security troops (about 38,200) is estimated at about 309,300.

(4) *Disposition:* Over one half of the divisions are concentrated in Thrace and south of the Straits area. First Army headquarters is in Istanbul and Second Army's at Balikesir. The Third Army (Hq. Erzurum) is responsible for the defenses in eastern Turkey.

The Turkish Army is well disciplined and loyal, and its morale is high. Its officer corps has generally been drawn from the best types of all the Turks. Many of the officers belong to families which have for generations boasted of the military prowess of their ancestors and have themselves tried to follow in that tradition. This applies to a less extent to soldiers of all ranks. Owing partly to his military background and partly to his fatalistic religion, the Turk is a courageous soldier. Lack of familiarity of all ranks with mechanical equipment has resulted in a pronounced weakness in this respect. The US training program, which has already begun, should to an appreciable extent overcome this shortcoming.

(Note: Plans to reorganize the Turkish Armed Forces are now under consideration by the Turkish General Staff, acting upon the advice of the US Military Mission. Their organization as indicated in this section is, therefore, tentative. Similarly, statements in this section regarding the equipment of the Turkish Armed Forces, which is currently being modernized as a major purpose of the US aid program, are equally tentative and subject to substantive revision in the near future.)

* Personnel strength figures given in this section, as well as statements regarding the status of recruitment and number of aircraft, have been revised immediately prior to release of this Situation Report, and are believed to be correct as of 15 November 1948.

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SECRET*b. Navy.*

The Turkish Navy (prior to any deliveries under the US aid program) consisted of 1 old battle cruiser, 2 old light cruisers, 8 destroyers, 2 old torpedo boats, 10 submarines, and a number of auxiliary vessels. Personnel strength is believed to be 1,220 officers and 15,051 enlisted men. The total strength may be increased by about 5,000 to provide personnel for shore guard duties, etc., now being performed by men from the other armed services. No air arm exists, and there are no trained amphibious units. Four US submarines have already been delivered under the US aid program, as well as 8 motor minesweepers, 1 net layer, 1 small repair vessel, and a small gasoline tanker.

The general characteristics of the Turkish soldier, as indicated above, also apply to the sailor. He is well disciplined and loyal but requires training to develop his mechanical aptitude. The usefulness of the small Turkish Navy is lessened by the obsolescence of its larger units. The battle cruiser, now called *Yavuz*, is the German-built *Goeben*, turned over to the Turks at the beginning of World War I. The efficiency of the navy should show a substantial increase following the delivery of units under the US aid program, the conclusion of personnel training courses now being given, and the completion of improvements at the Gölcük Naval Base.

c. Air Force.

The Turkish Air Force at present consists of an estimated 1,614 aircraft, including 354 British planes recently received from the UK. In addition, 493 aircraft have been delivered under the aid program, and 73 more are on order. Apart from these more modern US and British units, the Turkish Air Force consists largely of obsolete types of mixed foreign origin, chiefly British, US, and German. Personnel strength is estimated at about 26,000, including about 1,200 pilots. The force is organized into 3 Air Divisions, disposed as follows: First (1 Light Bomber Regiment, 1 Torpedo Bomber Group — expected to be expanded into a regiment in the near future — and 2 Fighter Regiments) and Second (1 Light-Bomber and 2 Fighter Regiments), western Turkey; Third (2 Fighter and 1 Light Bomber Regiments), eastern Turkey. There is also a Headquarters Command (1 Photo-Reconnaissance Section and 1 Transport and Liaison Group) at Ankara. The air force is now being reorganized and expanded, but deficiencies in communications, training, logistics, and equipment, make it still an ineffective combat instrument. The Turkish General Staff believes that a Strategic Air Force is beyond its capabilities; it plans to restrict air operations, in the event of war, to tactical operations and local air defense. Experts of the US Military Mission believe that, with assistance in US equipment and adequate training, an excellent force can be created which would be capable of training conscripted personnel and would also form a mobilization nucleus in case of war.

d. The US Aid Program.

The recommendations of the US survey group were based upon a recognition of the need to develop and maintain Turkey's economic well-being, to sustain the Turks in their determination to resist the USSR's demands upon the nation's sovereignty and

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territorial integrity, and to avert any possible growth of social unrest which might provide the means of destroying Turkey's political and economic institutions. It was decided that these purposes could best be served by devoting the aid funds as a grant-in-aid chiefly to the modernization of the Turkish armed forces so as to obtain a more compact and effective national defense structure, with decreased manpower but greater mobility and firepower. Recommendations of the survey group, now in process of implementation, were:

(a) For ground forces equipment and technical training	\$48,500,000
(b) For air forces equipment and technical training	26,750,000
(c) For naval forces equipment and technical training	14,750,000
(d) For the improvement of arsenals	5,000,000
(e) For road-construction equipment and technical training in construction and maintenance	5,000,000
Total	\$100,000,000

In 1948 Congress voted a further \$225 million to continue the provision of aid to Greece and Turkey, and of this sum \$75 million has been tentatively allotted to Turkey. While the US aid program will materially aid the Turks in initiating a modernization and standardization designed to make the Turkish Army a numerically smaller but more effective fighting force, the achievement of this goal is still well in the future.

2. WAR POTENTIAL.

a. *Manpower.*

The largest forces under arms during World War II (at a time when German attack was thought to be imminent) totalled from 800,000 to 900,000. Mobilization of trained reserves would be a slow process, owing to lack of equipment and also to the disruption which an aggressor would undoubtedly effect in transportation. Subject to these limiting factors, fully 1,200,000 men could be placed under arms. If forewarned of an impending attack, the Turks might be able to complete mobilization in advance, but such large-scale mobilization cannot be effected entirely in secrecy, and it has for several years been Turkish policy to avoid taking steps which might result in accusations of provocative action. In addition to the armed forces, a civilian organization known as the Sharpshooters (similar to the British Home Guard and including numerous auxiliary services, such as nurses, first-aid teams, air raid wardens, etc.) is planned. Apart from the military training which all physically able male Turks receive upon reaching the age of 19, school children of both sexes are required to take a course of military instruction as part of their general education. Members of the regular armed forces receive their more advanced military training from the national war schools and colleges as well as from foreign instructors (particularly US — e.g., under the aid program — and UK) both in Turkey and abroad.

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CHAPTER V

STRATEGIC FACTORS AFFECTING US SECURITY

Turkey's continued independence and its role as a bulwark against Soviet expansion into the Near and Middle East make it a significant factor in any consideration of US security. Domination by the USSR would place the Soviets in close proximity to the Arab world and would facilitate the spread of Communism and Soviet influence in western Asia. It would not only jeopardize US interests in the Near and Middle East but would also make more vulnerable to Soviet attack the communications facilities and military base sites throughout that area and in the Mediterranean basin.

Politically, Turkey not only opposes Communist penetration and Soviet influence but is also making determined and successful efforts to achieve a fuller democracy. In its Western orientation and democratic evolution, it thus provides a positive contribution toward world security. Support of Turkey's independence by the US encourages the Turkish policy of close association with the US and UK and of adherence to the UN and to the principles of its Charter.

Economically, also, Turkey's importance to US security arises principally from its stubborn resistance to Soviet penetration into regions where the US has oil concessions and resources of the utmost value. Further, rehabilitation and development of the Turkish economy would increase Turkey's potentialities as a market for US goods and services and as a source of increased imports. It would also enhance Turkey's ability to contribute materially to the economic recovery of Western Europe. The maintenance of economic stability in Turkey would also help to preserve those markets in the Near and Middle East which are less vulnerable to Soviet domination because of Turkey's resistance.

Militarily, an independent Turkey serves as a deterrent to Soviet aggression not only in the Near and Middle East but also in Europe. This area on the Soviet perimeter contains potential sites for air bases from which vital targets in the USSR could be attacked, a danger which the USSR cannot overlook in the event of war.

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Provision by the Western Powers, however, of air support and military matériel and protection of supply routes might well prolong Turkish resistance. This delay would at least afford Turkey's allies valuable time in which to activate bases elsewhere.

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SECRET**CHAPTER VI****PROBABLE FUTURE DEVELOPMENTS AFFECTING US SECURITY**

If Greece is saved from Communist domination, Turkey's position vis-à-vis the USSR will become less precarious but by no means impregnable. The Soviets are not expected to lessen their efforts to dominate the Straits nor, presumably, their claims on northeastern Turkey — steps important in themselves but really only preliminary to domination of the whole country and the consequent attainment of a base for intensifying penetration of the Near and Middle East.

Soviet pressure on Turkey will vary, but domination of Turkey by the USSR is not likely to be abandoned as a major long-term purpose, even if the Soviets are faced with such determined resistance as to make expedient a temporary relaxation of their pressure.

The Turks, in any eventuality, will continue to look to the US and the UK, as well as to the UN, for support. While more than desirous of improving relations with their powerful neighbor, the USSR, they will not cease resisting all demands that imply violation of their territorial integrity and national independence.

Turkey would also resist actual aggression, with foreign aid or without it. US support, if continued, would be of great benefit to the political, economic, and military security of the Turkish bastion, and would make more effective Turkey's participation in the establishment of world security and economic stability.

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SECRET**APPENDIX A****TOPOGRAPHY**

The terrain of Turkey is generally mountainous. The only lowlands are: (1) in Turkish Thrace; (2) along the coast outside the mountain rim; and (3) along river valleys such as those leading away from the Black Sea, the Sea of Marmara, the Aegean, and the Mediterranean, toward the high central plateaus. To the south rise the Taurus and Anti-Taurus chains, to the west the mountains facing the Aegean Sea, and to the north the Pontic chain. Eastern Turkey, bordering the Black Sea, the USSR, Iran and Iraq, is almost entirely mountainous. This latter region contains Turkey's highest peaks, among them Ağrı Dağ (Mount Ararat), though it also contains fairly wide expanses of fertile plateau land, such as that near the fresh waters of lake Van (5,643 feet above sea level).

Turkish rivers, though almost completely unnavigable, have cut through the mountains to form rich and productive valleys, thus indirectly providing the best means of land communication. Such rivers include the Ceyhan, Seyhan, and Büyük Menderes (Meander) in the south and west; the Meriç (Maritsa), Kizilirmak, and Çoruh in the north; while the Dicle (Tigris) and Firat (Euphrates) flow southward toward Syria and Iraq. (See map.)

Geologically, Turkey is composed of varied elements which have met to form a union that is not yet complete and that results in frequent earthquakes, sometimes of great severity, in almost every part of Turkey. The topographic relief of Turkey-in-Asia, closed in as it is on almost all sides, provides somewhat similar climatic features throughout the country, though with marked local variations. In general, summers are hot and dry and winters cold and wet. Snowfall is heaviest in the eastern mountains. There is moderate rain in Turkey-in-Europe and along the Aegean and Black Sea coasts, and less on the central plateaus. The climate of the west coast is mild, and the warmest area is in the south (where sub-tropic crops are grown) along the Mediterranean coast, and on the borders of Syria and Iraq. Extreme summer or winter temperatures do not generally occur except in northeastern Turkey, where the diurnal range is often great and humidity sometimes high.

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APPENDIX B

POPULATION STATISTICS AND CHARACTERISTICS

The latest census (1945) shows the Turkish population to be just under nineteen million (18,861,609). The chief minorities included in this total are:

PEOPLES	RELIGION	APPROXIMATE TOTAL
Kurds	Moslem	1,500,000
Arabs	Chiefly Moslem	150,000
Greeks	Christian	110,000
Jews	Jewish	80,000
Armenians	Christian	60,000

Other indigenous elements in various parts of Turkey, more nearly assimilated or more capable of assimilation, are the Lazes, Ajars, and Georgians of northeastern Turkey; the Circassians, Tartars, and Turcomans, widely scattered throughout Turkey; and the Pomaks of Turkish Thrace.

Distribution of the population by age groups according to the 1935 census was as follows:

AGE GROUP	PERCENTAGE OF TOTAL	PERCENTAGE MALES OF TOTAL
0 — 14	42	21.8
15 — 44	42	20.8
45 — 59	9	3.9
60 and over	7	3.1
	100	49.6*

The majority (81.7 percent) of the gainfully employed are engaged in agriculture. The rest are engaged in the following occupations:

Crafts and industries	8.3%
Professions and Public Administration	5.1%
Commerce	2.8%
Transport and Communications	1.5%
Household and Domestic Services	.6%
	<hr/> 18.3%

* The ratio of males to females has increased since 1935.

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Three-fourths of the population live in rural areas, and there are only three cities (Istanbul, Ankara, and Izmir) with populations of more than 100,000. In towns with a population of more than 10,000, 50 percent of the males and 71 percent of the females are illiterate, while in communities of less than 10,000, 83 percent of the males and 96 percent of the females are illiterate.

Although they regard themselves generally as descendants of the nomad, warrior Turks who journeyed from the East in the 13th century to settle in Anatolia, the Turks are racially a mixed people, having intermarried with indigenous groups and with peoples they have conquered. They are, for the most part, dark in complexion (though blond hair and blue eyes are common enough), and generally have dark eyes, fairly high cheekbones, short stature, and sturdy build. Their language is basically of the Ural- Altaic agglutinative group, but many Arabic, Persian, and other foreign words have been borrowed. (One of the late President Atatürk's reforms was the attempt to "purify" the language by rejecting many of these borrowed words and replacing them with new ones taken from old Turkish roots. The project, still continued, has not been an unqualified success.) Outstanding among Turkish characteristics are honesty and stubbornness and also a strain of courage inherited from nomadic and warlike ancestors and consonant with the doctrine of predestination included in the Moslem faith.

The political and social reforms initiated under the republican regime have shaken the Turks loose from a good deal of the oriental torpor of the Ottoman imperial days. One measure of progress in Turkey during the past quarter century is the improved status of its women, now as free to enter upon almost any occupation as are the men. The process of regeneration, however, has been slower in rural areas than elsewhere, despite great efforts by the government to increase educational facilities and despite decreasing illiteracy. The urban Turk has shown surprising aptitude in business, in which he has only recently engaged on an important scale, such occupations under the old regime having usually been left to the minorities and to foreigners. He has begun the creation of industries to utilize native natural resources which, with foreign financial and technical aid, are capable of considerable immediate expansion. His one great handicap is his lack, generally speaking, of mechanical aptitude. Well aware of this, the government has launched a program of increased technical training, which includes sending many students abroad (particularly to the US) for study at government expense. The process, however, is necessarily a slow one, and it will inevitably be long before the Turks can reach anything like the standards of scientific and industrial techniques already reached by the Western nations they are striving so earnestly to emulate.

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APPENDIX C

CHRONOLOGY OF SIGNIFICANT EVENTS

- 1923**
- 30 January During negotiations at Lausanne, a convention was signed between Greece and Turkey providing for compulsory exchange of minorities.
- 24 July Treaty of Lausanne: Turkey renounced claims to non-Turkish territories of Ottoman Empire; Straits demilitarized and placed under an international committee.
- 29 October Proclamation of the Turkish Republic. Mustafa Kemal (Atatürk) elected President of the Republic.
- 1924**
- 3 March Abolition of the Caliphate.
- 20 April Adoption of republican constitution.
- 1925**
- 13 February Kurdish revolt against the Government of Turkey.
- 17 December Pact of friendship with the Soviet Union (denounced by Soviet Union on 19 March 1945).
- 1926**
- 30 May Turkish-Syrian Convention of Friendship which confirmed the Turkish-French Treaty of Ankara of 1921.
- 1928**
- 10 April Article 2 of the constitution amended. Islam no longer the state religion.
- 3 November Decree introducing the Latinized alphabet.
- 1929**
- 17 December Treaty with Soviet Union, extending and amplifying treaty of friendship and neutrality of 1925.
- 1930**
- 30 October Treaty of Ankara between Turkey and Greece, following settlement of property claims of repatriated populations and other problems. Territorial *status quo* recognized.
- 17 November "Free" Party, formed a few months previously as an experiment in bi-party government, abolished.
- 1932**
- 18 July Turkey accepted invitation to become a member of the League of Nations.

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SECRET**1933**

3 July Pact defining aggression between Turkey, Afghanistan, Latvia, Iran, Poland, Rumania, and Soviet Union.

1934

1 January Five-Year Plan for the development of industry under state direction.
9 February Conclusion of Balkan Pact between Turkey, Greece, Yugoslavia, and Rumania. Four powers mutually guaranteed security of their Balkan frontiers.

1935

1 January Introduction of family names. Mustafa Kemal adopted name of Atatürk.

1936

20 July The Montreux Convention. Turkey permitted to refortify Straits.

1937

15 June News published of a large-scale Kurdish uprising which had been in progress for some weeks. Successfully put down by government forces.

29 June Amnesty declared for all political prisoners and exiles.

9 July Signature of Pact of Saadabad, providing for collaboration and consultation between Turkey, Iraq, Iran, and Afghanistan.

7 December Beginning of Alexandretta (Hatay) crisis. Turkish Government denounced the treaty of friendship with Syria of 30 May 1926.

1938

3 July France and Turkey reached agreement, each to send 2,500 troops into Hatay (Sanjak of Alexandretta) to supervise elections. Turkish forces entered territory 5 July. In September elections, Turkish element secured 22 deputies out of a total of 40.

2 September The Republic of Hatay (Alexandretta), new autonomous state, voted by new assembly.

10 November Death of Atatürk, founder and president of Republic of Turkey.

11 November Ismet İnönü unanimously elected President of Turkey by Grand National Assembly.

1939

12 May Conclusion of Anglo-Turkish agreement of mutual assistance in case of aggressive war in the Mediterranean region. Turkey, despite important economic relations with Germany, identified itself with British and French bloc.

23 June France and Turkey concluded a non-aggression pact. France agreed to incorporation of Hatay into Turkey, as a Turkish province.

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- 25 September to 17 October Visit of Foreign Minister Saracoğlu to Moscow with the object of signing an agreement with the Soviet Union. Soviet Government demanded closure of Straits to non-Black Sea powers, and naval and air bases for purpose of controlling Straits. (This followed the German-Soviet non-aggression agreement of 23 August 1939, with provision for delimitation of spheres in eastern Europe.)
- 19 October Turkey signed a 15-year mutual assistance pact with UK and France. Turkey not obligated to undertake any action inimical to USSR.
- 1940
- 22 May Martial law, effective in Turkish Thrace and Straits area, adopted by Grand National Assembly.
- 1 November President İnönü reaffirmed non-belligerency, and friendship with UK and Soviet Union.
- 1941
- 17 February Turkish-Bulgarian non-aggression pact signed.
- 24 March Turkey and Soviet Union issued communique providing that one would remain neutral if the other should be attacked by a third party.
- 18 June German-Turkish 10-year friendship pact signed at Ankara.
- 10 August German declarations (Hitler's proclamation of 22 June 1941) as to the Straits, led UK and Soviet Union to confirm their fidelity to the Montreux Convention and to assure Turkey that they had "no aggressive intentions or aims whatever with regard to the Straits."
- 9 October German-Turkish commercial agreement signed.
- 3 December President Roosevelt, in extending lend-lease assistance to Turkey, declared that the defense of Turkey was essential to the defense of the US.
- 1942
- 19 January Soviet Ambassador in Ankara officially thanked Turks for their neutrality.
- 1943
- 30 January-1 February Churchill met İnönü at Adana. İnönü asked for military equipment.
- 4-5-6 December Conference between President Roosevelt, Prime Minister Churchill, and President İnönü at Cairo, reviewing the general military and political situation. Turkey invited to enter the war. At following conference in December at Ankara, Turks asked for equipment and admission into Allied War Councils and agreed to enter war, if granted. Conditions not granted.

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SECRET**1944**

- 20 April** Turkish Government announced it was stopping chrome shipments to Germany, effective the next day.
- 14 June** Foreign Minister Eden announced in the House of Commons that the British Government was "profoundly disturbed" by the fact that the Turkish Government, by allowing German vessels to pass through the Straits from the Black Sea into the Aegean, had helped to increase German naval strength in that region. As a result, Foreign Minister Menemencioglu was forced to resign.
- 2 August** Turkey severed diplomatic and economic relations with Germany.

1945

- 12 February** In communique issued at end of Yalta Conference, Turkey invited to enter the war and join United Nations.
- 23 February** Turkey declared war upon Germany and Japan.
- 28 February** Turkey adhered to the declaration of the United Nations (1 January 1942).
- 19 March** The USSR denounced the Soviet-Turkish pact of friendship and neutrality (19 December 1925, as renewed).
- 17-25 July** The Potsdam Conference. Direct negotiations between major powers and Turkey on status of the Straits agreed upon.
- 9 August** President Truman in his report on the Potsdam Conference proposed that regulations for navigation of the waterways of Europe (including the Black Sea Straits) be provided by international authorities.
- 2 October** Turkey asked the US for \$500 million loan.
- 7 November** Treaty of friendship with the USSR (denounced by the Soviets on 19 March 1945) expired.
- 6 December** Premier Saracoğlu announced that Turkey accepted proposals of the US for revision of the Montreux Convention as a basis for discussion.

1946

- 9 January** The Democratic Party under the leadership of Celal Bayar was formed.
- 1 February** Premier Saracoğlu announced that Turkey would fight in case of aggression but was "entirely willing to participate in an international conference" with respect to the Straits, provided Turkish independence, sovereignty, and territorial integrity were not infringed.
- 8 March** Turkey-Iraq agreement signed. Agreement not a military one and Turkey not involved in affairs of Arab League. Beginning of Turkish efforts to strengthen relations with Arab States.

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- 5 April USS *Missouri* and other US fleet units visited Istanbul and delivered the body of the late Turkish Ambassador to Washington, Munir Ertegün.
- 7 May The US and Turkey signed an agreement for final settlement of Turkey's lend-lease account, calling for cash payment of \$4.5 million. Turkey was first country to agree on an immediate cash liquidation of entire financial obligation for lend-lease supplies.
- 20 June President and Premier of Lebanon visited Turkey.
- 21 July National elections held for the first time since initiation of the multi-party system. The People's Republican Party won 396 seats, the Democratic Party 63, and Independents 6.
- 3 August Premier Saracoğlu's People's Republican Party cabinet resigned. Succeeded by cabinet of same party headed by Recep Peker.
- 5 August İnönü re-elected President of the Republic.
- 13 August The Democratic Party issued a declaration endorsing the Government's foreign policy and protesting against the demands of the USSR on Turkey.
- 2-9 September King Farouk of Egypt paid an informal visit to Turkey.
- 7 September Turkish lira exchange rate devalued from 1.30 to 2.80 to the dollar.
- 2 October Proposed Turkish budget, larger than budgets of the war years, announced as TL 1,134,000,000 (\$405 million), of which about one third was slated directly for national defense.
- 27 November Units of the US Mediterranean Fleet, headed by aircraft carrier *Randolph*, visited Izmir.
- 20 December The Democratic Party members walked out of the National Assembly after heated arguments over the 1947 budget and in protest against derogatory remarks by Premier Recep Peker.
- 27 December Democratic Party members returned to the National Assembly, having been persuaded to do so by President İnönü and moderates in both government and Democratic parties.

1947

- 7-11 January Democratic Party's first annual congress.
- 11 January Ten-year treaty of friendship with Transjordan signed.
- 11 March Turkey joined the UN International Bank for Reconstruction and Development and the International Monetary Fund.
- 12 March President Truman urged in a speech to Congress US financial and technical aid to the extent of \$400 million for Greece and Turkey.
- 24 March William L. Clayton, US Under-Secretary of State for Economic Affairs, said that \$250 million, or more than half of the proposed \$400 million program to help Greece and Turkey, would be spent on equipment for the armed forces of the two countries.

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- 28 March Warren R. Austin, US representative to the UN, formally notified the Security Council of President Truman's proposal to aid Greece and Turkey.
- 6 April People's Republican Party candidates won all nine seats in by-elections to National Assembly. Democratic Party abstained, in protest against electoral procedures.
- 22 April US Senate passed the \$400 million bill for aid to Greece and Turkey by a vote of 67-23. An attempt to strip from the program its military aspects was defeated, 68-22. An amendment that sought to cut Turkey out of the program was withdrawn.
- 2-7 May Visit of US Navy units to Istanbul.
- 22 May President Truman signed the bill to provide \$400 million aid to Greece and Turkey, Public Law No. 75. Members of US Survey Group arrived in Ankara.
- 26 May Decree published providing for some relaxation of restrictions upon the investment of foreign capital.
- 4 June New regulations published to implement the Land Distribution Act of June 1945.
- 12 July Publication of a statement by President İnönü calling for mutual tolerance by political parties, for avoidance of extremes, and for political impartiality of administration officials.
- 12 July US-Turkish Aid Agreement signed at Ankara.
- 3 August Ecumenical Patriarch Maximos, of the Greek Orthodox Church, arrived back in Istanbul after a sojourn in Greece for his health. He informed the press that an invitation to a church conference by the Patriarch at Moscow had been rejected.
- 1 September The Grand National Assembly unanimously ratified the US Aid Agreement.
- 5 September The Grand National Assembly unanimously ratified the Turkey-Iraq Treaty of Friendship.
- 9 September The USSR presented an aide-memoire to the Turkish Government in support of a Yugoslav note protesting against Turkish acceptance of "war criminals" among immigrants from western Europe.
- 9 September Premier Recep Peker, after failing to subdue criticism of his cabinet by replacing several of its members, resigned. Hasan Saka, Foreign Minister in the Peker cabinet, was appointed premier and formed a new cabinet.
- 11 September The Turkish Government stopped the sale of gold in Turkey.
- 12-18 September US Navy units visited Izmir.
- 18 September The Turkish Government sharply restricted exports to sterling countries. The purpose was to reduce Turkey's substantial holdings of sterling, no longer convertible into dollars after UK suspended sterling convertibility.

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- 18 September In one of several speeches during a tour of northeastern Turkey, advocating administrative impartiality, President İnönü at Kars warned political parties of the dangers of subversive infiltration into their membership.
- 22 September The Turkish delegate to the UN General Assembly at Flushing Meadows refuted charges made upon Turkish "war-mongers" by Soviet Deputy Foreign Minister, Andrei Vishinsky.
- 7 October Orgeneral Salih Omurtak, Chief of the Turkish General Staff, and military group accompanying him on a tour of the United States, arrived in Washington.
- 22 October The first shipment of US aid matériel arrived at Iskenderun.
- 1 November President İnönü, in opening the Grand National Assembly's winter session, referred to the "obviously unjust" claims made upon Turkey by the USSR.
- 7 November President Truman sent to Congress the first quarterly report on the progress of extending aid to Greece and Turkey.
- 29 November Turkey voted against the partition of Palestine in the UN General Assembly.
- 1 December Engineers of the US Public Roads Administration arrived in Turkey to commence work on road construction plans, as part of the US aid program.
- 3 December İsmet İnönü, President of the Republic, was re-elected President-General of the People's Republican Party, but the newly elected Vice President assumed the party's major administrative duties.
- 23 December Martial law, in effect in Istanbul and the Straits area since 1940, was ended.
- 1948**
- 13 January The Grand National Assembly group of the People's Republican Party voted 176-33 in favor of amending the electoral law to provide secret ballots and open counting of votes in elections.
- 20 February The Grand National Assembly repealed Article 18 of the Police Law, which had permitted arrests and indefinite detention on orders of civil administrators.
- 20 February The Grand National Assembly group of the People's Republican Party voted in favor of Moslem religious instruction in the state primary schools, classes to be optional and after school hours.
- 12 March After a meeting in London between Mr. Bevin and the Turkish Minister for Foreign Affairs, Necmettin Sadak, a statement was issued to the effect that Turkey and the UK would continue to cooperate on the basis of the treaty of 1939.
- 19 March After expulsion from Bulgaria of the Turkish Military Attaché and his assistant on charges of espionage, the Turkish Government or-

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dered the Bulgarian Military Attaché to leave Turkey without replacement.

- 3 April President Truman signed the Foreign Assistance Act of 1948, which included 275 million additional aid to Greece and Turkey.
- 5 April The Ministers for Foreign Affairs of Greece and Turkey issued a communique in Athens re-affirming friendship of the countries based upon existing pacts, confirming adherence of both to UN principles of safeguarding independence, and promising efforts to strengthen economic and cultural relations between the two countries.
- 16 April The new Soviet Ambassador, A. Lavrishchev, presented his credentials to President İnönü.
- 23 April Orders issued calling up the military class of 1928 beginning early in May.
- 26 April Agreement signed by US and Turkish Government representatives at Ankara for the development of Turkey's road system and training of road construction technicians.
- 23 May In a speech at Sivas, the Minister for Foreign Affairs, N. Sadak, referred to difficulties of Turkish consular officials in Bulgaria in the performance of their duties.
- 23 May Ceremonies were held at Izmir raising Turkish flags on four US submarines given to the Turkish Navy under the US aid program.
- 4 June Munir Birsal, Minister of National Defense, submitted his resignation as a result of an official inquiry into questionable deals in cereals. He wished to clear himself as a private citizen.
- 6 June Feridun Cemal Erkin, Turkish Ambassador to Italy, appointed Ambassador to the US, replacing Huseyin Ragip Baydur.
- 8 June Premier Hasan Saka's cabinet resigned.
- 10 June New cabinet formed under Premier Saka. N. Sadak retained portfolio of Foreign Affairs. Several members of the progressive group of the People's Republican Party assumed cabinet posts.
- 19 June Congress approved the ERP appropriations bill which provided \$225 million for aid to Greece and Turkey.
- 28 June President Truman signed the appropriation bill for \$225 million for additional Greek-Turkish aid.
- 8 July The Grand National Assembly approved the bilateral ECA agreement with the US.
- 9 July The Grand National Assembly passed a law revising electoral procedure.
- 19 July Nation Party formed by Hikmet Bayur and associates, under honorary leadership of Marshal Fevzi Çakmak.

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APPENDIX D

TRANSPORTATION AND COMMUNICATIONS

1. RAILWAYS.

The railways in Turkey are now state-owned * and state-operated, under the administration of the Ministry of Communications. They may be divided into two categories: those built before commencement of the republican era in 1923 and subsequently acquired by the state, and those constructed by the state. Construction work now in progress will extend rail service to the border of Iran, replace a narrow-gauge sector (on the line running northeastward toward the USSR) with standard gauge (4'8½") track, make it possible to go from Turkey direct to Iraq without having to cross Syria, and provide rail service for certain important towns (e.g., Maraş and Gaziantep).

During the past twenty-five years, highway construction and maintenance have been subordinated to the building of railways. Now, although the government announced in 1945 a 20-year plan for railway expansion, it appears that the previous tendency will be reversed. The government apparently reached the conclusion that highways are of more urgent necessity after recent talks with US experts, including members of the Aid Mission.

Lines constructed prior to the republican era were built chiefly with foreign capital and largely for economic reasons, although the Germans who constructed the section of the Berlin-Baghdad line in what is now Turkey undoubtedly had imperialist objectives in view as well. Both strategic and economic considerations, however, have been taken into account by the Turkish Government in the construction of all lines laid down since 1923. The entire system, with insignificant exceptions, is single track and thus very vulnerable to disruptive tactics. Its vulnerability is made greater by the dearth or absence of alternate routes (see map) and the great number of tunnels and bridges made necessary by the rugged Turkish terrain.

Most Turkish lines are standard European gauge (4'8½"). Exceptions are narrow-gauge lines from Samsun to Çarşamba, Bursa to Mudanya, Ilica to Palamutluk, and Erzurum to Sarikamiş (the latter now being in process of replacement by standard-gauge trackage), and the strategically important broad-gauge, Russian-built line from Sarikamiş to the Soviet border, where it connects with the Soviet rail system. The Turkish railways are also connected with those of all the other neighboring countries: Bulgaria, Greece, Syria, and Iraq, although—as already indicated—the line to Iraq passes through Syria.

The railway administrative system is unwieldy, and operating efficiency and maintenance are poor. These deficiencies are now being remedied to some extent, through the import of needed equipment (much of it US-manufactured and purchased with US financial aid) and with the assistance of expert US advisers.

* The only exception is a short narrow-gauge mineral-ore line from Ilica to Palamutluk near the Aegean coast.

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The Turkish State Railway workshops, principally at Sivas and Eskişehir, are capable of producing railroad equipment, including locomotive parts, freight cars, and passenger cars; and production of rails at the Karabük iron and steel plant has increased. Domestic production, however, is poorer in quality and more costly than the equivalent imported products. The chief function of the shops is repair and maintenance work as well as the assembly of some imported stocks.

2. ROADS.

One of the outstanding deficiencies in the Turkish economy is the inadequacy of the road system, which for years has been neglected in favor of railroad construction. The best roads, which are for the most part of water-bound macadam construction, are usually fairly well graded, but they have weak foundations and are poorly maintained. Many of Turkey's remaining roads are little better than dirt tracks which are easily cut by the sharp wheels of the heavily laden ox-drawn carts which constitute the bulk of Turkey's road traffic.

To alleviate this situation, Turkey has undertaken to construct 14,317 miles of new roads over three three-year periods with the aid of machinery and technical supervision now being obtained under the US aid program. Training schools and repair shops are already in operation, and work has already started on one major strategic highway, which is to run from the port of Iskenderun on the Mediterranean Sea to Erzurum, the focal point of Turkey's defense system in eastern Anatolia. Work is also expected to commence soon upon another major highway running from Iskenderun through the Taurus Mountains to Ankara and Istanbul. While this construction is designed primarily to meet strategic military needs, all roads built under the program will be of immense economic value. Turkey plans to follow up the construction program by creating an efficient, adequately financed Highway Department in the Ministry of Communications. The Highway Department is being set up with the assistance of the US Public Roads Administration, on which the new department will largely be based.

3. CIVIL AVIATION.

a. *Aviation Conventions and Agreements.*

Turkey is a member of the International Civil Aviation Organization and was included in the twenty-one countries elected to its first council. Bilateral agreements generally follow two types: for distant countries (e.g., the US), the standard Chicago form granting the fifth freedom; for nearby countries (e.g., Iraq, Greece), the US-UK (Bermuda type) agreement.

b. *Domestic Air Services.*

The only domestic air line in Turkey—Devlet Hava Yollari (DHY—"State Air Lines")—has been developed and is owned and operated by the government. It was started on a small scale in 1933 and now, under the Ministry of Communications, operates not only all domestic air-line services but also the civil airports, supporting communication and air navigational aid systems, and a meteorological service. Its winter

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schedule connects Ankara with the three large cities of Istanbul, Izmir, and Adana; in summer, there are additional services between these cities and other services to most of the main population centers throughout the country. There is also a DHY service between Ankara and Athens via Istanbul. Aircraft in use consist chiefly of DC-3's, while British DeHavilland Dominies and one Miles Aerovan are also in service.

The major Turkish airfields are in process of reconstruction by a US engineering firm; another US firm is installing radio navigational aids and night lighting facilities at these (notably Yesilköy near Istanbul, Esenbuğa near Ankara, Gazi Emir near Izmir, and at Adana and Konya) and other airfields in western and eastern Anatolia. The DHY plans to extend its foreign services to some of the Arab capitals (e.g., Baghdad, Damascus, and Cairo).

c. Turkish Air League.

The Turkish Air League (Türk Hava Kurumu) is a quasi-civil organization supported by the government to popularize aviation and is closely integrated with both military and civil aviation. It operates an airplane factory near Ankara, which at present is occupied chiefly in constructing gliders and doing repair work for both the DHY and the Turkish Air Force. An aircraft engine factory is under construction near Ankara. Its original purpose was to construct some 200 DeHavilland "Gypsy Major" engines on license from the UK each year. Since, however, the demand for these engines apparently no longer exists, the factory may be converted to the construction of small motors for use in pumps, tractors, water craft, and the like. Possibly the most valuable work of the THK is performed by its training division. Pilot, glider, parachutist, mechanics, and radio courses are provided, and the THK is empowered to issue certificates and licenses. Many graduates of its elementary training courses enter the Turkish Air Force, where more advanced training is provided. To stimulate public interest in aviation, the THK sponsors model clubs and courses, and has erected two parachute towers for general use.

d. Foreign Services to Turkey.

Twelve foreign air lines are currently operating services to or through Turkey: US (Pan American Airlines); Brazilian (Panair do Brasil); UK (BOAC); Scandinavian; Czech; French; Dutch; Lebanese; Iraqi; Italian; and Swiss.

4. MARITIME TRANSPORT.

Inland water transportation in Turkey is negligible. The rivers rise in mountainous terrain; most of them cut their way through steep, narrow gorges and move rapidly toward their outlets. Furthermore, during the summer drought the rivers are low. Canal construction would be possible in some areas, but in most of Turkey their cost would be enormous because of the rugged terrain. Only on Lake Van is there inland transport of any importance (apart, of course, from the heavy traffic through the Turkish Straits and Sea of Marmara); here, a few small vessels carry passenger and freight traffic between the eastern and western ends of the south shore of the lake.

The Merchant Marine, largely state-owned and entirely subject to strict government regulation, has until recently consisted largely of antiquated vessels. With finan-

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cial credits provided by US Government agencies, however, more modern vessels are being bought and reconditioned, so that currently the number of ships in the Merchant Marine is increasing, and their standard of quality is improving. Coastwise service between Turkish ports, which is indispensable in view of the dearth of other means of transport, is provided, and there are, in addition, passenger and freight services to Mediterranean ports and, to a much less extent, to the US.

5. TELECOMMUNICATIONS.

The telecommunications system in Turkey is owned and operated by the government. The system is made up of telephone and telegraph lines for domestic traffic and a small number of landlines and radio stations for international communications. At present the coverage and quality of both foreign and domestic telecommunications are not adequate and compare unfavorably with European services. Most of the equipment is antiquated, and there is no efficient system of maintenance and repair. The majority of the personnel (including the technicians) are inadequately trained.

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APPENDIX E

BIOGRAPHICAL DATA

Açikalin, Cevat.

Ambassador to London. One of Turkey's ablest diplomats. Former Ambassador to Moscow and wartime Secretary General of the Ministry for Foreign Affairs. Influential and well-connected. Married to a sister of Atatürk's wife.

Adalan, Şevket.

Minister of Finance. Born 1901 at Izmir. After graduation from the School of Political Science, became a career civil servant, occupying a number of posts, chiefly in the ministry which he now heads. After election as a Deputy for Izmir, held a minor post in the People's Republican Party and also was President of the Finance Commission of the Grand National Assembly. One of the few Cabinet Ministers to survive the recent changes. Since September 1947, he has successively been Minister for Agriculture, Customs and Monopolies, and Finance. Although evidently well-versed in financial matters, has not yet demonstrated outstanding capabilities.

Aras, Dr. Tevfik Rüştü.

For many years Minister for Foreign Affairs, although a physician by profession. Has held no official post since 1942, and in 1945 failed to gain a seat in the National Assembly. A consistent advocate of closer relationships with the USSR, has for long been out of favor politically, although he has vigorously denied accusations that he is a Communist or fellow-traveler.

Balta, Tahsin Bekir.

Minister of Labor. Born 1902 in Rize Province. Graduate in law of the University of Istanbul and the University of Berlin. Professor of law at various institutions, chiefly in Ankara, until elected a Deputy for Trabzon. Was Minister for Economy before assuming present post. Managed to survive the 1947 cabinet change, and so may be regarded as less of a reactionary than those who were ousted.

Banguoğlu, Tahsin.

Minister of National Education. Born 1904 in Drama, Greece (then part of the Ottoman Empire). Education included studies in arts and linguistics at Istanbul, Berlin, and Breslau (Ph.D.). Taught linguistics and phonetics for some years until elected a Deputy for Bingöl. One of the group of younger People's Republican Party deputies who opposed Prime Minister Recep Peker in 1947 as being authoritarian.

Note: The subjects of these biographical notes have been selected on the basis of probable interest to US officials. Because biographical data concerning Turkish personalities is relatively difficult to obtain, the listing is somewhat more extensive than would otherwise be the case.

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SECRET*Barlas, Cemil Sait.*

Minister of Commerce. Born 1905 in Istanbul. Educated in law at universities of Istanbul and Heidelberg. Has been a government legal inspector and adviser. Generally regarded as a loyal People's Republican Party man of moderate views.

Barutçu, Faik Ahmet.

Minister of State and Deputy Prime Minister. Born 1894 at Trabzon. Has held the important post of Deputy Secretary General in the People's Republican Party. Principally concerned at present with coordinating government efforts to reduce the high cost of living and cutting government expenditures. In recent months, his work has been severely handicapped by continued illness. Apparently an able and versatile man.

Bayar, Mahmut Celal.

President and founder of the Democrat Party. Born 1884 near Gemlik. A deputy in the last Ottoman Assembly, has been a deputy for Izmir under the Republic continuously since the first Grand National Assembly. After vigorously supporting the Kemalist nationalist movement, held numerous cabinet posts under the then unopposed People's Republican Party, including the Ministry of Economy and (1937-1939) the Prime Ministership. Helped create, as General Manager, the İş (Work) Bank, the state-owned commercial bank. In 1945, resigned from the People's Republican Party to found, with President İnönü's encouragement, the Democrat Party, which he has since built up to its present great strength as the leading opposition party. A very able administrator, obviously with growing popular support, whose patriotism has been indicated by firm adherence to a bipartisan foreign policy, by opposition to Soviet pressure, and by rejection of extremist advisers and support from potentially subversive sources. Deserves as much as anyone the credit for the success of Turkey's experiment in multi-party politics. May once again be Prime Minister, after the 1950 General Elections.

Bayizit, Dr. Kemali.

Minister of Health and Social Aid. Born 1903 in Maraş. M.D., University of Istanbul, 1925. Until elected to the Grand National Assembly in 1939, was a practising physician and People's Republican Party supporter in Antalya. Present assignment his first important national post.

Bayur, Hikmet.

Founder and president of the Nation Party. Born 1891 at Istanbul. Educated at University of Istanbul and in France. Joined the Kemalist revolutionary movement and later entered the foreign service, in which he has served as Minister to Yugoslavia and Ambassador to Afghanistan. Served two terms as Secretary General (i.e., personal executive secretary) to President Atatürk. Deputy for Manisa from 1934 to 1946, during part of which period he also taught at the University of Ankara. After being ousted from the People's Republican Party following an open quarrel with Premier Saracoğlu in 1945, sat as an independent deputy until defeated in the 1946 general elections and began a series of daily editorials denouncing the People's Republican Party government. In July 1948, with some disgruntled members and ex-members of the Democrat Party

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and others, he founded the Nation Party. Once briefly Minister of Education during Ismet Inönü's premiership, Bayur is given to intemperate and exaggerated language, which he not uncommonly has to retract without seeming to do so. Appears to be animated, as do some of his supporters, chiefly by violent dislike of Inönü and jealousy of the success of Celal Bayar. Although formerly an advocate of good relations with the USSR and a critic of the US Aid Agreement, has subsequently modified his statements on both subjects.

Çakir, Hüsnü.

Minister of National Defense. Born 1892 at Hopa. By repute, a capable and honest administrator.

Çakmak, Marshal (retired) Fevzi.

Honorary president, Nation Party. Born 1876 at Istanbul. While the Sultan's Minister for War, played an important role in the foundation of the Republic by providing supplies to the Kemalists. Once briefly Prime Minister, served for many years as Chief of Staff until his retirement from active service in 1944. Elected to the Grand National Assembly as an independent in 1946. Since then, has travelled widely in Turkey, presumably to popularize himself as an eventual candidate for the presidency in opposition to Ismet Inönü. Accepted honorary leadership of the Nation Party following its formation in August 1948.

Carim, Fuat.

Secretary General, Ministry for Foreign Affairs. An able foreign service officer. Formerly Minister to Saudi Arabia.

Cebesoy, General (retired) Ali Fuat.

President, Grand National Assembly. Born 1883. Retired army officer belonging to a distinguished military family. Has a reputation as a brilliant general and a capable, honest administrator. Has been Minister for Public Works and Minister of Communications. Might well be the People's Republican Party's candidate for Chief of State to succeed Ismet Inönü, should the moderates gain in influence and in the event of Inönü's death.

Doğan, Orgeneral (General) Zeki.

Commander in Chief, Turkish Air Force. An energetic and progressive leader, who has frequently demonstrated his ambition to make the Turkish Air Force an effective, modernized instrument of national defense. Tries to promote the more capable officers to positions of responsibility, and has cooperated closely with officers of the US Aid Mission. Has apparently recuperated from the serious illness which necessitated his hospitalization during a visit to the US in 1948.

Ekin, Cavit.

Minister of Economy. Born 1892 at Diyarbakir. A career public servant. Has held a number of posts, including those of Director of the Prime Minister's Secretariat, and Deputy Director-General of Monopolies. Has held his present position since September 1947 but has yet to demonstrate ability to carry out his present very difficult duties with conspicuous success.

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SECRET*Erim, Nihat.*

Minister of Public Works. Born 1912 at Istanbul. The outstanding personality in the liberal wing of the People's Republican Party. Entered the Cabinet as a result of opposition to the conservatives, in which he was most outspoken. Educated at Istanbul and Paris. Author of several works on international law, was briefly editor-in-chief of the semi-official Ankara newspaper, ULUS, in 1947. Ambitious, industrious, and capable, Erim probably looks forward to a long and distinguished career in high position. Reputedly much favored by President İnönü, who uses him as a leavening for the stodgier party diehards, Erim is a strong opponent of Soviet pressure and equally strongly in favor of close relations with the US.

Erişirgil, Emin.

Minister of Customs and Monopolies. Born 1891 at Istanbul. A professor and dean at various institutions of learning for most of his career, has also held important posts in the Ministry of Education. Does not appear particularly well qualified for his present post, which may chiefly represent a reward for long and faithful services.

Erkin, Feridun Cemal.

Ambassador to the US. Born 1900 at Istanbul. Formerly Secretary-General, Ministry for Foreign Affairs, and Ambassador to Rome. Highly capable and hard-working career foreign service officer.

Esendal, Memduh Şevket.

President, Foreign Affairs Committee, Grand National Assembly. Has been Ambassador to Afghanistan and Iran, and Secretary General of the People's Republican Party.

Göle, Münir Hüsrev.

Minister of Interior. Born 1890 at Bayburt. Career public servant, who has held Deputy Directorship of Monopolies. Made a good first impression as more liberal in this post than predecessors, who were accused of favoring the People's Republican Party over national interests.

Gülek, Kasım.

Minister of Communications. Previously Minister of Public Works. Born 1905 at Adana, where his family has extensive interests. Educated largely in US institutions, including Columbia University. Young, progressive, and energetic, Gülek is a member of the younger People's Republican Party group which in 1947 accused the party leadership under Recep Peker of being excessively authoritarian. Strongly pro-US, and very useful in his present and former cabinet posts, where he has spent much time developing the US aid program. A consistent advocate of highway construction under US guidance. US observers report variously upon his trustworthiness but his ability is unquestioned.

Hozar, Faik Hüseyin.

Deputy Secretary-General, Ministry for Foreign Affairs. Until recently, Ambassador to Czechoslovakia. Previously (1944-1946) Director-General of the official news agency, Anadolu Ajansi, where he was not popular with journalists.

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SECRET*Inönü, Ismet.*

President of the Republic. Born 1884 at Izmir. After a brilliant military career, became (after Atatürk, whom he succeeded to the presidency in 1938) the most prominent individual in the foundation of the Republic. Led Turkey's delegation to the Lausanne Conference in 1923 with great success. Prime Minister 1923-1937. Short-statured, quiet and unassuming, with a low speaking voice, possibly the result of his pronounced deafness. Undoubtedly one of the shrewdest statesmen of modern times, was primarily responsible for Turkey's policy of neutrality in World War II, from which Turkey emerged on the victor's side, having avoided active belligerency, defeat and occupation by an enemy, and liberation by an unwelcome ally. İnönü, whose self-effacing qualities differ remarkably from those of his dynamic predecessor, has tried in his own persistent, patient way to modernize Turkey and the Turks, and to develop and strengthen Turkey's democratic processes. Since the war's end he has stubbornly held his country firm against threatened Soviet encroachment, progressively furthered democratization by such means as initiation of the multi-party system, and strengthened relations with the US, which he regards as Turkey's best friend and surest mainstay. Re-elected president of the People's Republican Party in 1947 despite his announced willingness to step down, but has been relieved of the more onerous administrative functions. His efforts to promote democratic government by encouragement of an opposition party could paradoxically result in his being ousted by a candidate of the Democratic Party, following the 1950 elections.

Kanatli, Korgeneral (Lieutenant General) Şükrü.

Commander in Chief, Gendarmerie. Aged 54, he is exceptionally young for his rank and responsibility. He was a regimental commander during Turkey's incorporation of Hatay into the republic. Has also served in various command positions in north-eastern Turkey.

Kirdar, Dr. Lüfti.

Governor, Istanbul Province.

Menderes, Albay (Colonel) Ali Kemal.

Director, XI Section (Intelligence), Turkish General Staff. Formerly Military Attaché, Moscow. Personally friendly toward US officials, he has only recently (mid-1948) assumed his present post, in which so far he has given the impression of being excessively cautious and unsure of himself. This may in part be due to the great ability of his predecessor in this post, Brig. Gen. Türkmen (q.v.).

Menemencioğlu, Numan.

Ambassador to France. Minister for Foreign Affairs during World War II. Career foreign service officer and a very able diplomat.

Noyan, Orgeneral (General) Kürtcebe.

Chief, National Mobilization Committee. Previously in command of Third Army and prior to that, Director of Operations, Turkish General Staff. Has made an excellent impression upon officers of the US Military Mission as one of Turkey's ablest general officers holding high command.

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SECRET*Omurtak, Orgeneral (General) Salih.*

Chief of the General Staff. Born 1889 at Istanbul. Served in Yemen, on both fronts in World War I, and in the War of Independence. Highly regarded by Atatürk, he later won rapid promotion, apparently because of his success in subduing Kurdish rebellions. In World War II did not make a favorable impression when he took a Turkish Military Mission to the North African front. As Chief of Staff, visited the US and UK in 1947. In 1948 was blamed by a leading member of the opposition Democrat Party for shortcomings of the army, in a public statement unprecedented in the history of the republic. In spite of earlier misgivings among US observers in Ankara concerning his ability to succeed in his important position, however, General Omurtak has demonstrated considerable mental adaptability, and, should be credited with much of the successful implementation of the US aid program. Well-disposed toward the US.

Öner, Kenan.

Prominent Istanbul lawyer and leader of that city's Bar Association for many years. Co-founder (with Hikmet Bayur) of the Nation Party in 1948. Formerly head of the Democrat Party in Istanbul, he now is its most outspoken critic, having broken with its leaders because they rejected his demands for more vigorous opposition to the government party.

Oral, Cavit.

Minister of Agriculture. Born 1904 in Adana. Educated partly in Germany. Long a faithful People's Republican Party supporter, he nevertheless joined forces with the "moderates" who rebelled against the party's conservative leadership in 1947. As a landowner, however, opposed passage of the 1945 act providing for redistribution of land. Owns the Adana daily, "BUGÜN."

Orbay, Orgeneral (General) Kâzım.

Member of the Superior Military Council. Resigned his post as Chief of the General Staff in 1946 after his son's arrest in connection with a murder case, with accompanying scandals in which Orbay himself was not implicated. Regarded by foreign military observers as both efficient and progressive.

Peker, Recep.

Former Prime Minister. Forced out of office in 1947, following opposition to his allegedly authoritarian leadership in the Grand National Assembly. May still be regarded as leader of the conservatives in the People's Republican Party.

Pepeyi, Halûk Nihat.

Counselor for Security, Ministry of Interior. Chief of the Turkish national police force, as distinguished from the Gendarmerie and the Security organization under Naci Perkel (q.v.).

Perkel, Naci.

Nominally Deputy Counselor, Prime Ministry. Actually the Director-General of Turkish Security, reporting directly to the Prime Minister. His organization not to be confused with the uniformed police forces under the Minister of Interior. (See Pepeyi, Halûk Nihat.)

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SECRET*Sadak, Necmettin.*

Minister for Foreign Affairs. Born 1890 at Isparta. Educated, in part, at Istanbul and at Lyons, France. After teaching at the University of Istanbul, became editor and publisher of the Istanbul daily, "AKŞAM," in which his editorials on foreign affairs in particular were for many years widely known for the wide knowledge, moderation, and common sense they displayed. In 1934-1935 was Turkey's permanent delegate to the League of Nations. In his present post strongly advocates the policy of firm resistance to Soviet pressure, support of the UN, friendship with the US, and adherence to the UK-Turkish alliance of 1939.

Saka, Hasan.

Prime Minister since 1947. Previously Minister for Foreign Affairs. Born 1886 at Trabzon. Educated at Istanbul and Paris. Taught economics and law at Istanbul and held posts in various ministries under the Imperial Ottoman Government. Has been a deputy ever since the first Grand National Assembly of the Republic and, as Minister of Finance and Minister of Economy, was one of the first to hold Cabinet rank under the Republic. Member of the Turkish delegation to the Lausanne Conference in 1923, has since headed the Turkish delegation at various Balkan conferences. Vice-President of the Grand National Assembly and of the Assembly's powerful People's Republican Party group for many years until he entered the Saracoğlu cabinet in 1944 as Minister for Foreign Affairs. Headed the Turkish delegation to the UN San Francisco conference in 1945. Firm supporter of the United Nations and of Turkey's friendship with the US. Despite his experience in financial and economic matters, his cabinets have been less successful in these fields than in their conduct of foreign affairs. Not an outstanding or impressive personality, Saka has succeeded in obtaining better support from the People's Republican Party than did his predecessor, Peker, largely because of his inclusion in the cabinet of members of the party's younger, more liberal group, such as Erim (q.v.) and Gülek (q.v.). Saka has cooperated with President İnönü in trying to strengthen democratic institutions, notably in his abolition of Martial Law in the Straits Zone, and in reforming electoral procedures.

Saracoğlu, Sükrü.

Former Prime Minister. Previously held several cabinet posts, including that of Foreign Affairs. Deputy Director-General and prominent leader in the People's Republican Party.

Sarper, Selim.

Chief Permanent Delegate to the UN. Born 1899 at Istanbul. Has been Ambassador to Moscow (1944-1945), and Rome (1946-1947), and was a successful Director-General of the Bureau of Press and Publicity (1943-1944). Has argued capably against Vishinsky and other Soviet representatives in the UN. Strongly pro-US.

Sirmen, Fuat.

Minister of Justice. Born 1899 at Istanbul. Educated at Istanbul and Rome. Career almost entirely spent in legal posts, until his election as a deputy in 1935. After being appointed Minister of Economy in 1943, faced a storm of accusations of

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inefficiency even from members of his own party. Left the cabinet in 1946, but was inexplicably recalled in 1948. His present cabinet post is probably the only one for which he is at all fitted.

Sümer, Nurullah Esat.

Chief Turkish representative to and a Governor of the UN International Bank for Reconstruction and Development and International Monetary Fund. Born in 1899 at Izmir. Educated in Izmir (in part at an American school there) and in Germany. Has been Director-General of the Sümer Bank and (1944-1946) Minister of Finance, as well as (1945) Acting Minister for Foreign Affairs.

Tuğsavul, Orgeneral (General) Muzaffer.

Deputy Chief of Staff. US observers regard him as an exceptionally active, intelligent, and able officer, perhaps the most efficient now serving on the Turkish General Staff. Regarded as an expert on fortifications, having taken an important part in construction of defenses of the Dardanelles Straits.

Türkmen, Tuğgeneral (Brig. General) Behçet.

Former Director of the XI Section (Intelligence), Turkish General Staff. Replaced by Menderes (q.v.) in 1948. Former Military Attaché, Moscow. Visited US and other countries in 1948. Highly intelligent, energetic, and capable. Always most cooperative with US officials. Has now been posted to a field command in Ankara as Deputy Commander of the 28th Infantry Division.

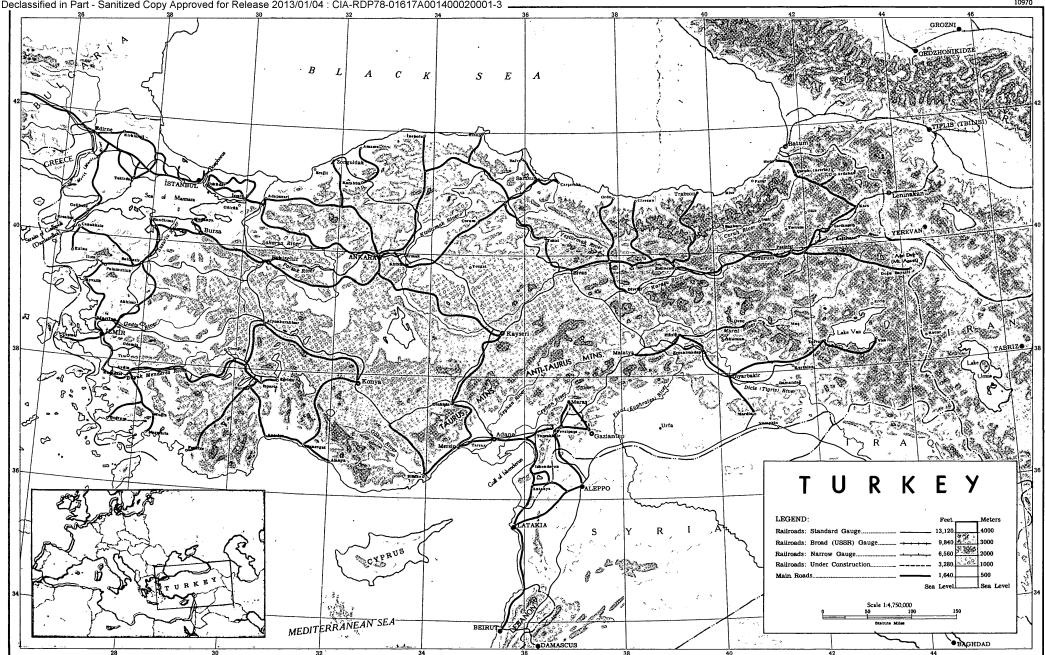
Ülgen, Oramiral (Admiral) Ali.

Commander in Chief, Turkish Fleet. Earlier in his career specialized in gunnery. Served in the Balkan Wars and World War I. Members of the US Mission report him to be alert and intelligent. Member of the Superior War Council.

Uran, Hilmi.

Deputy President of the People's Republican Party. Previously served in several cabinet posts, including the Ministry of the Interior during the recent war. Following certain changes effected in the party's organization in 1947, he was appointed to his present post, and in effect is chiefly responsible for the party's administration, under the leadership of President Ismet İnönü.

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APPENDIX D
MAP OF TURKEY

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