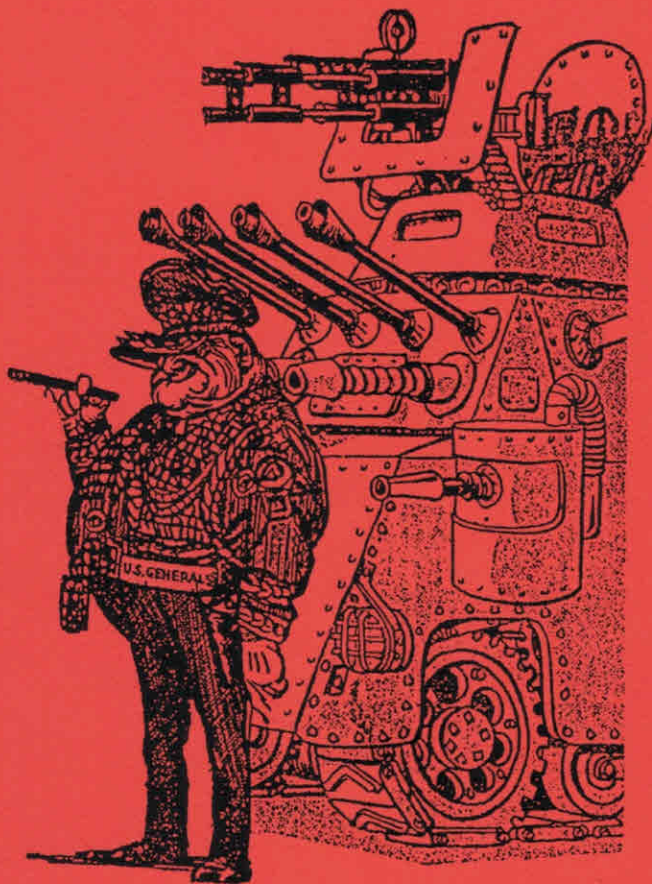


FILES ON TURKEY

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INFO-TÜRK



**U. S. INTERESTS
IN TURKEY**

**BASED ON A CONGRESS REPORT
DRAWN UP JUST BEFORE THE COUP D'ETAT**

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DRAWN UP JUST BEFORE THE COUP D'ETAT**

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INTRODUCTION

Turkey, member of the Council of Europe, associate member of the European Economic Community and member of the Atlantic Alliance, has been under a fascist military dictatorship since September 12, 1980.

As elsewhere, the emergence of this repressive regime is the result of two inter-related process:

- a. The structural crisis and the changes in the composition of the ruling class in the country;*
- b. The counter-offensive launched by US imperialism in face of the upswing in the anti-imperialist movement in Turkey as well as in the Middle East.*

The analysis of the first process is the subject of another study. The aim of this pamphlet is to make clear the role of the interests of the United States of America in the process of establishing a dictatorship in Turkey.

The new dark period in Turkey started on September 12th, 1980, with the military take-over led by General Kenan Evren, Chief of General Staff of the Turkish Armed Forces. When he appeared on the TV screens as the new "strong-man" of Turkey, he was flanked by the four other members of the Junta, General Nurettin Ersin of the Land Forces, General Tahsin Sahinkaya of the Air Forces, Admiral Nejat Tümer of the Naval Forces and General Sedat Celasun of the Gendarmerie.

The very first communiqués of the military junta made it clear that the main reason behind the coup laid not only in the internal in-

stability of the country, but also in the instability of the Middle East region. In his personally delivered message on the day of the coup, General Evren pledged Turkey's continued loyalty to NATO and this loyalty has been confirmed by all declarations and acts of the military junta.

The London Times of 13th September 1980 said: "The message and its timing were well received by the allies who had become increasingly worried about the chaotic political situation in this exposed but vital area on NATO's south-eastern flank."

The International Herald Tribune of the same day shared the same view: "Military coups rarely contribute to international stability, but Turkey may prove to be the proverbial exception."

The same newspaper informed also that, "one of the key leaders, General Haydar Saltık, who was named secretary general of the new ruling security committee, has attended numerous seminars and planning sessions of the NATO Command and was described by one NATO source as a 'familiar figure'. NATO officials also said that manoeuvres, code-named Anvil Express-80, are scheduled for later this month and are designed to test NATO response to a possible attack on Western Turkey from Warsaw Pact forces in Bulgaria." (The International Herald Tribune, 13th September 1980)

Reading all these details, can it be considered a coincidence that both the NATO manoeuvres and the military coup d'état were put in practice on the same day?

Another key leader of the military take-over, General Tahsin Sahinkaya had been in Washington and had just returned from the United States on the eve of the military coup d'état.

One more remarkable point is the fact that senior officials in Washington had advance knowledge of the coup and the western press agencies were informed of the coup d'état by these sources.

All these elements hint that the military coup d'état of 12th September was a further step of the military escalation in the area. This escalation had already been started in 1978 with the talks between Turkey and the United States for concluding a Defense Cooperation Accord.

On the events of Afghanistan and Iran, the US administration had exerted a big pressure on the political and military leaders of Turkey who had confronted with difficulties in the political, economic and military fields.

First fruit of this pressure was the Ultimatum given to the President of the Republic at the end of 1979 by General Evren and four other army commanders. In that ultimatum, the generals said: "Our nation has no more tolerance for those who abuse the extensive free-

doms provided by the Constitution... The developments in our region can suddenly turn into a heated battle in the Middle East... The Armed Forces have thus decided to warn the political parties."

It was not also a coincidence that the Ultimatum came just after a news appeared in the daily Hürriyet, informing that the United States had drawn up a new plan to set up a new military alliance in the Middle East with the participation of Turkey, Egypt, Israel and Saudi Arabia.

The Ultimatum was followed by the conclusion of Defense Cooperation Agreement between Turkey and the United States. This agreement laid down the basic principles of bilateral defense relations and assured continuing operation of the key US bases in Turkey.

Turkey had unilaterally abrogated a previous defense treaty in 1975 in retaliation for the US embargo on arms deliverance and closed all US military bases and installations in the country except for a strategic NATO air base at Incirlik. Although, social-democrat prime minister Ecevit reopened in October 1978 four key bases when the US Congress lifted the arms ban on Turkey, a permanent status for all US and NATO bases and installations was confronted with a strong opposition of democratic forces including the left wing of Ecevit's own party, the Republican People's Party.

Following the restoration of the Demirel's right-wing coalition at the end of 1979, the representatives of the US Government rushed to Turkey and, thanks to the Army General's ultimatum, concluded the Defense Cooperation Agreement.

After having guaranteed the reopening of the US bases in Turkey, Chief of General Staff of the US Armed Forces, General David Jones visited Turkey and stated on April 13, 1980: "Turkey is the most reliable ally of the United States. The efforts of the Turkish Armed Forces for safeguarding the integrity of the country and surviving the democracy merit felicitations."

On the other hand, the United States have always had a deep interest in the economic situation of Turkey. Among 100 foreign firms who had investments in Turkey were 16 US companies with a 1,051 millions LT investment, but there were also US shares in many of other 84 foreign firms. But for a long time, Turkey had been considered as a "very risky" country for investments of International companies. The US news magazine "Newsweek" declared that Turkey was the third most risky country among 60 countries that were the subject of a survey made for international companies. The internal instability was also a serious obstacle before the creation of a war industry. Although the officers of the Turkish Army had already established a mammoth finance-holding, (The Armed Forces Mutual

Aid Fund - OYAK) and three foundations for strengthening air, land and naval forces, their proper possibilities were not enough to realise a war industry. On the other hand, the United States needed to have branches of their own war industry in a Middle East country such as Turkey which has cheap raw materials and man-power and is very near to rich oil producing countries. A collaboration for the creation of a war industry was already foreseen in the Defense Cooperation Agreement.

In order to guarantee economic stability in the country, the United States imposed through the IMF a series of drastic measures to cure the inflation of which the rate had reached about 100 percent. On January 24, 1980, the Demirel Government adopted the new measures inspired from the Friedman's School: Restricting the salaries, limiting public investments, encouraging private enterprise and foreign investments, services, devaluating the Turkish Lira, rising the interest rates, etc.

Having submitted to the IMF, all sectoral limitations on foreign investments were put aside and the state control which had always been very loose was completely removed. Foreign currency reserves were placed in the use of the private industries which have always been dependent with respect to basic inputs and technologies on the USA and the Federal Republic of Germany. In recent years, the proportion of the capacity use in industry had already fallen to an average of 55 percent and the production of all basic industrial goods had considerably decreased. In such conditions, the government had resorted to every means for importing raw material and oil and for obtaining credits with very unfavorable terms.

Prior to the coup d'état, the annual foreign trade deficit was about \$ 4,000 million. Besides, the total foreign debts were over \$ 2018,000 million.

In addition to the deficiency of the existing social and economic order of Turkey, 20 percent of the state budget was devoted to the military expenditures, because this underdeveloped ally of the NATO had been forced to feed the second biggest army of the alliance.

Inflationary trends in the economy, high rate of unproductive expenditures, decrease in investments and chronic undercapacity production could not be prevented even after the adoption of the drastic measures imposed by the IMF. First of all, the total fall of real wages within a 10-year period (from 1970 to 1979) was already of 39 percent and the salaried people could not accept the new measures envisaging to limit their incomes. Besides, the negative effects of the inflation hit not only the working people, but also the middle and petty producers who generally suffered from the shortage of cre-

aits. Especially after the liberalization of the interest rates, these layers found themselves in the face of bankruptcy waves. The conditions of the farmers were even worse than them; the prices of agricultural products could not race with the high speed of the price increasings of industrial products.

Before the mass resistance against the application of drastic measures, the representatives of the business circles started to call for a more powerful executive. The military coup d'état of 12th September was also an intervention for putting into practice all measures imposed by the IMF at the expense of the working people.

During the Demirel's Government, the key man of the IMF and the World Bank in Turkey was Turgut Ozal, economic adviser to the Government.

Just after the military coup d'état, the Financial Times of 13th September published the following note of its Washington correspondent: "Both the IMF and the World Bank negotiations had been conducted very closely with a small number of former Prime Minister Demirel's advisers, in particular Mr. Turgut Ozal, the Under Secretary in the Prime Minister's Office. Mr. Ozal's fate will be a pointer to whether IMF and Bank relations will continue smoothly with Turkey."

After the military take-over, as the "familiar figures" of the NATO were occupying the legislative, executive and judicial posts of the country, "advisers close to the IMF and the World Bank" kept in their key positions in the economic decision apparatus. For example, as the overthrown premier Demirel was being detained by the military, his economic adviser Turgut Ozal was appointed as the Deputy Premier of the military-backed government.

And it is those "familiar figures" that have been reshaping the political, economic and military structure of the country since the military coup d'état, according to the US strategic and economic interests in Turkey.

What are these interests?

In this pamphlet, we are going to make a very long quotation from a report prepared just before the military coup d'état for the Subcommittee on Europe and Middle East of the Committee on Foreign Affairs of the US House of Representatives. In this report, US military and economic experts examine in detail the strategic, political and economic interests the United States has in Turkey, and military problems Turkey had faced before the military intervention.

The study deals also with the following questions: "What are the sources of political instability in Turkey? What political changes may emerge in Turkey in time as a result of this political difficulties?"

What would be implications of any such political changes for the interests of the United States and the Western World?"

It should be noted that the report considers a military coup d'état as the first one of the future alternatives in Turkey's internal political system, if the warning by the military cannot be sufficient to inspire the party system to greater responsiveness.

For reestablishing stability in this ally of the NATO, the report suggests the US Congress to increase military aid to Turkey, to provide greater incentives for private investment, to link economic aid more directly to economic reforms measures "needed to restructure the Turkish economy" and to make technical assistance to Turkey's internal security forces for "improving capability to handle terrorism, urban violence and civil unrest."

This report entitled "Turkey's Problems and Prospects: Implications for U.S. Interests" was published on March 3, 1980, just after the initialling of the Turco-American Defense Cooperation Agreement. The US experts say: "In summary, Turkey and the United States still have important issues to resolve between themselves in the important area of defense cooperation. Turkey's value as a NATO ally and partner of the United States in helping stability and security in the eastern Mediterranean and Middle East has been accentuated by the recent upheaval in Iran and the Soviet invasion of Afghanistan. Successful resolution of these matters would permit Turkey to assume once again an effective role in protecting the vital security interests of NATO and the free world in an increasingly volatile region of the globe."

Successful resolution for protecting "the vital security interests of NATO" has been the military coup d'état of September 12, 1980 and freedoms of the peoples of Turkey have been sacrificed to the "vital interests of the free world."

UNITED STATES STRATEGIC INTERESTS IN TURKEY

TURKEY IN THE NATO MILITARY SCHEME

Turkey's strategic importance to the United States lies in the country's military forces committed to NATO, its vital geographic position, and the facilities and bases it makes available for American use. Turkey, a member of the NATO alliance since February 15, 1952, maintains the second largest military force in the North Atlantic alliance. Its army is composed of approximately 480,000 personnel, formed into more than 19 division equivalents. Turkey also contributes almost 20 squadrons of aircraft to the NATO forces. Because of its strategic geographic location and possession of the straits—the Bosphorus and the Dardanelles—which control transit to and exit from the Black Sea, Turkey is in a unique position to constrain passage of hostile vessels into the Mediterranean during a war. By virtue of its key geographic position, Turkey also controls the most direct air and overland routes between the Soviet Union and the Middle East and Africa. Finally, Turkey provides various military facilities utilized by the United States and NATO in support of NATO-related missions.¹

Turkey's participation in three of the four major theaters of war in NATO's southern region—eastern Turkey, the Mediterranean, and Turkish Thrace—would be "vital" to NATO's wartime success, according to former Supreme Allied Commander Europe (SACEUR), Gen. Alexander Haig. General Haig noted that the defense of eastern Turkey, which would protect Western petroleum sources in the Middle East and Persian Gulf, is clearly dependent upon Turkish forces. In the defense of the Mediterranean, Turkey's role would also be highly valuable in bottling up Soviet naval vessels in the Black Sea and in limiting the projection of land-based naval aviation from bases in the southern Soviet Union into the Aegean and beyond. Turkey's contribution to the defense of Thrace, in Haig's view, is "irreplaceable." With Turkey out of the military picture, Warsaw Pact operations against Greece would be simplified. Additionally, if the Soviet Union did not have to contend with Turkey in a NATO war, the Warsaw

Pact could shift substantial ground and air forces north against NATO's central region, thereby worsening the balance facing NATO forces on that front. General Haig pointed out that Turkey's military forces tie up at least 20 divisions of the Warsaw Pact and could tie up at least 30 more divisions along a Balkan front.²

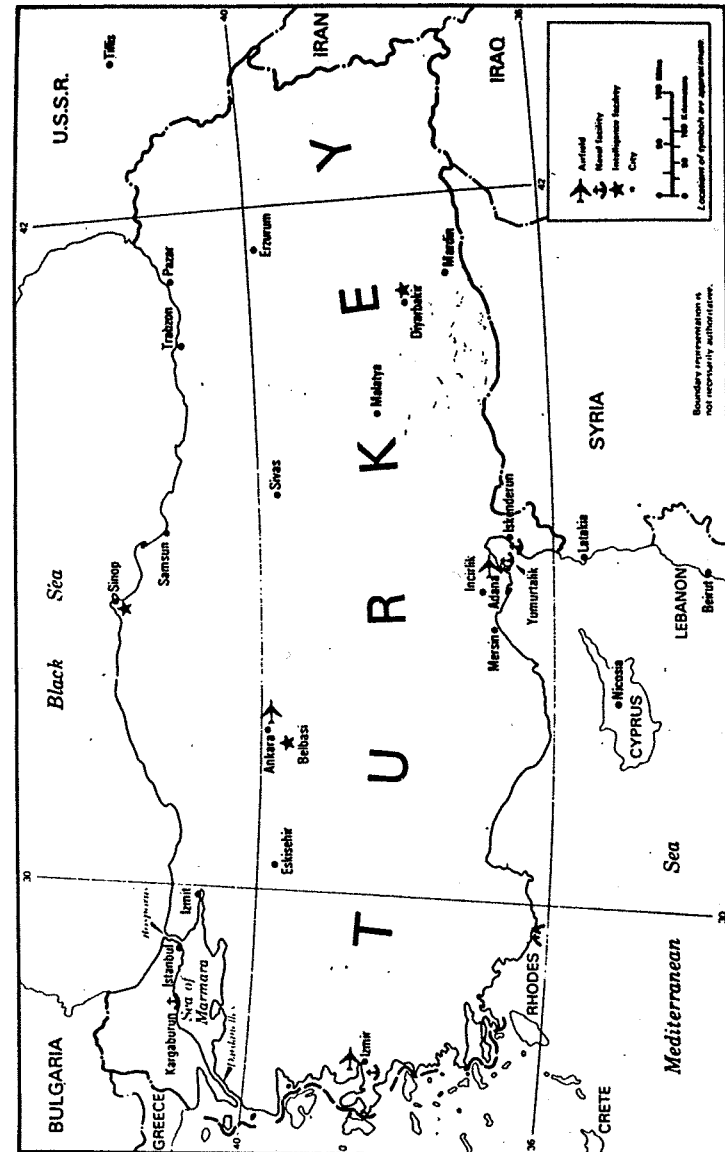
In time of crisis or preparation for hostilities, Turkish control of the straits, in accordance with the Montreux Convention, would have to be considered by Soviet planners in their deployment of naval forces from Black Sea ports. The convention's requirements that warships give advance notice of transit and that submarines traverse only on the surface give continuing intelligence opportunities to nations allied to Turkey in peacetime. In time of war, the straits could be closed by Turkey thereby blocking the exit of Soviet naval forces from the Black Sea into the Mediterranean. Nearly one-third of the major surface combatants in the Soviet Navy are based in the Black Sea. Furthermore, Turkey's denial of overflight rights to the Soviets could additionally assist allied efforts while causing notable complications for the Soviet Union's military operations. For example, a combination of Soviet air and sealift over Turkey and through the Turkish Straits would enable the Soviets to move a division- to corps-sized force into the Mideast or Persian Gulf area in 1 to 3 weeks. Without the ability to overfly Turkey, airlift of equivalent forces would require about three times as long. Without the use of the straits, Soviet sealift would arrive most rapidly from the Pacific, but this would take about 5 weeks. In a NATO war with the Warsaw Pact, one of Turkey's key responsibilities would be to deny transit to Soviet military forces.³

MILITARY INSTALLATIONS IN TURKEY

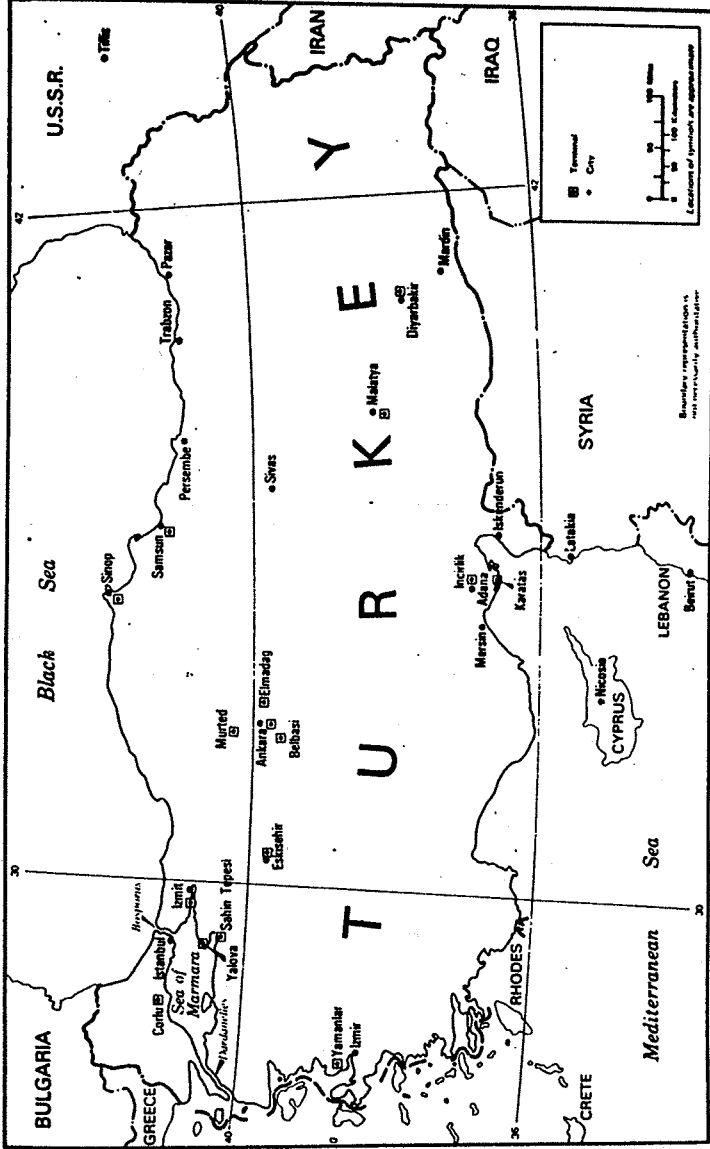
In support of its NATO role, Turkey has made various military installations available to the United States over the years. Major military facilities utilized in Turkey by the United States include a U.S. Coast Guard Loran 4 station at Kargaburun, in European Turkey; major intelligence collection bases at Sinop on the Black Sea coast and at Diyarbakir (Pirinclik) in southeastern Turkey, as well as a seismographic detection facility at Belbasi in central Turkey. Other major facilities include Incirlik Air Base, Iskenderun and Yumurtalik supply depots located in south-central Turkey near the Syrian-Turkish border, Izmir Air Station and Cigli Air-Base located in west-central Turkey on the Aegean coast. In addition, Turkey houses other command, control, and logistics support facilities, and has provided sites for numerous U.S. Defense Communications System (DCS) terminals and 14 early-warning radars in NATO's Air Defense Ground Environment (NADGE) networks.⁵

Several of the key installations used by the United States in Turkey are associated with electronic intelligence gathering of one kind or another. Two of the largest and most important intelligence sites in Turkey are Sinop and Diyarbakir (Pirinclik). Sinop, located on the Black Sea coast in north-central Turkey, is a radar monitoring and communications facility, manned by personnel from the National Security Agency (NSA). Sinop collects data on the Soviet Union's air and naval activities in the Black Sea area, as well as Soviet missile testing activities. Diyarbakir Air Station is a long-range radar and communications complex in east-central Turkey that tracks Soviet military

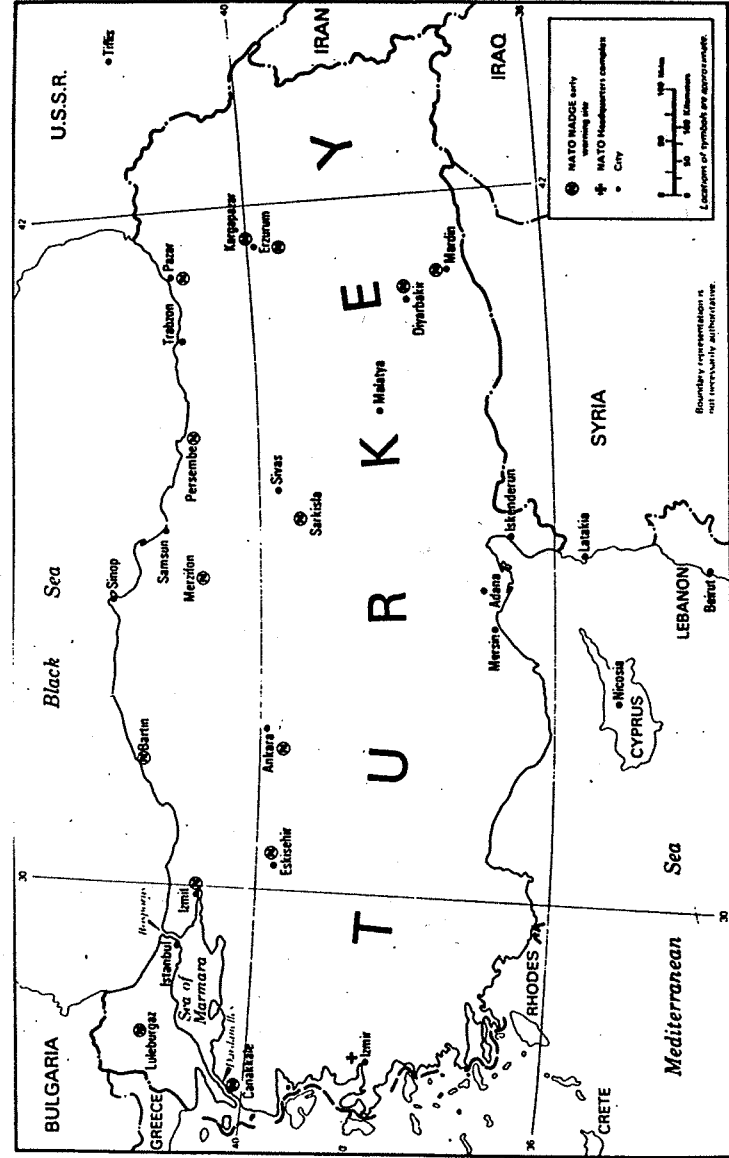
MAJOR UNITED STATES MILITARY INSTALLATIONS IN TURKEY



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NATO NADGE EARLY WARNING SITES IN TURKEY



and missile testing activities. Associated with Diyarbakir's operations is nearby Pirinclik Air Base. Intelligence activities are carried out at the Diyarbakir complex by personnel of NSA. A smaller but major intelligence collecting site is Belbasi Station, a U.S. seismographic detection base, located near Ankara, which monitors Soviet nuclear tests.⁶

Other major bases in Turkey used by the United States in support of NATO commitments include Incirlik Air Base located near the city of Adana in southeastern Turkey, and Iskenderun and Yumurtalik storage depots on the southeast Mediterranean coast near the Syrian border. Incirlik is the major tactical fighter base in Turkey. It serves as a key deployment base for U.S. Air Force, Europe (USAFE) aircraft participating in NATO-related missions. U.S. fighters located at Incirlik are the most forward deployed land-based American aircraft in the eastern Mediterranean that are capable of launching a conventional or tactical nuclear strike. Iskenderun and Yumurtalik are the most important supply, POL (petroleum, oil, lubricants) and storage centers for U.S. military forces in the extreme eastern Mediterranean. Roughly 20 percent of the Sixth Fleet's Mediterranean-based fuel is stored in Turkey. Kargaburun, located on the northern shore of the Sea of Marmara, is a U.S. Coast Guard Loran station—an installation which assists U.S. military air and sea craft in fixing their positions in the Mediterranean region from long ranges through electronic radio-navigational devices. Ankara, in central Turkey, is the site of an air station and TUSLOG (Turkish-U.S. Logistics Group) which is the central logistical and support command for all U.S. military supply services throughout Turkey. Izmir, on the west central coast of Turkey, is the site of an air support base for USAFE, as well as the headquarters of NATO's Land-Southeast Command and the 6th Allied Tactical Air Force (SIXATAF). Cigli, a Turkish tactical airbase, is located to the north of Izmir proper and is occasionally utilized by U.S. air units in connection with NATO exercises.⁷

CURRENT STATUS OF TURKEY'S MILITARY FORCES

The U.S. embargo on arms transfers to Turkey from February 1975 through September 1978 exacerbated existing problems within the Turkish military. Because the Turkish armed forces are equipped almost totally with U.S. equipment, they were and still are heavily dependent upon access to U.S. spare parts and supplies. Much of the Turkish military hardware is of World War II and Korean war vintage. Increasingly, older items in the Turkish military inventory are becoming difficult to support because U.S. spare parts for these items are, or will be, unavailable. U.S. officials have estimated that nearly 50 percent of Turkey's military equipment is badly in need of repair and is difficult to operate, making Turkish combat effectiveness fairly low. Cannibalization of some major weapons systems to keep others operational has become widespread, especially in the Turkish Air Force. Maintenance difficulties have become severe and training of crews has suffered, leading to additional losses of equipment through accidents. Currently, the Turkish Armed Forces have been weakened to the point that they would find it difficult to fulfill their NATO responsibilities.

A remedy for Turkey's military problems noted above has been outlined by former SACEUR, Gen. Alexander Haig, by Secretary of Defense, Harold Brown and by the Chairman of the Joint Chiefs of Staff, Gen. David C. Jones. Turkey, they have argued, needs spare parts sufficient to maintain and improve the readiness of military equipment currently in its inventory and requires a modernization program to enable the Turkish Armed Forces to fulfill their NATO missions. The modernization program would include improvements to existing communications equipment, antiaircraft ordnance, antiarmor weaponry, field artillery, munitions, and mechanization. It would include some replacements of obsolete aircraft and qualitative improvements to the rest of the Turkish Air Force and Navy. The program would also involve expanded training in the use of the more modern types of weapons systems that have been introduced into Turkey, such as the UH-1H helicopter; RF-4E and F-4E aircraft with their associated weapons, navigation, and EW equipment; Asroc and Harpoon missiles.

The costs to the United States of providing military assistance to Turkey in order to upgrade their military forces have not been detailed by American officials. Gen. David C. Jones has noted that a figure of \$4.5 billion over a 5-year period has been discussed as a possible amount involved. Such an amount would not provide Turkey with "large amounts of new equipment, the current generation," but would mainly improve the equipment Turkey has at present. Although General Jones did not wish to speculate on what specific Defense Department requests might be made for Turkey in future years, he acknowledged that "[o]bviously, Turkey is going to require some continuing assistance."

It seems apparent that if history is the guide the United States will be requested to provide the largest share of that assistance.

BILATERAL DEFENSE COOPERATION ISSUES BETWEEN TURKEY AND THE UNITED STATES

ROLE OF TURKISH MILITARY INSTALLATIONS

Turkey has consistently seen the proper role of its military installations used by the United States as that of supporting NATO-related missions or missions Turkey could support on the grounds that they serve the mutual defense interests of itself and the United States. Turkey has viewed with disfavor the use of its military facilities for operations by the United States that go beyond these parameters. Accordingly, standing defense cooperation agreements that govern American use of Turkish facilities have made note of the scope of activities the Turkish Government will permit at each of its military installations. As a general rule these defense agreements have not envisioned the use of Turkey's bases for Middle Eastern military operations by the United States in support of or against other nations, unless Turkey gives its express permission for such actions.

The important non-NATO role played by Turkish military installations has been the collection of various kinds of intelligence regarding Soviet military activities, both within the Soviet Union proper as well as in the eastern Mediterranean and Middle East region. The intelligence data obtained from Turkish collection sites is in some instances

not available from other sources, according to senior administration officials.⁸

These data include information on Soviet space, missile, and military systems development, operations and training and strategic nuclear activities. Turkish sites are particularly important for monitoring Soviet military activity in the southwestern military districts, development of certain Soviet weapon systems in the Black Sea region, and also Soviet tests pertinent to the strategic arms limitation (SALT) agreements. Secretary of Defense Brown has testified that the inability to collect data available from Turkish monitoring facilities would reduce the level of confidence of the United States in its knowledge of these subjects. Secretary Brown and Generals Jones and Haig have characterized certain intelligence data collected from Turkish monitoring sites as "often unique," "irreplaceable," and "critical." The "greatest value" of intelligence derived from U.S. bases in Turkey, Secretary Brown has said, has been "information on Soviet weapons development and on Soviet force readiness and movement."

TURKISH MILITARY INSTALLATIONS AND SALT VERIFICATION

The loss of American monitoring sites in Iran has focused increased attention on the potential role of Turkish bases in verifying the Soviet Union's compliance with a strategic arms treaty. During hearings on the SALT II treaty in July 1979, Secretary of Defense Brown was asked specifically if the treaty with the Soviets could be adequately monitored if American monitoring stations presently in foreign countries were denied to the United States. Secretary Brown responded as follows:

Our capability for monitoring is spread among ground stations, some of them in foreign countries, satellite systems, and other detection techniques, some of them deployed aboard ships and abroad aircraft that stay in international air space. If we lost all of our overseas, our non-U.S. sites, our ability to monitor SALT would be degraded somewhat. But our ability to monitor Soviet strategic and other military programs in general and our indications and warning capability for potential Soviet actions would be degraded very much more than that.

My concern would be for those other uses of ground stations, even more than their uses for monitoring SALT. So not having SALT, not approving the SALT treaty not only does not solve that problem, it would fall to solve the much worse problems that would be created by our loss of such facilities.⁹

Secretary Brown further testified that even without the use of any foreign monitoring bases, the SALT II treaty could be "adequately verified," although he stated he would be "very much less comfortable" as he believed the foreign collecting sites are "quite valuable." But the Secretary of Defense also pointed out that "the fundamental base on which our verification capability rests is satellites, aircraft, ships. And although the ground stations are very helpful, we can, if we have to, do without them."

When commenting specifically on the value of Turkish facilities for verifying Soviet compliance with SALT II, Secretary Brown observed (in May 1978) that "some of the intelligence information on which we rely for verification of Soviet compliance * * * is best obtained from a number of bases in Turkey * * *." He indicated that the United States had the ability to obtain, or could at some point obtain, data usually derived from Turkish intelligence sites through use of alternative means. In a "few cases," however, some of these items

could not be secured through an alternative approach "in immediate sight." General Jones, Acting Chairman of the Joint Chiefs of Staff at that time, supported Secretary Brown's testimony on this point. In May 1979, Under Secretary of State Warren Christopher expressed his view that the Turkish bases were "highly important" in the SALT verification scheme. But the Under Secretary also noted that should the United States be denied the use of the intelligence bases in Turkey he believed that it would not prevent "our finding an adequate basis for verification."

A related issue that surfaced in the spring of 1979 was whether or not the United States could overfly Turkish airspace with U-2 spy planes to monitor Soviet missile tests and thus enhance American capability to verify Soviet compliance with the SALT Treaty. It was reported that Turkey was reluctant to give its consent to such U-2 overflights unless the Soviets agreed to accept such activities. The issue has not been totally clarified, although Turkish sensitivity to the use of the U-2 has been made clear. Whether Turkey will ultimately permit the use of the U-2 or some other type of reconnaissance aircraft remains to be seen. Both the administration and the Turkish Government have publicly stated that the U-2 issue is still open for discussion and that the Soviet Union does not have a veto over the use of this plane for SALT verification purposes.

The ultimate value of the U-2 in the verification of SALT is a subject of some dispute. Gen. Lew Allen, Chief of Staff of the Air Force and former head of the National Security Agency (NSA) testified in May 1979 that there are alternative means to verify SALT. He noted that use of the U-2 was a "desirable alternative" to compensate for lost capabilities and one the United States "would be very reluctant to be foreclosed from." Congressman Les Aspin, chairman of the Oversight Subcommittee of the House Intelligence Committee, in July 1979 released a statement arguing that the loss of U-2 overflight rights over Turkey would be a "pinprick and not a body blow to our ability to verify SALT." He argued that there were "more than five other ways to get at this intelligence" related to SALT and that "the U-2 is by no means the best."

In view of the technical issues involved and the security constraints on public discussion of intelligence-collecting measures, the relative value of the U-2 in SALT verification cannot be resolved here. It does seem clear, however, that the administration places some value on Turkish overflight rights for SALT verification purposes, and that it believes that Turkish monitoring facilities would play a constructive role in the SALT verification network. At the same time it also seems clear that the administration views the Turkish intelligence-collecting bases as more valuable for purposes not a part of SALT verification. The statements of Secretary Brown, General Jones, and General Haig, noted previously, indicate that the Turkish installations provide a very valuable capability for monitoring Soviet strategic and other military programs in general, as well as give indications and warnings regarding potential Soviet military actions. This intelligence gained through the use of Turkish facilities is likely to increase in value in the months and years ahead in light of the increasing instability in the Middle East and Persian Gulf areas and the apparent intention of the Soviet Union to become more active militarily in these regions.

TURKISH-UNITED STATES DEFENSE COOPERATION AGREEMENTS

Since 1952, Turkey and the United States have entered into a number of secret, as well as public, agreements regarding mutual security and defense assistance matters in fulfillment of provisions of the North Atlantic Treaty. The most important of these earlier agreements was the secret Military Facilities Agreement of June 23, 1954. On July 3, 1969, a Defense Cooperation Agreement (DCA) was signed by the United States and Turkey in order to rationalize the various bilateral accords that had accumulated over the years. The 1969 DCA and its individual supplementary annexes governed the operations at each facility used by the U.S. military in Turkey. The text of this accord and its annexes was classified, presumably as much to serve Turkish internal political concerns as to mask details regarding sensitive operations conducted at various installations in Turkey by American personnel. On February 7, 1970, Turkish Prime Minister Suleyman Demirel, nevertheless, gave an extensive, public press briefing on the contents of the 1969 DCA. Demirel revealed a number of items pertinent to U.S. base rights in Turkey including the following:

All activities run in Turkey under joint defense cooperation will be based on the mutual cooperation foreseen in article 3 of the NATO Pact and will never exceed the limits of NATO commitments * * *

The agreements and applications of them will be run under the principles of mutual sovereignty and equality * * *

No action can be taken for the foundation of a joint defense installation or its activities without Turkey's consent * * *

The Turkish Government will allow the U.S. Government to engage in any of the joint defense activities in Turkey only after it has full and detailed knowledge of them * * *

The nature, scope and period of each of the joint defense installations have to be approved by the Turkish Government * * *

Joint defense installations are based on the principle of joint utilization * * *

The control of the Turkish Government over the joint defense installations and the activities from them will be full and absolute. Turkey will inspect all these installations as she finds it necessary to ensure that they are used in accordance with the agreements * * *

Disagreements concerning the application of the agreement will be solved through mutual negotiation and the Council of Ministers [Turkish] will be able to stop the practice pending the solution of the disagreement * * *

Even though the agreement will be in force as long as the parties concerned are attached to the NATO Pact, each one of the parties will be able to ask for negotiations for the amendment or denunciation of the agreement * * *

Demirel said that the 1969 Defense Cooperation Agreement abrogated the earlier Military Facilities Agreement of 1954. He added that those agreements based on the Military Facilities Agreement that did not, "conform to the principles" of the 1969 DCA would also be abrogated. Thus, the various additional accords between the United States and Turkey which were to supplement the 1969 DCA were to be updated versions of the 13 agreements originally part of the basic 1954 agreement. These supplemental accords were to deal with the use of radar stations for intelligence purposes, air bases, transport and supply facilities in Turkey, as well as the cooperation between Turkish and American air, naval, and ground forces in the context of mutual defense activities.

In late July 1975, when the U.S. Congress chose not to resume military assistance and sales to Turkey, the Turkish Government announced that the Defense Cooperation Agreement of 1969 and all other related agreements had "lost their legal validity." As a consequence,

the Turkish Government stipulated that all installations in Turkey used by the United States were now under the "full control and custody of the Turkish Armed Forces." The airbase at Incirlik, moreover, was to be utilized only for direct NATO purposes. While the United States complied with the Turkish directives, the State Department held to its interpretation that the 1969 DCA was still in effect pending its renegotiation. Turkey's action nonetheless suspended operations at four intelligence-collecting centers used at that time by the United States in Turkey—Karamursel, Sinop, Diyarbakir (Pirinclik), and Belbasi. The action also led to efforts aimed at the conclusion of a new Defense Cooperation Agreement between the United States and Turkey.

On March 26, 1976, a new Defense Cooperation Agreement between the United States and Turkey was signed. The 1976 accord was "consistent with, but not identical to" the 1969 DCA. In his message to Congress transmitting the accord, President Ford stated that "it is understood that when the agreement enters into force * * * activities will resume which were suspended by the Government of Turkey in July 1975 * * *"

The proposed new agreement included the following provisions related to U.S. base rights in Turkey:

The extent of the defense cooperation envisaged in this agreement shall be limited to obligations arising out of the North Atlantic Treaty.

The installations [in Turkey] shall not be used for, nor shall the activities serve purposes other than those authorized by the Government of the Republic of Turkey.

Pursuant to Article III of the North Atlantic Treaty and in accordance with the provisions of this Agreement, Turkey permits U.S. "participation" in "defense measures" carried out at (1) "Intelligence gathering installations," (2) "Mutually agreed sites of communication systems and networks," (3) "Kargaburun Station" and (4) "Incirlik Installation."

Other "organizations and facilities outside installations approved" by Turkey which provide "command and control, administrative, logistics and general support" are subject to the agreement's provisions.

"The activities and technical operations of the installations shall be conducted in accordance with mutually worked-out programs consistent with the purposes of the installations as approved" by the Turkish Government.

Agreed technical operations and related maintenance services and activities of the authorized installations shall be carried out jointly by Turkish and United States personnel. The Turkish Government has the right to assign Turkish personnel "up to a level of fifty percent of the total strength required for such operations, services and activities." If Turkey elects not to assign Turkish personnel up to the fifty percent level at a given installation, the United States may assign U.S. personnel "to fill any vacancies thus created, without prejudice to the Turkish basic right of participation."

The deployment into or from Turkey and operations of rotational squadrons and related support units authorized to be stationed on the territory of the Republic of Turkey in accordance with given NATO defense plans, and their activities on Turkish territory shall be carried out in accordance with mutually agreed arrangements.

In the event that the appropriate authorities of both Governments fail to resolve "any differences which may arise concerning interpretation and implementation of this Agreement," these authorities will refer such differences to the two Governments for resolution. Should these differences not be resolved by the two Governments within two months, "either [Government] may serve notice of 30 days to suspend the specific activity in dispute, pending the resolution of the difference thereon."¹⁰

The 1976 DCA with Turkey, after its approval by both countries, was to have remained in force for 4 years. However, it provided that either Government could terminate the agreement by serving notice in writing 1 year prior to such termination. The 1976 agreement also

called for the United States to furnish \$1 billion in defense support in the form of "grants, credits and loan guarantees" over the 4-year life of the agreement, with the grant portion being "not less than \$200 million." A single day of hearings on this proposed DCA was held by the Senate Foreign Relations Committee on September 15, 1976, at which senior administration officials testified. But no further legislative action was taken on Senate Joint Resolution 204, the legislative vehicle for congressional approval of the Turkish agreement, during the 94th Congress.¹¹

When the Carter administration did not press for passage of the United States-Turkish Defense Cooperation Agreement in 1977, operations at the U.S. intelligence bases in Turkey remained suspended. In the spring of 1978, however, the administration chose to seek congressional approval to lift the existing embargo on arms transfers to Turkey. At the same time, the administration announced that it was going to renegotiate the matters covered by the March 26, 1976 DCA with Turkey. After due consideration in both the House and the Senate, Congress passed an amendment to the 1978 International Security Assistance Act that gave the President the authority to nullify the legal force of the Turkish arms embargo. On September 26, 1978, President Carter signed this bill into law and made the certification and determination required by the Congress in the new statute [Public Law 95-384] to terminate the Turkish arms embargo. Subsequently, the Turkish Government announced that for 1 calendar year, beginning on October 9, 1978, it would permit the United States to resume operations once again at the military installations in Turkey where activities had been suspended since the summer of 1975. Furthermore, negotiations on a new DCA between Turkey and the United States were to begin in the foreseeable future.

Talks aimed at reaching agreement on a new United States-Turkish Defense Cooperation Agreement began in mid-January 1979 and have continued to the present time. Although conclusion of the new DCA was not reached by October 9, 1979, the Turkish Government granted a 3-month extension of the rights for the United States to use the military installations in Turkey until January 9, 1980. On January 9, 1980, the Turkish Council of Ministers approved an extension of the U.S. rights to utilize the Turkish installations for an additional 45 days until February 22.¹² On January 10, the Governments of Turkey and the United States initialed a 5-year executive agreement on "Cooperation for Defense and Economy"—a "foundation" agreement—and three supplementary agreements dealing with "Defense Support," "Defense Industrial Cooperation," and "Installations." Still to be negotiated are "implementing agreements" which are technical in nature. Once these implementing agreements are initialed, the entire agreement package can be signed, the texts declassified and submitted to Congress under the Case Act.

Although the texts of the initialed agreements remain classified until the entire set of agreements is formally signed, the shape of the new United States-Turkish agreement, and the issues surrounding it, have been the subject of numerous press accounts during recent months. According to these press accounts, differences have occurred over the level of U.S. assistance to be sought for the modernization of the Turkish Armed Forces. Reported estimates indicate Turkey

seeks a U.S. commitment to a military aid package ranging from \$2.5 to \$3.6 billion over a 5-year period. Turkey also seeks substantial economic assistance. Furthermore, Turkey seeks coproduction agreements with the United States to help develop its own defense industry and enable it to produce locally unspecified American defense articles.

Other issues reportedly involved in the DCA negotiations are rules under which the United States would operate its Turkish bases. The Turks would like to have all installations operated equally by United States and Turkish personnel. However, U.S. negotiators have reportedly argued that Turkey does not have a work force sufficiently trained in modern electronics to permit joint operation of sophisticated U.S. equipment at the bases. A major point of concern to the Turks is the exact purpose for which the U.S. bases will be utilized. Turkey fears that the United States might use the bases for intervention in the Middle East and adjacent areas. The Turks reportedly want the United States to stipulate in the final version of the new agreement that the bases will only be committed to NATO-related operations. U.S. negotiators reportedly have resisted such a clear restriction on operational usage, seeking to obtain more flexible language on this point—such as a statement that the base "will be supporting the fulfillment of NATO commitments."

During the negotiations on the new DCA, U.S. representatives reportedly have indicated that they will make their "best effort" to insure Turkey continued U.S. military support. They have also pointed out that the U.S. Congress is unlikely to authorize multiyear aid programs, and that in any event, Congress would have to give its approval to any assistance program negotiators might agree to. The United States reportedly has suggested that a joint United States-Turkish military committee be formed to study Turkey's military requirements on a year-by-year basis, and that this committee prepare a program and submit it for approval by the U.S. Congress. In any event, the administration has publicly taken the position that there will be no specific multiyear financial commitments by the United States as was the case in the 1976 United States-Turkish DCA. Rather, Congress will be asked to act one year at a time on Turkish aid requests.

In summary, Turkey and the United States still have important issues to resolve between themselves in the important area of defense cooperation. Turkey's value as a NATO ally and partner of the United States in helping to maintain stability and security in the eastern Mediterranean and Middle East has been accentuated by the recent upheaval in Iran and the Soviet invasion of Afghanistan. Successful resolution of these matters would permit Turkey to assume once again an effective role in protecting the vital security interests of NATO and the free world in an increasingly volatile region of the globe.

UNITED STATES INTERESTS IN TURKEY'S ECONOMIC AND POLITICAL STABILITY

TURKEY'S ECONOMIC PROBLEMS AND THE ROLE OF UNITED STATES AID

OVERVIEW

Turkey entered the decade of the 1970's with a balance of payments surplus and a growth rate of 7 percent and was cited as a model for other developing countries. But the country's success proved highly vulnerable to the 1973-74 oil crisis and dramatic price increases that sent shock waves through the global economic system. Turkey's serious economic problems, some resulting from the country's 80 percent dependence on foreign oil and some more structural in nature, have worsened in the past 5 years. Turkey's allies throughout 1979 held several meetings to discuss and instigate rescue efforts for the beleaguered economy, which experienced a zero growth rate in 1979. Finding solutions to Turkey's economic crisis is of direct concern to the United States and the Western alliance, whose interests in Turkey are best served by stable domestic conditions.

The critical short term economic problems facing Turkey are:

- (1) A severe foreign exchange shortage caused by dependence on foreign oil and poor export performance, resulting in the inability to import needed fuel, raw materials, and basic commodities;
- (2) A high inflation rate, generally estimated at 70-80 percent, accompanied by 15-20 percent unemployment; and
- (3) Serious debt rescheduling problems, jeopardizing Turkey's credit worthiness for future financial transactions.

Longer term goals that must be addressed by Turkey's economic officials are: (1) Restructuring the state run industries—SEE's—to make them more economically efficient and revitalizing the entire industrial sector; (2) reducing subsidies and curtailing the rate of expansion of the public sector; (3) expanding domestic energy production; (4) addressing the population problems of family planning,

unemployment, urban migration, and repatriation of overseas workers; (5) preparing for Turkey's anticipated integration into the European Community with which it signed a treaty of association in 1963.

ECONOMIC POLICIES AND TRENDS

Turkey's economic policies evolved in the years prior to World War II, when Turkish leader Ataturk set out to seek bold and original solutions in the political and economic fields for the young Turkish republic, which, with its vast and abundant natural resources and lack of colonial experience, had great economic development potential. The major trends in the Turkish economic system that emerged in the 1930's and have continued in the postwar period are: (1) Establishment of a mixed economy framework through the creation of state enterprises; (2) policy strategy of industrialization; and (3) the undercurrent of economic nationalism.

Mixed economy

The mixed economy system, which provided Ataturk with a mix of capitalism and socialism by means of a high degree of government intervention in state economic enterprises alongside a private sector, was proclaimed the official economic policy of the regime in the 1961 constitution. Institutionalizing the policy in this way, however, has not totally silenced the criticism of it that has surfaced throughout the postwar period. Critics have pointed to the inefficiency and misallocation of resources resulting from the state enterprises, which range from basic infrastructure activities such as energy, water, transport, and communications, to commodities, foodstuffs, and some manufactured products. Possible Government conflict of interest is also cited by those who wish to reform the basic economic ideology. They point out that the state cannot be a neutral overseer of all economic activity—public and private sectors—while at the same time participating as an interested party, with the state enterprises in competition for available resources with private endeavors. Reformers think the state's financial resources could be channelled to both private and public economic enterprises in a more equitable way, with less emphasis on underwriting struggling SEE's. At present, the state-run enterprises may have funds transferred directly from the Central Bank, a practice which is highly inflationary because it makes the money supply uncontrollable.

Industrialization strategy

The industrialization strategy produced some impressive results in the early years, with high growth rates in the years prior to World War II. The war and its subsequent reallocation of priorities and resources brought the growth to a halt. In the post-war period, Turkey has experienced three cycles of industrial growth. Each cycle has commenced with a period of rapid growth which has led to major foreign exchange shortages. These shortages have required currency devaluations in 1958, 1970, and 1978-79. The final phase of each cycle has been a slowdown or stagnation in industrial growth.

The success of the industrialization strategy in recent years has been mixed. In 1979, Turkey's industrial sector was estimated to be functioning at 50 percent capacity. Inability to pay for necessary imported raw materials is generally cited as the principal reason for the stag-

nation. This is directly related to the larger foreign exchange shortage problem, but also may indicate an inefficient selection of industries.

The pattern of the industrialization strategy has been widely debated in Turkey. Some historically advocated a centrally planned, Soviet model, while others sought a market-oriented strategy. In practice, the pattern has been the latter, a demand-led strategy which has required extensive protection from the Government—producing serious distortions and weaknesses.

Economic nationalism

A high degree of economic nationalism characterized the prewar years in Turkey and resurfaced in times of stress in the 1970's. This more elusive and subtle attitudinal feature of Turkey's political system dates from the Ottoman Empire when a legacy of fear and insecurity about foreign debts and dependencies developed. Economic nationalism is characterized by a combination of mistrust of foreign entanglements, the motivation to economic self-sufficiency and feelings of national pride. Turkish reformers in the final years of the Ottoman Empire and early Turkish nationalists stressed eliminating foreign debts and interactions with foreign financial institutions, which were considered infringements on national sovereignty. Alongside this historical legacy is the more positive attitude toward economic self-sufficiency which has become a political objective for many developing countries. Yet economic nationalism has caused problems in Turkish economic planning by stressing import substitution when it was detrimental. Turkey incurred significant losses in the 1930's trying to become self-sufficient in sugar, despite disadvantageous differentials between home costs and world market prices.

In the early postwar years, Turkey stepped away from restrictive economic nationalism. Its Marshall plan involvement marked an important shift away from an isolationist, inwardly focused economic system. Turkey opened itself to the world economic system by joining the Organization for European Economic Cooperation, the World Bank, the International Monetary Fund, various U.N. organizations, and by signing a Treaty of Association with the European Economic Community in 1963. Full integration into the EC will not take place until 1995 at the earliest. The large-scale immigration of Turkish labor to Europe is seen by some as another positive manifestation of Turkey's attempt to overcome traditional fears of foreign interference in the economic domain, although others would more likely describe it simply as an opportunity for Turkey to relieve unemployment and gain needed foreign currency.

In recent years, however, it appears that Turkey's economic nationalism, with aspects antithetical to international cooperation, may be reemerging. Turkey's painful experiences with dependence on foreign oil, on foreign aid, and foreign borrowing could lead to the restructuring of Turkey's economic policies and priorities.

THE CURRENT CRISIS

Turkey's chronic foreign exchange gap has caused balance-of-payments crises on several occasions in the postwar period, the most dramatic instances in 1958 and 1970. Again in 1977, Turkey's trade imbalance reached critical proportions, with imports exceeding exports

by \$4.1 million. Turks have experienced daily shortages in basic commodities such as margarine, coffee and light bulbs. The crisis that began in 1977 has been attributed to the rise in oil prices. Other reasons cited are: the reordering of spending priorities in Turkey in the aftermath of the U.S. arms embargo of 1975, and chronic management problems.

The labor export issue

The migration of Turkish labor to Europe has been a unique feature of Turkish economic life for the past decade. It has provided an important source of foreign exchange and an escape valve for high unemployment. The jobless percentage of Turkey's labor force has risen steadily since the early sixties, and only 40 percent of the 450,000 Turks who enter the job market each year can expect to find work.

From 1969 to 1973, over 100,000 Turks left annually in search of employment in the factories and service sectors of European Community countries, West Germany in particular. The Turkish Government actively sought labor agreements with industrial countries and provided information to Turkish villages to facilitate the labor outflow. At its peak, the Turkish work force overseas was estimated at 1 million, representing 6 percent of the economically active population.

But the European economies proved as susceptible to the oil crisis as Turkey and the economic boom ended abruptly with EC decisions to halt the import of foreign labor in late 1973. Since that time, labor migration has dropped off, with an average of 14,000 leaving Turkey annually. The countries of destination shifted to the oil-producing states of the Middle East, notably Libya and Saudi Arabia. Libya has been the only Arab country to sign a labor agreement with Turkey. Saudi Arabia, it is suggested, favors recruitment of Turks because they are Muslim, but non-Arab, therefore restricted to isolated residential communities in the desert kingdom.

The Turkish workers overseas have been a vital source of foreign exchange, providing needed dollars and Deutschmarks for Turkey's imports of raw materials.

Remittances from Turkish workers: ¹	Millions
1969	\$140
1970	273
1971	471
1972	740
1973	1,183
1974	1,426
1975	1,300
1976	983
1977	982
1978	983
1979 (estimated)	1,800

¹ "Marketing in Turkey." Overseas Business Report of U.S. Dept. of Commerce, October 1979, p. 6.

In 1973, the remittances were sufficient to finance two-thirds of Turkey's trade deficit, but by 1977, had fallen to one-fifth of the then larger deficit. In 1979, however, it was estimated that the total volume of remittances would be close to \$2 billion, an all-time high. In April-May 1979 alone, over \$600 million in legal remittances flowed to Turkey. Analysts indicate that concern about dramatic currency devaluations was a primary cause of the upsurge. After the 47 percent

devaluation of the Turkish lira in June, the remittances flow returned to normal.

The Turkish Government has favored and encouraged the labor outmigration, yet the policy entails certain costs and risks. Two factors contribute to the limited value of the role of remittances as a long-term feature of the Turkish economy. First, the major host for Turkish workers, West Germany, banned the hiring of foreign workers in late 1973 because of Germany's own economic slowdown. Efforts by the Turkish Government to substitute European hosts with ones in the Arab world have been disappointing. Second, the Turkish Government's policies for attracting the remittances and using them in constructive ways have not been effective. It is estimated that well over half of the remittances sent to Turkey are in the form of luxury imports and through black market channels. Some efforts have been made in the past 2 years, however, to provide incentives for Turks residing in Europe to invest their earnings in Turkish economic enterprises. Turkish economists are also aware of some of the noneconomic consequences of pursuing a labor outmigration policy; there are considerable social and cultural adjustments to the society which cannot yet be measured. Also, as new outmigration tapers off, it is anticipated that remittances will drop, as workers statistically repatriate the largest amounts in the early years of the overseas experience.

Energy

Of all Turkey's economic woes, none has been more dramatically or vividly described in the western press than the critical energy shortage. Throughout 1979, major newspapers periodically chronicled power cutoffs in major cities, halted operations in transportation, schools, hospitals, and other essential services because of fuel scarcities. Turkey's oil bill for the 80 percent of consumption it imports averages \$3-\$4 billion, which is approximately Turkey's earnings from exports, and double the amount of remittances it received in 1979 from workers overseas. Turkey gets most of its oil from Libya, Iraq, the Soviet Union, and the spot market.

Turkey's per capita consumption of energy is modest, the lowest in the EC and among the lowest in the world; 0.76 metric tons oil equivalent (MTOE) in 1977, compared with 8.28 MTOE for the United States, and 1.89 MTOE for Spain. Turkey also has abundant natural resources, including large coal deposits and vast hydroelectric potential, of which only 17 percent is presently being exploited. Proven oil reserves are estimated at 390 million barrels, although the Turkish Government claims the figure is closer to 700 million.

Yet the cost of investing in exploration and expansion of domestic resources has been prohibitive for the Government. Inefficiency and poor planning exacerbate the situation. While the cost and scarce availability of petroleum may inhibit some Turkish driving habits, strict efforts to impose conservation measures have not been followed.

The fourth 5-year development plan—1973-77—contained a strategy for mineral prospecting, for placing priorities on completing proposed powerplants, and for better utilizing domestic resources. But the country's resources are located in inaccessible and sparsely populated regions, and the needed capital is unavailable. A nuclear plant on the Mediterranean, in blueprints for over a decade, has been stalled due to lack of funds.

The International Energy Agency has recommended that Turkey explore in its research and development activities, areas that will yield early energy contributions. In addition, IEA has suggested greater attention to solar, shale, and geothermal energy options.

Credit problems and multilateral aid

From 1977 on, Turkey's commercial creditors began to decline to make new loans. Turkey had to resort to drawing on its International Monetary Fund (IMF) reserves and on short-term borrowing to finance its \$2 billion debt. By 1980, it is estimated, nearly 50 percent of Turkey's export earnings will go to debt servicing.

A new government led by Republican People's Party chief Bulent Ecevit was installed in early 1978, pledging a stabilization program which formed the basis of an agreement with the IMF. The austerity measures included raising prices in the state run enterprises, adjusting agricultural price supports, promoting exports, reducing imports, imposing restrictions on foreign travel by Turkish citizens, and a modest currency devaluation. In early 1978, Turkey and the IMF signed a 1-year standby agreement, which permitted Turkey to draw on 150 percent of its quota of special drawing rights (SDR's), under terms of a clause alluding to certain member countries' "exceptional circumstances" added to IMF regulations at the Jamaica summit meeting in 1976. Turkey drew twice on portions of the \$300 million agreement, but the arrangement broke down in the fall of 1978 as the Government in Ankara found it politically unpalatable to carry out the stabilization measures upon which the IMF financing was contingent. Turkish officials have said that the breakdown was not due to lack of resolve or commitment, but to technical difficulties in implementing necessary currency devaluations.

A second standby agreement was signed in July 1979 (formally approved by the IMF Board of Directors on July 22). New features in the second stabilization plan included: a 47 percent devaluation of the Turkish lira, an increase in the price of fuel, telephone and postal rates, introduction of tax reform bills, and nationalization of the mining industry. On this occasion, Turkey was able to sign for \$250 million, which included 100 percent of Turkey's IMF quota of \$200 million plus additional funds through a supplementary financing facility. On July 26, Turkey made its first drawing of \$70 million. As of this writing, a second drawing has not taken place because of the political uncertainty prevailing after the October elections. Further delay of the second drawing will cause increasing concern among Turkey's creditors.

The IMF financing, while only a small portion of the total funds needed by Turkey to offset its \$1-\$2 billion annual foreign exchange gap, acquires great significance to the degree that other creditors use the IMF as a guidepost of a nation's credit worthiness.

While it is not officially recognized among IMF functions, the world community informally grants the fund the task of economic policeman. For some countries, it is easier for political officials to sell domestically painful austerity measures such as increase in the prices of basic commodities by insisting that the measures are required by the IMF. In fact, IMF lending generally constitutes a small portion of the total

aid needed by a member country, but the credibility and prestige of the organization in setting down terms and conditions for loans have considerable power in the world economic structure. In the case of Turkey, other creditors let it be known that financing was contingent on Turkey's successful negotiations with the IMF. Thus the pressure on then Prime Minister Ecevit in early 1979 to come to terms with the IMF far outweighed the significance of the \$250 million standby agreement.

Turkey, in 1979, received pledges for \$961 million in balance-of-payments aid from Organization for Economic Cooperation and Development (OECD) countries, in addition to debt rescheduling arrangements totalling over \$2 billion in 1978 and 1979. The OECD group, led by West Germany, discussed Turkey's economic straits at the January 1979 summit in Guadeloupe and worked out the details at later meetings held in Bonn. The U.S. share of the balance-of-payments aid was \$248 million, of which \$50 million was in export credits.

At the same time, Turkey was working out arrangements to restructure \$2.2 billion in short-term debts to 250 international banks. Details were made public in late August 1979: Turkey's Central Bank was granted a 3-year grace period on repayments followed by a 4-year period in which to pay off the debt. In addition, the commercial banks worked out in July a loan package of \$860 million, of which \$409 million was for new funds.

Some observers of the Turkish political scene suggest that Ecevit's personal views of Turkey's role in the world, his traditional mistrust of excessive reliance on the Western community and his inward-oriented economic nationalism explain the difficulties experienced in negotiating the IMF agreement. It has been suggested that newly appointed Prime Minister Demirel should be more favorably disposed toward working cooperatively with Western organizations. Ecevit, as opposition leader from 1975 to 1977, criticized Turkey's involvements with the IMF. Demirel, as opposition leader from 1977 to 1979, did not make the IMF financing an issue of contention.

But an alternative interpretation is that any Turkish leader would be forced, by cultural and political realities, to present an unyielding stance to the harsh austerity measures advocated by the IMF. As a point of national honor, a Turkish leader would have to avoid the appearance of a facile compromise. By the same token, softening the terms and the timetable of painful price increases, currency devaluations, and new taxes will most likely be a logical political strategy for the Justice Party regime under Demirel as it was for its predecessor in power. Recent history is replete with examples of political instability and violence being precipitated by drastic subsidy reductions and food price increases; Turkish leaders have good cause to move cautiously on reforms that affect the quality of life in already troubled circumstances.

Future prospects

By the end of 1979, there were a few optimistic notes on Turkey's economic horizon; the inflation rate generally estimated at 70-80 percent appeared to be slowing down, exports seemed to be approaching the \$2.75 billion estimate of the Government, and import restraint

measures seemed to be effective. It was hoped that massive financing for new loans could be reduced, although heavy borrowing was to be expected for the next several years.

Longer term prospects will depend on Turkey's ability to improve its foreign exchange situation by expanding its export potential. On January 24, 1980, the Cabinet announced new economic measures, including formation of a Department of Foreign Capital and a Department of Incentives for Exportation. The Cabinet also adopted a "national policy" to seek greater, domestic and foreign potential for oil exploration, and announced price increases on selected public services and commodities, and other austerity measures.

Export promotion is perhaps the most important ingredient to Turkey's economic recovery program. Optimistic estimates indicate Turkey may be able to expand its exports by 20 percent in 1980, with earnings to exceed \$3 billion. Most observers feel that Turkey will seek new markets, rather than concentrate on traditional European trading partners. The emphasis is on developing stronger trade links with eastern European and Arab countries. Traditionally, Turkey has concentrated its exports on agricultural products.¹² The new trend is to focus on manufactures—textiles in particular.

Turkey also has tremendous natural advantages for development of its tourist industry with archeological sites, Mediterranean beaches, and Istanbul. According to the OECD, Turkey was the only European nation to spend more on tourism than it received in revenues: Turkey lost \$27 million in 1976 (earned \$250 million but spent \$277 million), as compared to Greece's gain of \$334 million, Portugal's \$177 million, Spain's \$2,679 million and Italy's \$1,818 million.

International financial experts indicate that Turkey's economic problems and efforts to solve or ameliorate the critical situation are hampered by the concurrent political instability. The postponement of the second drawing of the IMF agreement in November 1979, was an ominous sign. Turkey's economic plight is complicated and extreme in purely economic terms. The United States, as a major ally, has responded to Turkey's economic problems throughout the years with extensive economic assistance.

UNITED STATES RESPONSES TO TURKEY'S PROBLEMS

Throughout the 30 years of close association, the United States has responded to Turkey's economic and political problems by providing military and economic assistance and by supporting Turkey in international forums and organizations. Aid has historically been in the form of balance-of-payments support, with limited involvement in specific development projects. Congressional approval of administration-introduced aid packages, however, has not been readily granted, primarily because of dissatisfaction with Turkish action on Cyprus and the failure of the parties to resolve that crisis. In fact, aid to Turkey, the third largest recipient of U.S. military and economic aid has been the source of friction between executive and congressional foreign policy officials since 1974.

Turkey was a major recipient of Marshall plan aid, in addition to military assistance provided by the United States in the early postwar years. During the decade of the fifties, as the ties between the United

States and Turkey were formalized and established in various treaties and agreements, the United States began to focus on specific economic problems, warning the Menderes government of the hazards of high visibility, economically unviable projects.

In these years of economic difficulty, the United States expanded its economic aid, averaging just under \$100 million per year for the period 1953-59, all the while encouraging less inflationary economic policies. The aid relationship was characterized by tensions, public confrontation, and eventually the United States yielded to international financial organizations in pressuring Turkey to implement needed reforms.

In the 1960's, the aid relationship changed as Turkey embarked on a policy of economic planning, and as U.S. economic conditions warranted a shift from grant aid to loans. National planning was a logical offshoot of Kemalist ideology, but was not formally implemented, despite American encouragement, until 1963. The United States began to focus on specific projects with promising long-term consequences, such as the ambitious Ereğli steel mill. The U.S. investment in Turkey's second steel mill began in the early sixties; as recently as 1979, U.S. funds were expended in a Ereğli steel mill expansion project.

At the same time, the United States continued to seek greater multi-lateral coordination on Turkey's chronic economic problems. Turkey itself sought NATO aid, and a consortium including the OECD and the World Bank was formed. The United States attempted to use the consortium to channel distinctly smaller pledges of aid, creating new frictions in the changing alliance.

Efforts to revitalize the development strategy for Turkey in the mid-sixties led to higher levels of aid coordinated with Turkey's State Planning Organization with an ultimate goal of ending concessionary aid. AID's Turkey mission director emphasized in 1965 that U.S. grants should end by 1973, a goal which was not met.

U.S. economic aid to Turkey has continued through the seventies with a 1-year break in 1976 due to the arms embargo. Aid has been provided through the Economic Support Fund, a program structured to achieve American political objectives by enhancing political stability in countries of strategic importance. With the exception of the steel mill expansion program, the U.S. assistance to Turkey has been in the form of balance-of-payments support. The loans and grants provided are intended to give Turkey time to make needed structural economic adjustments.

Postembargo aid has increased steadily, as Turkey's economic position has deteriorated and regional concerns have grown; \$125 million in 1977, \$175 million in 1978, \$225 million in 1979, and \$450 million in 1980, including a supplemental package coordinated with OECD donors. These aid packages have been controversial in the Congress; the 1980 Security Assistance Act, for example, was delayed for 3 months over Turkey, with the House of Representatives resisting administration efforts to provide military aid on a grant basis. The compromise worked out in September 1979 converted the military component to a loan, but permitted some of the economic aid to be grant.

The United States has contributed to Turkey's economic and political stability in other less direct ways: It has supported Turkey in international organizations, participated in financial rescue efforts organized by other allies of Turkey, sponsored cultural and educa-

tional exchanges, and promoted structural reforms in Turkey's industrial sector. Many of these efforts (voluntary relief, educational projects, private investment) have been made by private American citizens and concerns, with U.S. Government support.

Avenues that have been explored with limited success and that may merit further attention for Turkish and American mutual benefit include: energy exploration, greater private investment in export-oriented industries, tourism and population planning. The U.S. Government can play a role in facilitating bilateral projects that can address Turkey's economic problems.

American policymakers may need to reconsider the possible adverse consequences of treating Turkey as an "aid graduate" since many of its long-term economic needs could be approached through conventional development assistance (population planning, agricultural development). But this would require a major refocusing of the bilateral relationship, and would likely touch on sensitive aspects of Turkish national pride. It is nonetheless true that continued U.S. attention to Turkey's serious economic problems can contribute to improved welfare for Turkey's citizens, and enhance U.S. policy objectives..

UNITED STATES AID TO TURKEY¹
(In millions of dollars)

	1946-52	1953-61	1962-74	1975	1976	1977	1978	1979	*1980
Economic aid (total).....	237.3	1,093.0	1,485.5	4.4	.....	0.2	0.8	50.3	198.0
Loans or credits.....	97.2	301.8	1,122.7	.....	.....	.....	.8	50.0	123.0
Grants.....	140.1	791.2	361.8	4.4	.....	.2	.....	.3	75.0
Military aid (total).....	325.6	1,587.6	2,555.1	109.1	.....	125.0	175.4	175.0	252.0
Loans or credits.....	.....	.....	110.0	75.0	.....	125.0	175.0	175.0	250.0
Grants.....	325.6	1,587.6	2,445.1	34.1	.....	.....	.4	.....	2.0
Total.....	562.9	2,680.6	4,039.6	113.5	.....	125.2	176.2	225.0	450.0

¹ Source: U.S. Overseas Loans and Grants, Agency for International Development, U.S. Department of State.
² Estimated, pending final action on 1980 appropriations.

SOURCES OF POLITICAL INSTABILITY

STALEMATE IN NATIONAL POLITICS

Political instability has been a chronic reality in Turkey since the advent of a multiparty system in 1950. In the 30-year period since 1950, Turkey has experienced two episodes of military intervention in politics, six national front coalition governments and a "revolving door" sequence of governments led by two major parties.

The two major parties of the postwar period, the Justice Party (JP), and Republican People's Party (RPP) have played musical chairs between governing and opposition roles. The two parties have strong ideological differences, but have generally ruled with such narrow parliamentary majorities that policies have not varied widely from Justice Party governments to Republican People's Party governments.

Governments in Ankara led by both parties have appeared weak and indecisive, with long periods of parliamentary stagnation while precarious coalitions are negotiated. The governments of recent years have not been able to solve the serious economic problems or the grow-

ing problems of urban violence and sectarian strife. Martial law has been imposed frequently, but this has been but a stop-gap solution to the chronic unrest and terrorism.

Ecevit's Republican People's Party is the heir of the party of Turkey's founding father, Ataturk. It was the only political party in Turkey until 1945, when Prime Minister Inonu permitted opposition parties to form. In 1950, the more conservative, business-oriented Democrats came to power, led by Adnan Menderes who was ousted and executed after a military coup in 1960. The Justice Party, led by Demirel, is the heir to the Democratic Party, although some of Menderes' former followers have formed other minor political parties. The Justice Party has tried to offer an alternative to the secular image of the Republican People's Party by permitting construction of new mosques and prayers in Arabic. Some political scientists have stressed the anti-intellectual identity of the Justice Party, which has received strongest support from small landholding peasants. The image of the Republican People's Party under Ecevit has been of a more soft-spoken, intellectual, secular form of leadership, in contrast to the practical, well-organized, assertive style of leadership characteristic of Demirel.

Both parties are committed to the mixed economy system, even though the Republican People's Party, in theory, is committed to more socialist economic policies than those advocated by the Justice Party. Ecevit and the Republican People's Party have been highly critical of the consumer goods orientation of the industrial strategy of the 1950's and consider excessive dependence on foreign capital dangerous for Turkey's long-term prospects. Demirel and the Justice Party on the other hand, under whose leadership Turkey accumulated the heavy external debts it is now refinancing, has sought to bring Turkey—at a high price if necessary—to the level of development of a West Germany by the year 2000. In practice, the Demirel governments (five in the last 14 years) have not espoused economic policies radically different from those of the three Ecevit governments in the same period.

Demirel's last time in power ended in December of 1977 when, at the height of the economic crisis, he lost a vote of confidence in the National Assembly. Ecevit formed a government that included Independents along with members of his own party. He came into power with promises to make necessary economic reforms, but the problems he inherited could not be easily solved. By summer of 1979, after less than 2 years in office, Republican People's Party members began leaving the government. While they still controlled a plurality of seats—having lost a majority in June—by the time of the October by-elections, Ecevit's hold on power was precarious. Demirel campaigned actively, accusing the government of indecisiveness and ineffectiveness in solving the country's pressing problems.

The economic issues of inflation and commodity shortages and the steadily worsening urban violence were primary concerns of voters who went to the polls on October 14 to fill 5 vacant seats in the National Assembly and 50 in the Senate. Demirel's Justice Party candidates won more decisively than had been predicted; taking all of the lower chamber seats and 33 of the 50 vacancies in the Senate. Yet this did not give Demirel a clear majority. A government crisis similar to the 6-month interregnum period from November 1974 to March 1975 was a strong possibility.

But a long period of political stagnation was avoided. Ecevit re-

signed on October 16 and Demirel, while initially insisting on waiting for early general elections to be held, reluctantly agreed to form a cabinet on October 24. The government announced on November 11 contained 28 posts all held by Justice Party members.

Demirel's Justice Party commands well under a majority of the seats in the more powerful lower chamber; 187 out of 450. The two rightist oriented parties—the religious National Salvation Party (NSP) and the National Action Party (NAP)—have not insisted on being formally brought into the government, but these two parties voted with Demirel in the decisive vote of confidence on November 25, effectively ending the government crisis by granting the minority government authority to rule. The vote was 229 to 208.

The two small parties, NSP and NAP, wield power that surpasses their proportional representation in the Grand National Assembly, the Turkish Parliament. The NSP led by Necmetin Erbakan was founded in 1972 and is traditionalist-Islamic. The National Action Party, led by Alparslan Turkes is a highly nationalistic rightist-oriented party, advocating strong martial law measures.

These two parties can virtually dictate policies to a minority party in power, by threatening to withdraw support. The role of the minor parties in Turkey finds its closest analogy to the religious parties in Israel that contribute essential votes to Likud's fragile coalition.

The Parliament resumed its activities after the elections in October 1979, working on the annual budget that must be approved by March 1, 1980. General elections in which the Justice Party could in principle gain enough seats to acquire a true majority, are not scheduled until 1981, although there was some speculation that Demirel might seek early elections.

On January 2, 1980, President Koruturk made public a letter from the Turkish Armed Forces, warning the political parties to unite to cope with the country's crippling problems. The message was clear: Turkey's military has intervened twice in modern history to restore order in times of unrest, and would assert its constitutional prerogative if necessary. Turkey's President shared the military's letter with Demirel and Ecevit. The opposition leader, in a shift from previous statements, indicated in the early days of 1980, that he would consider joining a coalition government with Demirel's Justice Party. Such an offer was not immediately forthcoming. Serious obstacles likely would complicate efforts by the adversarial parties to coordinate policies, particularly those relating to martial law.

The letter and its explicit warning were sure to sober the political parties. Coupled with the subsequent Soviet actions in Afghanistan (which Turkey has strongly condemned), it would not be unfeasible for 1980 to herald a momentum toward greater unity and solidarity in domestic Turkish politics.

Anti-Americanism

Of special concern to Americans is political violence directed against U.S. citizens. Anti-American feelings in Turkey, as in many less developed countries with strong ties to the United States, have surfaced periodically since World War II in the form of violence against symbols of American power. The incidents of violence against American property and American citizens¹³ are distinctly different from the intracommunal strife plaguing Turkey. Acts against Ameri-

cans are not random acts; they are carefully calculated by extreme groups—generally leftist—that are concentrated in urban areas. The opposition to the United States is ideologically based, and the perpetrators of anti-American crimes are generally from politically and socially isolated groups. The most recent episode occurred on December 14, 1979, when four Americans were murdered by a group calling itself "The Marxist-Leninist Unit for Armed Propaganda of the Turkish People's Liberation Front and Party."

During the Iran crisis, an anti-American demonstration took place in front of the general consul's residence in Izmir. But unlike similar events in Libya, Pakistan, and Thailand, there were no casualties or property damage. Turkish troops dispersed the crowd, estimated at 1,500.

The U.S. Government does not consider anti-American violence to pose serious danger to American tourists, and no travel advisories have been issued. The American community in Turkey, predominantly diplomatic and military personnel numbering less than 5,000, is concerned and has taken precautions against being targeted as American symbols.

Officials of the United States and Turkish Governments are quick to point out that the general public attitude toward the United States in Turkey is still highly favorable. One reporter covering anti-Americanism for a U.S. paper in 1979 found in random sampling of American visitors that they encountered no hostility and found Turks to be friendly and helpful. It appears that heightened awareness of isolated incidents of anti-Americanism has been fostered by the events in Iran. Comparisons of the American presence and of political instability being channeled into anti-Americanism in the two countries reveal that strong parallels do not exist; the general public in Turkey does not associate its government or its economic problems with the United States.

ALTERNATIVE FUTURES FOR TURKEY'S POLITICAL SYSTEM

Despite the unsettling realities of political life in Turkey, seemingly fraught with instability and conflict, the fact remains that Turkey has been a democratic republic since 1923 and Turkish people are proud of and attached to their democratic traditions. The weathering of the recent change of regime indicates that the parliamentary system has the strength to remain intact. It is nevertheless worthwhile to consider some of the future alternatives in Turkey's internal political system.

Military coup

Against the backdrop of chronic political instability in Turkey, the military has been traditionally viewed as a force for order and stability. Twice in recent history, the military has intervened in the political system. The January 2 warning from the armed forces to the country's political parties again raised the prospect of a military coup.

According to some observers, the prospects for such a development have increased because of the troubles in neighboring Iran. The objectives of a military coup at this time would be to avert chaos similar to that of Iran, to stem Turkish separatism, and to respond to the impotence of the political parties. Advocates of this view cite the riots

in Izmir and Istanbul in the early days of the hostage crisis as evidence of the spillover effect of the Iranian revolution.

Yet it could be argued that those riots were quickly quelled, violence and property damage was minor compared to outbursts in other Islamic countries, and that regional events have brought Turks closer together. The warning by the military may have been sufficient to inspire the party system to greater responsiveness. Turkey's strong anti-Soviet consensus in the wake of Afghanistan is evidence of drawing together in time of stress against outside threats.

Islamic upsurge

What are the prospects of Turkey's religious fundamentalists gaining political power to topple the secular regime and establish an Islamic republic? Turkey's population is 99 percent Moslem, primarily Sunni, but religion was dramatically removed from official life over 50 years ago. Ataturk disestablished Islam as religion of state and Turkey is generally cited, with Lebanon and Israel, as among the most secular of Middle Eastern societies.¹⁰

The strong association of religion with nationalism, as is present in Iran, does not exist in Turkey; in fact, Ataturk sought to replace religion with nationalism as a source of national focus. Turks are more casual about religion, and traditional religious leaders—while occasionally having grievances against the regime—have not attracted political followings. Similarly, the dominant figure of Iran's Shah as a symbol of the progressive modernizing regime has no counterpart in Turkey's more developed political life. Since the death of the charismatic Ataturk, Turkey has been led by a series of professional politicians, none of whom has had a monopoly on power or prestige. In the words of a Turkish official in the United States, Turkey has "no

Shah, no Savak, no Ayatollahs." On the other hand, trends to watch are: The increase in religiosity experienced in Turkey as elsewhere in the Middle East, and the degree to which Demirel's announced crack-down on terrorism creates new disillusionment at the margins of Turkey's polity.

Soviet influence

What are the prospects for political anarchy in Turkey expanding to the point where the Soviet Union would impose its will on the domestic political system through armed intervention or other means?

Those who see such trends in Turkey point to the intensification of political violence, the growing strength of radical leftist movements, the inability of the parties to deal with internal problems, and the official easing of tensions with the Soviet Union, creating formal avenues for Soviet influence in Turkey. On the other hand, while Turkey has some of the same divergent minority religious, tribal, and political groups as Afghanistan, it has a far more extensive bureaucratic elite that mitigates against the fringe minority groups acquiring significant power. In addition, it is unlikely that Turkey's cautious rapprochement with the Soviet Union will expand to any enthusiastic endorsement of Soviet ideology.

Europeanization

What are the prospects for Turkey orienting its domestic and foreign policies in a strongly European direction, and establishing a more singular identity as a poor but decidedly European nation?

Turkey's secular parliamentary tradition and NATO membership already entitle it to be called a Western nation, but with its Moslem population and location as bridge between Europe and Asia, it has always had a more complex national identity. Despite the efforts of some groups within the Turkish spectrum to counter it, there remains in Turkish tradition strong attachments to Eastern custom, and the Islamic revival is experienced in Turkey. Whereas Greece has accepted its heavy reliance on European economic support and does not aspire to a West German level of industrial development and technology, there is resistance in Turkey to the notion of dependence on European allies. There is recognition of the importance of strong economic and political relations with the Western alliance, but reluctance to be assigned a permanent role as Europe's poor relation. This ambivalence is reflected in delays in negotiating the next stages of integration into the Economic Community, with which Turkey signed an Agreement of Association in 1963.

Yet the European option is attractive as an alternative to excessive dependence on the United States; relations with West Germany are fast surpassing United States-Turkish ties in the degree of mutual concern and involvement. Turkish leaders from both major parties have referred to Turkey's membership in the European alliance with pride. Despite occasional tensions, being accepted as part of Europe has always been a Turkish policy objective.

CHANGING TRENDS IN TURKISH FOREIGN POLICY

Turkey's perception of its role in the world political system has changed dramatically from the close identification with the United States that was characteristic of the cold war years. This has occurred in part because of disenchantment with its treatment by the West and in part because of changing perceptions of Turkey's vulnerability vis-a-vis the Soviet Union. Turkey has been pursuing a more balanced international position and has diversified relations with nations in its region. Changes in Turkey's foreign policy are of significance to the United States to the extent that they affect the dynamic of United States-Turkey relations and the ability of the United States to pursue its policy objectives in the eastern Mediterranean.

TURKISH-SOVIET RELATIONS

Since the late 1960's, Turkey has pursued a more evenhanded approach toward the Soviet Union. As previously mentioned, the Turks' feeling of vulnerability toward the Soviets altered significantly in the aftermath of the Cuban missile crisis, when Jupiter missiles facing the Soviet Union were removed from Turkish soil. While Turkey has maintained that improving relations with the Eastern bloc countries does not mean a lessening of its commitment to the Western alliance, Americans have nonetheless expressed concern about the increased ties between Turkey and the Soviet bloc.

Former Prime Minister Ecevit has stated that Turkey is pursuing a policy of diversification of relations, seeking a more balanced posture between East and West consistent with policies pursued by the United States and other NATO Allies. To date, relations with the Soviet Union are limited to economic and cultural cooperation, but the level of economic assistance is steadily increasing. As for the link between Turkey's growing détente with the Soviet Union and the U.S. arms embargo, Prime Minister Ecevit, upon his return from Moscow in June 1978, said: " * * * the embargo certainly affects our thinking in many ways and encourages us to be more imaginative regarding solutions to our economic problems and to our defense problems."

The aid Turkey receives from the Eastern bloc is generally related to large infrastructure projects such as dams, highways, and power grids. A new protocol for economic cooperation was signed between Turkey and the Soviet Union on June 5, 1979, at which time ambitious programs for mineral and oil exploration were announced. By most estimates, Turkey has received about \$650 million in aid from the Soviet Union between 1967 and 1979 (primarily after 1974), which is approximately one-third of the value of formally announced aid projects for that period.

Most observers think that Turkey and the Soviet Union, basically mistrustful neighbors, have learned to accommodate each other and that Turkey has no wish to join the Soviet orbit. It is understood that a conversion to the Soviet Union as principal weapons supplier, for example, would be costly and time consuming and in the long run, not in Turkey's interest. Similarly, the Soviet Union cannot meet the Turkish demand for certain manufactured goods and products of advanced technology. Secretary of State Vance, in testimony before the House International Relations Committee in 1978, compared Turkish relations with the Soviet Union to the Federal Republic of Germany's *ostpolitik*, the West German policy for seeking better relations with the East. The improved and strengthened ties, he said, do not diminish Turkey's reliability and effectiveness as an ally.

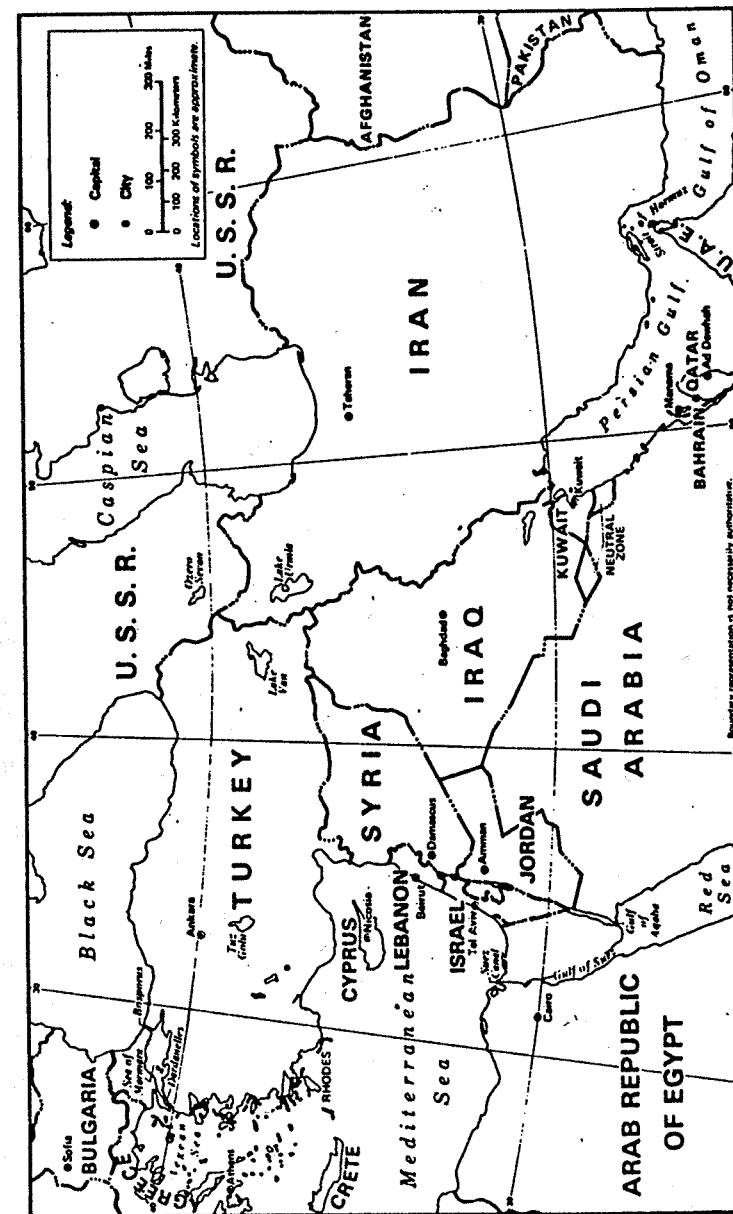
One view of Turkish-Soviet ties has suggested that the danger for U.S. policy is not that Turkey will actively seek close Soviet ties, but that, through alienation, Turkey will become detached from the Western alliance and will become increasingly responsive to Soviet interests and influences.¹⁴ The threat to the pursuit of U.S. interests in Turkey is a loss of influence rather than a radical ideological shift. Turkey prefers its association with the West but feels compelled to pursue a more flexible East-West policy after becoming disenchanted with its treatment by the West.

TURKEY IN THE MIDDLE EAST

Turkey, as a non-Arab Moslem nation, has been on the periphery of the Middle East political scene. Like its neighbor Iran in the days of the Shah, it has successfully maintained quiet diplomatic ties with Israel while developing close relations with various Arab nations.

Historically, Turkey has had its grievances with Arab countries its borders: With Iraq over the failure of the Baghdad Pact, and with Syria over a territorial dispute in Alexandretta province as well as Syria's pro-Soviet policy. Since the 1964 Cyprus crisis and the 1975 U.S. arms embargo, Turkey has felt more isolated in the world community. It has sought to win Arab support in the U.N. and has sent goodwill ambassadors throughout the Arab world. Ankara downgraded its diplomatic ties with Israel to legation status in the late 1960's, but observers consider this move a cosmetic measure and not an indication that Turkey has any intention of severing ties with Israel. There is also a political party within Turkey, the National Salvation Party, that advocates closer relations with conservative Islamic regimes, especially Saudi Arabia.

TURKEY AND THE MIDDLE EAST



DIPLOMATIC ROLE OF TURKEY IN THE MIDDLE EAST

Turkey's constructive mediating role in the Arab-Israeli dispute dates back to 1949 when the United Nations General Assembly appointed the United States, France, and Turkey to a conciliation commission to help the parties to the 1949 armistice agreement on Palestine work out a final settlement. Turkey was the first Moslem country to establish relations with Israel and, up until the mid-1950's, was the only Asian nation to have normal commercial relations with her. Turkey has provided humanitarian assistance in Mideast crises by aiding U.S. evacuation efforts in the Jordanian civil war of 1970 and the Iranian revolution of 1979.

While Turkey has not openly endorsed the Carter administration Egyptian-Israeli peace treaty breakthrough, the fact that Turkey has maintained friendly ties with Egypt and Israel provides considerable support for the U.S. policy. Turkey's maintenance of relations with Israel and with most Arab countries—including the rejectionists—could perhaps be used more effectively by the United States. On the other hand, it has been argued that Turkish desires to keep a low profile on the Middle East struggle have limited the ability of the United States to call on Turkey for more public support of the peace-making process.

Ankara was the scene of a dramatic takeover of the Egyptian Embassy by four Palestinian terrorists in July 1979, testing Turkey's delicate balancing posture on the Palestinian issue. The episode ended peacefully after successful mediation by PLO officials flown in from Damascus and is not considered to mark a significant shift in Turkey's Middle East policy. The Turkish Government heartily praised the PLO for its contribution and has rewarded it by moving quickly to facilitate establishment of a previously announced permanent PLO office in Ankara. The Turkish Government did not have to give in to the terrorists' demands to sever ties with Egypt and Israel and to recognize the Palestinians' right to an independent state. In this way, Turkey managed to show support for the Arab cause but has not been brought into inter-Arab differences. At the same time Prime Minister Ecevit gained, for a short while, considerable public prestige for his handling of the incident.

Turkey has also been involved in the 1979 hostage crisis in Iran. It was the site for PLO contacts with the unsuccessful Ramsey Clark mission, and the Turkish Ambassador to Iran was among the first to make a diplomatic initiative for the release of the hostages.

STRATEGIC ROLE OF TURKEY IN THE MIDDLE EAST

Throughout the 1950's and early 1960's, Turkey was a strong and active supporter of American strategic objectives in the Middle East and permitted the use of American bases on its soil for several American military mobilizations on behalf of beleaguered Middle Eastern states. Turkish willingness to be a participant in American policy initiatives diminished in the late 1960's, as Turkey's own policy toward the Arab world and toward the Soviet Union changed.

In the October war of 1973, Turkey permitted Soviet overflight rights while barring U.S. use of its bases on Turkish soil to aid Israel. This policy shift reflected an increased attention by Turkey to the Arab

cause as well as a conscious disengagement from visible identification with U.S. policy objectives in the region. Turkey has informed the United States that it will not allow any use of its military facilities for direct combat or logistical support for Israel. Turkey did not, however, restrict the use of passive conveniences like communications stations during the 1973 resupply missions to Israel. While Turkey did participate in the U.S. evacuation effort during the 1970 Jordanian civil war, the action was justified by Turkey as being humanitarian in nature.

Consideration of military action by the United States in the Iranian hostage crisis raised the issue of Turkey's willingness to grant permission to refueling, overflight rights, and tactical use of Turkish bases. On November 23, 1979, Demirel left open the Turkish position, saying Turkey would determine its policy only after the United States formally requested assistance. Much like other allies, the Turkish Government has been cautious about openly endorsing use of its bases by the United States for military action against Iran. However, on December 6, 1979, Suleyman Arif Emre, deputy leader of the National Salvation Party (NSP), issued a statement noting that the NSP was "definitely opposed" to the use of Turkish bases by the United States for intervention in Iran.

A split between the United States and Turkey would be a substantial setback for U.S. military influence in the Middle East. The maintenance of Turkey's role in NATO and the stability of Turkey's parliamentary system serve overall U.S. strategic and diplomatic objectives in the Middle East. It should be clear, however, that there is a divergence between Turkish and American objectives in the region, a development that U.S. policymakers seem well aware of, in their reticence to draw Turkey closer to American Middle East policies.

REALISTIC OPTIONS FOR TURKEY IN ITS FOREIGN POLICY

SHIFT TO THE SOVIET UNION

The prospects for Turkey greatly expanding its ties with the Soviet Union are unlikely under most coalition governments, although the pattern of expanding new trade and nonmilitary ties is likely to continue. The natural constituency for Soviet views are the leftist groups, which are small in number and generally highly ideological, espousing a purer Marxist-Leninist policy than is practiced by the Soviet Union. The Republican People's Party, described by the opposition as being "soft" on communism, has more in common philosophically with social democrats of Western Europe than with the Soviets. In sum, those in Turkish society who would be presumed to be most sympathetic to a Soviet orientation are either not in position to expand Soviet influence or are reserved in their support for Soviet foreign policies. The accommodation with the Soviet Union of recent years is more along the lines of *ostpolitik* than of an actual shift in ideological camps.

SHIFT TOWARD EUROPE

It is too early to tell whether Turkey under Demirel will be significantly more oriented to Europe in its foreign policy. He has made less ambiguous references to Turkey's ongoing role in the NATO alliance

than his predecessor, but economic reasons may mitigate against a Europeanization of Turkey's foreign policy. Turkey's integration into the EEC is uncertain, facing numerous obstacles. An agreement of association was signed in 1963 and a customs union relationship may be established by 1991, but Turkey has done little to move the process along; whereas Turkey's competitor, Greece, will be integrated in 1981. The presence of Turkish workers in West European capitals has created some social tensions by underscoring the Turks' religious and cultural differences from Europeans. But in principle the notion of eventual Turkish integration is still attractive and logical, in the context of the alliance. Turkey has also tried to diversify its trade relations away from Europe, seeking new markets in the Middle East and Africa.

MORE REGIONAL STANCE

If trends of the past few years continue, Turkey will develop a more independent foreign policy stance; still technically pro-Western, but with flexibility and added emphasis on expanding ties in the immediate geographical environment.¹⁵ Turkey intends to get along with her neighbors in the Soviet bloc countries and in the Middle East, which requires cultivating a uniquely defined identity as a nation that is part of the Western alliance yet Moslem and Asiatic in character. Despite Demirel's strong anticommunism and disposition to the Western alliance, the fact that he must rule with the sanction of the nationalistic and religious parties of the right indicates Turkey's foreign policy will defy easy characterizations.

CONSIDERATIONS FOR CONGRESS

In view of the significant problems facing Turkey, it seems clear that, for the foreseeable future, Congress will be confronted with requests for substantial economic and military assistance to help restore Turkey's military readiness and economic viability. Without substantial aid, Turkey's military forces and its economy will continue to deteriorate, thereby further destabilizing NATO's southeastern flank and jeopardizing the fabric of Turkey's democratic government. Aid for Turkey is not a panacea and may only suffice to stem further decline, not reverse existing trends. Yet, the position that Congress takes on aid requests is likely to have a profound effect on further United States-Turkish relations and U.S. interests in the eastern Mediterranean.

MILITARY-STRATEGIC CONSIDERATIONS

This study concludes that Turkey's future is central to American strategic interests vis-a-vis the Soviet Union and in the Middle East region. If the Congress wishes to influence continued cooperation between the United States and Turkey in the military sphere, it might:

(1) Encourage cooperative defense arrangements envisaged by the agreement on cooperation for defense and economy, initialed in Ankara on January 10, 1980, and expected to be finalized and submitted to Congress for its information in the early months of 1980;

(2) Consider increases in present levels of military aid, in light of the contribution that foreign military sales credits, and MAP grants can make to Turkey's military preparedness.

ECONOMIC CONSIDERATIONS

The Turkish economy continues to deteriorate, beset with inflation, idle industrial capacity, scarcity of fuel and foreign exchange needed to finance the external debt and import raw materials. If Congress considers Turkey's economic viability critical to the survival of parliamentary democracy there and to Turkey's continued role in the Western alliance, the Congress may want to consider:

(1) Continuing or increasing balance of payments support to Turkey, with portions in grant form;

(2) Establishing technical assistance programs in the neediest sectors of the Turkish economy, including domestic energy production and export-oriented industry;

(3) Having the United States work with the Turkish Government to provide greater incentives for private investment, particularly in industries with export potential; and

(4) Linking assistance more directly to economic reform measures needed to restructure the Turkish economy. (The Turkish Government would likely find such an approach unacceptable, having objected when the IMF placed similar conditions on financing arrangements.

POLITICAL CONSIDERATIONS

Given continued domestic instability in Turkey and chronic problems with political violence, some of which has been directed against American citizens and property, if Congress determines that Turkey's civil disorder warrants US involvement, then the following can be considered:

(1) Technical assistance to Turkey's internal security forces for improving capability to handle terrorism, urban violence and civil unrest; and

(2) Recommendations to US officials and private citizens in Turkey regarding American visibility that might endanger anti-American violence. The Congress might encourage the Departments of State and Defense to take further precautions to make Americans less vulnerable to attack by anti-American terrorists.

REGIONAL FOREIGN POLICY CONSIDERATIONS

Given the continuing stalemate in Cyprus and ongoing tensions between Greece and Turkey, Congress may consider it appropriate for the United States to initiate fresh diplomatic initiatives to resolve the crisis, in the absence of progress under U.N. auspices. Should such an effort be desired, the Congress may want to consider:

(1) Strongly encouraging the administration to begin an intensive initiative. Using the success of the Egyptian-Israeli peace treaty process as a model, such an approach might involve extensive aid prog- to revitalize the Cypriot economy and to assist in the repatriation of Turkish military and civilian personnel currently stationed on Cyprus.

(2) Alternately, offering strong disincentives to both Turkey and Greece to prolong the stalemate, that is, taking the radical step of curtailing assistance to both countries until substantial progress is made toward a Cyprus settlement. Such a double-edged embargo involves serious risks, and would be highly controversial in both Greece and Turkey, as well as in the United States.

In pursuing an agenda of legislative items affecting Turkey, Congress will have to take into account a variety of considerations, including Greek sensitivities regarding their traditional rivalry with Turkey. US interests in the eastern Mediterranean clearly would be served by strong and friendly ties with both NATO allies. But the most immediate threat to US interests would appear to be the current political and economic problems facing Turkey. The ability of the United States to deal with this complex set of questions may depend in large measure on what course of action Congress judges to be appropriate.

AFTER THE MILITARY COUP D'ETAT

The US Congress Report of March 3, 1980 concludes by saying that "the most immediate threat to US interests would appear to be the current political and economic problems facing Turkey."

One month later than the military takeover, the Defence Co-operation Agreement which had been confronted with the opposition of the majority of Parliament, was ratified by the National Security Council acting as legislator.

Benefitting from the "stability" in the country, General Rogers, Commander of the NATO Forces in Europe, visited two times Turkey and had talks with General Evren. The immediate result of these contacts was the Greece's surprise return to the military organization of the NATO.

As to war industry, the daily Cumhuriyet of September 17, 1980 informed that "after the military take-over, the efforts for creating a military-industrial complex with the participation of public and private sectors have been intensified. This complex aims to produce military apparatuses and also to export high quality steel, integrated circuits and castings."

On October 17, 1980, within the framework of the Defense Co-operation Accord, "talks were held in a friendly atmosphere giving a clear indication of the concrete prospects for the advancement of Turkish defense industry through mutual efforts and the progress to be made in this area would contribute to enhancing cooperation on bilateral as well as multilateral levels, particularly within the framework of the NATO Alliance."

Recently, the representatives of Turkey and the United States have agreed on the production of helicopters H-1 in Turkey. On the other hand, the Turkish Aviation Company (TUSAS) carries on talks

for producing in a 10-year period military aircrafts F-16 and F-18 in collaboration with US war industry.

The military junta has also indicated that the flights of U-2 spy planes and of AWACS would be permitted from airbases of Turkey.

Secret bargainings are being carried on between the Turkish Junta and Washington for stationing the Rapid Deployment Forces in the Turkish territories.

The US and Turkish authorities have agreed in December 1981 to establish a "Common Defense Council" charged with defining the common military needs and finding solutions and also with deciding the US contribution to the creation of Turkish war industry. It is also expected that Turkey and the USA sign in 1982 a memorandum of understanding in order to modernize the Turkish military airfields and other installations. At least 15 Turkish air fields will be turned into "co-located operating bases" which will provide the possibility of taking off for the "US Rapid Deployment Force" to strike the Gulf areas.

In return for all these facilities, the United States firstly increased US "aid" to Turkey up to \$ 547 million in 1981, and \$ 703 million in 1982. On February 21, 1981, the supreme commander of NATO Forces, General Bernard W. Rogers, urged \$ 5 billion to \$ 6 billion in "aid" to modernize Turkey's armed forces.

On the other hand, as European institutions such as European Parliament, the Council of Europe and national parliaments were condemning the repressive practices of the military regime, the United States have always been the main protector of the Turkish regime in international arenas.

On December 6, 1981, US Defence Minister Caspar Weinberger, during his visit to Turkey, said: "The Turkish military government has fulfilled our highest expectations since assuming power. We particularly admire the way in which law and order have been restored in Turkey." That is to say, an admiration for mass arrests, tortures, life imprisonments, executions, press censorship, suppression of the right to collective bargainings and strikes, etc...

In January 1982, at a press conference, a British journalist suggested that there was a double standard in sharply criticizing the Polish regime while not criticizing military rule in Turkey. On this question, US State Secretary General Haig exploded in anger at the journalist and later attacked on some European Governments criticizing the Turkish regime: "Isn't it time that we stop this masochistic tearing down of our values in comparison with dictatorial totalitarianism?"

Yes, it was the time.

A few days later, Admiral Bülent Ulusu, prime minister of the military-backed government of Turkey, was presented as a defender of freedoms in a US made TV-Show on Poland and even some distinguished leaders of European countries did not hesitate to take place in the all-star cast comprising also a bloody dictator.

For the sake of US interests...

NOTES

1) U.S. Congress, Senate, Committee on Armed Services, The Military Aspects of Banning Arms Aid to Turkey, Hearing, June 28, 1980, 95th Congress, 2nd session, Washington, U.S. Govt. Print. Off., 1978, pp 3, 6, 16, 47, 74.

2) Ibid., pp. 6, 7, 47.

3) Ibid., pp. 6, 10-11, 24, 41, 48-69, 71, 76. U.S. Congress, Senate, Committee on Foreign Relations, Fiscal year 1980 International Security Assistance Authorization, Hearings: Feb. 28, March 1, 2, 8, 12, 16, 26, Apr. 3 and 30, 1979; 96th Congress, 1st session, Washington, U.S. Government Printing Office, 1979, pp. 480-482, 507.

4) Long-range aid to navigation.

5) Ibid., pp. 8, 15 17, 26, 51, 71. U.S. Congress, Senate, Committee on Foreign Relations, Subcommittee on Foreign Assistance, International Security Assistance Programs, Hearings, April 25, 26 and May 1, 2, 1978, 95th Congress, 2nd session, Washington, U.S. Govt. Print. Off., 1978, pp. 176-178. Washington Post, May 9, 1979, p. 1 ff. U.S. Congress, Senate, Committee of Foreign Relations Subcommittee on United States Security Agreements and Commitments Abroad; US Forces in Europe, Hearings, part 10 (91st Cong., 2nd sess.) pp. 2279, 2282, 2285, 2289, 2291. Ibid., US Security Agreements and Commitments Abroad; Greece and Turkey, hearings part 7, pp. 1821-1822, 1832, 1860-1864. Air Force Magazine, vol. 59, May 1976, p. 152. Newsweek, vol. 87, Aug. 11, 1975, pp. 37-38. Aviation Week and Space Technology, vol. 104, Aug. 4, 1975, p. 23. Inventory of Air Force Military Real Property Overseas (30 June 1976), prepared by Headquarters USAF, Inventory of Army Military Real Property Outside the US (30 June 1976) prepared by Department of the Army, Office of Chief of Engineers. Jesse W. Lewis, Jr. The Strategic Balance in the Mediterranean, American Enterprise Institute for Public Policy Research Washington, D.C. 1976, pp. 28-32. New York Times, July 23, 1975, p. 2; Baltimore Sun, July 27, 1975, p. 2; Washington Post, July 29, 1975, p. A10; New York Times August 3, 1975, section IV; New York Times, Oct. 20, 1975, p. 3; NATO NADGE data provided by Office of Assistant Secretary of Defense, Installations and Logistics, Official Correspondence, September 1976. Communications data on DCS sites provided by Defense Communications Agency, Department of Defense.

6) Ibid.

7) US Congress, Senate, Committee on Armed Services, Military Aspects of Banning Arms Aid to Turkey, op. cit., pp. 3, 15, 51, 71. US Congress, Senate, Committee on Foreign Relations, Subcommittee on Foreign Assistance, International Security Assistance Programs, op. cit., pp. 176-178.

8) Senior Administration officials expressing this view have been Secretary of Defense Harold Brown and General David Jones, Chairman of the Joint Chiefs of Staff. Secretary Brown stated that suspension of use of the Turkish installations during the embargo period had "resulted in the loss of some intelligence information not available from other sources." US Congress, Senate, Committee on Armed Services, Military Aspects of Banning Arms Aid to Turkey, op. cit., p.8. General Jones has said that "(I)n some areas intelligence coming out of Turkey cannot be obtained from alternative sources." US Congress, Senate, Committee on Foreign Relations, FY 1980 International Security Assistance Authorization, op. cit., p.507.

9) US Congress, Senate, Committee on Foreign Relations, The SALT II Treaty, Hearings on Executive Y. 96-1, Part 2, 96th Congress, 1st session July 16, 17, 18 and 19, 1979. Washington, US Govt. Print. Off., 1979, pp. 254. General Jones, Chairman of the Joint Chiefs of Staff supported Secretary Brown's characterization of the value of Turkish Intelligence bases apart from a SALT verification role. He said: "(W)e are interested in knowing what the Soviet Union is doing in terms of military capability, with or without a SALT agreement. Those bases (in Turkey) contribute to intelligence information not only for the United States, but for the NATO Alliance. So with or without SALT, we are interested in those bases." US Congress, Senate, Committee on Foreign Relations, FY 1980 International Security Assistance Authorization, op. cit., p. 507.

10) US Congress, House, Defense Cooperation Agreement with Turkey, H. Doc. No. 94-531, June 16, 1976 (94th Cong., 2nd sess.)

11) Ibid. US Congress, Senate, Committee on Foreign Relations. United States-Turkey Defense Cooperation Agreement, Hearings on S.J. Res. 204: 94th Cong., 2nd sess. Sept. 15, 1976. Washington, US Government Printing Office, 1977. It should be noted that in 1976, negotiations on a separate DCA with Greece were ongoing. Supporters of Greece in Congress and elsewhere expressed their views informally that the Turkish DCA should not be considered until the Greek DCA was also ready for approval. The fact that an informal linkage between the Turkish and Greek DCA's was effectively forged, helps to explain why the Turkish DCA of 1976 was never fully considered by the Congress. The Greek DCA was not initiated until July 28 1977, by which time the Carter administration had made a policy determination not to press for congressional approval of the 1976 DCA with Turkey in the immediate future.

12) Major Turkish exports for 1978: (share of total Turkish exports) fruits and vegetables - 25 percent; cotton - 12 percent; and tobacco - 10 pc.

13) In the past 5 years, there have been 9 instances of bombings or attacks on privately owned US property, and 24 instances against official US Government installations. In the 5-year period, seven Americans were killed by Turkish terrorists, all in 1979. Source: Bureau of Intelligence and Research, US Department of State.

14) Strong Turkish condemnations of Soviet actions in Afghanistan indicate that Ankara remains highly suspicious of Soviet foreign policy and objectives.

15) Michale M. Boll, "Turkey Between East and West: The Regional Alternative," The World Today, September 1979, p. 360.