

Cooperation Pact With Soviets Is Turkey's Answer To Wall St.'s Economic Demands

Nov. 19 (NSIPS) — Demands for genocidal austerity by the Organization for Economic Cooperation and Development, a credit embargo by New York banks, and a West German call for the rapid implementation of slave labor in Turkey have spurred the Turkish government to negotiate an historic friendship and cooperation pact with the Soviet Union. The pact, which will be ratified in January during a state visit of Turkish leaders to Moscow, threatens to undercut NATO's "southern flank" strategy for confrontation with the Soviets and genocidal levels of looting in the region. The pact also reinforces joint European, Arab, and Soviet efforts to establish a Mediterranean peace and security zone. NATO member Turkey has long been the bastion of NATO's position in the eastern Mediterranean.

The negotiations for the Turkish-Soviet pact are a direct response to a virtual declaration of war by Wall St. against pro-development forces in Turkey. A recently released study by the Organization for Economic Cooperation and Development (OECD), the economic organization of the Western industrialized nations, calls explicitly for concentration camp austerity measures as the solution to Turkey's economic ills. Turks should abandon their goal of accelerated industrial and agricultural growth and instead should devote themselves to "reorientation of the growth process" toward labor-intensive industrial projects, the report says. With the Turkish debt and trade deficit soaring and foreign reserves continuing to fall, the OECD is also demanding that Turkey cut its "excess imports" policy and implement "firm measures . . . to restrict the further growth of domestic demands for consumption-type expenditures." Such "firm measures," says the OECD, include across-the-board wage restrictions, the introduction of income ceilings, and the dismantling of the "unprofitable" state sector enterprises. (See below for excerpts from the OECD report).

At the same time, New York banks have cut all credits to Turkey, according to the Turkish daily Cumhuriyet. Short-term, high-interest loans for convertible Turkish lira accounts are also being stopped, the paper reports. With foreign currency remittances from the dwindling number of Turkish workers in Western Europe at an all-time low, Turkey has depended on these short-term bailouts to maintain its liquidity.

West Germans Push Slave Labor

Fully backing the OECD's genocidal proposals, a 40-man delegation of West German industrialists visited Turkey last week, offering cash to the credit-starved Turks in exchange for looting rights. Led by Hans Gunther Sohl, the austerity-peddling former head of the Confederation of German Industry, the delegation listed its conditions for investment in Turkey:

- * Free trade zones — a euphemism for slave labor camps — should be set up in Turkey, concentrated in the impoverished southern parts of the country. Workers are to be relocated into these free zones from Turkey's four largest cities, half of whose populations are comprised of squatters. Workers moved into the free zones would enjoy no rights, would not be unionized, and would be paid at sub-subsistence pay.

- * Turkey's investment laws, deemed "restrictive" by the West Germans, should be amended to facilitate looting by foreign multinationals.

- * Labor-intensive industries should be set up to "solve Turkey's unemployment problem." The West Germans proposed that mining would be the focus for such labor-intensive projects. West Germany has already pledged a massive loan to

Turkey for the financing of labor-intensive enterprises connected with the Afsin-Elbistan mining integrated energy project.

- * The West Germans have demanded that all Bonn's investments in Turkey should be safeguarded against nationalization and expropriation by the Turks.

Development vs. Genocide

Wall Street's attack on Turkey confronts the Turkish government with a crucial choice: to suffer the collapse of the Turkish economy and its reorganization under looting operations envisioned by Henry Kissinger's International Resources Bank (IRB) proposal, or to break with the dollar by declaring a debt moratorium and linking up with those forces in the Arab world and Europe intent on setting up a new monetary system based on development.

Despite the concerted efforts by the Atlanticists to wipe out the notion of progress in Turkey — the essence of Turkish national identity since the formation of the Turkish Republic 50 years ago by Kemal Ataturk — Turkey remains strongly oriented in favor of national growth and development. Last month, Turkey dramatically cancelled scheduled talks with the European Economic Community (EEC) to protest the EEC's anti-growth proposals. Following the cancellation, Prime Minister Suleyman Demirel called for the realignment of Turkey's foreign policy. According to Turkish officials, Ankara is considering additional measures. "We have not yet reached the maximum limits," said one official.

In response to the West German conditions, Ankara has refused to liberalize investment laws and to guarantee against the risk of nationalization of expropriation.

The moves by Demirel — a long-time lackey of Wall St. financial interests — to block the EEC's and NATO's plans for Turkey are a result of the growing pressure being exerted on him by restive business and military layers. As controllers of one of Turkey's largest shareholding corporations, the traditionalist Turkish military is not only keenly sensitive to Wall St. maneuvers to undermine the Turkish economy, but is also intensely worried about any shifts in NATO toward the "forward defense" policy of nuclear blitzkrieg against the Soviet Union being propounded by Carter's advisors.

But the Demirel government — faced with crushing debt obligations — has made no moves toward any resolution of the debt issue. Moreover, on the crucial issue of slave labor, Demirel capitulated. Demirel told the West German group that "Turkey's doors are wide open" to labor-intensive investment schemes.

As a result of Demirel's hedging on the debt question, Carter's wrecking crew is wasting little time in moving in to impose its policies by well-known methods of violence and destabilization. Student riots, provoked by fascist commandoes under the control of Demirel's very own coalition partner Deputy Prime Minister Alparslan Turkes, have broken out throughout the country as part of an ongoing destabilization operation against the Turkish government and the pro-development forces in the military and among industrialists. Since the opening of universities earlier this month, scores of students have been wounded and at least six have been killed. This week, because of the student violence, universities were shut down.

Arriving in Turkey following the U.S. elections, Trilateral Commission mouthpiece and New York Times editor C.L. Sulz-

berger mooted the possibility of a military coup in Turkey to "restore order." Sulzberger also wrote that a regional war between Greece and Turkey is "inevitable" and suggested that Cyrus Vance, a Carter confidante who has been mooted as Secretary of State under a Carter administration, be sent to Greece and Turkey to "mediate" the dispute between the two countries.

Turks Despise Carter

The Turkish government has greeted Carter's election coup with pessimism and misgivings, fully aware that the policy for Turkey and the Third World spelled out in detail in the OECD report is Carter's policy. Turkish foreign ministry officials have warned of a "difficult new period that could occur in Turkish-U.S. relations" as a result of the Carter election. The Turkish daily Tercuman charged that "Carter is one of those naive people who whenever they hear the word 'Turkey' only think of hashish. He is not aware that we are 41 million people and a factor of balance in the Middle East."

Other press have commented along similar lines. According to the French daily Le Figaro, Turkey's intentions to go through with the Soviet pact are a "serious warning" to Carter. Similarly, the West German paper Frankfurter Allgemeine Zeitung noted that "following the election victory of Carter, the climate between America and its NATO partner is even worse than before."

OECD to Turkey:

"Restrain Private Incomes, Hold Back Investments"

Nov. 18 — Following are excerpts from a recent survey of the Turkish economy prepared by the Organization for Economic Cooperation and Development.

Turkey has got through the world recession with only a relatively mild drop in the industrial growth rate, but it experienced an increased external deficit as a result of the policy to maintain domestic production at a high level.

The rapid growth of domestic demand which pulled in excess imports has had several sources. First, wage and salary increases and the substantial growth of farm incomes have resulted in a strong expansion of private consumer demand.

Second, the large public (state) sector deficits have added to inflationary pressure. Firm measures appear to be called for now to restrict the further growth of domestic demand for . . . consumption-type expenditures. In view of the large rise in disposable incomes over the last eighteen months it would not seem unreasonable to attempt to win public consensus for setting an upper ceiling which incomes for the next twelve months or so should not go beyond or to apply wage and salary guidelines to collective bargaining. An example has already been set by the decision not to increase civil servants' salaries this year. But, to have a chance to be effective, wage and income restraint needs to be applied also to other sectors of the economy, in particular agricultural incomes. . . . An effective policy package would . . . need to contain not only adequate measures to restrain the growth of private disposable incomes but should also aim at a reduction in the deficits of the budget and the accounts of the state economic enterprises. . . .

For structural economic reasons, Turkey would further need to come to terms with its worsening unemployment problem, in particular now that the emigration of Turkish manpower seems to have permanently slowed down. A solution to this problem would seem to lie both in the direction of an intensification of agricultural production . . . and of the development of industries and services in rural areas to slow down mass migration to urban centres, and by putting greater emphasis in Turkish development planning on the need to create labour intensive industries. . . . The answer . . . would seem to lie not so much in a pursuit of a higher GNP growth rate per se but, rather, in a reorientation of the growth process towards more job-creation.

. . . It will be necessary for the Turkish authorities to both develop an effective employment and population policy dealing with the threat of serious structural unemployment over the medium and longer run, and to channel a larger part of not only remittances by Turkish workers but of total national income into domestic savings . . . than hitherto. It would seem desirable to put greater emphasis on creating employment and incomes for small farmers and for productive enterprises in rural areas. . . .

A further growing burden on the governmental budget is the large losses that have to be absorbed by the State through subsidizing prices for fertilizer, oil and certain other basic commodities and which have substantially increased in recent years . . . Public investments have to be held back.