



National  
Foreign  
Assessment  
Center

Approved For Release 2006/03/17 : CIA-RDP79T00912A001700010016-4

Secret



25X1

HR

# Western Europe Review

18 April 1979

State Department review completed

Secret

PA WER 79-016  
18 April 1979

Approved For Release 2006/03/17 : CIA-RDP79T00912A001700010016-4

729

25X1

Approved For Release 2006/03/17 : CIA-RDP79T00912A001700010016-4

Approved For Release 2006/03/17 : CIA-RDP79T00912A001700010016-4

[Redacted]

25X1

WESTERN EUROPE REVIEW

[Redacted]

25X1

18 April 1979

CONTENTS

France-USSR: Agreeing to Disagree [Redacted] 1

25X1

French President Giscard's three-day visit to Moscow next week will probably produce nothing more than an agreement to disagree. [Redacted]

25X1

France: The Shadow of the Presidential Election [Redacted] . . . . . 8

25X1

The European Parliament election next June is being increasingly viewed in France as a primary for the presidential election in 1981. [Redacted]

25X1

Spain: The New Cabinet [Redacted] . . . . . 12

25X1

The composition of Prime Minister Suarez's new Cabinet, which was sworn in on 6 April, will strengthen his hold on the government and enhance his ability to act decisively. [Redacted]

25X1

Changing the Structure of the Nuclear Planning Group [Redacted] . . . . . 14

25X1

The Dutch Government has been gathering support for its proposal to replace the rotational membership system of the NATO Nuclear Planning Group with permanent seats for all members. [Redacted]

25X1

Turkey: Population Growth and Economic Strains [Redacted] . . . . . 16

25X1

Turkey's current economic troubles, which include a slowdown in economic growth, burgeoning unemployment, and accelerating inflation, are associated with the nation's drive for rapid modernization. [Redacted]

25X1

SECRET

25X1

25X1

France-USSR: Agreeing to Disagree

25X1

French President Giscard's three-day visit to Moscow next week will have about it a sense of the theater. Despite some serious differences, centering mainly on the French desire for closer commercial and military relations with China, both sides have a strong interest in underscoring the durability of long-term prospects for Franco-Soviet ties. But in the end Giscard and his hosts may find it difficult to do much more than agree to disagree.

25X1

Looking Back

Giscard's last visit to Moscow, in October 1975, was a troubled one. He and Soviet President Brezhnev failed to develop any feeling of rapport, and the Soviets made some last-minute changes in the meeting schedule that the French interpreted as signs of Soviet displeasure with the new French leadership. An Elysee official who accompanied Giscard to the USSR told the US Embassy that the Soviets were displeased that "Giscard does not share Pompidou's anti-Americanism." By the time Foreign Minister Gromyko visited Paris in 1976, both sides were making an effort to erase the disagreeable impressions left by Giscard's Moscow visit.

25X1

Brezhnev's visit to Paris in the summer of 1977 was the high-water mark of that effort. Since then, the road has been very rough in places. In the months following Brezhnev's trip, the French proposed a European Disarmament Conference and a UN-sponsored international satellite verification agency, both of which aroused Soviet concerns about possible negative effects on the MBFR talks. During the same period, Moscow became increasingly irritated over what it viewed as French readiness to defend their own interests--often at cross-purposes to the Soviets'--in Africa.

25X1

18 April 1979

SECRET

SECRET

By May 1978, relations had clearly deteriorated. In fact, the sharp French criticism of Soviet human rights policies and of the Soviet-Cuban role in Africa, coupled with Soviet allegations about French involvement in Shaba and Moscow's cancellation of a visit to Paris by Chief of Staff Ogarkov, brought relations to the lowest point since former French President de Gaulle initiated his rapprochement with Moscow in 1966. [REDACTED]

25X1

But neither side would allow relations to founder. The long-term value of the "special relation" prompted both the French and the Soviets to maintain at least a facade of understanding, while substantive problems were either worked out or finessed. For the Soviets, French insistence on an independent foreign policy represents the most important cleavage within the Western Alliance. For France, relations with Moscow continued to be an essential element of its independence. [REDACTED]

25X1

In October 1978, both sides hoped that another Gromyko visit to Paris would demonstrate that relations were back to normal. During Gromyko's stay, both sought to mask their criticisms of the other in the most polite terms, but beneath the veneer of bonhomie a good deal of coolness lingered. [REDACTED]

25X1

#### French Domestic Politics and the Timing of Giscard's Visit

It lingered to such an extent, in fact, that Giscard demurred at Gromyko's suggestion that he visit Moscow during the first half of 1979. Giscard's excuse was that such a trip would be impolitic during the period of the French EC presidency. But later in the fall, the French abruptly changed course and reopened discussions about the visit; realizing that his calling of the Guadeloupe summit could expose him during the campaign for the European Parliament to charges of being too much of an "Atlanticist," Giscard was trundling out the proven balancing device: a trip to Moscow. [REDACTED]

25X1

Foreign Minister Francois-Poncet's restatement in late March of French allegiance to de Gaulle's concept of East-West relations reflects the same Giscardian concern. Francois-Poncet said that France, while remaining

18 April 1979

SECRET

a faithful friend and ally of other countries, intends to follow an independent policy, an important part of which is cooperation with the USSR. [REDACTED]

25X1

Prelude to the Giscard Visit: An Attack on Francois-Poncet

But if domestic exigencies encouraged a more positive French approach toward Moscow, they could not alter the underlying reality of serious bilateral differences. This was dramatically underscored by the publication in an important Soviet journal of allegations about Francois-Poncet's objectivity as foreign minister. The attack, coming just three weeks before his 11-13 February Moscow trip, hinted at sinister overtones to his family's ties to German steel interests. Despite diplomatic efforts on both sides to smooth ruffled feathers, the publication of the story has been taken by Paris as a Soviet warning that relations could deteriorate seriously if the French do not restrict sales of weapons and sensitive technology to China and restrain development of political ties with Beijing and Bucharest. [REDACTED]

25X1

China

Disagreement over French policy toward the People's Republic of China is presently the main point of friction between France and the Soviet Union. Paris avidly desires improved commercial and political ties with Beijing and believes that China must be reintegrated into the international community. For France this means several things, such as Chinese participation in various international bodies, including disarmament discussions, and the aggressive marketing of French technology in China. Major deals are currently pending on peaceful nuclear technology and certain kinds of sophisticated military equipment. [REDACTED]

25X1

The Soviets--profoundly disturbed by the specter of a China not only welcomed into the international community but provided with more sophisticated technology and weapons--have brought considerable pressure to bear on Paris. Seeking to prevent these deals from going through and arguing that detente is at stake, Moscow has warned Paris repeatedly of the dangers inherent in moving closer to China. The French, who do not share Soviet fears

18 April 1979

SECRET

about Chinese aggressiveness, point out that they do not plan to sell "offensive" weapons to the Chinese and argue that all necessary precautions have been taken with respect to the nuclear plants. Paris also points out that the Soviets sell weapons to countries unfriendly to France. Moreover, yielding to Soviet pressure would run counter to France's independent foreign policy. [REDACTED]

25X1

Thus, while Paris is sensitive to the potential effect on detente of closer Franco-Chinese ties, there is no sign that the French are going to back off. In fact, the increased commercial competition likely to flow from the normalization of US-Chinese relations could spawn greater French efforts to sell Beijing advanced technology. [REDACTED]

25X1

Perhaps in an effort to mollify Moscow without giving in on substance, Paris signaled in late February a change in its line on the China-Vietnam war. A government statement made specific reference to "events on the Sino-Vietnam border" without a similar reference to the Vietnam-Kampuchea situation. It also called implicitly for a Chinese withdrawal. Previously, Paris had criticized Vietnam's attack on Kampuchea, and the new French position was a definite tilt away from China, perhaps motivated by a desire to improve relations with Moscow. Francois-Poncet frosted the cake in mid-March when he publicly flattered the Soviet Union for its restraint during the China-Vietnam conflict. The Foreign Minister clearly put the major onus for the fighting on China. There also is evidence that for reasons having to do with the French desire to use China's interest in French arms as leverage to get the Chinese to agree to major economic exchange, Paris is letting the timetable for the conclusion of arms deals slip. Giscard may try in Moscow to explain this slippage as a concession to the Soviets. [REDACTED]

25X1

#### Agreeing to Disagree

Compared to the China issue, other conflicts between Paris and Moscow--although certainly important--are less likely to mar the atmosphere of Giscard's visit. There remains, however, a whole range of issues on which the

18 April 1979

SECRET

SECRET

two sides may agree to disagree. The Soviets, for example, are annoyed by French attention to Romania--Giscard made a state visit to Bucharest last month--at a time when the Romanians are flouting Soviet authority. Moscow probably took little comfort in the news from the visit that Romanian leader Ceausescu shares Soviet objections to the French disarmament proposals. But the low-key nature of Giscard's visit--Giscard avoided mentioning issues on which Romania and Moscow have clashed--was probably in large part the result of French desires to minimize the Soviets' annoyance. [REDACTED]

25X1

Africa and disarmament probably are two other subjects where differences will be played down during the visit. Regarding Africa, Paris is in the process of retrenching and rethinking some of its commitments. This has been made easier by the relatively low profile assumed lately by the Soviets or their proxies in Africa. [REDACTED]

25X1

Both the French and the Soviets, who share a belief in the desirability of an international disarmament effort, consider disarmament a primary topic for bilateral discussion, but there is unlikely to be a meeting of minds during Giscard's visit. The French continue to press for a conference on disarmament in Europe, which they see as giving Paris a greater say than it has in existing forums. The Soviets are genuinely discomfited by the French proposal, no doubt out of concern at the thought of a conference in which they would not play a leading role. They continue to press the French to participate in discussions on nuclear disarmament, but Paris refuses, particularly in the context of a SALT III. The French argue that their nuclear forces are fundamental to French defense and do not fall into the "gray area" that will probably be the focus of discussions at another SALT session. [REDACTED]

25X1

Neither side seems likely to change its disarmament position in the immediate future. Nevertheless, the two sides are apparently trying to develop a general statement on disarmament for inclusion in the summit communique. [REDACTED]

25X1

18 April 1979

SECRET



### Trade and Industrial Cooperation

The best chance for positive results from Giscard's visit is probably in the area of trade and industrial cooperation, although even here there are differences over means to the end. The present Franco-Soviet trade agreement expires this year, and there is a good possibility that a new agreement will be signed during the visit because both sides want increased bilateral trade. The two sides may also reach agreement on a long-term industrial cooperation pact for 1981-90. These negotiations may reflect a Soviet desire that economic relations with the French be restructured and expanded. Soviet Ambassador to Paris Chervonenko remarked recently that the French want to import only raw materials from the Soviets in exchange for manufactures. According to Chervonenko, the Soviets now want to stress coproduction. [REDACTED]

25X1

No major industrial contracts are expected to emerge from the visit, but several future projects will be discussed, including a \$500 million aluminum smelter for the Soviets. Last month the Soviets signed two major contracts with the French, one for telephone equipment and the other for a computer system for TASS. [REDACTED]

25X1

### EC Environment Session

Detente will underlie much of the discussion during Giscard's visit. Moscow has hoped for some time to win French approval for a high-level conference on the environment under the auspices of the UN's Economic Commission for Europe. The French may have been keeping their options open on this as a possible concession to Moscow. On a related issue, the Soviets agreed during Francois-Poncet's visit to hold bilateral consultations before the Madrid meeting of the Conference on Security and Cooperation in Europe to discuss French concerns about implementation of provisions of the final act of the Helsinki Conference. [REDACTED]

25X1

### Stage Managers, Both

Given the range of sticky bilateral issues, it seems unlikely that Franco-Soviet relations will show much

18 April 1979

substantive progress in the immediate future. And, indeed, there is some chance that relations could cool significantly in the short run. Over the longer term, however, there is much that will continue to draw the two countries together, and there is no indication that they intend to abandon the "special" link that has existed between them since de Gaulle's day. Paris and Moscow are highly skilled at putting the best face on things, and even if they clash both sides will go to considerable lengths during Giscard's visit to show that at least superficially relations are on an even keel.

[REDACTED]

[REDACTED]

25X1

25X1

18 April 1979



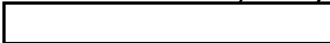
25X1

France: The Shadow of the Presidential Election



25X1

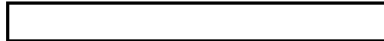
The European Parliament election next June is being increasingly viewed in France as a primary for the presidential election in 1981. The main duelists are the Giscardian Union for French Democracy (UDF) and Jacques Chirac's Gaullists. Economic and social policies have become highly politicized, with Chirac claiming that the governing coalition will lose the 1981 election if it does not change present policies. On the left, the Socialist Party, buoyed by its strong showing in local elections last month, has begun to nurture a frail hope that a good score in June might give it a chance to beat Giscard in 1981.



25X1

Local Elections and "Marginalization"

Much of this emphasis on the presidential contest stems from the results of last month's cantonal elections, in which the Communists and the Gaullists were the psychological losers. The Communists held their own, but saw themselves outdistanced by their Socialist rivals, who got 27 percent of the vote in the first round and 33 percent in the second, and the Communists dropped to 17 percent. The Gaullists got barely 12 percent in the contest, an improvement over their score in the last such election but distressingly far below Giscard's UDF, which polled more than 20 percent. The UDF has been crowing that the governing coalition has now been rebalanced in favor of the Giscardians.



25X1

Small wonder that as the nominal coalition partners of both left and right settled into what appears to be a long period of internecine warfare, the cries of betrayal from Communists and Gaullists sounded the same. Both parties have the same fear: political extinction through what the French call "marginalization"--being pushed to the edge of the political arena by a more powerful coalition partner. Marginalization sets in when parties drop below 15 percent, at which point the smaller coalition partner serves as a springboard for the larger to gain

18 April 1979

SECRET

seats. Both the Communists and Gaullists are taking the warning of the cantonal elections seriously. Marginalization would favor the eventual evolution of two large left and center-right blocs hopefully at peace with each other--President Giscard's long-range goal, still a long way off but less farfetched than it seemed two years ago.

25X1

[REDACTED]

### The Gaullists

In the past few weeks Chirac has repeatedly escalated his psychological warfare campaign against the governing coalition he has pledged to support at least through the European election. More and more it is Giscard himself who is the target. Chirac has variously threatened to run a Gaullist candidate in 1981 if the President does not change his policies, to block the extension of a controversial bill legalizing abortion because of the dangers presented by French's low birth rate, and to expel Gaullist ministers now sitting in Giscard's government if they indicate support for the UDF list in the European election.

25X1

Chirac's goal clearly is to block Giscard's reelection, not just because he wants the presidency himself and not just because he may genuinely believe that Giscard has misjudged the social costs of unemployment and will be unable to defend French interests in the EC with sufficient ferocity. Behind these issues is a concern for the party's continuation as a major French political force. One of Chirac's principal advisers has been widely quoted as saying that if Giscard is elected in 1981, the Gaullist Party will "disappear like a teaspoon of sugar in a glass of water."

25X1

Chirac has been trying to make the European election a referendum on government domestic policy and in this he has succeeded. Polls indicate that a majority of French voters will be judging domestic policy when they cast their ballots. The increasing stridency of Chirac's criticisms, his failure to recognize external constraints on French policies, and his hints that he knows better than anyone else how to control inflation and unemployment all make the government's already difficult task harder. Already there is speculation in

18 April 1979

SECRET

SECRET

the press that the Gaullists might introduce a motion of censure against the government, possibly as early as this June, but more likely in the fall. [REDACTED]

25X1

Logic argues against such a move, for the Gaullists have no reason to believe that they would do any better in a new election than in March 1978, whereas the Socialists could expect to emerge stronger--perhaps even strong enough to make possible a left majority. Should Chirac precipitate early legislative elections that produced a left victory, his political career could be seriously damaged. On the other hand, he cannot wait indefinitely for a political opening. The economic situation, should it deteriorate markedly next fall, and the Gaullist score in the European election will weigh heavily in his decision. Should a majority of the French appear to be condemning government policy in the European election, Chirac may feel he has some justification for a motion of censure.

25X1

Giscard and Chirac are due to meet on 20 April as part of Giscard's efforts to reestablish unity within the governing coalition, but it is unlikely that the meeting will alter the antipathy between the two men.

25X1

### The Socialist Party

The 1981 presidential contest also affected the Socialist Party congress earlier this month, apparently producing a polarization within the party that was favorable to the party's two most likely presidential candidates--Francois Mitterrand and Michel Rocard--and worked to the disadvantage of party wheelhorse Pierre Mauroy and leftwing CERES leader Jean-Pierre Chevenement. Mitterrand was confirmed as party leader by a plurality of 47 percent and later was unanimously elected secretary general, but his authority has been weakened, as has the strength of the CERES faction of the party with which Mitterrand is apparently hoping to arrange an alliance that would give him a majority. [REDACTED]

25X1

Mitterrand has named a new party leadership that rewards younger, loyal supporters and excludes Mauroy and Rocard and all those who backed them in challenging his leadership. Lionel Jospin, more of a Marxist than his

18 April 1979

SECRET

SECRET

predecessor Robert Pontillon, will take over the foreign affairs portfolio. Paul Quiles, an engineer and newly elected deputy from Paris, will be charged with organization and party federations, the important job held by Mauroy until the campaign. Laurent Fabius, the new 32-year-old party spokesman, is apparently Mitterrand's choice as the Socialist presidential candidate in 1988, assuredly a long shot in a system that rewards candidates with "superstar" status. [REDACTED]

25X1

These changes mean that the party now has a strong and articulate internal opposition, representing 38 percent of the party and including both Mauroy and Rocard. Rocard has a good base throughout the party and should be able to stake out positions that accord better with the basically moderate outlook of the Socialist electorate than do those of Mitterrand, whose views have been moving leftward. Rocard has said he will not be a candidate for the presidency if Mitterrand presents his candidacy; he will, in fact, have to be discreet on this and other issues in order to avoid antagonizing elements within the party--the "clan Mitterrand"--who suspect him of wanting to collaborate with the center-right. Rocard will, of course, have stronger cards after 1981 if Mitterrand runs and is defeated in his third presidential attempt. [REDACTED]

25X1

The Socialist Party will now be run by a more monolithic leadership, reduced in size, lacking a widespread constituency, and totally committed to Mitterrand. This is in line with Mitterrand's long-range plan of turning the party over to a new generation--younger than Rocard or Mauroy--which he has helped mold. The party has in the past, however, flourished on diversity and its catch-all appeal. Mauroy has 30 years of loyal service to the party and Rocard is the party's biggest vote getter. Mitterrand is admittedly struggling for his political survival and for the future of a party he is determined to shape by himself. The price may be high, affecting the party's long-range credibility with the electorate and its ability to challenge a center-right presidential candidacy in 1988 as well as 1981. [REDACTED]

25X1

18 April 1979

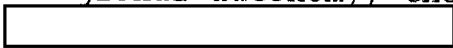
SECRET


SECRET




25X1

Spain: The New Cabinet 

The composition of Prime Minister Suarez's new cabinet, which was sworn in on 6 April, will strengthen his hold on the government and enhance his ability to act decisively. Socialists and Communist leaders are charging that the new Cabinet represents a move to the right. Although possibly undeserved, this perception will increase the minority government's difficulties in securing the opposition's cooperation on the pressing problems of regional autonomy, the economy, and labor reform. 

Suarez's dominance is assured by the plurality his party won in the 1 March election--the party is only eight seats short of an absolute majority in the lower house--and the continued prominence of his closest associate, Second Deputy Prime Minister Abril. Abril retains overall responsibility for both political and economic affairs, ending speculation that he would lose his economic role. The dropping of Finance Minister Fernandez-Ordonez and Interior Minister Martin Villa, together with the relegation of Public Works Minister Garrigues to the vague status of Assistant Minister to the Prime Minister, means that the Cabinet now contains no full ministers with real political stature from the center or center-left portion of the government party. The US Embassy believes that a desire to tighten control rather than ideological considerations led to the moves against Abril's principal rivals. Nonetheless, the left insists that the government has moved to the right and that the Cabinet is now dominated by two former Francoist officials--a reference to Suarez and Abril. 

25X1

Abril's role is further strengthened by the elevation of two of his proteges--Perez Llorca to head a strengthened Ministry of the office of Prime Minister, and Arias Salgado, Secretary General of the government party, as Minister for Relations with Parliament. 

25X1

18 April 1979

SECRET

SECRET

Suarez also made some significant changes in the fields of defense and public order--changes that may portend an eventual reorganization of the Defense and Interior Ministries. General Gutierrez Mellado, who had been both First Deputy Prime Minister for Defense Affairs and Minister of Defense, was relieved of the post of Defense Minister and received responsibility for security matters. Apparently he will act as a sort of national security adviser to Suarez, coordinating internal security operations under the Minister of Interior and the operations and organization of the armed forces under the Defense Minister, while leaving the day-to-day running of those ministries to their respective heads. His role should help lessen the longstanding rivalry between them. Former Industry Minister Rodriguez Saha-gun, a businessman, was moved to head the Defense Ministry. These moves may be designed partly as a sop to the military, which has long been deeply unhappy with Gutierrez; at the same time, by bringing in a civilian for the first time at the top of the military hierarchy, Suarez is signaling his intention to keep the military in its place. [REDACTED]

25X1

In a related move that has received mixed reactions, Suarez named a lieutenant general to head the Interior Ministry. Suarez undoubtedly hoped to placate some in the military who considered Martin Villa too soft in dealing with terrorism. But the moderate general who was named to the job may not be firm enough for the hardline military, while the left and particularly the Basques will object to the naming of a military man to the post. [REDACTED]

25X1

The responsibilities of the ministers of Interior and of Defense and their relationship to First Deputy Prime Minister Gutierrez Mellado have to be worked out. The effectiveness with which the three individuals involved carry out their responsibilities will have considerable influence on the efficacy of the new Spanish democracy. [REDACTED]

25X1

18 April 1979



SECRET

[REDACTED]

25X1

Changing the Structure of the Nuclear Planning Group [REDACTED]

25X1

The Dutch Government has been gathering support for its proposal to replace the rotational membership system of the NATO Nuclear Planning Group (NPG) with permanent seats for all members. The Planning Group's other non-permanent members--Belgium, Denmark, Greece, Canada, Turkey, and Norway--have all come out in favor of such a move. The Dutch plan to put forward the proposal at the group's ministerial meeting on 24 and 25 April. [REDACTED]

25X1

25X1

[REDACTED]

A similar proposal was made almost two years ago by the Canadians, who abandoned the discussion when the United States and West Germany voiced objections. Bonn initially had reservations about the Dutch plan because it thought that NPG exchanges might become less candid, but the West German Government has now decided to support the proposal. West German officials have grown increasingly sensitive to the need to give the smaller NATO members a larger say in Alliance councils. They see this as a way to induce the smaller Allies to make larger financial contributions to defense and stimulate them to take their NATO obligations more seriously. The West Germans are also aware that the further formalization of decision-making resulting from a broadening of the consultative process will help to offset Bonn's growing role in Alliance affairs. In addition, Bonn recognizes that opposing the change could cause resentment among the smaller Allies and possibly hinder the theater nuclear force modernization program. Finally, West German officials are convinced that bilateral contacts could compensate for any cutback in the amount of information obtained through the NPG and allow for informal exchanges between the principal members of the Alliance. [REDACTED]

25X1

Under the present system, the United States, United Kingdom, West Germany, and Italy hold permanent seats, and the other seven participating Allies rotate their membership at 18-month intervals. Iceland and Luxembourg have remained outside the group by choice. Portugal has

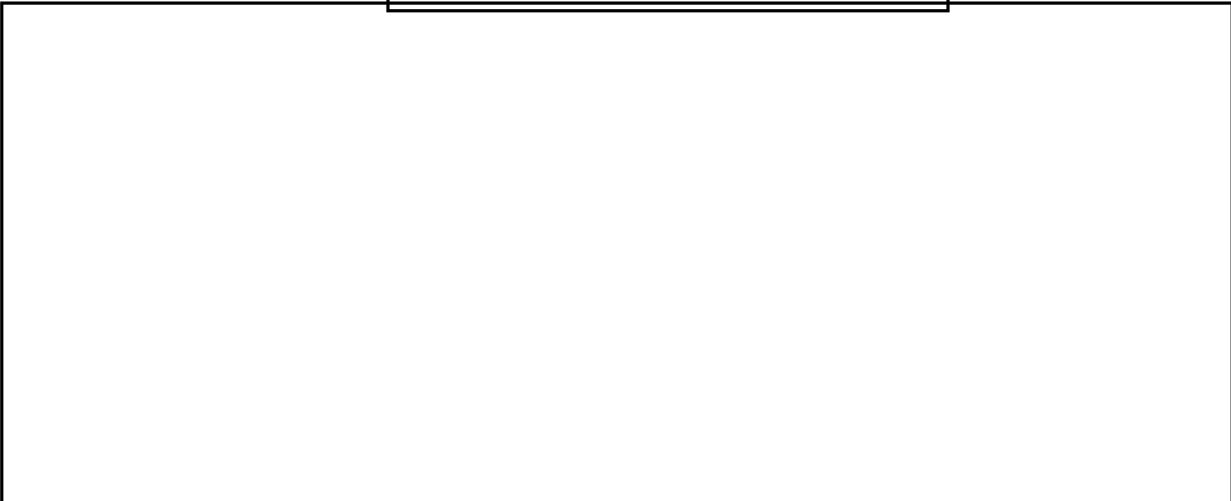
18 April 1979

SECRET

SECRET

bowed to the security concerns of the other Allies and kept its representative at home. All three would be eligible to participate under the Dutch plan but are likely to maintain their present status. France, which is not part of the integrated command, would remain outside the group.

25X1



25X6

18 April 1979

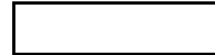
15  
SECRET

SECRET



25X1

Turkey: Population Growth and Economic Strains



25X1

Turkey's current economic troubles, which include a slowdown in economic growth, burgeoning unemployment, and accelerating inflation, are associated with the nation's drive for rapid modernization. These problems, along with the relentless growth of population, are producing social tensions that will test Turkey's democratic institutions in the next few years.



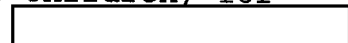
25X1

The population, estimated at 43.7 million, is growing at a rate of 2.5 percent or more than a million a year. This rate, typical of other middle-income countries, compares with less than 1 percent for most developed countries. Turkey's high rate of growth is unlikely to change substantially in the next decade; 40 percent of the population is now under 15 years of age. By 1990, the population probably will have increased by a third to more than 57 million. The government has shown little inclination to take a vigorous role in trying to limit population growth, and the political sensitivity of the issue reduces the prospects for effective family planning policies.



25X1

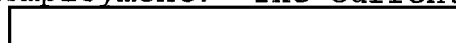
Turkey's society and economy are in a transitional stage. Growing industrialization, rapid urbanization, migration of workers abroad, and a rising level of education have contributed to changes in social values and to demands for a better life. Rapid population growth is placing a strain on the country's resources. Probably less than a third of secondary school-age children, for example, have schools available to them.



25X1

Unemployment

Despite impressive growth in the past 30 years, the economy has failed to provide enough jobs for the growing labor force. The official unemployment rate, which understates the problem, has been more than 10 percent throughout the 1970s, and the outlook is for a long-term trend of rising unemployment. The current rate approaches 20 percent.



25X1

18 April 1979

SECRET

A strong demand for migrants to work in Western Europe in the 1960s and early 1970s eased the unemployment problem for a time, but migration abroad peaked in 1973 and is unlikely to provide much relief in the future, despite new opportunities for some migrants in oil producing Middle Eastern countries. Many migrants have now returned to Turkey from Europe; if economic conditions in Western Europe weaken further, returning migrants will add substantially to the problem. [REDACTED]

25X1

### Urbanization

Urban growth has been rapid--as much as 6 percent a year in the largest cities--further intensifying the unemployment problem. The percentage of the population living in cities increased from less than 20 percent in 1950 to more than 40 percent by 1975. During that time the population of Ankara mushroomed from less than 300,000 to 1.7 million, and Istanbul went from less than 1 million to more than 2.5 million. The population of metropolitan Istanbul is now about 4.5 million. Growth has severely strained urban facilities and services. Water has periodically been in short supply in the cities for some years. [REDACTED]

25X1

The migration from rural to urban areas has created an explosive force in the cities by bringing together members of different sectarian or ethnic groups with longstanding mutual animosities and distrust. They must compete for jobs in a deteriorating employment market. Violence, some of it politically inspired, has become common in the crowded cities and suburbs, where left-right conflict aggravates traditional group hostilities. [REDACTED]

25X1

### Other Socioeconomic Pressures

Heightened social tensions also stem from growing dissatisfaction with the traditional urban elite, which dominates the highly centralized government bureaucracy. The urban middle class includes entrepreneurs of considerable wealth and a privileged group of organized skilled laborers; all are zealous in guarding their interests. Agrarian, religious, and ethnic minority groups have challenged the influence of the elite. Cooptation often occurs but tends to make the elite

18 April 1979

SECRET

more diverse and makes consensus more difficult. Student unrest--reflected in increasing outbreaks of violence--is fueled by dissatisfaction with the inadequate educational system and with bleak employment prospects. [REDACTED]

25X1

All groups are likely to feel the effects of economic stress in the next few years. Current economic problems stem to a large extent from rapid industrialization, which has not made efficient use of Turkey's abundant labor supply or other resources. Economic growth has failed to eliminate wide economic disparities among regions and between the cities and rural areas. Agriculture has been relatively neglected. Balanced and sustained development will require a major shift in the orientation of government policies. [REDACTED]

25X1

25X1

18 April 1979

SECRET

**Secret**

Approved For Release 2006/03/17 : CIA-RDP79T00912A001700010016-4

---

**Secret**

Approved For Release 2006/03/17 : CIA-RDP79T00912A001700010016-4