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NATIONAL INTELLIGENCE ESTIMATE *

TURKEY AS AN ALLY

The Problem

To estimate the present situation and probable developments in Turkey over the next few years, with particular reference to Turkey's strengths and weaknesses as a member of the Western alliance.

Conclusions

1. Since 1947, Turkey has been a stable and dependable member of the Western alliance and has made considerable progress in developing its economy and strengthening its military establishment. Nevertheless, its ambitious pursuit of both economic development and military preparedness simultaneously has produced serious economic and political strains which will probably last for some time to come.

2. The government has announced a stabilization program and in this connection will probably take steps to check inflation and improve its international payments position, which will require a reduction in the rate of recent investment. It will probably need additional US assistance incident to its stabilization program and particularly in meeting its most pressing financial obligations. Over the longer run, if approximately the recent rate of investment is to be resumed and carried out with some degree of economic stability, continuation of substantial amounts of foreign aid will be required as well as currency devaluation and the introduction internally of austerity measures.

3. We consider it highly unlikely that any major threat to the stability of the Turkish governmental structure will arise, at least within the next few years. The Democrat Party will probably retain control of the government at least up to the 1958 elections, but will probably suffer some loss of strength and may even feel compelled to drop Prime Minister Menderes. Over the longer run, economic development will increasingly change traditional patterns of Turkish rural life and create new political and social as well as economic strains.

4. These political and economic difficulties will not weaken Turkey's basic anti-Soviet orientation. The Turks will continue to regard the US as a necessary ally and will almost certainly continue

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to cooperate with the US on major international issues. However, irritations and tensions in the US-Turkish relationship will be recurrent. Turkey will be dissatisfied with levels of US aid and will seek increased US support for the Baghdad Pact. Moreover, strains are likely to arise in connection with the implementation of any program for the stabilization of the Turkish economy.

5. Trade with the Bloc has increased significantly since 1950, and now accounts for 20 to 25 percent of Turkey's foreign trade, as compared to seven to eight percent in 1950. If the stabilization program is successful, Turkish goods may again become competitive in Western markets and the Turks may attempt to reverse the trend of growing trade with the Bloc. However, unless the Free World is prepared to purchase Turkey's agricultural surpluses, there will be little chance of such a policy being successful. Moreover, the Turkish government's preoccupation with rapid economic development might even induce the Turks to accept some Soviet aid, though they would almost certainly not do so at the risk of losing US financial support.

6. During the past year relations with Greece have been marred by continuing sharp differences over Cyprus. In time the Turks may reconcile themselves to Cypriot self-determination, provided the rights of the Turkish minority are fully guaranteed, and UK or NATO control of military bases on the island is maintained.

7. Despite Turkey's military progress over the past few years, its forces are still only partially equipped and trained. Turkish ability to undertake sustained combat operations would be completely dependent on outside logistic support. Turkey would probably attempt to maintain its present military establishment despite a cutback in US military aid. In view of the great emphasis which both the Turkish government and the Turkish people have placed on the military establishment, a major reduction in US military aid would have a profoundly disillusioning effect.

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