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# THE PROSPECTS FOR TURKEY

*Submitted by the*

### DIRECTOR OF CENTRAL INTELLIGENCE

*The following intelligence organizations participated in the preparation of this estimate: The Central Intelligence Agency and the intelligence organizations of the Departments of State, Defense, the Army, the Navy, the Air Force, and The Joint Staff.*

*Concurred in by the*

### UNITED STATES INTELLIGENCE BOARD

*on 5 January 1962. Concurring were The Director of Intelligence and Research, Department of State; the Director, Defense Intelligence Agency; the Assistant Chief of Staff for Intelligence, Department of the Army; the Assistant Chief of Naval Operations (Intelligence), Department of the Navy; the Assistant Chief of Staff, Intelligence, USAF; the Director for Intelligence, Joint Staff; and the Director of the National Security Agency. The Atomic Energy Commission Representative to the USIB, and the Assistant Director, Federal Bureau of Investigation, abstained, the subject being outside of their jurisdiction.*

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## THE PROSPECTS FOR TURKEY

### THE PROBLEM

To estimate the outlook for Turkey over the next few years, with particular reference to the prospects for political stability and economic progress.

### CONCLUSIONS

1. The prospects for political stability and economic progress in Turkey will depend to a large degree upon the influence of the military, which will remain the ultimate source of power in Turkey. However, the election outcome probably made the armed forces aware that while they have high prestige with the Turkish people, the country has no desire to be governed by the military. (*Para. 14*)

2. It is questionable whether Turkey's present coalition government between the Republican People's Party and the Justice Party, which was formed as a result of strong military pressures, can remain in office for more than a year or so. Its collapse would not necessarily mean the end of civilian government. However, failure of the political leaders to provide effective government—or attempts by them to pursue policies strongly opposed by the military—probably would lead the military to reassume direct control. In such an event, military rule probably would be prolonged. (*Paras. 11, 17-18, 20*)

3. Turkey has the natural resources necessary for substantial economic development, and progress during the postwar period has provided Turkey with a moderate industrial base. The new government intends to inaugurate an ambitious five-year plan in 1963 in the hope of stimulating the economy to expand by as much as seven percent annually. Achievement of this goal will be dependent on optimum conditions, and we believe it more likely that the Turkish economy will grow at a rate substantially below this level. The consequent slow rise in living standards probably will lead to growing pressure for more radical social and economic policies. (*Paras. 21, 24-26, 31-33*)

4. Turkey is unlikely to alter the essentials of the Western-oriented foreign policy it has pursued since World War II. As time goes by, the Turks will become more conscious of the new threat of Soviet medium-range missiles, and this feeling

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may in the long run have some effect on their policy. Nevertheless, Turkey's basic and longstanding distrust of the Soviet Union will continue, although there may be some improvement of relations in the economic sphere. Differences between the US and Turkey are likely to arise periodically. We estimate that the Turks will continue to insist on at least some measure of joint operations of certain facilities, and could go so far as to deny to the US the use of these facilities if they do not receive the treatment they feel they deserve as full partners in the Western Alliance. However, the Turks are too aware of the Soviet threat and of their heavy dependence on the US for both protection and aid to let such differences endanger their basic relationship with the US. At the same time, Turkey is likely to seek closer ties with Western Europe

to secure new markets and increased aid.<sup>1</sup>  
(*Paras. 38-41*)

<sup>1</sup> The Assistant Chief of Staff, Intelligence, USAF, does not concur in this Conclusion. Though he considers that negotiations with Turkey on US base rights will be troublesome, he believes this paragraph overstates the likelihood of Turkey denying the US the use of certain facilities. Thus, he believes the Conclusion should be changed to read:

Turkey is unlikely to alter the essentials of the Western-oriented foreign policy it has pursued since World War II. Turkey's basic and longstanding distrust of the Soviet Union will continue, although there may be some improvement of relations in the economic sphere. Many Turkish military leaders are convinced that the US regards its installations in Turkey as so important to the US global defense posture that Turkey will be able to extract numerous concessions from the US, and periodic differences may become more difficult to resolve. We believe the Turks are deeply aware of the Soviet threat and of their heavy dependence on the US for both protection and aid and will not intend to let such differences endanger their basic relationship with the US. However, in the course of bargaining they might impose conditions which would be extremely difficult for the US to meet. At the same time, Turkey is likely to seek closer ties with Western Europe to secure new markets and increased aid.

## DISCUSSION

### I. INTRODUCTION

5. The overthrow of the Menderes government by the armed forces on 27 May 1960 marked the end of nearly four decades of political stability. This stability made possible substantial progress toward transforming Turkey from an underdeveloped country to a modern western-oriented state. For many years this effort was carried out by an authoritarian regime under the Republican People's Party (RPP) founded by Ataturk and later led by Ismet Inonu. However, after World War II a two-party system was developed, and in 1950 the Democrat Party (DP) led by Adnan Menderes came to power.

6. The Menderes government was popular during its first few years in office, largely as

a result of the extremely rapid economic growth which occurred and the greater personal freedom that was permitted. In time, however, inflation arising out of the government's grandiose economic plans and the DP's endeavors to entrench itself and suppress opposition led to increasing popular dissatisfaction. Menderes resorted to increasingly repressive measures to curb the resurgent strength of the RPP, relying first on the police and then on the army. However, the military leaders—many of whom had ties with the RPP—resented Menderes' efforts to make the armed forces the instrument of the party in power. As the political struggle between the DP and the RPP increased in intensity, the military, fearing that Menderes was destroying national unity and believing that only a

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military takeover could reunify the country, seized power in May 1960.

7. The Committee of National Union (CNU), the new governing body, which was composed exclusively of military officers, emphasized that its role was to restore orderly and responsible civilian government. The CNU's aim was to assure the ascendancy of the RPP, to destroy the DP, and to create in place of the latter an opposition which in the military's view would be responsible. However, serious splits developed within the military, the most important of which was between the older and more conservative members of the CNU and a group of younger officers led by Colonel Turkes. The latter group was in favor of an extended period of military rule to carry out what is regarded as necessary social, economic, and political reforms. The conservative members won this struggle, and Turkes and 13 colleagues were expelled from the CNU and assigned to Turkish embassies abroad. These factional disputes were not so serious as to prevent preparations for a return to civilian government. The formation of new political parties was encouraged and a new constitution was adopted by referendum. Despite a large protest vote which revealed the continuance of widespread pro-DP sentiment, the military proceeded with national elections on 15 October 1961.

8. The hopes of the military leaders for an orderly transfer of power to the RPP were dashed by the election outcome. The RPP got only 40 percent of the popular vote and obtained only a plurality in the lower house. The Justice Party (JP), which took over most of the former DP local organizations and appealed to pro-Menderes elements, came in second in terms of popular votes and obtained a plurality of the elected members in the Senate. Economic stagnation, the early retirement of thousands of military officers, the execution of Menderes, and the generally high-handed manner of the CNU—with which the RPP was identified—cost the RPP many votes.

1961 TURKISH NATIONAL ELECTION<sup>a</sup>

	NATIONAL ASSEMBLY	SENATE
Republican People's Party	173	36
Justice Party	158	70
New Turkey Party	65	28
Republican Peasant Nation Party	54	16
TOTAL	450	150 <sup>b</sup>

<sup>a</sup> The differing positions of the RPP and the JP in the National Assembly and Senate are due to the use of different electoral systems—proportional representation in the National Assembly and a form of the majority system in the Senate.

<sup>b</sup> In addition, the constitution provides that the President shall appoint 15 senators and that CNU members shall be lifetime members of the Senate.

9. Thus Menderes, though condemned and executed, left a powerful legacy. His policies gained him widespread support among the peasants, workers, and the lower middle class. To secure their support, Menderes provided them considerable economic benefits. Perhaps even more important, he was willing to make concessions to traditional religious attitudes. In the eyes of the Westernized elite—which includes the military officers—this endangered Ataturk's goal of a secular republic.

10. The basic political problem faced by Turkey today is that of continuing the development toward a stable democratic government. While this goal is widely desired in Turkey and some progress toward it has been made in recent decades, the obstacles to its attainment remain formidable. The Turks still face the task of reconciling within a democratic framework the need felt by the Westernized elite to preserve and expand the secular reforms initiated by Ataturk with the reluctance to accept such reforms on the part of the tradition-bound majority. The legacy of bitterness left by the recent political strife and the active political role played by the military will further complicate Turkey's task.

II. POLITICAL SITUATION

The Political Parties

11. Turkey is presently governed by a RPP-JP coalition, with Ismet Inonu as Prime Minister. Although each party has an equal number of

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cabinet positions, the RPP holds most of the key portfolios—foreign affairs, defense, finance, and justice. The Cabinet has few impressive figures. The coalition's most serious weakness, however, is the basic hostility between the RPP and the JP—a hostility that was only submerged as a result of strong military pressure. The military insisted upon the election of General Gursel as President and also forced the party leaders to agree not to reverse any of the CNU's important measures. In addition, the Turks have had no experience in operating a coalition government, and the fact that the party balance in the Senate differs considerably from that in the lower House will increase the government's problems.

12. The difficulties of the new government will be further increased by disagreements within the two parties as well as by the conflicts between them. While Prime Minister Inonu remains the dominant figure of the RPP, there is considerable dissension within the party. The old guard leadership is under pressure from younger elements from the provinces who seek greater recognition. It is also challenged by Kasem Gulek, a former Secretary General of the party, who is convinced that the party must be modernized in structure and outlook to regain its once-dominant position. The conflicts within the hastily-organized JP are even more serious. The party is formally led by General Gumuspala, with other retired military officers in several high positions. However, it derives its real motive power from former members of the DP, many of whom are extremists bent on avenging the execution of Menderes. They have little sympathy for the warnings of party leaders that such a course would only result in a new military coup. In fact, more than one-third of the JP deputies failed to follow their leaders in the vote installing the government.

13. There are two smaller parties represented in the legislative assembly. The New Turkey Party (NTP), led by former CNU Finance Minister Ekrem Alican, has a moderately liberal outlook, at least at the top. However, the well-intentioned but so far ineffective leaders have experienced considerable diffi-

culty in maintaining control over the bulk of the party's adherents who are former DP members. The Republican Peasants Nation Party (RPNP) represents the most reactionary religious elements in Turkey. It is largely the creation of the opportunistic Osman Bolukbasi and has no constructive program. It is unlikely that other political groups will have much influence. The Communist Party is illegal and politically insignificant. The minorities—Armenians, Greeks, Jews, and Kurds—generally supported the DP in the past but do not play a significant political role.

#### The Role of the Armed Forces

14. The military remains the ultimate source of power in Turkey and continues to regard itself as the guardian of the unity of the Turkish people and of Ataturk's ideals. Indeed, it has been the most potent force struggling for the modernization of Turkey over the last century. The military officers have a low opinion of most politicians, regarding them as interested in their personal or party interests rather than the welfare of the country. However, the election outcome probably has made the armed forces aware that while they have high prestige with the Turkish people, the country has no desire to be governed by the military.

15. Although the initial impetus for the 1960 coup came chiefly from middle grade officers, the senior military commanders have steadily asserted their control during the past 18 months. Nevertheless, the senior officers clearly are concerned with the attitudes of the younger officers, and are worried by the latter's impatience and lack of restraint. For example, the insistence of the younger officers probably was the ultimate factor behind the execution of Menderes and two of his close associates, as the senior officers were more inclined to commute their sentences.

16. The relationship among the more influential military officers will probably remain fluid, in view of the extensive retirements and widespread reassignments during the past year. So far no senior military officer has emerged as the dominant figure.

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5

Colonel Turkes has some personal following, but probably not enough to play a determining role, at least in the near future.

### Probable Developments

17. It is questionable whether the coalition, in its present form, can remain in office for more than a year or so. The JP leaders will be under rising pressure from their rank and file to reverse some of the measures of the military regime or even to attempt to form a new coalition with the smaller parties. In addition, feeling between the two parties is bitter, and many JP members harbor an active hatred for Inonu himself. In these circumstances, the JP leaders will almost certainly not be able to hold all their followers in line. The critical question is how long they can keep control of a sufficient number to provide the coalition with a working majority in Parliament.

18. A collapse of the present coalition would not necessarily mean the end of civilian rule in Turkey. The military leaders might force the parties to form a new coalition. Alternatively, the present incohesive parties might break up and permit the formation of a new party with a parliamentary majority and greater popular support. A third possibility is that new elections might give a clear majority to the RPP or to a more stable coalition acceptable to the military. Either of the last two developments would increase the chances that civilian leaders would gradually acquire full political control. At best this process would be a slow one and would depend on the development of purposeful and effective civilian leadership mindful of the ideals and principles which the armed forces regard as essential to Turkish life.

19. In all these maneuverings, the role of the 77-year old Inonu will be important. As a former military leader and close associate and heir of Ataturk he occupies a unique position. He is the only leader who has thus far been able to muster the support of a majority of the Parliament and at the same time maintain the confidence of the military. Even should constitutional government collapse again, he might continue in a significant

role and help provide a restraining influence on the more impetuous elements among the military.

20. The failure of the political leaders to provide effective government—or attempts by them to pursue policies strongly opposed by the military—probably would cause the military to reassume direct control of the government. In such an event, military rule probably would be prolonged.

### III. ECONOMIC SITUATION AND PROSPECTS

21. Turkey's economy has expanded substantially during the postwar period. Gross national product (GNP) grew 5–6 percent annually between 1947 and 1960. This made possible a substantial improvement in living standards, despite an annual population increase of nearly three percent. Agricultural output increased by about one-half, industrial and mineral production more than doubled, and electric power production increased nearly four-fold. A national highway network was constructed, the railroad system improved and extended, the port facilities modernized, and an airways system created. Finally, the government allowed increased freedom to private businessmen, and a small but growing industrialist class has emerged.

22. However, many government investments were ill-conceived and made only a limited contribution to the economy. Continued deficit financing resulted in growing inflationary pressures and balance of payments difficulties. By late 1957 Turkey was in the midst of a financial crisis, and in 1958 was forced to agree to a stabilization program drawn up by the International Monetary Fund (IMF) in order to qualify for continued foreign aid. Once new injections of foreign aid had been secured, however, the government became less concerned with carrying out the stabilization program, and Turkey was again in a perilous financial position by the time of the military coup.

23. The military regime reinstated the stabilization program and halted inflation. More stringent import controls and better utilization of foreign aid resulted in a mod-

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6

erate rise of foreign exchange reserves. A State Planning Office was established and given the task of preparing an integrated economic development plan. However, the uncertain political outlook resulted in a reluctance to invest on the part of many businessmen. This reluctance, combined with the regime's deflationary fiscal policies, caused the economy to stagnate.

#### Turkey's Economic Potential

24. Turkey has the natural resources necessary for substantial economic development. It has extensive hydroelectric potential and sizable and generally good quality deposits of many of the mineral resources necessary for an expanding industry. Moreover, recent petroleum discoveries make it likely that Turkey will gradually reduce its present heavy dependence on imports. Its agricultural resources are less impressive. Soils are poor and the rainfall is both inadequate and undependable in the Anatolian plateau. The coastal areas, on the other hand, have rich soils, ample rainfall, and a milder climate.

25. The investments of recent years have provided Turkey with a moderate industrial base—chiefly in textiles, food processing, and building materials and, to a lesser but growing extent, in steel production and metal manufactures. However, Turkish industry normally utilizes little more than half of its installed capacity. This has been partly due to shortages of raw materials and spare parts in recent years and to local preferences for imported articles. In part it represents a legacy of unwise past investments in the state industrial enterprises—which employ about half of the industrial labor force and have most of the idle capacity. These enterprises have little incentive to economize on their use of resources, as the government has never required them to operate on a competitive basis. In addition, the quality of management in both the public and private sectors is generally mediocre because of lack of training and experience.

#### Turkey's Economic Development Program

26. The new government has pledged itself to continue the military regime's emphasis

on economic planning. A considerable array of talent has been assembled from the universities and from various state enterprises, and the new State Planning Office has been given very broad functions. It is drafting an interim plan for 1962 and a series of five-year plans commencing in 1963. The first two five-year plans, while still rudimentary, envisage an expansion of GNP by as much as seven percent annually. Such a rate of growth would nearly double total production by 1973, and increase per capita income by about 50 percent—to around \$270 annually. This goal is predicated on a rate of investment of 18 percent of GNP in the first plan and 20 percent in the second.

27. This is a very ambitious goal. In the past the proportion of GNP invested has certainly not exceeded 15 percent, and has probably been nearer to 12 percent. Raising the level of investment to 18 percent would require a sharp increase in taxes as well as special incentives to encourage personal savings and private investments. Some of the necessary funds could come from a further curtailment of subsidies to the agricultural sector, but the political problems in such an effort would be formidable. Some progress could be made in curtailing the subsidies of government industrial installations by forcing them to operate on a competitive basis. However, the major part of the additional resources needed would have to be provided by sizable tax increases and foreign assistance, since a return to substantial budget deficits would quickly bring new inflationary pressures and balance of payments difficulties.

28. During the five-year plan period the State Planning Office envisages a foreign aid requirement ranging from \$200,000,000 in the first year to \$300,000,000 in the fifth year. In addition, Turkey will need about \$120,000,000 a year to service its foreign debts during the next five years. These figures do not include military aid, which has averaged about \$90,000,000 in recent years. Turkey hopes to obtain increasing amounts of aid from international organizations and Western European countries, especially the

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European Economic Community (EEC)—with which Turkey is seeking associate membership. However, Turkey will continue to rely primarily on the US to support its economic development effort.

29. We believe that Turkey may require even more foreign aid than it presently estimates, largely because of the country's difficult export position. Over four-fifths of Turkey's exports are agricultural products—foodstuffs, tobacco, and cotton. Most of these products face chronic difficulties in international markets. In addition, domestic needs for cotton and foodgrains are likely to increase more rapidly than production of these items.

30. Even if Turkey is able to raise the domestic resources and secure the foreign aid needed, its ability to accelerate its development effort as now envisaged by the State Planning Office is doubtful. A more likely prospect is for a progressive increase in the rate of growth over a period of years. The basic limitation on Turkey's economic progress is the need for better trained people at all levels. While more basic education is clearly needed to increase the literacy rate—now about 40 percent—a more serious weakness is the shortage of skilled workers, technicians, and administrative and managerial personnel.

#### Future Trends

31. Investments in state enterprises have been increased in the 1962 budget, but this probably will turn out to be—at least in part—at the expense of private investment. In addition, the defense budget has been increased by about 20 percent, probably at the insistence of the military. While Turkey's defense burden has not been unduly heavy in the past—and the training received by the conscripts has benefitted the economy—such a sharp increase will be difficult to finance. For obvious political reasons the government is unwilling to increase taxes now and plans to cover the increased spending mainly through US local currency support. Although it probably will be necessary to resort to some deficit financing, it is unlikely that the government will follow seriously inflationary policies. The preoccupation of the party leaders with political af-

fairs is likely to prevent the government from managing the economy with any great skill in the next few years, and the lack of political stability may inhibit private investment.

32. Achievement of the plan's goal of a seven percent rate of growth will be dependent on optimum conditions—enhanced political stability and receipt of virtually all the foreign aid called for by the plan. Given the political uncertainties, as well as the inherent economic problems, we believe it more likely that the Turkish economy will grow at a rate substantially below this level. Agriculture is likely to be the major limiting factor. With negligible possibilities of bringing more land under cultivation, even modest expansion of agricultural output will require increased investments. Under these conditions, agricultural production is likely to increase by only 2–3 percent a year, or somewhat less than the growth of population. Industrial production, on the other hand, is likely to expand more rapidly, perhaps by as much as 8–10 percent annually. Manufacturing will benefit from the increasingly ample supplies of raw materials, power, and steel. For example, within the next five years crude steel production probably will increase from about 200,000 tons to nearly 1,000,000 tons a year.

33. The modest gains which we anticipate will make possible only a slow rise in living standards, as Turkey's population is likely to continue to grow by nearly three percent annually. The slow rise in living standards is likely to have growing political implications. The Turkish people have experienced their first sustained economic progress in the post-war period, and they are impatient for more. The migration of large numbers of peasants to the cities in recent years, where they have observed the way of life of the middle and upper income groups, has already stimulated a growing class feeling. Unless their minimum economic desires are satisfied, there is likely to be growing pressure for more radical social and economic policies.

#### IV. MILITARY AFFAIRS

34. Turkey continues to place a high priority on the development and maintenance of

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strong military defenses. Nearly all of the country's armed forces are committed to NATO. Much of the cost of modernizing and maintaining Turkey's military establishment has been assumed by the US. However, the Turks themselves have assumed a substantial defense burden. For 1962, defense spending is scheduled to total about \$285,000,000.

35. The 413,000-man military establishment consists essentially of a large infantry army supported by a small navy and air force. The 348,000-man army is the largest in the Middle East. Its two largest field armies are stationed in the Istanbul area and in northeastern Turkey to defend the country against attack from Bulgaria and Transcaucasian Russia respectively. A smaller field army is in reserve in central Turkey. The air force, which consists of 31,000 men and 740 aircraft, is designed to provide air support for the army as well as air defense. The 34,000-man navy is concerned mainly with defending the Straits and the Black Sea coast. In addition, the 60,000-man gendarmerie, which receives military training, is under army control in time of war or national emergency.

36. Turkey will continue to face formidable obstacles in its effort to improve the combat effectiveness of its military forces. The physical endurance, good discipline, and strong patriotism of the Turks will continue to be assets, but the level of literacy is low and there is a serious shortage of trained technical personnel. This weakness is compounded by the fact that over 90 percent of the army is composed of conscripts or reserve officers, and the quality of leadership and command supervision in the armed forces is only fair.

37. The intervention of the military forces in Turkish political life has resulted in a number of important changes in the Turkish armed forces. One of the CNU's major efforts while in office was to improve the quality of the armed forces by eliminating deadwood from the officer corps. To this end, over 5,000 officers—including over 200 of the 225 general officers—were retired to permit the promotion of better qualified junior officers. While this

program temporarily reduced the capabilities of the armed forces, its long-run effect will be beneficial. However, the involvement of the military in politics has produced significant dissension within the armed forces. Continued preoccupation of key elements of the officer corps with politics could have an adverse effect on the armed forces.

## V. INTERNATIONAL AFFAIRS

38. Turkey is unlikely to alter the essentials of the anti-Communist foreign policy it has pursued since World War II. The new government has stated that it will adhere to NATO and CENTO, and clearly regards NATO and the US as the only feasible sources of protection against the Soviet Bloc. As time goes by, the Turks will become more conscious of the new threat of Soviet medium-range missiles, and this feeling may in the long run have some effect on their policy. However, the political parties and the military appear united with respect to the basic outlines of Turkey's foreign policy. Although there are scattered pockets of neutralist sentiment among intellectual groups, few Turks advocate a significant shift from the policy of alignment with the West.

39. Turkey's relations with the US will continue to be close, although the trend toward greater emphasis on Turkey's sovereign rights initiated by the military regime is likely to continue. In particular, Turkey is likely to be less accommodating than in the past concerning base rights of great importance to the US as well as US military privileges. We estimate that the Turks will continue to insist on at least some measure of joint operation of certain facilities, and could go so far as to deny to the US the use of these facilities if they do not receive the treatment which they feel they deserve as full partners in the Western Alliance. Their effort to secure a more favorable status of forces agreement will continue. There will probably continue to be dissatisfaction concerning the level of US military and economic aid. Nevertheless, the Turks are too aware of the Soviet threat and of their heavy dependence on the US for both protection and

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aid to let such differences endanger their basic relationship with the US.<sup>2</sup>

40. Turkey is likely to make a major effort to expand its relations with Western Europe over the next few years, particularly in the economic sphere. The Turks are becoming increasingly aware that Western Europe's rapid growth offers opportunities to secure new markets and increased aid. Turkish leaders have long stressed the need for NATO to provide special economic aid to its less developed members—Greece and Turkey—and expect that the economic mission NATO has sent to survey their economy will result in increased aid.

41. Turkey's basic and longstanding distrust of Russia will continue, but some expansion of Turkey's economic relations with the USSR may occur. To the extent that Turkey is un-

<sup>2</sup> The Assistant Chief of Staff, Intelligence, USAF, does not concur in this paragraph. Though he considers that negotiations with Turkey on US base rights will be troublesome, he believes this paragraph overstates the likelihood of Turkey denying the US the use of certain facilities. Thus, he believes the paragraph should be changed to read:

A trend toward greater formality will probably mark US-Turkish relations over the next few years. The strong feelings of nationalism among the military will probably lead to a greater insistence on Turkey's sovereign rights. Many Turkish military leaders are convinced that the US regards its installation in Turkey as so important to the US global defense posture that Turkey will be able to extract numerous concessions from the US, and periodic differences may become more difficult to resolve. In particular, Turkey is likely to be less accommodating than in the past on matters concerning base rights of great importance to the US as well as US military privileges. Their efforts to secure a more favorable Status of Forces Agreement will continue. There will also probably continue to be dissatisfaction concerning the level of US military and economic aid. We believe the Turks are deeply aware of the Soviet threat and of their heavy dependence on the US for both protection and aid and will not intend to let such differences endanger their basic relationship with the US. However, in the course of bargaining they might impose conditions which would be extremely difficult for the US to meet.

able to secure markets for its exports in the West, it will try to dispose of them in the Bloc, as it did in 1957 and 1958. The USSR made offers of substantial economic aid to both the Menderes government and the military regime, and may do so again. So long as US and European assistance is generally adequate for its needs, however, Turkey is unlikely to accept large-scale assistance, although it might decide to accept limited Soviet aid.

42. In the Middle East, Turkey's primary concern at present is with Iran. This concern is the chief reason for Turkish support of CENTO, from which Turkish leaders feel their country derives little direct advantage. Turkey believes that by supporting CENTO it contributes to the stability and Western orientation of Iran, and probably will continue to urge the US to join CENTO.

43. Turkey's policy toward the Arab states reflects its low opinion of the Arabs, a result of the Ottoman Empire's long domination of the area. Under the military regime, Turkey played a relatively inactive role in the area. The new government is likely to continue this policy, partly because Inonu has long believed that Turkey should remain as aloof as possible from intra-Arab quarrels, but also because Turkey probably believes Nasser has become less of a threat since the breakup of the United Arab Republic. At the same time, Turkey will be inclined to continue its cooperation with Israel and to give discreet support to anti-Nasser forces, particularly in Syria. However, the antagonism between Syria and Turkey makes it unlikely that such cooperation will be extensive or lasting.

44. The Cyprus settlement of 1959 resolved the major outstanding issue between Greece and Turkey, and relations are likely to remain satisfactory as long as they continue to agree on Cyprus. Turkey's support of the Cyprus settlement reflects its conviction that the present arrangements offer the best hope of protecting the welfare of the Turkish Cypriots as well as the strategic interests of Turkey.

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