

PRIME MINISTER
BÜLENT ECEVİT

SPEECHES

MAY, JUNE 1978

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THESE CONFERENCE
TO MEMBERS OF FOREIGN PRESS
AT THE TURKISH EMBASSY

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MAY 11, 1978

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**THE FOLLOWING
SPEECHES BY
PRIME MINISTER BÜLENT ECEVİT
WERE MADE DURING
MAY-JUNE 1978 IN
FEDERAL REPUBLIC OF GERMANY,
GREAT BRITAIN,
BELGIUM AND THE
UNITED STATES OF AMERICA**





**PRESS CONFERENCE
TO MEMBERS OF FOREIGN PRESS
AT THE TURKISH EMBASSY**

**BONN
MAY 11, 1978**

I have had extensive talks with our hosts in the Federal Republic of Germany since I came here yesterday afternoon at the invitation of distinguished Statesman and my friend Chancellor Helmut Schmidt.

I have had two lengthy talks with Mr. Schmidt yesterday afternoon and this morning I have had the pleasure and honour of visiting President Scheel. Earlier in the morning I met the Mayor of Berlin with whom I had a very interesting talk, and during the afternoon and evening I have had the pleasure of talking with the Minister of Finance, Minister of Labour, Minister of Defence, Minister of Economic Cooperation, and the Minister of Foreign Affairs in his capacity as the Party President as well as Minister of Foreign Affairs.

Tomorrow I shall have the pleasure, I hope, of meeting the other Party Leaders. Today I had a meeting with Mr. Egon Bahr also. I met with Mr. Egon Bahr because Mr. Brandt is away and Mr. Egon Bahr also is an old friend of mine. Tomorrow, apart from the other party leaders, I shall have a luncheon meeting with a group of German industrialists, and later in the afternoon I shall meet with labour leaders. In the mean time, the official part of my visit will end so I shall say good-bye to the Chancellor. On Saturday, before I leave for England, I shall address the Turkish



workers in the Sporthalle in Köln. I will also see the Minister of Economics, tomorrow morning.

In the meetings I have held thus far we have dwelt upon the bilateral relations between Turkey and the Federal Republic of Germany, and upon the possibilities of enlarging the economic cooperation between the two countries. Thus far our economic relations have remained within a much smaller framework than is potentially possible. We have also talked about the international questions with which both our countries are concerned, we have talked about the Aegean problem and the Cyprus problem, we have talked about Turkey's relationship with the European Economic Community as an associate member, and we have talked about Turkey's problems within NATO, particularly in view of the American armaments embargo against Turkey which has been in effect for over three years.

Turkey's difficulties in the area of defence and within NATO constituted an important part of our discussions here, because Turkey is approaching a point where she will have to take certain radical decisions about her defence. As a result of the American embargo which has been in effect for over three years Turkey's defence and Turkey's economy have been seriously impaired. For many years Turkey has carried a too heavy burden for the sake of NATO, she has proportionately contributed a greater part of her national income, of her budget and of her manpower to collective defence, a greater part than that of any other NATO member. And this has been, throughout the years a great strain on our economy and it has been one of the factors which has prevented Turkey from developing sufficiently in spite of her considerable potentials.

It is obvious that the economic strength of a country cannot be considered separately from her military strength. If a country has a weak economy she cannot carry the burden of an efficient defence system for too long. Particularly after more than three years of American embargo, our economy has been crumbling under the increasingly heavier burden of our defence system.

Now we are in the process of preparing a new national defence concept for Turkey. There are several factors which make this inevitable; first the defence concept of Turkey was to a large extent evolved during the Cold War Years, yet the Cold War Years fortunately have ended for some time, and now we are at a period of detente and obviously our defence concept should be geared to the changing conditions in the world. In the meantime, the conditions in our region have also changed considerably. The nature, and the kind and the relative degrees of danger have considerably changed in our area. We have to take into consideration these changing factors while preparing a new defence concept.

Also, military technology has undergone considerable changes in recent years. We have to adapt our defence system to these technological changes as well. In the years past and until now we have been over-dependent on one source for most of our military equipment. It has become obvious to us that this over-dependence on one source is quite risky, particularly if that source happens to be the United States. Because in the United States, although it is a world power with worldwide responsibilities, internal political considerations can be very influential on international relations. Sometimes in spite of the U.S. administration, ethnic lobbies can be very influential on the formulation or implication of the international policies of the United States of America. Therefore we would want to end this over-dependence on a single source for most of our military equipment.



While formulating a new defence concept we also keep in view the fact that the best way to ensure a country's security is to live in an atmosphere of mutual confidence with all her neighbours and with all the countries of the region. Of course, one has to arm to some extent in any case to ensure one's security, but this should be supplemented by a peaceful, constructive and dynamic foreign policy as well, to insure that the country lives in peace and, as I said, in an atmosphere of mutual confidence with all her neighbours. Turkey, no matter which party or parties may be in government, has been exerting efforts in that direction and has been improving her relations with all the countries of the region; the only exception happens to be our only ally in the region, namely Greece. And our Government which took over at the beginning of this year has carried on further this policy of trying to establish friendlier atmosphere with all her neighbours and all the countries of the region, and we have taken the initiative also to try and establish a friendlier atmosphere with Greece as well. Particularly with that objective in mind, we have taken the initiative in trying to form a dialogue with our neighbour and ally Greece. We have encouraged the Turkish Cypriot Administration to take the initiative in coming out with concrete and constructive proposals to ease the way for a solution to Cyprus. I am glad to say that the Turkish Cypriot Administration has cooperated with us.

Apart from keeping in view while preparing this new national defence concept, that an atmosphere of mutual confidence with all her neighbours is the best way of insuring a country's security we would also keep in mind that this new concept of national defence which we are trying to evolve should be compatible with our continued membership in NATO and should also be compatible with possibilities and potentials of our economy.

In spite of everything we do not intend to leave NATO because we feel that we have a responsibility towards the world, and in view of the fact that detente is based on a very delicate balance of which NATO is one of the components, we do not want to upset this balance and create problems for the world. However, in view of the facts that I have already mentioned, our contribution to NATO, to collective defence in the future, will be commensurate with our allies' contributions to Turkey's defence and economy.

The content of this new national defence concept will vary to some degree according to two factors. One of the factors is the lifting or the continuation of the embargo. If the embargo is lifted this will have certain effects on the content of the national defence concept that we are preparing, if it continues, it will have other effects. Another factor that will influence the content of our new national defence concept will be whether or not our allies in Western Europe will be prepared to include Turkey in the co-production schemes for various kinds of armaments.

I would like to elaborate a little on this second factor: Now, all along Turkey has been a purchaser of armaments from other NATO countries with hardly any other NATO country placing orders with the Turkish economy and industry, with the limited exception of the Federal Republic of Germany which now and then places orders for modest amounts of ammunition. This arrangement ends up like this: Our much richer allies in the West keep selling us increasingly expensive military material for which we pay from our increasingly meagre resources thus contributing to collective defence. This looks like too much of a one-way trade.

This fact creates another source of over-dependence for Turkey. We would like to replace this over-dependence by inter-dependence through entering into co-

production schemes with our Western allies if they are willing to accept. The Turkish industry has reached such a level that we can with a little support and technological aid from our allies, particularly allies such as the Federal Republic of Germany, we can extend some of our military industries or establish new ones so that we will not continue to be a buyer of military materials, purchaser of military materials. We cannot afford anymore to allow our defence to continue being a burden and a handicap for our economy. Instead, our defence setup should be a support and a spur for our economy and for our economic development. This will also be a factor that will weigh heavily in the formulation of a new defence concept, so that our Economic Planning Department is also incorporated in the Committee which works on this new national defence concept, apart from the General Staff, the Ministries of Defence and Foreign Affairs. Turkey cannot be satisfied anymore with being regarded and treated as the armoured frontier guard of NATO. Turkey has another, and in our view, a greater contribution to make to the democratic world. In her capacity as a developing country it has been able to make democracy live under the most adverse conditions. Turkey happens to be the only developing country in the world in which democracy has survived continuously since the Second World War. By making a success of democracy, by making it survive during the stage of economic development, Turkey sets an encouraging example, and may set an encouraging example to many other developing countries.

We believe that our democratic allies should evaluate Turkey's contribution from this democratic angle as well. They have to do that because there is an article in the North Atlantic Treaty Agreement which is often or sometimes at least overlooked, which is the importance given to the principle of democracy in that Treaty. There is another article in the North Atlantic Treaty which is completely overlooked by the other members and that concerns the economic support that should be given to those members which need it. Turkey is the country which needs it most among NATO allies.

Our problems with the European Economic Community can also no longer be suspended and postponed. Because if we neglect these problems, if we postpone searching solutions for these problems, then our relations with the European Economic Community as an associate member will increasingly stagnate and erode.

Turkey's association with the European Economic Community has thus far evolved in such a way that the imbalance in our trade relationship against Turkey has become increasingly marked and very little economic cooperation has entered into between Turkey and the European Economic Community countries in a way that can speed up the industrialization and development of Turkey.

Apart from that, some of the so-called advantages granted to Turkey concerning agricultural products have eroded in time because similar and sometimes greater advantages were granted to some non-associate countries and whenever Turkey reached a position where she could start exporting in sizeable amounts some industrial products to the members of the European Economic Community she was immediately and almost invariably faced with quota barriers. On the other hand, the Community members are committed to accept, to grant, the right for freedom of movement to the Turkish workers as from 1976. By putting forth the excuse of unemployment this obligation has not been fulfilled.

Under the circumstances it is obvious that our terms of cooperation as an associate member with the European Economic Community should be restudied and



its defects should be remedied. We would not want to create problems for the Community, we would not come out with unreasonable demands, we would not even press our partners for continuously supplying Turkey with grants and aids, but we would like them to support our efforts to industrialize Turkey more rapidly, not by exporting outmoded technologies and industries to Turkey but by cooperating with Turkey for establishing industries some of which may be directed at third markets, industries that represent the higher technology of our age.

We expect particularly the Federal Republic of Germany to cooperate with Turkey with this spirit and in this direction. In fact, we have come to this friendly country with concrete proposals to this effect. We have talked about them with the statesmen with whom we met during our short visit here, and tomorrow I and my friends will have the opportunity of meeting a group of German industrialist and we will make our suggestions to them as well. My party is a leftist party, but it has no complexes about cooperating with foreign technology and capital, provided that the independence of the country is not impaired. We are aware that until now foreign investors and entrepreneurs had certain justifiable complaints about bureaucratic difficulties, and this is one area which the new Turkish Government has been attacking from the very first days of its term in office, and we have already been able to see to it that most of these bureaucratic difficulties are alleviated.

A quick revitalization of the Turkish economy and a rapid industrialisation in Turkey is essential not only for our prosperity and for our security, but also for the continuation and fortification of democracy in Turkey. Because, as a result of the deficiencies of our economy, Turkey has reached a serious period of social and political crisis in recent years. We have taken over the duty of Government at the peak of this crisis period.

Socio-politically the Turkish society is a rather highly developed society. But the level of economic development has been left far below. This has created great tensions which resulted in increasingly great social and political crises.

Apart from the wrong approaches, mistakes, and even at times provocations of some of the past governments, this tension and these crises have been the main reason for the terrorism that has been prevalent in Turkey in recent years.

Since we took over early this year we have been trying to deal seriously with the phenomenon of terrorism, primarily by using the security forces in a neutral way, because we have never been engaged to any terrorist group or to any terroristic ideology of either the leftist or the rightist kind throughout our years in opposition or office.

Within about four months we have been able to eliminate to a very large extent mass clashes between different ideological groups, particularly in the schools and universities, and for the first time in the last three years, young people of different and opposing ideologies are able to study in the same classrooms in relative and increasing peace. We have purged the administration and schools from elements - we have been able to purge them to a large extent already - from those elements who had been provoking terrorism or who had been taking part in terroristic activities.

This has frustrated those elements who are responsible for terrorism in Turkey, and in frustration, they have been reverting to recently the most desperate and cruel form of terrorism which are sabotage and assassination attempts. We have been gearing our security measures in a way that should be able to deal more effectively with this most desperate and cruel form of terrorism.

We are aware, however, that particularly in a free, open and democratic society, terrorism cannot be dealt with sufficiently by security measures alone, no matter how effective they may be. We have to go deeper into the socio-political and economical sources and reasons of terrorism. Otherwise terrorism will constitute a serious threat to democracy. Therefore, the speeding up of our economic development is essential in order to preserve our democratic regime as well.

Last, but not the least, I would like to remark briefly on recent developments - or non-developments - concerning Cyprus and relations between Turkey and Greece. We used to say - while in opposition - that Turkey and the Turkish Cypriots should not wait for the lifting of the American embargo in order to take the initiative for speeding up a solution to the Cyprus question and we kept our word as soon as we came to government and encouraged the Turkish Cypriots - which they accepted - to take the initiative and come out with concrete proposals for a solution to Cyprus. However, in spite of this, the Greek Cypriots have been increasing their intransigence, which shows that no matter how much good will the Turkish side may show, a negotiated solution for Cyprus cannot be found as long as the American embargo continues. Because, the Greek Cypriots seem to be more concerned, more anxious, to see to it that the American and Western pressures over Turkey continue, than reaching a federal solution for Cyprus. They seem to have at the back of their minds and in their hearts the dream of returning to the status quo ante in Cyprus, which is only a dream.

Immediately after the Turkish Cypriot side gave their proposals to the Secretary-General of the United Nations, Mr. Waldheim, in his capacity of good offices, the Greeks reacted by saying that the Turkish proposals could not even be considered as a starting point for negotiations. They claimed, for instance, that the Turks are considering only 1 % of the territory in their proposals and that they are not envisaging a real federation. However, it becomes obvious that such claims are not factual because, in effect, the Turks did not include any percentages in their proposals regarding the geographical arrangements. Instead, in order to adopt a more flexible attitude, they indicated six areas in the region under Turkish control, six areas in which they would be prepared to discuss the geographical arrangements. The percentage would emerge at the end of discussions on these six areas. Apart from that, they indicated that they are willing to let the Greeks have all the security zone which is completely empty now and unused except for the United Nations patrols. They are prepared to let the Greeks have all this land which alone constitutes about 3 % of the territory of the Island. The Turkish side, as a third item regarding the geographical arrangements, indicated their willingness to let Greeks be settled in Varosha which means that the settlement problem of at least 30 thousand, perhaps more, would be provided for in such a part of the Island whose value could not be measured by percentages. Because the economic potential, the existing and immediately useful economic potential of Varosha is worth half the Island. Apart from that, the Turkish Cypriots indicated that they leave the political framework for Varosha open to negotiation. As to the constitutional proposals, I am sure any specialist who would study these proposals would admit that the Turks mean real federation from the beginning, and it will, at the same time be an evolutionary federation which means that in time the bi-zonal, bi-communal, independent and non-aligned Federal State of Cyprus which is envisaged in that constitution will evolve into an even more closely-knit political structure with time. The draft constitution prepared by the Turkish



side also envisages several areas of joint responsibility which would ensure that the State structure to emerge will be a federal one in the real sense of the word. It is very unfortunate that the Secretary-General of the United Nations, Mr. Waldheim, should take the Greek rejection of these proposals as granted before even inviting them to the negotiation table. I don't think this can be considered as compatible with the function of good offices.

In the meantime, a hopeful dialogue between Mr. Karamanlis, the Prime Minister of Greece, and myself was started in March this year, again at our initiative and we were hoping that we would be able to take up the problems between the two countries, particularly concerning the Aegean, through this dialogue which we decided should continue and also be supplemented at high-level technical talks. And the first meeting for these high-level talks was scheduled to take place in Ankara on the 14 th of April. But, as soon as Mr. Carter, the President of United States, approached the Congress asking them to lift the embargo, the Athens Government unilaterally postponed this meeting indefinitely. I believe all these are sufficient to show that to allow the Cyprus problem and the problems between Turkey and Greece to be linked to Turko-American relations would render it impossible to find a negotiated settlement for Cyprus and to resolve the problems between Turkey and Greece through negotiations.

Question — Mr. Prime Minister, you told us that you presented certain wishes here in Bonn. Can you please tell us what you achieved?

Prime Minister Ecevit — Our conversations will continue tomorrow and we shall meet with the Chancellor briefly again. We shall see by then to what degree and in what areas we have reached an agreement. Of course, some of our proposals need some technical work and we have already decided that such matters shall be studied jointly by the two countries. I shall be able to give more detailed information on this by tomorrow. Apart from the topics that I mentioned, we dwelt upon certain social and legal problems of the Turkish workers here and both the Chancellor and the Minister of Labour promised that they would give serious consideration to these problems.

Question — The Federal Minister of Labour proposed to you to work out a system by which the Turkish workers can return to Turkey and settle there and work in industrial plants there. What do you think of that suggestion?

Prime Minister Ecevit — There is a great problem of unemployment in Turkey. However, the Turkish workers abroad, particularly in Germany, have always had a healthy tendency to bring together their savings and invest them in productive areas in industries in Turkey, particularly in the less developed parts of Turkey which would, while contributing to Turkey's development and industrialization, also provide employment opportunities for themselves. They have taken several initiatives and formed numerous companies and cooperatives with that purpose. But, thus far they have been up against great difficulties. It has been in our Party Programme to give every support to such workers' enterprises and we have come with concrete proposals to the Turkish workers with reasonable State assurances in order to encourage them to invest more in Turkey either by coming together among themselves or joining hands with the German technology.

Question — Are you going to insist on free movement for Turkish workers up to '86 in greater steps?

Prime Minister Ecevit — If this commitment cannot be fulfilled it should at least be compensated in a way that would help provide greater employment possibilities in turn.

Question — Has the Federal Government agreed on any concrete points in the field of economy or in the field of military equipment?

Prime Minister Ecevit — The German Statesmen we have been talking with, including the Chancellor, have told us that they are willing to cooperate in many ways with Turkey to help solve our economic and military problems as well as some of the social problems of the Turkish workers. But, as I said, our discussions have not ended yet. They will end tomorrow and without agreeing with Mr. Schmidt himself on which specific and concrete points we should declare agreements, I wouldn't consider myself as authorized to make a statement.

Question — On several instances a little while ago you mentioned that Turkey is developing a new military concept. Would it be possible for you to be a little more precise about this?

Prime Minister Ecevit — We are at the stage of developing it. So, I can't be more precise at this moment and there are as yet unknown determinants which will influence the content of this concept as I have mentioned in my talk. So, I am not at the moment, at a stage where I can say anything more.

Question — Mr. Prime Minister, you have said that you are in Bonn. Can you please tell us what you saw there?
Prime Minister Ecevit — Our conversations will continue tomorrow and we will still meet with the Chancellor and other members of the German Government. In what areas we have reached an agreement or have some of our proposals need some technical work and we have already decided that some of the technical work of the two countries should be done in the more detailed information on this by tomorrow. Apart from the topics that I mentioned we have also discussed social and legal problems of the Turkish workers and the Chancellor and the Minister of Labour promised that they would give serious consideration to these problems.

Question — The Federal Minister of Labour proposed to you to work out a system by which the Turkish workers can return to Turkey and retain their work in their home country. What do you think of that suggestion?
Prime Minister Ecevit — There is a great problem of unemployment in Turkey, however, the Turkish workers abroad, especially in Germany, have always had a tendency to bring together their savings and invest them in productive areas in Turkey, particularly in the less developed parts of Turkey, which would contribute to Turkey's development and industrialization, also provide employment opportunities for themselves. Turkey has taken several initiatives and looked towards companies and co-operatives with this purpose. But this far, they have been up against great difficulties. It has been in our Party's programme to give every support to such workers' enterprises and we have come with concrete proposals to the Turkish workers with considerable assistance in order to encourage them to invest more in Turkey either by coming together and organizing of this kind or by the German Government's assistance in order to set up such enterprises. Question — Are you going to insist on the Government for Turkish workers up to be a great help?



**ADDRESS TO BUSINESSMEN
AT JOINT CHAMBERS OF INDUSTRY
AND COMMERCE OF GERMANY**

MAY 12, 1978

Mr. Chairman, Ladies and Gentlemen,

I am very glad to have this opportunity of addressing the distinguished representatives of the business world of friendly Germany. During the official part of my visit here we have discussed various problems concerning both countries. We have also discussed how we could further improve our cooperation. Because, although there has been a traditional friendship between the two countries not only within the framework of government - to government relations, but on a people-to-people basis, still, the extent of the economic cooperation between our two countries has not been as large as it could be. There has been some improvement perhaps in recent years in the size of trade relations between the two countries. But as to economic relations, in the sense of cooperation for investment, I am afraid there has been little advance. Yet we believe that unless diplomatic relations and trade cooperation are supplemented by close economic cooperation, sufficient benefits cannot be reaped from that relationship. Of course, in order to be able to improve the economic cooperation between the two countries, we have to find out first why it hasn't improved until now as much as it could have improved. Because, in the past we have cooperated in many fields fruitfully, we are still cooperating very closely and fruitfully in many fields so there must be certain specific reasons for the deficiencies in our economic



cooperation. Of course, from your angle, as far as some of you may have dealings with Turkey, you may know the reasons better. And already some of my friends from the Government in their earlier visit have talked to you and I am sure you can tell me a lot about these reasons. But one does not have to be a foreign businessman in Turkey in order to guess what these problems would be. Certainly you have serious complaints in which I am sure you are right about the bureaucratic difficulties that you have found in Turkey, as the Chairman has expressed. But you should not regard this as a sign of xenophobia because it is not only the foreign businessmen who complain of bureaucracy in Turkey but the ordinary citizen, including the Prime Minister like myself, have complaints about this. Basically and traditionally, we have a responsible-minded bureaucracy, sometimes too responsible minded. It has been a slow bureaucracy but a responsible-minded bureaucracy. But, unfortunately, as a result of the extraordinary political crises that Turkey has been experiencing in recent years, and particularly as a result of coalition governments which do not function in Turkey as well as they do in the Federal Republic of Germany, our bureaucracy has been parcelled particularly in the last three or four years, among different parties, among the influence areas of the different parties. It has become a disconnected bureaucracy, very much like different inward-looking castles; each defending its own departments and not opening the doors of those castles for people who have business to do in the country. So, one of the first tasks for our new Government, which took over early this year, in the beginning of this year, has been to attack this problem. Now, in Turkey, the Government is not a single-party government. It is basically formed by my Party, the Republican People's Party, which is the founder of the Republic, then there are ten Independents like my friend the Minister of Industry, in the 35-Member Cabinet, and three members from two small parties. But, we have been working better than a single-party government. We have been able to agree on every matter of policy and even able to agree on every matter of policy and even on details easily. I said better than a single-party government because if we were a single-party government I am sure that we would have had inner-party quarrels... within the government. Now, because we have independent friends and friends from two small parties, we are careful about that too. It has been a coherent government and we have been trying to reflect this coherence to the administration, to the bureaucracy as well. And I can tell you with confidence that although it has been less than five months since we took over a great degree of coherence within the State administration has already been achieved in Turkey. It is not enough for us. We, ourselves, are not satisfied with the degree of coherence that we have been able to achieve, but, there is a visible advance from day to day. Certainly it takes a lot of our time. I and all my Minister friends have to attack these bureaucratic problems personally at least for the initial period. Sometimes we have to take matters of detail directly into our hands to gain time, to make up for the time that we have lost in recent years. We have, about two weeks ago, set up a joint body for export so that exporters do not have to go from door to door anymore to do good for the country by exporting. All their formalities will be handled by a single body and my friend, the Minister for Economic Cooperation, who is an ex-planner, is charged to help all the other ministers, particularly our Minister of Industry and other ministers who are concerned with investments to help solve the bureaucratic problems of differences with various Government Departments. And I am confident that there has already been visible signs of improvement in that area. Soon we shall

be able to reach a position where it will cease to be a problem beyond the degree that it is almost in every country.

Probably foreign investors might have complained of lack of political decisions and lack of political responsibility which did become rather marked in Turkey in recent years for obvious political reasons. But I am sure that this defect has already been remedied to a large extent. Also one of the reasons of discomfort, not only for possible foreign investors but our investors also, has been the uncertainty about the future. That was to some extent inevitable, because Turkey is in the state of being a transitional society. We are rapidly changing due to the fact that although a developing country we are an open society with large freedoms and democracy and there are many active agents of change in Turkey, particular our workers abroad who never loose contact with their homes in the country and act as very effective agents of change in Turkey. And there are various other reasons. So, as a result of this rapid change there has been an understandable degree of instability in the country and political difficulties were added to that in recent years so that neither foreign businessmen nor our own businessmen or other citizens could look up to the future with a reasonable degree of certainty. They could not, I am sure, foresee which particular area would be particularly safe for investment. The fact that the planned economy had ceased to be taken seriously in recent years also made this sense of uncertainty about the future greater. We are aware that we would have to find the means to remedy this defect also. I cannot promise you a stable country all of a sudden because, as I said, we are in a state of rapid change. But we can turn this to an advantage. In recent years it has been a disadvantage, but a country in a state of rapid change in a rapidly changing world can turn this into an advantage. That is exactly what we have been trying to do since we took over.

We started by taking planning seriously. Particularly in a developing country like Turkey - in a developed country may be able to do without planning - but in a developing country like Turkey in this age of change and tensions, it is impossible to foresee the future, to feel secure about the future, particularly as businessmen, without serious planning. We prepared a new programme for this year although the year had already started by the time we formed our Government, and we started preparing a new 5 - Year Plan. The 5-Year Plan will be ready towards the end of the year, that is to say, it will be ready by September to be discussed by the Parliament and it will have been approved and but into effect before the end of the year. But the main lines will have emerged, as I said, by September.

Of course it would be unfair to put all the blame on our well-intentioned but sometimes too slow, sometimes too disconnected bureaucrats. There have been mistakes made by politicians, by economists and businessmen whether they have been Turks or foreigners. The Chairman, Mr. Hartwick, has mentioned our foreign investment law. I am sure those of you who are familiar with the text of the law would admit that it is quite a liberal law. But most foreign businessmen, - I am not criticising any one of them, any one particular nation - but most foreign businessmen, most foreign investors took too much advantage of the liberal aspects of this law to invest in Turkey with very little money, in rather unimportant areas and to make too big profits within too short a time. So that, as a result of this foreign capital, foreign investors, for quite a few years, have been taking out of Turkey much more foreign currency than they have been bringing. Things like that have increased the rigidity

- or if I may say so - the xenophobia of some of our bureaucrats. Of course I don't blame the businessmen. When the opportunity is given a businessman is supposed to take advantage of it. So I take the responsibility on my shoulder, or the shoulders of my career as a politician. The political authorities should have come out with a clear-cut strategy of industrialisation to which both the Turkish and foreign investors would be invited to abide - not forced to, but invited to abide by through democratic means and incentives. This has been done only theoretically during the periods when planning was taken somewhat more seriously. But even then most of the time our planners-my friend Mr. Çetin is one of them - took planning very seriously, but not our politicians.. so the plans remained on paper in the shelves of the experts who had prepared them. It is up to the political authorities together with the planners - having consulted the planners, the economists, the businessmen, the labour circles, etc., - to come before the public and business world, both home and abroad, with a well defined development and industrialisation strategy. This has not been done so businessmen, whether they be Turks or foreigners took advantage of some of our liberal laws, some of them perhaps too liberal, or perhaps too much advantage taken of them, which bred xenophobia to a rather unhealthy degree in some parts of the bureaucracy. As a result, politicians began to be afraid of talking, even of inviting foreign capital and technology to Turkey. My Party does not happen to be a liberal party in the economic sense - in the political sense of course it is liberal - we are a leftist party, we call ourselves a democratic-leftist party. I have no complexes about coming to Germany or talking with this distinguished group of businessmen. Maybe if I belonged to a liberal party I would not have dared to, fearing that it might have been exploited. But, I have no such fears. So, we are now, as a new government, taking over the responsibility of preparing a well-defined and clear-cut development and industrialisation strategy which would define, which areas are safe and are to be encouraged for businessmen, whether they be Turkish citizens or foreigners, and in which areas we would encourage our business to cooperate with foreign business, etc.

In recent years - by recent I mean the last three years or a little more - businessmen may have encountered greater difficulties and anxieties than I have mentioned earlier, that is, the parcellation of bureaucracy among the coalition partners and also partly because of the mismanagement of the country in the political sense. The Turkish society is a highly developed society in the socio-political sense. But, it is not nearly as highly developed in the economic sense.

Turkey today is up against such an energy crisis that some factories have cut down their production and some have been closed down. So that at the end of last year before we took over production had fallen down considerably. As a result, exports had fallen down considerably and, of course, inevitably our foreign currency earnings had gone down and we found ourselves in such a position that all the export earnings of Turkey were no more enough to pay for the oil imports alone. Inflation by the end of last year had reached 50%, nearly 50%. When I say this people think that I have said 15%, so I have to repeat; 50%, and unemployment about 16% with hidden unemployment about 20%. Now if all these had happened in any other democratic country, democracy in that country would have been seriously endangered. Fortunately, our democracy has survived, and this, I believe, is a proof of the dynamism and soundness of the Turkish society. So, as businessmen who may have had dealings with Turkey some of you may have encountered some discourag-

ing things. But, at least there are some things which testify to the strength of the Turkish society. For instance, Turkey is the only developing country in the world which has been able to make democracy survive continuously since World War II. There is no other example among developing countries which shows that it is basically a sound society. And it will manage if its economy could have grown much more rapidly and if better administered we would have met with less difficulties in investing in Turkey.

In spite of all the political, economic and social crises, the overall performance of the Turkish economy, I think, has not been so bad. Since we entered the planned development period in 1962 that is from 1962 to the present year, the average annual rate of growth has been 6.7. If it were not for the unfortunate last three years the average would have been over 7 which shouldn't be considered small for a democratic country - I stress the word "democratic" because in a democratic country you cannot press the people to save beyond a certain degree -. So, this also is another good sign showing that if well managed, the economy in Turkey could prosper much more rapidly.

Another reason why our economic structure has not become sufficiently strong and why Turkey has not developed even more rapidly is due to the economic system of the country. When I say "system" I don't mean in the sense of its being capitalistic or non-capitalistic or socialistic. I mean "system" in the sense when you talk about efficiency or management. There is something wrong in the system of Turkish economy in that sense. It is much more profitable to be a middleman, an intermediary in Turkey, not a real businessman, not someone engaged in real commerce. A middleman, without contributing anything to the economy and without paying a single lira or mark to the State as tax, can make much higher profits than the average industrialist. So, it needs perhaps an idealist to condescend to become an industrialist in Turkey where you can make huge profits without any risk, without any taxes, without dealing with labour unions, through buying certain products cheaply from the peasants and selling them to the merchants - not to the people - at exorbitant prices or through acting, functioning as a money lender or through land speculation, etc., all profitable and speculative areas. A country need not be a socialist country in order to put brakes against speculative earnings. So, we have to remedy these deficiencies in our economy and we have immediately started doing so soon after we took office. For instance, we have started reorganising the market mechanism in Turkey so that speculative earnings are to be increasingly diminished. We have started changing the credit system so that the investors in industry and productive areas can get more credits than money lenders or other speculators. We have prepared and already submitted to the Parliament - of course it is being filibustered - some laws in these directions, particularly a very comprehensive and radical tax reform bill which will reduce tax evasion to a large extent and which again will encourage productive activities.

We have also made a mistake in - as I indicated previously - our strategy of industrialisation. We have for some time - particularly during the last 30 years or so - concentrated too much on import substitute industries rather than export oriented industries. Now some of you may tell me that you can't do without import substitute industries either. That is true, but our kind of import substitute industries ended up by forcing increasingly more imports. Because they were supposed to, for instance, prevent the importing of certain manufactured goods but all its input,

or most of its inputs had to be imported. So that even in periods of crisis when we have no foreign currency - as now - we still have to go on importing. I would certainly admit that a country has to have some import substitute industries as well, but they should really be substituting imports, which has not been the case in Turkey.

Another mistake that was done was to waste the potential of the State sector. For historical rather than ideological reasons Turkey has a large State sector. It does not limit private enterprise. But, if properly utilised it could be the breeding ground and the supporting pillars of private enterprises by producing semi-finished intermediate goods and investment goods. But, in the hands of State administration which cannot be called a "management", it is a State administration in the worst sense of the word, our State enterprises can no more carry the burden of our economy. On the contrary, they themselves have become a burden for the economy. So, as the new government, we are now faced with the task of changing all these wrong policies - what we consider to be wrong policies - and of following a healthier course in development and industrialisation.

In the meantime, consumers' tendencies were very much encouraged in Turkey by our industry itself, because the Turkish industry, particularly during the last 30 years, concentrated on the one hand on import substitutes, and on the other hand on consumers' industries so they had to encourage the people continuously to consume more and more. On the one hand the industrialists expected the people to save so that there would be enough sources for more industries, on the other hand, they had to encourage the people not to save, to overspend. This is obviously a conflicting situation so we have to find a remedy for this as well.

Fortunately, our workers abroad, particularly in Germany, balance this unhealthy trend to some extent. They have a tendency not only to save, but to bring their savings together and to try and invest it in the more neglected parts of the country from which they originally came to Germany. Nobody had made any investments there. This is of course a very healthy tendency, but unfortunately Turkey has not made sufficiently good use of this tendency. Perhaps hundreds of companies were formed, some of them with good intentions, some of them I doubt whether there were good intentions. But most of them were not successful, even if the intentions were good, simply because there was no guidance. The workers were, with no experience of management in business at all, and would invest in the less developed parts of Turkey, so, without any State support or guidance, they were, in a way, bound not to succeed. Inspired by this healthy tendency among our workers here, my Party's programme envisages a third sector in the economy. Apart from the private sector and the state sector it envisages what we call "the people's sector" which should consist of investments undertaken largely by wage earners or low-income people like the peasants and workers and small-rank in civil service.

So, we now want to encourage them not only to come together among themselves to invest in more productive areas in Turkey with the guidance if need be from the government but without any interference, we also want to encourage them, with the investor, entrepreneurs and the German businessmen. We want to encourage our workers to come together with German capital and technology to invest in more promising areas in Turkey.

We had a serious deficit in our foreign trade and in recent years, particularly during the last year, Turkey has been having serious difficulties of paying her accumulating short-term debts for the reasons that I have already explained. But you

should not be discouraged on account of that. We have, after taking over this government, taken this matter very seriously because we consider this a matter that concerns the dignity of a nation. Our people had to gain the credibility that they deserved in the eyes of the world. So, it is not because of material interests but for psychological reasons also that we had to give this matter priority among our considerations. Of course, we can't solve it overnight. However, the measures we have taken have been so serious and convincing that even cautious institutions as the International Monetary Fund have accepted last month to give the green light to Turkey and to World Banks and businessmen without even entering into any debate with the new government after having studied our programme of urgent measures. They have not only given the green light but they have also decided to supply Turkey with fresh credits. And the same positive reaction came from the World Bank. We are now hopeful that the important banks; German, British, American, etc. also intend to undertake a re-scheduling of the accumulated short-term debts of Turkey and of providing some new cash credits for Turkey which we badly need in order to start the mechanism of economy functioning again by importing the inputs without which we cannot start our factories running again at full speed. So it may take us some time to fulfill our accumulated and delayed obligations. However, most of it is going to be re-scheduled through banks so that business firms will be relieved to a large extent, and regarding the small firms to whom we may be in debt, we will give them due consideration as of now. We can't settle all the accounts immediately but we should at least be as confident as IMF is of the near future of the Turkish economy as a result of the measures that we have started taking.

I said earlier that my Party is a leftist party in the sense of the social democratic parties of Western world and some Scandinavian countries. Leftist parties in developing countries may tend to be against foreign investments, but we are not. Not because of the situation that we have found in Turkey this year. But it is already explicitly stated in our Party Programme which was re-written at the end of 1976., we are willing to cooperate with foreign investment and technology provided that they don't impair our independence and provided that they comply with our plan targets and industrialisation strategy. We even go further than that in our Party Programme and now in our Government Programme and suggest that foreign capital and technology should consider investing in Turkey not only on a bilateral basis but on a trilateral basis as well. Turkey is situated in such a part of the world that huge capitals are being produced. They are at the moment largely misguided, misused, or underutilised capitals. In the other hand, there are the developed countries with increasingly underutilised technology. And the two have not been able to come together since 1973. Now, Turkey may prove to be the link that can bring together the misused or underutilised capitals of our region with the underutilised technology of the highly developed. Because of her geographical situation, because of her good relations with all her neighbours, with the unfortunate exception of her only NATO ally in the region, and with her outlook as an industrialised society and, with her large reserve of trained man power which cannot be employed in Turkey in a satisfactory way. So we invite you to cooperate with us not only on a bilateral basis, but on a trilateral basis as well with a view to helping not only Turkey but the whole region where Turkey is situated which happens to be a very critical region.

We, in any case, have to do this cooperation if our friends in the West take Turkey's association with the European Economic Community seriously. Because,

unless industrialisation gains real momentum in Turkey we simply cannot be expected to perform our function as an associate member with the European Economic Community. Now, Turkey, by itself, is quite a large market with over 40 million population already, with a population growth rate of 2.5% per annum, even if those living in Germany are subtracted. But apart from that, Turkey is adjacent to the richest markets of the world. So, I think it is high time that, particularly in the case of Federal Republic of Germany, the country which has had very friendly relations with Turkey throughout history, we should come together and study the prospects of cooperating within a very large framework.

I wouldn't suggest to foreign investors to transfer to Turkey somewhat outmoded technologies anymore. On the contrary, they should come with the newest technologies because the marketing possibilities of wisely selected industries in Turkey is not negligible.

Turkey is a country with great problems today. But, Turkey, also is a country with a bright and promising future. So, I talked business with you, distinguished businessmen of Germany, today, and we would be very much willing to cooperate with you for bringing this future sooner to our country.

Thank you very much.

**TURKEY'S SECURITY POLICIES:
ADDRESS GIVEN AT THE
INTERNATIONAL INSTITUTE FOR
STRATEGIC STUDIES**

**LONDON
MAY 15, 1978**

There have been great changes in the world in recent years, for better or for worse: some of these changes are directly relevant to Turkey and to Turkey's international relations and security policies, some are indirectly relevant. We can not deny an interest in any of these changes, because Turkey is geopolitically situated in such a critical part of the world that she is bound to be influenced by events and development taking place in the distant parts of the world as well as those nearer home.

During these recent years of rapid world-wide change- change involving international relations, technology and politics - many countries have been trying to adapt their foreign and security policies to these changes, and in the meantime, by altering their postures, have caused other changes in the world.

Turkey has for some time lagged behind these changes, that is, she neglected for several years to gear her defence policies and international relations towards the changes that started taking place in the world. Now we are trying to make up for lost time and trying to adapt Turkey in the international field and in the field of defence policies to changing conditions. Because of her geopolitical position and history, Turkey is herself bound to become an agent of change in the world while trying to adapt



herself to the changes which are taking place. The knowledge that the steps she will take, and that she may take, may influence the rest of the world to a great extent of course places a great responsibility on the shoulders of a nation; being experienced people and being situated in a very critical part of the world, we are aware of this responsibility. Therefore, while adapting our policies to the changing conditions of the world, we shall take careful steps such that would not only strengthen Turkey's own security but also enhance her possibilities of contributing to world peace.

In trying to make these changes in Turkey's foreign and security policies we shall have to keep in mind that foreign and security policies are inter-related and that any nation's security is inseparable from her economy. We have to remind ourselves of that because for many years Turkey has been carrying too heavy a burden for NATO a proportionately greater part of her national income, her budget and manpower than any other member country. Turkey has neglected her agriculture and industrialization as a result, and the defence burden that she took over largely for the sake of the collective security system has been too heavy a burden on our economy so that it has been kept at the so-called 'take-off' stage for too long.

Changing Conditions of Security

What are the recent changes that Turkey has particularly to take account of vis-a-vis international relations and her defence policies? We first have to realize the fact that the cold war period ended and that detente started quite a few years ago, but Turkey's defence structure still largely dates back to the cold-war years and places a heavy burden on her economy because of her NATO commitments. Turkey finds herself increasingly in a position where both her economy and her defence system must become more self-sustained.

Another change that we have to take into account is that the sources of imminent threat to Turkey have changed considerably in recent years and her national security concept and defence structure ought to change accordingly.

It has become obvious that Turkey has fallen into a very disadvantageous position because of her dependence throughout the years as a member of NATO almost exclusively on one source - that is United States - for her military equipment. This has been creating increasingly greater problems because of a certain characteristic and peculiarity of American policies which became gradually more marked. As I am sure you would appreciate, although the United States of America is a world power with world-wide responsibilities, there is too great an interaction, an inter-relationship, between her internal and her external politics. Her external politics are very much (too much for a world power) influenced by the ethnic lobbies so that when an allied country has problems with the mother country of one of those lobbies, she finds herself in a hopeless situation vis-a-vis her relations with the United States, and sometimes even the United States Administration itself cannot help such a situation. I am not mentioning this peculiarity of American politics as a criticism, I am just stating a reality of our present day world which we have to learn to live with.

In recent years there have also been great changes in military technology, most of which have not yet been sufficiently reflected in the defence structure of Turkey, so much so that as authoritative a person as General Haig himself has recently stated

that much of Turkey's military equipment would become obsolete within two years, irrespective of those items which have already become obsolete.

Then, in revising and changing our international relations and defence policies, we also have to keep in mind the increasing isolation of Turkey in the European Economic Community of which she is an associate member.

A forthcoming change of which Turkey has to take account is the expected full membership of Greece in the EEC. Of course it is not up to us to say anything as to whether Greece should become a full member or not, if she feels that her state of economic development is ready for it. It is up to Greece and the nine members of the European Community to decide that. But considering that there is a possibility of the right of veto being used in the ECC on many issues, Greece's inclusion as a full member when the veto system is still in effect might drag the other existing members of the EEC into such positions where they may find themselves, in spite of themselves, applying embargoes on Turkey similar to that which has been applied by the United States against Turkey for over three years. This is another expected change that we have to keep in mind.

The necessity of changing Turkey's security policy and structure has become particularly marked and inevitable because of the following additional reasons. Turkey's present defence policy and structure cannot function any more, even if we so wanted, because of the limitations that the American embargo has imposed on Turkey's military preparedness and also because our own economy is no longer in a position to sustain the defence policy and structure that has been in effect until now. We have reached the stage where we must concentrate more on economic development.

When my government took over at the beginning of this year, Turkey had been passing through the gravest economic crisis of her republican history, with figures like a 50 per cent inflation rate, 16 per cent unemployment rate (20 per cent if disguised unemployment is included), a drastically falling production and exports rate, to such an extent that last year Turkey's export earning could not even meet her oil imports alone.

When you put all these factors together you can, I am sure, realize how serious the economic crisis in Turkey is. The American embargo is certainly not the factor which is solely responsible for this situation, but it has certainly contributed a lot to the economic crisis.

Over the years, our infrastructure, particularly in the areas of energy and port facilities, has become very inadequate so that it cannot carry the weight even of our existing industries any more.

Turkey has also been passing through a stage of serious social and political crisis which is also connected with the economic crisis, and the basic reason why these crises all take place together is, I believe, the following:

For historical reasons, and also for the added reason that Turkey has been a free and democratic country since World War II - in fact the only developing country in the world where democracy has survived without interruption since World War II - Turkish society can be considered to be highly developed in a socio-political sense, but the level of her economic development has remained far below. This created great tensions which in turn resulted in social and political crises, and the way the governments have in recent years approached or reacted to these crises were rather anachronistic and therefore resulted in aggravating the crises.



The first condition for dealing with the social and political crises in Turkey would be to speed up our economic development in a healthy and balanced way and to meet more fully the demands that come from the people in an open and free society. This is essential for the continued survival of democracy in Turkey, and this is another reason why we have to give absolute priority to problems of economic development in Turkey.

In any case, a defence structure based on a weak and crumbling economy can certainly not be considered to be healthy or reliable, yet such is the case in Turkey. So this is another reason why we have to give priority to economic development in Turkey and devise our defence structure accordingly.

Principles of National Security

While formulating a new national security concept and new defence and foreign policies we feel bound to keep in mind certain principles and factors. One of them is that we should make our national security primarily dependent on good relations and on establishing an atmosphere of mutual confidence with all our neighbours, with all the countries of the region. Certainly a country always needs armaments and armies to ensure her security. But I believe, my government believes, that establishing an atmosphere of mutual confidence in our relations with the neighbouring countries is at least as protective as, and sometimes more protective than armaments. And we also believe that by basing her national security on such a principle of establishing a mutual atmosphere of confidence with her neighbours, a country can best contribute to peace.

In formulating a new national security concept and new defence and foreign policies we also feel bound to keep in mind the historical and geographical realities of Turkey. With changing times and conditions, alliances and other forms of co-operation may change. But the history and geography of a country do not change, so that the most permanent and sound basis of a country's international relations should, we believe, be her historic and geographical realities. Historically and geographically Turkey is primarily a Balkan, Middle Eastern and Eastern Mediterranean country. This certainly does not exclude the fact that Turkey is also a member of the Community of Europe, but our starting point is the Balkan area, the Middle East and the Eastern Mediterranean. Therefore we should give greater emphasis to these historical and geographical realities. In any case, we believe that good relations and co-operation with regional countries are also essential for speeding up economic development and growth, because then we shall be able to embark upon co-ordinated efforts and markets to enlarge the possibilities for our respective economies in the area.

This attitude in a way indicates a return to a policy first adopted when the Turkish Republic started, that of peacefully establishing Turkey in her own region by forming very close ties with the Middle Eastern countries as much as possible, and with the Balkan countries, before opening up to the rest of the world, and this is what we are trying to do again now.

Another factor that we have to keep in mind in evolving a new national security concept and, based on that, a new defence policy is that our defence system and



structure should not be a burden, but should rather be a spur to our economy. We should therefore try to develop such industries for our defence as would be compatible with the means of our economy and which would increase its productivity

In preparing a new defence concept and policy we should also keep in mind the new order of urgency among threats towards Turkey because, as a result of the changes I referred to earlier, that order has changed quite considerably in recent years.

We should also keep in mind while trying to develop a new national security concept that we should not upset the delicate balance on which detente is based. We should instead make our own contribution to detente in a more effective way.

Our new defence system and structure should be compatible with our continued membership in NATO, but certainly our contribution to NATO in the future would be and should be commensurate with NATO's contribution to Turkey's security. At the same time we should see to it that our contribution to NATO in the future should not constitute a serious risk for Turkey by rendering her provocative in the region where she is situated.

These are the basic principles, rules and factors that we shall keep in mind while evolving a new national security concept and new defence policies with their side-effects on foreign policy.

At the same time, the complete contents of this new security concept and the new defence structure will vary to some extent according to two factors which are as yet rather uncertain. One of these is whether the American armaments embargo against Turkey is to be lifted or not. I am not very optimistic at the present state that it will be lifted, but we are preparing ourselves, keeping in mind the greater possibility that it may not be lifted.

The second uncertain factor is the willingness or ability of our European allies to fill the gap left by the United States regarding the military and economic requirements of Turkey. There we have a problem which is beyond our control and to some extent perhaps beyond the control of some of our Western allies even, because they believe, in some ways correctly, that material would not be forthcoming to fill the gap created by the American embargo on Turkey. But certainly something ought to be done about it if all NATO members are anxious to preserve the cohesion and effectiveness of the Western Alliance, because in view of the peculiarities of American policy and the uncertainties affecting its credibility, the European members of the Alliance ought to try to assume a greater degree of self-sufficiency in many respects and ought to take over greater responsibility than they have done thus far. Otherwise the reduced credibility of the United States will be reflected to the whole Alliance.

In the meantime we would wish the democratic countries of the West to bear in mind the following factors.

First, the Turkish contribution to democracy. If we are to adopt all the relevant articles of the North Atlantic Treaty, then this contribution of Turkey ought to be taken into consideration, because the Treaty includes an article giving great importance to principles of democracy. And as I said, Turkey is the only developing country in the world which has been able to make democracy work uninterruptedly, with the exception of a few brief accidents since World War II. To make Turkish democracy survive would offer hope for mankind. Turkey had led the way after World War I towards independence and liberation movements, and now, if we can



prove to the world, if we can demonstrate to other developing countries that democracy and freedom can be made to survive even in developing countries with limited economic resources, then this might change the whole development of humanity and international relations in the future. We cannot be content any more with being evaluated as a armoured frontier guard of the Western Alliance.

We would also like our allies in the West to fulfil their commitments to support the defence and economy of Turkey to a more reasonable degree. This is another major obligation, another treaty obligation, to provide economic help to those members of the Alliance who need it, but this is often forgotten by the members.

In the meantime, if our Western partners are as interested as we are in seeing to it that Turkey does not feel utterly helpless within the Alliance and should not be forced to too radical changes in her defence-policies, as a result of the American embargo, then efforts should be made by the European allies to bring Turkey into schemes of co-production which have been tried in Europe for several years. Turkey has been over-dependent on one source alone for her military equipment, whereas the European partners of NATO have been trying to replace such over-dependence by interdependence. We have not been included in such schemes of interdependence, yet industrialization in Turkey has already reached a level that could enable her to participate in some co-production schemes regarding military equipment.

We would also be interested in establishing closer economic co-operation with our Western allies and partners. We cannot long continue a partnership based solely on an increasingly unbalanced trade relationship. By itself, Turkey's is a very promising market; there is already a population of over 40 million, and this is growing rapidly. What is more, Turkey is adjacent to the most promising markets of the world and she already has the outlook of an industrialized society even if it is not yet an industrialized society, and has good relations with all the countries of the region with the unfortunate exception of her only NATO ally in the region. So Turkey can be an ideal partner for some of her allies in the West or other members of the EEC. Turkey can be an ideal partner for establishing industries that would not only appeal to Turkey, not only meet the requirements of Turkey's own development, but can also appeal to other countries of the world, particularly those of the Middle East.

Cyprus

Turkey, in evolving a new national security concept and revising her defence and foreign policies accordingly, has also kept in mind her regional problems which, though very limited, have become rather acute in recent years, and these are her problems with Greece and also the problem of Cyprus. As soon as my government took over at the beginning of this year we took the initiative in approaching our neighbour and ally Greece to establish a friendly dialogue between the two countries and to restore our lost friendship. We also encouraged the Turkish Cypriot administration to take the initiative in coming up with concrete proposals to speed up a solution to the long delayed Cyprus problem. The Turkish Cypriot administration has complied with our wish and they came up with concrete proposals regarding both the geographical and constitutional arrangements. Dr. Waldheim, who has the function of good offices for the Cyprus issue, reacted to these Turkish proposals in the follow-

ing terms: 'they are concrete, they are substantial, woluminous and on time', he declared. However, the Greek side has rejected these proposals off-hand and embarked upon such an effective publicity campaign throughout the world that many observes in the West, some of whom obviously did not have a chance of studying the Turkish proposals, thought that they amounted to nothing. For instance, the Greeks claim that the Turkish proposal would involve only a one per cent change in the geographical arrangements, but what the Turks really did was to suggest that they were ready to discuss geographical arrangements in six different areas of the region under Turkish control without specifying how much land would be available. This attitude they adopted in order to be flexible and to sit around the table with an open mind. They also said that they would leave to the Greek side all the security zone separating the sections of the island, which amount to three per cent, apart from the geographical arrangements to be made in the six areas pointed to by the Turkish Cypriots. Besides, they suggested that Varosha, the richest part of Cyprus, could be resettled by the Greeks, which would mean that the resettlement problem for at least 30,000 Greeks would be solved, and economically the Varosha district would mean nearly half the island.

On the other hand, the Turkish side came out with a proposal that would establish a real federation from the start with several functions of joint responsibility, and besides it would be an evolutionary federation which would see to it that Cyprus becomes a more closely-knit political structure with time. Now the Greek Cypriots seem to have decided to reject all these proposals without even negotiating them. And the only reason, I believe, is that they are interested in seeing to it that American pressure on Turkey continues rather than that a federal solution to Cyprus be found.

This has also adversely influenced relations with Greece. Earlier this year, as soon as we took over, I invited Mr. Karamanlis, the Prime Minister of Greece, to establish a dialogue with Turkey on the prime ministerial level. He first hesitated and, after my second appeal, he accepted and we met in Montreux in mid-March; we had a very friendly talk and we decided to continue and institutionalize our dialogue, supplementing it with high-level technical discussions. The first high-level technical meeting was scheduled to take place in Ankara on 14 April. But as soon as President Carter approached the Congress to lift the arms embargo the Athens Government postponed this meeting indefinitely so that the bridges seem to be broken for the moment at least. Later the dialogue was resumed.

This shows that Turkey and Greece cannot solve their problems and the Cyprus problem cannot be solved under the shadow of others. History bears witness to that because whenever other countries were involved in the Turko-Greek differences the Turks and Greeks ended up in conflict. But whenever they were left alone to settle their own differences they showed great ability to do so. For instance, after the Turko-Greek war of the 1920s, even when the bitter memories of that war remained fresh, the Turks and the Greeks were able to come together under the leadership of Atatürk and Venizelos to establish friendly relations and co-operation because, at that time, the other powers, our friends in the West, were too occupied with their own problems to be concerned with ours. Again, after World War II, when other countries were too occupied with their own problems and left Turkey and Greece alone, excellent relations and co-operation between the two countries were established in the 1950's, which were only disrupted as a result of the events in

Cyprus. So the elimination of outside influences is essential for a solution of problems between Turkey and Greece and for the solution of the Cyprus issue.

From the moment we took over we have given a new impetus to Turkey's existing initiatives towards establishing increasingly good relations with all our neighbours. Unfortunately, we have only failed in the case of our NATO ally. But I am still hopeful that even there, we may find the possibility of establishing a friendly dialogue and establishing friendlier relations.



PRESS CONFERENCE

LONDON
MAY 15, 1978

Good afternoon Ladies and Gentlemen.

It is a pleasure for me to meet the Press and to see so many of my compatriots. I have tried to make my initial statement very short so that you can ask me questions. I visited London for a lecture at the International Institute of Strategic Studies and I have taken this opportunity to visit his Excellency the Prime Minister Mr. Callaghan and I have had the pleasure of meeting the Foreign Secretary, Dr. Owen and I have visited the Opposition Leader Mrs Thatcher and I have talked to members of the Anglo-Turkish Parliamentary Group and I have had very interesting and fruitful discussions in London and tomorrow I shall be leaving.

In my talks with the Prime Minister and others I have said that Turkey is willing and prepared to extend her economic co-operation with the United Kingdom where we have trade relations but not much economic co-operation in the way of joint investments, particularly not in recent years. There is ample opportunity in Turkey for such co-operation which we would like to endorse not only for the benefit of our two countries but also for third countries particularly in our region.

Turkey is now faced with some urgent problems which have been urgent for rather too long a time. Turkey as you all know is situated in a very critical part of



the world. Therefore she cannot afford to neglect her security, she cannot let her defence arrangements remain suspended for too long because of the American embargo. There were some hopes that the embargo might be lifted some time before the summer recess of the U.S. Congress, but hopes are diminishing. I have mentally and psychologically prepared myself to the probability that the embargo might not be lifted. Turkey will be able to find other formulas for providing for her security without causing great problems to the world. As long as the embargo can be interpreted as a pressure over Turkey, then, I am afraid the Greek side will remain intransigent and will not contribute to a solution of the Cyprus issue.

In recent years Turkey used to say that as long as the embargo was in effect the Turkish side could not make any moves. We have reserved this position when my Government took over at the beginning of this year and we said that we would encourage the Turkish Cypriots in the way of taking the initiative by making proposals both geographical and constitutional for a solution to Cyprus without waiting for the lifting of the embargo, because we in our minds disassociated the embargo from the Cyprus problem in our relations with Greece.

This has helped to prove that the embargo is an obstacle to the Cyprus issue because the Greek Cypriots seem to be more interested in the continuation of the embargo and American pressures over Turkey than in a federal solution.

This also adversely affects Turkey's relations with Greece. As soon as we took over earlier this year, we invited Mr Karamanlis twice to start a dialogue between the two countries at the Prime Minister's level. After my second appeal he accepted and we formed what appeared to be a very hopeful dialogue in Montreux in March. We decided to continue and even to institutionalise this dialogue by supplementing it with high level technical talks, the first of which was scheduled to take place in Ankara. But as soon as President Carter asked the Congress to lift the embargo the Greek Government postponed this meeting indefinitely. It was rather disappointing for us to see that the Government in Greece should confuse the embargo so much with our problems. I believe that Turkish and Greek problems cannot be solved under the influence or under the shadow of other countries. In past history we have been able to solve our problems very easily. We took them up among ourselves without involving others. Whenever others were involved in our problems and whenever Greece tried to use outside pressure against Turkey and the Turks, the problems remained insoluble and sometimes even ended in conflict.

Now the Greek Cypriot administration has, I believe, been very unfair vis-à-vis the Turkish proposals. They have started a campaign aimed at persuading the world public opinion that the Turkish proposals do not amount to anything, while in effect I believe the Turkish proposals are very constructive and flexible. They are presented not as an ultimatum but as a negotiating position and indicated that the Turkish side is open to counter-proposals or to criticism of their proposals around the conference table. The Greek side has been saying that the percentage of land involved in the Turkish geographical positions are minimal, sometimes giving figures like one per cent whereas the Turkish administration has not even indicated any percentages. They indicated six regions in the Turkish control zone where they are prepared to discuss the size of the geographical arrangements to be agreed between the two communities.

Regarding Varosha whose value cannot be measured by percentages but whose economic potential is perhaps worth half the island -there the Turkish side has of-



ferred the Greeks to come and settle and they indicated that the framework - the political framework of Varosha - would be negotiable.

Regarding the constitutional proposals, contrary to what the Greek propaganda claims, several joint areas of responsibility are envisaged but the Greek side seems to expect the Turks to be resigned to the position of a minority. Legally and technically the Turkish community is no more a minority. In a federal state the national communities making up certain federated states are not treated as minorities but as equals, so it is natural that they should have equal participation in the administration.

I am sure that many Greek authorities also realise these facts but as I said they are obviously more interested in perpetuating outside and particularly American pressure against Turkey than in reaching a federal solution and I believe, I sense that they have in their minds or in their hearts the dream of returning to the status quo ante which is unrealisable.

Turkey as I said is prepared - Turkey is psychologically and mentally prepared for a continuation of the embargo but we are decided to see to it that it does not constitute pressure over Turkey, because we are resolved and we feel we are able to see to it that Turkey takes care of itself regarding her own national security..

Of course, it can only be within the framework of a different national security concept, but we would have to prepare a different national security concept because the world has changed a lot - it is no longer in the cold war days but in the period of detente and yet the present defence set up and structure in Turkey dates back to a large extent to the cold war years. This has to be changed.

The urgencies of the threats facing Turkey have changed considerably in recent years, for instance we are no more under imminent direct threat from the Soviet Union, but we are face to face with a threat from other, more real threats from other corners, and we have to realise our defence concept and defence structure accordingly.

We have also to consider these in view of the changing military technology in the world, and we have to adapt ourselves to these changes and we have to see to it that our defence structure is no more a burden on our economy. Turkey has already carried too heavy a burden for the collective defence system at the cost of sacrificing economic development and her own people's prosperity.

Now we would have to evolve a new defence concept and a national security concept on which we are working. As the Government, we shall see to it that our defence structure is not a burden but a spur for our economy.

In my visit to the Federal Republic of Germany just before coming here, and in my talks with Prime Minister Mr Callaghan today I suggested that the content and substance of this new national security concept will to some degree be defined or will depend on a degree to which our partners in Europe at least are willing to co-operate with Turkey in coming together for co-production schemes for military equipment. Turkey for too long has been over-dependent on one source for her military equipment. The West European partners of NATO felt that they had also become over-dependent so they started building up a pattern of inter-dependency through co-production schemes.

But Turkey has been left out of such schemes and yet Turkey's industrial capacity, industrial basis, would be conducive to bring Turkey into such co-productive schemes. This would give us a relative degree of feeling of security within NATO and will certainly influence our way of thinking while working on a new national security concept.

Of course we have to undertake serious technical studies on such proposals. I have the impression that both Mr Callaghan and Mr Schmidt were willing to consider such possibilities.

PRESS QUESTIONS AND REPLIES BY PRIME MINISTER

DAILY MAIL:

Despite the emphasis on the constructive nature of your proposals on Cyprus, it seems that the British Ministers today whom you saw thought you were not being flexible enough. They asked you if you had any further proposals to those which Professor Soysal presented. Would you table them and what is your answer to that? Have you any more proposals and are you going to be more flexible?

P.M. We are not in a position to make proposals obviously, but we have done what the previous Turkish Governments had not done, that is, to encourage the Turkish Cypriot administration to come up with proposals. The immediate reaction to these proposals - or the immediate reaction of Mr Waldheim to these proposals - was expressed by saying that they were concrete, voluminous, and on time. I think that such a definition warrants that they be considered as a basis for the resumption of inter-communal talks. I think I have given proof in my brief explanation this afternoon that the Turkish position is flexible. I have given definite instances of it. I don't think there is a procedure which envisages pre-negotiation negotiations. If the Greeks are discontent with the Turkish proposals the way to express their discontent is to sit around the table and either reject the Turkish proposals or to come up with counter proposals. I believe there will be no end to revising proposals before negotiating if we start such a mechanism.

BBC. TELEVISION NEWS

If you don't get the arms embargo lifted by the United States where do you expect to obtain your replacement arms from and do you intend to remain a fully integrated member of the NATO alliance?

P.M. Yes, we intend to remain a fully integrated member of NATO, but of course our contribution to NATO will inevitably be limited with the contribution that we receive or not receive from our NATO partners. Since our membership would continue, naturally this will be to some degree a determinant on the kind and sources of armaments available to us. What I mean by a new national defence or national security concept is that by building up or envisaging a new defence structure we may make do with the kind of armaments that would be less of a burden to our economy and we could also as I suggested by entering into coal production schemes can fulfil our needs through other ways and rendering our own economy more dynamic and productive. What is more, we shall, as I indicated, also keep in mind the changing conditions and the change in the priority of threats directed towards Turkey, which might entail changes in the types of armaments that we use.

DAILY TELEGRAPH

What evidence have you got to believe that the Soviet no longer menaces your borders?

P.M. The evidence is this: In the post Second World War years the Soviets were claiming the Bosphorus and some of the North Eastern provinces whereas in recent years there have been no indications that they have such ambitions. Of course we are aware of the fact that we are living side by side with a great and strong power. We always keep that in mind, and we are an experienced people, but it is obvious that there has been a great relieving of tension between Turkey and the Soviet Union and we are happy about that. After all, the dialogue between the Soviet Union and the United States has increased a lot and extended beyond this world into space. Although in recent years Turkey's economic co-operation with the Soviet Union has increased, we are still lagging far behind some of our Western Allies in extending their economic co-operation and relationship with the Soviet Union and that kind of relationship eases the tension in the world.

I believe that detente is a reality. It may not be complete and reliable peace but certainly it has replaced the cold war with a cold peace.

THE GUARDIAN

When you first mentioned relaxation of tension between your country and the Soviet Union you said that it had been replaced by threats from other quarters. What other quarters?

P.M. Obviously Greece for years has been arming against her ally Turkey.

GREEK TV

You say that the relationship between Greece and Turkey is getting worse, is the second meeting with Mr Karamanlis still on?

P.M. I hope that we shall meet again with Mr Karamanlis but we have decided upon a very functional mechanism of dialogue with Mr Karamanlis, that is to say we should resume our talks from time to time at Prime Minister level and in the intermediate periods high level technical talks should supplement them, so that the two Prime Ministers could give certain political directives which could be supplemented by high level technical talks. Now these technical talks have been postponed indefinitely and it would be difficult to find new substantial topics to talk about when and if we meet Mr Karamanlis again. It will be a great pleasure for me to meet him at any time. The functional aspects of the mechanism of dialogue seems to be disrupted and I hope not for good.

INTERVIEW WITH ASSOCIATED PRESS

ANKARA
MAY 18, 1978

QUESTIONS:

1. If the U.S. Congress refuses to repeal the arms embargo, it is generally assumed that there will be a break in Turkish-American relations. How hard would this break be in the extent that it affects U.S. and NATO military presence in Turkey?
2. Some Western diplomats argue that because of its economic difficulties and geopolitical position Turkey could not maintain a neutralist stand, therefore any drift away from NATO would inevitably lead to a drift into the Soviet camp. Do you agree with this evaluation of future developments?
3. **Charges have been made against your government that you did not strive hard enough to counter the influence of the Greek lobby in Washington for the embargo battle. What could have been done and was not done by your government? By the U.S. administration itself?**
4. What is Turkey's attitude as regards NATO's new long-term planning?
5. After your tour of Europe have you altered your previous opinion that Turkey's European allies could not fill the gap created by the U.S. arms ban?
6. Would the new national security concept involve a reduction of armed forces and emphasis on defensive weapons, such as anti-tank and anti-aircraft instead of long-range fighter bombers?

7. What practical results do you expect from your forthcoming visit to the Soviet Union? Is the signing of a non-aggression pact on the agenda?

8. You have said Turkey no longer faces a Soviet threat as it did in late 1940's and '50s? Would this still be correct if Turkey's ties with NATO were weakened?

9. If the embargo were not lifted, would the Turkish side still take initiatives for the resumption of the dialogue with Athens and Cyprus peace talks?

ANSWERS

1. There need not be a break in Turkish-American relations in case the U.S. Congress refuses to repeal the arms embargo. However, in that case the possibilities of co-operation between the two allied countries, as well as of Turkey's contribution to NATO, will be inevitably reduced - not in retaliation, but for the very practical reason that Turkey will not have the means to co-operate and to contribute beyond a limited degree.

2. I have never talked about leaving NATO, but it should be the concern of other NATO countries if Turkey's possibility of contribution to NATO is to be drastically reduced - as indeed it has already been reduced as a result of the American embargo and Turkey's economic problems which were aggravated by the embargo.

On the other hand, Turkey's geopolitical position accords her considerable freedom of movement in the way of enlarging her international relations. Her historic ties with many of the countries of the region are also an important asset.

In fact Turkey has been strengthening her relations with the countries of the region. The new Turkish Government has made moves in good faith to improve Turkey's relations with Greece also. All these efforts are based on Turkey's desire to live in peace with her neighbours and to make her own contribution to detente, as well as on her conviction that the best way to ensure a country's security is to try to attain an atmosphere of mutual confidence with all her neighbours and with all the countries of the region.

Turkey's temporary economic difficulties do not constitute a handicap to her close economic co-operation with the countries of the region. On the contrary, some have been contributing, and have expressed willingness to contribute, to Turkey's development efforts, particularly in the way of helping her establish such industries as would steadily increase her self-reliance.

Being a developing country herself, Turkey is also interested in enlarging her solidarity and co-operation with other developing countries.

Turkey's geopolitical position and historic ties, as well as her economic and industrial potentials, would also enable her to provide an important link in bringing together the under-utilized technological capacity of the industrialized countries with the under-utilized capital generating in the region, for the good of all the regional countries and in a way that would also help alleviate some problems of international economy.

The west, thus far, has not seemed to be interested in such triangular co-operation, in spite of Turkey's willingness to partake.

In making the moves she deems necessary in the way of enlarging the scope of her international relations and in the way of establishing closer co-operation with the countries of the region, Turkey would be careful not to upset the delicate balance on which detente and peace is based - not because she has limited options of foreign or defence policies, but because of her historic experiences and because of her sense of responsibility to the world.

The Turkish people's proven and unshakable attachment to freedom and democracy is also among the determinants of her position in the world, although this factor is no handicap to establishing friendly relations with the countries of the region, no matter what their regimes may be, for differences of regime do not prevent co-operation between countries who do not interfere in one another's internal affairs, and Turkey and her neighbours have mutually been very careful in keeping away from such interference.

3. Turkey does not have an ethnic lobby in the United States and she is not in the habit of - nor does she have the experience of - lobbying in other countries' political institutions. However, she has been making every effort to explain to the U.S. public opinion that the embargo renders it more difficult to solve the Cyprus issue or the problems between Turkey and Greece. This has been proven by the fact that although, soon after the new Turkish Government has taken over earlier this year, Turkey has made every effort to bring about a rapprochement with Greece, and the Turkish Cypriot Administration has taken the initiative to move towards a political settlement in Cyprus, both the Athens Government and the Greek Cypriot Administration have adopted very intransigent attitudes because they were able to rely upon American pressure over Turkey.

Turkey and the Turkish Cypriot Administration have gone beyond mere lobbying by making concrete gestures of good will but the Greeks have not responded.

If some American politicians are not able or willing to realize these facts, there is not much that we can do about it.

In the meantime, if Turkey's effective contribution to collective defence is of real value to the United States, the United States Administration has not put as much weight, in connection with this problem, as with several other problems.

4. Turkey's contribution to, or active participation in, NATO's new long term planning, would inevitably depend on the degree that Turkey's own security requirements are to be met, and Turkey's possibilities of contribution are to be supported, within the framework of such planning.

5. During my recent tour Western Europe, I have not been encouraged to alter substantially my opinion about the European allies' rather limited possibilities or intention to fill the gap created by the U.S. embargo. Turkey has to keep this fact in mind in preparing her new national security concept.

6. We are yet at the stage of working on the formulation of a new national security concept, which is a highly technical matter apart from its obvious political aspects. I am, therefore, not in a position yet to answer questions about the details of such a concept. I should also remind that the content of a new Turkish national security concept will to some extent, be determined by our allies' possibilities or



willingness to contribute to Turkey's defence and to support her economy. The treaty obligation to support a member country's economy in case of need seems to be over-looked by our NATO allies.

7. The relations economic co-operation between Turkey and the Soviet Union have been steadily improving in recent years, no matter what government is in office in Turkey. I expect further practical results and decisions in that direction during my forthcoming visit to the Soviet Union. The signing of a political document was contemplated between the heads of government of the two countries before we took over. My forthcoming visit to Moscow may provide the opportunity of signing such a document.

8. I would remind that Turkey's ties with NATO have weakened, not as a result of any deliberation on the part of Turkey, but because of some of our allies' attitude, particularly because of the U.S. attitude, towards Turkey.

As to the possibility of a revival of Soviet threat to Turkey, this is a rather hypothetical question for the foreseeable future and would depend on several other factors besides the degree and nature of Turkey's ties with NATO. It would, for instance, depend on the general world situation, on the balance on which detente is based, on changes that may take place in over-all Soviet policies and on Turkey's relations with an attitude towards her neighbours. As to the possibilities of over-all change in Soviet policies, I have the impression that there is increasing stability and consistency in the political decision making processes in the Soviet Union - rendering dramatic changes rather unlikely unless, of course, dramatic changes occur in the world situation in general.

9. We have already taken the initiative this year for establishing dialogue with Greece and for encouraging the Turkish Cypriot administration to make moves with the objective of facilitating a political settlement in Cyprus. Without waiting for the lifting of the U.S. embargo. We would continue to make effort in that direction even if it became clear that the U.S. embargo against Turkey is not to be lifted, because we believe that it is in the interest of both Turkey and Greece, as well as of the two national communities in Cyprus, to settle their problems, in complete disregard of the United States' attitude. After all, geographically at least, the U.S.A. is a distant country, whereas we have to live side by side with the Greeks. It has become obvious however that the Greeks or the Greek Cypriots will remain unwilling to respond positively to such efforts on our part so long as they feel able to rely on U.S. pressure over Turkey.

ADDRESS TO THE INTERNATIONAL PRESS ASSOCIATION

BRUSSELS
MAY 25, 1978

Mr. Chairman,
Distinguished journalists and guests:

It is a great pleasure and honour for me to address this select international gathering of journalists in Brussels. I thank you, Mr. Schavaoir, and the International Press Association, for giving me this opportunity.

In recent years, Turkey has been passing through a period of serious crises in several areas - economic, social and political, as well as in the field of international relations. Such crises in certain respects reflect the strains of a transitional stage in a dynamic society.

Turkey is the only developing country where democracy has survived almost uninterruptedly since the Second World War.

At the root of these crises is the fact that the level of socio-political development, in the Turkish society, is far ahead of its level of economic development. This has naturally resulted in great tensions.

Some Governments responded to the problems created by these tensions in a way that only aggravated the situation. Rather than adopting policies, that would ensure a more rapid and a healthier process of economic development improve social justice and narrow the gap between the stages of socio-political and economic development, they tried instead to check social and economic development, first

through legal measures and when these failed, through more direct forms of pressure which resulted in an accumulation of pressures and in consequently to an atmosphere conducive to terrorism and violence.

These years in the hands of unworkable coalition governments, led to the deterioration of the economy.

This period of turmoil and economic deterioration coincided with a period of world economic crisis. Countries at an early stage of economic development and with no rich oil resources were hit particularly hard. It also coincided with the three year American armaments embargo against Turkey. Both these factors further aggravated Turkey's economic hardships, so much so that by the end of last year, the rate of inflation was nearly 50 per cent, the rate of unemployment nearly 20 per cent, and production as well as export earnings, had fallen considerably.

In few countries could democracy survive under such severe strains and such adverse conditions.

The fact that it did survive in Turkey and that a peaceful and democratic change of government took place at the peak of this period should be considered proof of a basically healthy society and of the strength of Turkish democracy.

In the meantime, we have been experiencing certain difficulties in our relations with the democratic countries of the West.

The United States embargo, seriously impaired the defence capabilities of Turkey situated as she is in a most critical part of the world; the other allies' indifference to this unseemly action against a member country which had contributed to collective defence for years beyond the means of her economy and beyond her own national security requirements, caused disillusion with the West. The deterioration in Turkey's relationship with the European Economic Community, of which she is an associate member, added to this disillusion.

The Turkish people, however, refrained from emotionalizing this disillusion, and Turkey's affinity with the democratic countries of the West has thus far survived this particular difficulty in our relationship, mainly because, this affinity is due, not to institutional ties like membership in NATO or association with the EEC, but to shared democratic ideals and values.

Democratic societies are open societies, and open societies are more open to other open societies.

A non-democratic Turkish society would have inevitably drifted away from the West as a result of the disillusionment of recent years.

Democracy, in a sense, in a "culture". Therefore, Turkey is in a position of cultural proximity to the democratic countries of the West.

But this continued survival of democracy in Turkey in a healthier and more peaceful way is dependent on more rapid and healthier economic development.

Therefore by helping Turkey through this economic crisis, our partners or allies in the West, would not only be contributing to the further democratic development of Turkey, but would also ensure the continuation of our ties with the democratic countries of the West.

The continuation and strengthening of the ties would not, of course, exclude, Turkey's widening relations and cooperation with other countries, particularly with countries in the same region with many of which the Turkish people have close and deep historic bonds. Through further extending such relations and cooperation,

Turkey can make and should make her own contribution to detente, to peace and to the eventual building up of a fairer world economic order.

History and geography, as well as the conditions and possibilities currently existing in the region where she is situated, could and should enable Turkey to play an important role in strengthening and widening detente; in bringing the east and the west closer together as well as the north and the south, in both the contemporary and literary senses of the terms.

One particularly relevant way in which Turkey can play such a role, is through providing, to a large extent, the missing link between the under-utilised capital generated in the region and the under utilised technology of the industrialized countries. The potential in this area has not been realised yet. Such trilateral cooperation could pave the way for changes and opportunities that could help the countries of the region, and many other countries concerned with the region, to overcome the seemingly insoluble problems, tensions and conflicts that exist in this part of the world.

Since the beginning of this year, the Turkish people, have begun a programme of restoring the country's economy on a sounder basis, on establishing a healthier economic order and structure in the country and in making Turkey more self-reliant in many areas including defence.

We have also been exerting every effort in the way of revitalising our international relation and have taken the initiative in the search for solutions to some of our international problems such as the Cyprus issue, and the issues that cause tension between the two neighbouring allied countries, Turkey and Greece. During my visit to Brussels, I have had the occasion to come up with concrete proposals to help ease our difficulties with the European Economic Community and with NATO.

I hope that these efforts and initiatives of ours will be met with a constructive and positive response. I have found encouraging indications during my discussions here, and in the countries that I have visited in recent weeks.

I have confined myself, in this opening address to a general analysis of Turkey's basic problems and to some possible solutions, solutions that hopefully may be beneficial to many other peoples and countries.

I shall be ready to go into details and to elaborate in answering your questions.

**PRESS CONFERENCE WITH
T.V. CORRESPONDENTS**

**BRUSSELS
MAY 26, 1978**

The new Turkish government took over at the beginning of this year, during the peak of an economic crisis, one of the greatest in our Republican History. The new government has immediately taken some serious and responsible measures to deal with this crisis and to revitalize the Turkish economy.

The measures that we have taken within a short time have obviously inspired a great deal of confidence in world economic and financial circles, so we did not have difficulties in reaching an agreement with the International Monetary Fund and the World Bank also expressed his willingness to extend new credit facilities to Turkey. The Turkish consortium within the OECD has been reactivated and we are hopeful that both the OECD Consortium and the numerous international Banks may agree to the re-scheduling of the accumulated short term debts of Turkey so that we can obtain enough import credits to import the items necessary to reactivate our existing industry. The interest shown and the interest extended by these organisations indicate that Turkey has regained her financial credibility within the first half of this year. And friendly countries in many parts of the world have also expressed their willingness to extend help to Turkey to facilitate her passage through this crisis. However in spite of the help and support extended or expected we shall

Thank you very much.

have a crucial year in the economic sense in Turkey this year. In the meantime this economic crisis has coincided with a period when Turkey's defence has been seriously impaired as a result of the American embargo of armaments against Turkey which has been in effect for over three years. Turkey is situated in such a critical part of the world that she simply cannot afford to let her defence arrangements remain suspended for too long.

As a result of the American embargo, Turkey has been obliged to spend a large part of her meagre resources on military requirements which has aggravated the economic crisis. It is not yet clear whether the American embargo, which is incompatible with the rules and the relationships within the Alliance, will be lifted. We hope that the United States Congress will make a decision that will help revitalize Turkish American relations which have been stagnating for over three years as a result of the embargo. We appreciate the recent initiatives that the United States administration has taken to explain necessity of lifting the embargo. The deterioration in our relations with our friend and ally the United States, as a result of the embargo, inevitably reflected on Turkey's relations with NATO as well. Although the Turkish people have refrained from emotionalizing their reaction to the United States and to the North Atlantic Alliance, Turkish public opinion towards NATO as a result of the embargo is due to the expectation that an economically developing country like Turkey, situated in a critical part of the world is unable to fulfill its NATO commitments, then the other NATO countries should do their best to fill the gap in the military preparedness of that country. However although a few members of NATO tried to do something about the situation resulting from the embargo, NATO as a whole gave the impression of either indifference or helplessness vis a vis the damage done to Turkey's defence capabilities as a result of the American embargo. The case itself shows a marked deficiency in NATO as a whole. If the credibility of NATO is damaged, it will have world-wide consequence.

So we believe that the position and the problems Turkey has been facing as a result of the United States embargo should be concern to other NATO countries as much as it is to Turkey. During talks in Brussels I have explained this view and I have found great understanding particularly on the part of Mr. Joseph Luns, the distinguished Secretary General of NATO, and General Haig. Both General Haig and Mr. Luns appreciate the problems that Turkey has been facing as a result of the embargo and I believe as a result of the inability of NATO to fill the gap, they have been doing their best to compensate for the damage done by the American embargo in their public statements as well as through other means. Their attitudes have been very encouraging. In my talks with both Mr. Luns and Gen. Haig as well as in my previous talks with the prime ministers and other statesmen of friendly and allied countries I have been trying to explain that defence cannot be dissociated from economy. Therefore in an Alliance the economic problems and requirements of a country should be given as much consideration as the defence requirements of that country because a weak economy cannot bear the heavy burden of a heavy defence structure although this has been the case in Turkey for quite a long time. For many years Turkey has carried a disproportionately great weight for the collective defence of NATO. She has for many years contributed a proportionately greater part of her manpower of her national income and of her budget for the sake of collective defence than any other NATO country. As Turkey's economy is only just developing and she has no rich oil resources to bolster her economy, this outlay on defence has

inhibited the development of her economy. Therefore it is high time, particularly during this period of the American embargo that our allies in NATO or our partners in the European Economic Community should at least try to give more substantial support to Turkey's economic development efforts which would indirectly, at least, help to compensate for the damage done to Western defence as a result of the American embargo.

During my recent visits to allied countries and during my talks here with the responsible people of NATO I have tried to explain that Turkey's defence problems should not be regarded separately from her economic problems and even if the embargo were to be lifted, Turkey's economy would still need substantial support, in a reasonable degree of course, from her allies in order for her to be able to carry the burden that she may be fairly expected to carry for the sake of collective defence, detente and world peace. We do not expect such support to be a one way aid, we have come up with concrete proposals for certain forms of economic cooperation through which our allies may help their own economies as well as that of Turkey. In my talks with the representatives of the European Economic Community I have dwelt on this point. In my conversation with Sir Roy Jenkins and his distinguished associates I made certain concrete proposals through which such economic support can be given. Of course in my conversations with the European Economic Community, I have taken up this issue separately from defence matters, because this is closely related with Turkey's ties with the European Economic Community. Unless the members of the European Economic Community give sufficient support to the Turkish economy through cooperation that would benefit all those concerned, Turkey cannot be expected to maintain her relationship with the Economic Community for long in a healthy and constructive way although Turkey is anxious to maintain and to improve those relations not losing sight of the final objective of becoming a full member one day.

Turkey is a European and a Balkan, Middle Eastern and East Mediterranean country. She wishes to cultivate her relationships through out the world but particularly both in Europe and in the geographical area of which she is an integral part. We have a kind of special relationship with democratic countries of Europe. Our membership in NATO and our associate membership of the European Economic Community are only minor factors in Turkey's relationship with the democratic countries of Europe and of the west as a whole.

At the basis of our relationship with these countries is the Turkish people's attachment to democracy. Turkey is the only developing country in the world where democracy has survived almost uninterruptedly since the second world war. In very few countries in the world could democracy survive under the trials that it has been faced with in Turkey, particularly in recent years.

Our partners and friends in the West who attach as much value to democracy as the Turkish people do, should help to solve her economic problems. The social and political side effects of long economic unsettlement may put our democracy through even more difficult tests than it has been through thus far.

I have been trying to explain this point of view to our friends in the west, and during my talks in Brussels, and I am hopeful that they have understood the value of this approach in our relationship with the west.

Thank you very much.

Q — Mr. Prime Minister in a few days you will be in Washington at the NATO summit, and in Moscow with Brejnev in less than a month. Meanwhile the U.S. embargo is going on.

Will the existence of the embargo have any effect on you?

Your visits to the two countries are linked to with the embargo, in other words is Turkey now turning towards Moscow?

A — We have had increasingly good relations with our Soviet neighbours but this has nothing to do with our relationship with our allies in the west. Mr. Kossigin himself paid a visit to Turkey during the previous year, in December. We have to return this visit in this period of detente. We have been making our own contribution to detente by staying friendly with all our neighbours including the Soviet Union. It may seem paradoxical that we have remained friendly with all our neighbours except with our NATO ally, Greece.

In recent years, and in particularly in recent months we have made great improvements in the way of trade relations with the Soviet Union and we may discuss some economic cooperation projects during my visit. The date of my visit was determined long ago and it has nothing to do with the embargo.

Q — If the Russians ask for it, what would your answer be for naval facilities for the Soviets?

A — They have not made such a request.

Q — But they did in the past.

A — I don't know of any request for naval facilities. Although we are friendly countries since we are both different republican systems we do not expect the Soviets to sell or propose arms facilities.

Q — You mentioned the possibility of European allies contributing. Did you ask for arms from western Germany and the UK?

A — West Germany has been helping to some extent but hardly enough to fill the gap caused by the American embargo. So something more substantial should be done by all European allies of NATO in case the American embargo should last.

Q — Western Europe being associated with the European Economic Community, Turkey feels isolated and threatened by the proposed Greek entry to the Common Market. What are your ideas on this?

A — It is a possibility that should be kept in mind that Greece may utilize or exploit the proposed full membership of the community as another means of pressuring Turkey.

The members of the Community should take measures to force Turkey and Greece to solve their problems as soon as possible, so that we could both cooperate with the European Economic Community. After all Greece has much to gain from economic cooperation. If it were not for the tension between the two neighbouring countries we could join hands in extensive economic cooperation in a way that would ease the circumstances of both parties in the Economic Community. I hope that a time may come when this will be possible. Thank you very much.

Q — Mr. Ecevit what do you think your reaction will be if the United States does not lift the embargo?

A — Turkey's defence capabilities as a result of embargo have been seriously reduced and if the embargo is not lifted our defence capacity will remain at a reduced level. But we do not intend to leave NATO.

Q — What do you expect your European partners to do?

A — Unless our European partners are able to fill the gap created by the American embargo a substantial extent, NATO itself will be seen to be seriously deficient.

Q — What do you expect NATO will do in Washington?

A — I hope the allies in Washington will face the realities in a frank and open way and try to reduce the basic problems in NATO which have come to the surface as a result of the problems that Turkey has been facing during the last few years.

It is only by facing realities that solution can be found to such problems
Thank you.

Q — Mr. Prime Minister since the United States Foreign Relations Committee refuses to lift the embargo to Turkey, you have mentioned frequently the necessity of having a new national security concept for Turkey. Would you kindly explain what that means?

A — We have been talking about the necessity of a new national security concept in Turkey because world conditions have changed. Technology has made advances. The economic situation in Turkey has change. Therefore it is high time that Turkey developed a national security concept. In fact NATO itself has been working on new defence concept for the future.

Q — The disappointment caused among the Turkish people as a result of the American embargo has also been reflected on NATO as well. NATO obviously has no been able to fill the gap caused by the American embargo. This shows a basic deficiency within NATO itself. I hope that the NATO countries apart from the United States will give serious thought.

Q — You also express disappointment about relations between Turkey and the ECC. Why is that?

A — For several years fruitful and meaningful discussions could not be held between Turkey and the ECC for various reasons. I did not come here to criticise anyone. We are a new government we came here with a new approach and found great understanding.

Q — What is that new approach?

A — We realise that the basic problem in our relationship with the Community is structural. We must restructure our economy so that we can accommodate ourselves to full membership more easily and in the meantime the European Economic Community must support economy to facilitate this restructuring. If we can base our future cooperation on this basis then the other problems will lose their importance.

Q — Apart from that it seems to me that you insist on your right based on an article of the Association agreement. A right which says that there should be free migrant labour movement for Turkey. Now you are saying that if this right cannot be honoured by the EEC that it should at least be compensated for.

A — There are ways of compensating for it. We have made several suggestions For instance our partners in the Community can help Turkey establish sufficient possibilities of employment within Turkey.

**EXCHANGE OF TOASTS BETWEEN
PRESIDENT CARTER OF THE USA
AND BULENT ECEVIT, PRIME MINISTER OF TURKEY
AT DINNER HONOURING HEADS OF DELEGATION,
NORTH ATLANTIC ALLIANCE SUMMIT**

WASHINGTON D.C.

MAY 30, 1978

The President -- First of all, I would like to say that we are delighted to have you here.

This is our first dinner, or supper, in the Rose Garden and it has worked out very well. This is kind of a test of NATO's influence with the weather. (Laughter)

I would like to say, too, before anyone gets the wrong impression about our military commitment and our strength, although these representatives of our military bands can play the violin very beautifully, they also know how to fight, so we are good staunch allies there.

I have enjoyed very much being with our President this evening, Prime Minister Ecevit. I have learned a lot about politics from him. We have several very distinguished Members of Congress here, and I called one of them over to meet him tonight, Senator Bob Morgan from North Carolina. When he came over, Prime Minister Ecevit told him he used to live in North Carolina and worked for the Winston Salem Newspaper, and he said, "I've even got Tar Heel cuff links on," so he has taught me a great deal.

This is a wonderful occasion for us. Very seldom in the history of our Nation, and very seldom in the history of the White House, which has been here since 1801,



except for a brief interlude when some of Jim Callaghan's people got here in 1812 - (laughter) - have we had such a delightful and distinguished group of guests.

As a matter of fact, you are not exactly guests, because you are partners of ours in one of the finest and most noble endeavors in the history of the United States of America. We are proud of our relationship. Yesterday was Memorial Day, and throughout our country we paused to recognize the tremendous contribution in past years of men and women who have given their lives and offered their lives in the defence of our Nation, what it stands for, our principles, our ideals, and it is a great reminder of what NATO has meant to us, too.

We know what can be the price of preserving precious ideals. We know the value of a partnership formed in a time of danger, a time of war. We know the value of strong and able and deeply committed allies. And this is what NATO means to us.

For 30 years now, almost 30 years, the strength of NATO has permitted democracy and freedom to flourish. And it is with a great gratitude and a sense of common commitment and common purpose that we are gathered here for these two days of deliberations.

This Alliance has guaranteed our own security here in the United States and it has been of great value to us. It is one of the things we cherish most highly. For us, therefore, it has been a matter of necessity to be a partner with you in the North American (Atlantic) Alliance. And it has also been a fulfillment of what to us has been in the past, and still is, a moral obligation.

We learned, during two great wars in this country some profound and unforgettable lessons that through strength can come peace, and that in awareness of a common resolution among free men and women there can be a conviction of potential adversaries that it is better for mutual respect and the preservation of peace.

We want a strong defense. We assured that. We want a general commitment to peace and mutual disarmament. And both those elements of our desires can be guaranteed only through the accurate image of a capable and deep commitment to mutual strength.

I think the United States is particularly well qualified to be the host of NATO, the members of the North American (Atlantic) Alliance. We are not only your friends, but we are your kinfolks, we are your relatives. Throughout our country there are tens of millions of people who look upon your country as the second homeland. And it would be impressive to you if you could have shared the two years of campaign experience that I enjoyed around this nation, or rather that I experienced around this nation, - (laughter) - to witness the deep sense of pride and a desire to protect the heritage that Americans share with their relatives in your own home countries. So that, I think, qualifies us to be the host for this notable occasion.

In a few minutes we will leave here and go down on the front lawn to witness again one of the great ballet performances available throughout the world. And the heritage of common beliefs, common ideals, and also common culture and enjoyment is what we enjoy from the older countries in the European area. We feel that we share a common commitment to democracy; we share a common commitment to liberty; we share a common commitment to the rule of law. So I would like to propose a toast on behalf of the people of the United States of America to the people whom you represent as our allies in Canada and in the European area, to the North American (Atlantic) Alliance, the guardian of safety, the servant of freedom and the instrument of peace.



Prime Minister Ecevit: Allow me, Mr. President, to say a few words as Honorary President.

I wish to thank you in the name of all my colleagues and my wife. I wish to thank you, Mr. President, and Mrs. Carter, for being such nice hosts to us this evening in this family atmosphere which made us feel really in the heart of America. We have had a very interesting session, or rather sessions today in the NATO Council meeting in the true spirit of democracy, where everything, every idea was expressed and criticized freely in the search for a better way of life.

The North Atlantic Treaty Community consists of nations who are all attached to the ideal of democracy, who all have great respect for human freedom and for human rights. There may be problems within the Alliance. In fact, there are problems within the Alliance that we have spoken about today. There may even at times be differences between some members of the Alliance, as in fact there are to some extent today. But I think there is a bond that will survive all such differences in NATO, and that is the attachment of our peoples to democracy and to freedom.

We are living in a rapidly changing time. And for institutions to survive such change, they must also learn to change themselves. They must not only be able to adapt to change but be agents of change themselves. And democratic communities can do that particularly easily because one important characteristic of democracy, in my mind, beyond its capacity for freedom, free thought and free expression, is the propensity for self-criticism, for self-questioning.

It is through self-questioning and through constantly questioning one's ideas, one's concepts, that mankind may make progress and has made progress, particularly, in the way of science.

And through such democratic self-criticism and self-questioning, I am sure we can find the best solutions to the North Atlantic Alliance as well.

NATO is a military organization. However, we are living in an age when battles are being given in non-military areas as well, and through non-military means. In our age, battles are mostly aimed at the minds of people, not with weapons, usually, but with ideas and ideologies. And I think the democratic countries are best equipped to deal with such battles if they can use their advantages well and in a conscious way, because democratic countries believe in the dignity of man and are based on respect and on belief in the creativity of man.

For this reason, that is, because of my conviction in the superiority of democracy and freedom, I also believe that NATO will survive all its problems and even in this rapidly changing world will still perform its functions.

I wish to thank you again, Mr. President, for being host to our meeting in Washington, and allow me to thank also the experienced and distinguished Secretary General, Mr. Luns, who has helped to make this meeting, our sessions today, very lively, by forcing us to enter into a democratic debate in many sensitive subjects. And I think they have been very useful debates.

I would like to ask your permission to wish you and Mrs. Carter and all your children and family every happiness. And I wish all my colleagues here, all our American friends, and all the peoples of the member countries of NATO, every happiness and success.

of the world's many dangerous frontiers is the one between Turkey and Greece. Four years ago you ordered Turkish troops to invade the island of Cyprus, while Turkish Cypriots and Greek Cypriots have been fighting for years.



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I would like to ask your permission to wish you and Mrs. Carter and all your
colleagues and family every happiness. And I wish all my colleagues here all our
best wishes and all the people of the member countries of NATO every
happiness and well-being.



**INTERVIEW ON "THE TODAY SHOW" BY
TOM BROKAW OF NBC TELEVISION**

**WASHINGTON D.C.
MAY 30, 1978**

Tom Brokaw: The leaders of the fourteen nations of the North Atlantic Treaty Organization, NATO, are meeting in Washington later this morning. NATO faces a number of problems these days, among them the role of Turkey, which stands between the Soviet Union and the Middle East oil fields. Lately, there has been some confusion in the Alliance as a result of a continuing feud between Turkey and another member of NATO, Greece. There have been hints from the Turks, most recently last night, that they are looking to improve their relations with the Soviet Union.

The Premier of Turkey, Premier Ecevit, is in Washington News Center this morning with "Today" correspondent Bob Abernethy to talk about these and other issues.

Gentlemen, good morning.

Bob Abernethy: Good morning, Tom. Welcome, Mr. Prime Minister.

Prime Minister Bülent Ecevit: Thank you.

Abernethy: One of the world's many dangerous rivalries is the one between Turkey and Greece. Four years ago, you ordered Turkish troops to invade the Island of Cyprus, where Turkish Cypriots and Greek Cypriots have been fighting for years.



But last night here, you met again face to face with the Prime Minister of Greece, Mr. Karamanlis. Did you make any progress toward settling the Cyprus?...

Prime Minister Ecevit: I would first make a small correction. We didn't really invade Cyprus in '74. We are a guarantor power, together with Greece...

Abernethy: Turkish troops went into Cyprus.

Prime Minister Ecevit: That's right, based on our right as a guarantor power.

Well, we had a good talk with Mr. Karamanlis, the Prime Minister of Greece, last night. We had met in March to start a dialogue, but there was a break. I'm glad that we could resume this dialogue, and I'm hopeful about the future.

Abernethy: When Turkish troops went into Cyprus, they used U.S. military equipment, something many people here thought was specially forbidden under the terms of our aid agreement. So Congress cut off any more U.S. military aid to Turkey.

How much has that hurt you?

Prime Minister Ecevit: Well, Turkey, perhaps more than many other NATO countries, has been over-dependent on American supplied armaments and other military material. So when some of the supply was cut off for over three years, this has obviously impaired Turkey's defence capability a lot. But not only Turkey's; also of NATO's, because Turkey is situated, as you know, in a very critical part of the world.

Abernethy: While you're here in Washington, you're going to be going - you're going to be having talks with members of the Senate and members of the House...

Prime Minister Ecevit: That's right.

Abernethy: ... to try to get this arms embargo lifted. Do you feel at a disadvantage in dealing with the United States Congress because there are so many more Americans of Greek background than there are of Turkish background?

Prime Minister Ecevit: Well, this is a problem that we have to learn to live with, that the ethnic lobbies play an increasingly important part in the international relations of a big power with worldwide responsibilities. So it creates sometimes embarrassing situations. Usually, a country deals with another country's government, but, in the case of dealing with the United States, that seems to be not enough.

Abernethy: One sign after another recently, Mr. Prime Minister, has seemed to many high officials in Washington (as) evidence of a more powerful and more aggressive Soviet Union, in Europe, Africa, much of the world.

Yet you're quoted today as saying you see no particular threat. Indeed, you're going to visit Moscow next month and will probably sign there some kind of agreement. How do you explain this apparently wide difference in way you see East-West relations and the way so many people here in Washington see them?

Prime Minister Ecevit: I don't think basically there is a wide difference. Of course, people may be cautious, and there may be merit in remaining cautious about



one another in the world. But certainly the conditions in the world are much better than in the years of Cold War. After all, there is continuous dialogue and even cooperation in some areas between the United States and the Soviet Union.

Turkey has lagged behind this trend of closer relations between NATO countries and the socialist countries, and we are now trying to catch up.

Abernethy: But are you unconcerned about the huge recent Soviet build-up in Eastern Europe, for instance?

Prime Minister Ecevit: Yes. But..

Abernethy: You are concerned about it.

Prime Minister Ecevit: ... the Soviet Union does not have as threatening an attitude towards Turkey as it did some years ago.

Abernethy: Do you think that the many expressions of concern about what's going on now from President Carter, Vice President Mondale last week, Mr. Brzezinski over the weekend: do you think these many expressions of concern here about what the Soviet Union is doing in the world have been exaggerated? Are these concerns exaggerated here?

Prime Minister Ecevit: I don't know. But if concerns are to be convincing, they should not be left in words alone. If there is a really room for concern, then the NATO Alliance and the United States, as well as its Congress, should give greater importance to the defence capability of Turkey, so that a vacuum should not be left in the most critical part of the world and in the most vital wing of NATO where Turkey is situated.

Abernethy: Anything else do you think the NATO countries should do besides lift this arms embargo against Turkey?

Prime Minister Ecevit: Well, NATO has an obligation, has a treaty obligation to help those member states who are not economically well off, to strengthen their economy as well, because defence and economy are obviously indivisible. And Turkey, for many years, has carried an inproportionately great burden for the sake of collective defense within NATO.

So I think it's high time our NATO allies should realize that they owe something to Turkey.

Abernethy: Mr. Prime Minister, Tom Brokaw has a question in New York. Tom?

Brokaw: Mr. Prime Minister, is it possible you could work out an arrangement with the Soviet Union that would be so satisfactory to your country on a unilateral basis that you would be compelled to withdraw from NATO should the American Congress not lift the arms embargo?

Prime Minister Ecevit: We do not intend to leave NATO in any case, because we believe that the front in which we have a stake is based on a rather delicate balance, and Turkey has a responsibility to maintain that balance.

Abernethy: But is there - is there a conflict, do you see any conflict in your position? Here you are honorary chairman of the NATO meeting opening this morning; this on the one hand. And on the other hand, you are trying to improve your country's relations with the Soviet Union.



Prime Minister Ecevit: Well, all the member countries of NATO have been trying to improve their relations with the Soviet Union. As I said, we lag behind and we are trying to catch up.

Abernethy: You told President Carter you don't want to sign a long-term NATO declaration because that might provoke your neighbours, presumably Russia. You sit right on Russia's southern border. Do you think it's in Turkey's best interest to become somewhat more neutral?

Prime Minister Ecevit: Well, you see there was a proposed declaration and a long-term program. Now, about the long-term program, we are not in a position because of the American Embargo to plan for the future of our own national defence. So at this moment, we are unable to commit ourselves to planning for the future of NATO, not because we undervalue the usefulness of NATO, but NATO does not seem to value Turkey's possible contribution to NATO sufficiently.

Abernethy: Prime Minister Ecevit, our time is up. I'm sorry. Many thanks to you.

Prime Minister Ecevit: Thank you. It has been a pleasure;

Abernethy: Back to Tom.

Brokaw: Gentlemen, thank you very much.

**STATEMENT AS PRESIDENT D'HONNEUR OF THE
NORTH ATLANTIC COUNCIL AT THE
OPENING SESSION OF THE MINISTERIAL MEETING**

**WASHINGTON D.C.
MAY 30, 1978**

In opening the session of the North Atlantic Council with the participation of heads of state and government, it is a pleasant duty for me to offer, on behalf of all my colleagues, our sincere thanks to President Carter and to the United States Government for extending their kind hospitality to us in the best traditions of the American people.

The distinguishing characteristic of the North Atlantic Treaty is that its function is not confined to providing for security for its members through collective effort and co-operation, it is also dedicated to preserve and sustain certain moral values like freedom and human rights and to ensure the survival and peaceful spreading of democracy.

It is to be noted with satisfaction that today these moral values are more valid and more widely enjoyed than ever in all the member states and that democracy exists and successfully operates in all of them.

If we consider that freedom, human rights and democracy have not made much progress in the world outside the North Atlantic Alliance in recent years, it becomes clear that membership in NATO is an important factor - in promoting these moral values and democracy. It is also clear, however, that our Alliance has not been very

effective in spreading such values and in spreading the ideal of democracy beyond the boundaries of its member countries.

This may be partly the result of differing conditions in many other countries, but it also is probably due to failure in finding the right approach in relations with countries outside the Alliance and to the insufficiency of rapport with the rest of the world.

This insufficiency can be reduced or compensated for, not through trying to impose our values or regimes on others, but through greater efforts for mutual understanding.

One of the most important of human rights is the right to live in peace and security. Efforts to spread respect for human rights and freedoms should therefore be in a way that would strengthen peace and security.

The best way to achieve this may be through increasing the opportunities of free human contact, cultural exchange and co-operation throughout the world and also through helping to prove the viability and efficiency of democracy even in societies at the stage of development.

The North Atlantic Alliance has substantially contributed to the elimination of the cold war and later to the evolution of the cold war and later to the evolution of detente.

Yet detente, in a rapidly changing world, cannot be based on a static balance and cannot depend on the freezing of conditions.

NATO should try to become a more effective agent of positive change in this rapidly evolving world, and it should seek a dynamic rather than a static balance - dynamic in a way that would eventually change the nature of detente itself. Detente, based now mainly on a balance of armed deterrence, should become based more on mutual understanding and confidence, so that it would eventually lead to a sounder and healthier peace.

With this purpose, NATO and the member countries should seek to replace alienation with increasing dialogue between the two collective security systems as well as with the rest of the world.

Free societies should not be afraid of exchange and open societies should open up more to the world.

If detente is indivisible in our increasingly smaller and interdependent world, then our Alliance should not remain aloof to the problems and to the legitimate concerns of those outside the Alliance and should refrain from alienating them.

It is through contributing to a sounder peace and to the emergence of an atmosphere of mutual confidence and balanced and healthy development all around the world that NATO can best ensure security and peaceful prosperity for its own members as well.

We must, therefore, see to it that NATO does not appear as a club of the privileged, or as a self-centered gathering of nations, in the eyes of the others.

While striving for the kind of detente and peace I have tried to describe, it is natural that the North Atlantic Alliance should not underestimate, in the existing world conditions, the value and necessity of deterrence.

Deterrence cannot be achieved however through armed strength alone. The deterring power of an Alliance should also be achieved and increased:

- Through an evenly-spread defense capability that leaves no power vacuums in the collective defence system,
- Through an even division of responsibility, so that over-dependence on one ally can be replaced by interdependency among all the members,
- Through solidarity among all the members,
- And through the credibility of each ally in the eyes of the other members as well as through the credibility,

of the Alliance as a whole in the eyes of the rest of the world.

These, together with continued attachment to the democratic and humane values that underlie our Alliance, would and should increase its moral strength and, there should be no doubt that, moral strength is at least as important as material strength.

It would be fair to say that some of these criteria of moral strength do not exist to a satisfactory degree in our Alliance at present.

This is perhaps due, to some extent, to the relaxation of the sense of responsibility that has come with detente.

When we met in Brussels in June 1974 to sign the Declaration on Atlantic Relations, I had said that the most reliable tests for an Alliance were periods of detente and peace... If an Alliance could survive a period of detente and peace, if it could overcome and survive the problems and conflicts that may emerge in an Alliance during times of peace and detente, then, and only then, could one be sure of the viability and reliability of that Alliance.

I think there are sufficient causes of concern, within the North Atlantic Alliance at present to allow me to repeat with greater emphasis these remarks that I made four years earlier.

Such tensions, difficulties and differences as we have within the Alliance can and should be solved in a climate of mutual understanding.

In order to do that, we must frankly discuss and analyse the underlying causes of our difficulties and show the resolution and responsibility to solve them promptly.

As to our approach to East-West relations, I believe that it should be guided by a broad vision of deepening mutual understanding, ensuring that co-operation among countries of the West and East may eventually replace competition by creating a web of mutual interests.

The growing interdependence in the present-day world gives us hope of achieving such a relationship. We must also bear in mind that the world is not made up only of members of this Alliance and of the Warsaw Pact. At present, the world revolves on two axes, one East-West, the other North-South. Progress and dynamic stability should apply on both of those two fronts. We must renew the pledge made in the declaration on Atlantic Relations to help others - to help developing countries to achieve the objectives of democracy, human rights, justice and economic and social progress and we must honour more convincingly our pledge to an open and equitable world system.

In the meantime, we ought to strive for a fair and effective order of economic support, co-operation and solidarity within the Alliance, keeping in view the indivisibility of defense capability from economic strength and remembering that one of the main objectives of obtaining peace and security is to ensure prosperity and welfare. Defence measures are only means to this end. We must not let the means obliterate the end.



As this meeting is taking place, the special session of the United Nations General Assembly is also meeting to discuss the issue of disarmament and arms control. This is a question not only of man's survival but also of the healthy development of the countries of the world.

Defense measures and disarmament may at first sight seem contradictory. This is, however, part of the contradictions of our times. We must be striving towards harmony through such contradictions. We can do so, in the case of progress towards disarmament, by trying, as I said earlier in my talk, eventually to change the nature of detente, basing it increasingly on mutual understanding and confidence, rather than on armed deterrence.

Our association of nations aims at preserving and strengthening peace, not only through arming and collective defence, but also and to a greater degree through concentrating on freedom and justice, through respect for human dignity and through efforts for the progress, prosperity and welfare of all mankind.

I wish all the member nations of the North Atlantic Alliance peace and progress in this honourable path.



**STATEMENT TO THE PRESS
AT NATIONAL PRESS CLUB**

**WASHINGTON D.C.
JUNE 1, 1978**

It is a great honour and pleasure for me to have this opportunity of addressing you. We have had a very useful and lively meeting on the occasion of the NATO Council Meeting in Washington. Every important issue was discussed in a free way in the true spirit of democracy, and President Carter's press conference following the NATO meeting has been very encouraging for me because he has stressed the importance of lifting the embargo that has been impairing Turkish-American relations, as well as Turkey's defence and possibilities of contribution to collective defense. He stressed this point in a very explicit and convincing manner.

I would like to take this opportunity to thank him publicly for his remarks yesterday.

We attach great importance to Turkish-American relations, which have remained rather stagnant in recent years and which we would very much like to revitalize, not only in the interest of both our countries, but also in the interest of world peace as a whole, because I believe that the continuation of a fruitful cooperation between Turkey and the United States is essential to maintain the delicate balance on which detente is based.

As a result of the armaments embargo, which has been in effect for over three years, the credibility as well as the deterrence of NATO has been seriously impaired in a strategically most important part of the world, and a power vacuum has to a large extent emerged, which is very dangerous even in a time of detente, because after all, we are still at a stage in human history where detente and peace are based on a balance of deterrence rather than on higher or loftier balances.

There may be no imminent danger in the world today. Turkey may not be facing urgent dangers these days and in the foreseeable future, but when a serious imbalance occurs, it may by itself be a cause of danger to the world.

Regarding relations between Turkey and the United States, the embargo's adverse effects have been two-fold, not only in the way of reducing our possibilities of cooperation with our ally and friend, with the United States, not only because it has materially reduced the defence capability of Turkey, but the adverse moral effects of the embargo on our relationship has been even greater. Although we have done everything to see to it that the public reaction in Turkey as a result of the embargo should not be emotionalized, and my party, even as the opposition, has exerted great efforts to insure that it would not be emotionalized, so that feelings do not get out of control, because, fortunately, in a way, feelings still play an important role in the world even in international relations.

The American embargo has also damaged our economy. During the last few years, we have been passing through the worst economic crisis in our republican history. It would not be fair to say that the embargo has been exclusively responsible for it, but it has been partially responsible for it. Turkey in any case has been carrying an unfair degree of responsibility for NATO over the years. We failed to realize for a long time that defence and economy are indivisible. We have overdone, perhaps, our defence commitments at the risk of weakening our economy, yet a defence structure built upon a weak economy is no reliable defence structure. So, we have been trying to learn from past mistakes and we believe that if the embargo is lifted, we shall be able to establish our bilateral relations with the United States on a sounder basis.

We had problems with the European Economic Community which we are an associate member. I was in Brussels before coming to Washington and had high-level discussions there. We are trying to improve our relations with the European Economic Community. NATO and the European Economic Community, are important institutional ties between Turkey and the democratic countries of the west, but our relationship with the west goes beyond that. It has in effect deeper foundations, because at the root of our affinity with the west is the Turkish people's attachment to democracy, to freedom, and to human rights. I think it would be right to say that Turkey is the only developing country in the world where democracy has survived continuously since the Second World War, in spite of immense economic difficulties, and in spite of immense political and social crises.

If it were not for the Turkish People's attachment to democracy, our problems and frustrations with our friends and partners in the west would have taken Turkey much further away in other directions, but democracy in a sense is a culture, a culture based on respect for human dignity and human freedom, and it is this cultural bond that really attaches, that really brings together Turkey with the democratic countries of the west. Our friends in the west have usually evaluated Turkey according

to the contribution that Turkey might make to collective defense through the bravery of her people, but I think Turkey deserves to be evaluated according to other criteria as well, particularly according to the criteria of her success in democracy, because, after all, our alliance is not a mere military alliance. It is a military alliance with other objectives that much transcend pure defence considerations. It is an organization. It is an alliance aiming at strengthening and spreading democracy and freedom, and Turkey is not satisfied, I may add, to be considered solely as the armed guard or frontier guard, of an alliance. She can perform a better function in this period of detente and in this rapidly changing and searching world as the frontier force of democracy. If democracy continues to survive successfully in Turkey as a developing country, I am sure it may be an encouraging example for many other democratic countries as well. Yet, our continuing economic problems may put our democracy to severer tests than before. So, we would appreciate economic support from our friends, as well as military support, to be able to serve better the cause of democracy and freedom. It need not be and should not be a one kind support. We know that one kind support is of transitory value. Turkey has sufficiently developed economic and industrial resources to enable her to cooperate with her partners in a way that would be beneficial not only to the economy of Turkey itself, but to her partners' and allies' economic as well.

I would now like to dwell upon some of our international problems, which have become of concern to the United States as well, that is, the Cyprus issue and our problems with Greece. Until we took over governmental responsibility at the beginning of this year, the official view in Turkey was that the Turkish side could not and would not act under pressure of the embargo to find solutions to Cyprus the Aegean problems. We changed that view when we took office. In fact, we have never subscribed to it even while in opposition. We maintained that if we considered it unwise to link the Cyprus issue and Greek problems to our Turkish-American relations, then we should first separate them in our own minds and then in our actions. During first few days of our new government, we declared we would not make the lifting of the embargo a pre-requisite for beginning of the search for solutions the Cyprus issue and to the Turkish-Greek problems, we reached complete agreement with the Turkish Cypriot administration and with our moral backing, and with our sharing of the political responsibility, the Turkish Cypriot administration produced concrete and constructive proposals in the hope that they might provide a basis for the resumption of intercommunal talks in Cyprus. However the Greek Cypriot administration rejected these proposals outright and initiated a wide spread campaign in the world, particularly in the democratic countries, to minimize and to discredit the proposals of the Turkish Cypriot community, and I must add, they have been rather successful in spreading this false impression in many countries. On the other hand, again soon after taking over, we approached Greece, inviting them to establish a dialogue at Prime Ministerial level to look for solutions to our bilateral problems and other problems of mutual concern. After my second approach, Mr. Karamanlis kindly accepted and we had a good beginning to our talks in Montreux March this year. It was a hopeful beginning and we decided to continue the talks, supplementing them with high-level, technical talks. The first of such talks was scheduled to take place on the 14th of April, this year, but in the meantime, soon after the disclosure of the Turkish proposals President Carter approached Congress asking them to lift the embargo. As soon as President Carter made the appeal, the Greek govern-



ment in Athens unfortunately postponed the meeting that was scheduled to be held in Ankara. So, our talks were interrupted. They have fortunately been resumed. We decided to resume talks during a meeting with my distinguished colleague, Mr. Karamalis, three days earlier in Washington. I hope that it may not be interrupted again. But I have mentioned these instances as indications of the counterproductive effect of the embargo. Until the beginning of this year, many people did accept the counter-productivity of the embargo from another angle. They said that Turkey and the Turkish Cypriots would not make a move until the embargo was lifted. We changed this attitude this year. We made the move before waiting for the lifting of the embargo, even before President Carter asked for the lifting of the embargo, but now the Greeks are not making a moves because they are obviously more interested in seeing to it that the American pressures over Turkey continue and in seeing to it that they have the chance of what they officially call the long struggle for return to the status quo ante in Cyprus. They seem to be more interested in this than in a federal solution.

If the intercommunal talks were to be resumed, and were to continue in a fruitful vein, obviously, people in the United States and also in the Congress, would be thinking that, well, the way has been open for rapprochement, we should be helping it by lifting the embargo, and I have the impression that our, and I still would lie to call them sincerely "friends", our friends, the Greeks do not want that to happen. Therefore, one way or the other, the American embargo has proved to be a damaging agent, not only for the Turkish-American relations and for Turkey's contribution to western defence solidarity, but also to the solution of the Cyprus problem and the problems between Turkey and Greece.

We believe not only in the possibility, but also in the necessity of establishing good and close relations with Greece. We believe that our joint interests, should outweigh the present troubles that strain the relations between the two neighbouring countries, and that if we create the right atmosphere, and find the right approach, we could easily solve or transcend our existing problems.

Now, allow me to take this opportunity to tell you briefly about the nature of the Turkish Cypriot proposals for a solution to Cyprus. Because, as I said earlier, the Greek Cypriot administration claims that they amount to nothing. For instance, the Greek Cypriot administration claims that the Turkish Cypriot proposals only involve 1 percent of land in the new geographical arrangements contemplated, whereas the Turkish proposals did not indicate any percentage at all in order to be flexible. Instead, the Turkish Cypriot administration indicated six areas in the Turkish controlled zone in Cyprus, in all of which they are ready and willing to negotiate geographical arrangements with the Greeks. This was a wiser attitude and a more realistic and flexible attitude, because, after all there is democracy in both parts of the island. To sit around the table with a clear cut proposal would make it much more difficult for both sides to negotiate and to change that line. Apart from those six regions, in which they are willing to negotiate land arrangements freely with the Greeks, they also proposed that the security zone extending from the east to the west of the island and comprising three percent of the territory should also be turned over to the Greeks completely. Thirdly, they propose that Varosha, which is economically the most important district of Cyprus, could be resettled by Greeks, which means that over 30.000 Greeks could settle there in a profitable way. Now, I don't think it would be a wise thing, a realistic approach, to make a fetish of percentages.

Percentage-wise, the district of Varosha may not mean anything, but economically it is perhaps worth half the island, and regarding the settlement possibilities that it provides, it could settle more than 10 percent of the island. The Turkish Cypriot administration also indicated, in the words of Mr. Denktaş himself, that they are open to negotiate the political framework of Varosha when the negotiations start.

Regarding the draft constitution which they proposed the Greek Cypriots have claimed that this is not a constitution for a federal state. It wouldn't be considered as a constitution even for a confederal state. They said it envisages the partition of the island, whereas, the draft constitution proposed by the Turkish Cypriots envisages a joint constitutional legislative and executive bodies of international communities. The Constitution also envisages several joint federal functions, such as foreign affairs, external defence, banking, foreign exchange and monetary affairs, federal budget, customs duties and tariffs, external communications, federal health services, tourism, etcetera. Apart from that, we have encouraged the Turkish Cypriot administration to include a water pipeline project to bring much needed water to Cyprus from Turkey, which would solve the water problem of the whole of Cyprus, for the Turks as well as for the Greeks. We have on various occasions indicated that it would not be a difficult problem to reopen Nicosia Airport, for instance, on an interim basis if the two communities are unable to agree on a final formula at the present stage. On the other hand, in spite of the fact that complete security has not been assured in Cyprus as of yet we have, contrary to the impression that is widely spread in many countries, during the last three years withdrawn about 16.000, and we shall continue that withdrawal. Although, of course, it would be impossible to pull them all back before a final settled State of Cyprus is established, and the security of the people is assured. It should be remembered that the Turkish troops, contrary to what many people think went there as a result of the obligation Turkey had towards Cyprus as a guarantor. Together with Greece and Britain, Turkey is a guarantor under international agreements registered at the United Nations. This is a very important point from an American legal aspect as well, because there has been so much dispute as to whether Turkey had the right to use certain armaments in Cyprus, but it is forgotten that Turkey sent her troops to Cyprus in 1974, under a treaty obligation.

I believe that there is sufficient evidence to indicate that the American embargo has not achieved anything. It has neither proved good for Turkish-American relations nor for our collective security system. It has not helped Turkish-Greek relations at all. On the contrary, it has aggravated them, and it has not eased the way for a solution to the Cyprus problem. Therefore, it has been very encouraging and hopeful to see that the President yesterday has taken an open stand in ending this deadlock. It was wrong to link our relations with the United States to our problems with other countries, and I think it is high time we separated them here and now.

Thank you very much.

Question: As you noted, the Carter Administration favored the lifting of the embargo. The question was asked, if Congress does not vote to lift the embargo, how will Turkey react?

Prime Minister Ecevit: Turkey will react in a responsible way

(General applause)

Prime Minister Ecevit:—in a way that will not damage Turkish-American relations irrevocably, but also in a way that will give priority to Turkey's own national

security. It will inevitably reduce Turkey's contribution to collective defence, not because we wish it so, but because we couldn't do otherwise as our defence capacity is not unlimited.

We have never adopted a threatening attitude or blackmailing attitude. We haven't, for instance, threatened to retire from NATO, even if the embargo were not to be lifted. We haven't threatened to retire even from the military structure of NATO, as Greece has retired, if the embargo were not to be lifted.

I think the Turkish people have had cause to react much more strongly against America than the Greek people, but, as I said, we have avoided emotionalism and, today, there is much less reaction in Turkey against America than in Greece.

So, we would still continue to play our part in the collective security, of the region but with greater limits. Thank you.

(General applause)

Question: The questioner would like to know what the annual cost of the Turkish operations in Cyprus is, and asks why should the American people subsidize this with foreign aid, military or otherwise?

Prime Minister Ecevit: I don't think that America has been subsidising it. In fact, it doesn't make much difference financially whether the Turkish troops are stationed in Turkey or 40 miles away in Cyprus. Thank you.

(General applause)

Question: As a follow-up to that, the questioner asks, do Turkish Armed Forces in Cyprus still carry American-supplied arms? If not, why not assert that as a reason to lift the embargo? If they do, why not remove them, as an argument to lift the embargo?

Prime Minister Ecevit: The Turkish units in Cyprus do not have to carry sophisticated armaments, and we are able to produce unsophisticated armaments. Thank you.

(General laughter and applause.)

Question: We have several questions about Turkish settlements in Cyprus, and the questioners ask in general, will the policy of settling mainland Turks in Cyprus continue?

Prime Minister Ecevit: No, it will not continue. A very handful of people may have gone there but we do not intend to send anyone to settle in Cyprus. Our government only occasionally sends technical advisers on a temporary basis. Thank you.

Question: The questioner would like you to explain, I suppose briefly, the difference between President Carter's and your view of the Soviet threat to Turkey and the NATO Salt Plan.

Prime Minister Ecevit: If President Carter's view is more realistic, then there is so much more reason to lift the embargo. Thank you.

(General laughter and applause)

Question: I don't know if we wanted it quite that brief.

(General laughter)

Question: The next questioner asks you to please summarize for us what was accomplished at this week's NATO Summit meeting from Turkey's point of view?

Prime Minister Ecevit: Well, of course, we can't disassociate Turkey's point of view from the joint interests of the Alliance as a whole. And I think from that wider angle, it has been a promising meeting. Your President told you that this is my third term as Prime Minister, but my first term was only for nine months and my second only

for one month. So, this is the first time that I have attended a NATO Council meeting with the exception of a ceremonial meeting in 1974 on the 25 th anniversary of NATO -- but, those who know, those who were present at other similar meetings, all agree that this has been the liveliest and the most interesting NATO meeting ever held.

One of the most important results was the acceptance of a proper defence program for future years. Unfortunately, Turkey was not able to subscribe to it at this stage, because she is not in a position to know what her military capabilities will be until the American decision on the embargo. But this was not a rejection on principle, we simply were not yet in a position to adhere to this program. Thank you.

Question: The questioner says Prime Minister (Callaghan) has criticized the Americans for being so many "Christopher Columbuses" just discovering Africa, do you feel a similar lack of knowledge in your sector of the world?

I think the questioner is asking if you think the Americans are dumb about Turkey?

(General laughter)

Prime Minister Ecevit: That is a very diplomatic way of putting the question. You put it the way a journalist would put it.

(General laughter.)

Prime Minister Ecevit: Well, I think the Administration realizes and appreciates the value of Turkey. Now, the President reminded me that my answer to a previous question had been too brief. May be I should combine the two questions and elaborate on that, as well.

I think - if you would allow me to go back to a previous question before returning to the present one - the seeming difference that some people may perceive, in President Carter's or other responsible American personalities' evaluation of the world situation, and in mine too, there need not be a conflict. After all, we all agree that detente is a reality. We may disagree about the degree of detente, but certainly, it is better than a Cold War. Perhaps it is not the kind of peace that we would aspire to, but it is not a Cold War. It is more like Cold Peace, I think there is agreement about that. But, it is the correct attitude, in my view also, not to take things too easily by saying that there is detente and we can relax. If we do that, then, detente may gradually disappear.

It is a fact that we are not threatened by the Soviet Union at the moment, nor in the foreseeable future, but this does not mean that Turkey can afford to reduce her deterrent power. After all, we are situated in a part of the world where things may flare up from any corner at any time. Turkey ought to be prepared for any eventuality.

I am sure that the Administration in this country appreciates it and I am sure that every day more people in the Congress will also appreciate it. Thank you.

Question: A little more technical question: The question asks, how extensive are your Air Force modernization requirements, and what aircraft are you interested in?

Secondly, would you consider Soviet arms if the embargo continues?

Prime Minister Ecevit: As I told you, we intend to remain in NATO, and it would not be very seemly for countries in different alliances to get armaments from one another, and that is my answer to the second part of the question.

The first part of the question is too technical for me, but I know that the hardest hit of our Armed Forces is the Air Force, not only in equipment but in training facilities, as well. For instance, when we co-operated in training, the performances were not higher, because we don't have your training facilities, although we have very capable people. I think that the harm done to the Air Force is considerable. It would be beyond my sphere of authority to go into the details. Thank you.

Question: We almost always get questions based on editorial comments. The questioner says that he or she has heard of difficulties encountered by Armenian, Greek and other religious, educational social and cultural institutions in Turkey and then the questioner asks a question about discrimination and harassment and if you are taking steps to correct them? In other words, have you stopped beating your wife?

(General laughter)

Prime Minister Ecevit: Thank you for that question. Soon after we took over governmental responsibility, or, rather, to be more precise, from March on, delegations from the Greek Orthodox and Armenian communities visited me. They told me about their problems and we promised to solve them, and we began doing so. I followed them up personally-with some members of the Cabinet - because we know that bureaucracy sometimes has the habit carrying on in its own way in spite of political decisions. In fact, after I left Turkey this time I had to make a stop for a few days in Brussels. I heard that some of my promises were not being dealt with properly by the administration, I established telephone contact and I had them corrected.

I am convinced, I can tell you that all these problems will be solved within a few weeks. They are parts of the Turkish nation, our concept of nationality is not based on racial differences in anyway. And, it is our national duty to try and solve the problems of all minorities. Thank you.

(General applause.)

Question: The question was asked, whether you think the climate is attractive for foreign oil company investment activity in Turkey, and how will Turkey acquire a secure supply of crude oil without such an involvement?

Prime Minister Ecevit: **There have been some problems between the foreign oil refinery in Mersin and the Ministry concerned**, but I don't think it's crucial problem. Production has fallen and the Government, or the Ministry concerned, alone has the authority to ask for an increase in production, and if this is not done, then we can take legal measures. But, I am hopeful that things will be corrected without the need to have recourse to such measures. In any case, my Government is willing to encourage cooperation with foreign technology and investment.

I had a meeting with industrialists in Germany last month, and I shall meet with banking people and industrialists and entrepreneurs in New York from today, and we shall encourage cooperation with foreign know-how and capital, of course. keeping in view the independence and the interest of Turkey.

We even have an interesting plan in our minds, if I may take this occasion to refer to it. During the last five years there has been an interesting phenomenon in the world, an interesting situation. There is a great deal of under-utilized technology in the highly developed industrialized countries, and a great deal of under-utilized capital generating in the Middle East. They have not yet been able to find a means of coming together in a productive way. There has been a missing link, and

we believe that Turkey may provide that missing link because of her geopolitical position, because of the basis of industrialization in Turkey, and because of the large number of trained manpower available in Turkey.

So, we suggest to our friends among the developed countries that we could engage in trilateral forms of cooperation and bring the technologically developed countries, our friends in the Middle East and Turkey together for joint investments, not only to the benefit of the countries of the region, but I believe, to the benefit of the world economy as a whole. Thank you.

(General applause.)

Question: We have a number of questions on the Middle East, and I will try to ask one that perhaps summarizes them. What is your view of the U.S. arms sales to Middle Eastern Nations? Do you think this is a rational approach to stabilizing the area?

Prime Minister Ecevit: I think, without solving the essence of the problems, tensions will continue in the Middle East. The Palestinian question should, I believe, be given more serious consideration. A generation of Palestinians has grown up with the idea and with the aspirations of having their own State, and now they are being left alone by all. This is an important element that should be taken into consideration while searching for a lasting solution to the Middle East situation. It is my impression that the world cannot go anywhere if this basic question is avoided. Thank you.

(General applause.)

Question: As is usual in these cases, we have many, many more questions that we could ask and we could keep you here all afternoon, but we promised to keep it to an hour.

Mr. Prime Minister, we thank you very much for appearing here today, and we would like to present you with a National Press Club Certificate of Appreciation, and a National Press Club Jacket.

(General applause.)

Prime Minister Ecevit: Thank you. I usually wear a blue shirt, and this is called "Ecevit blue" in Turkey.

(General laughter and applause.)

Question: One final question: You claim to be a journalist. We want to know if you are truly qualified. When you worked in Winston-Salem, did you ever write obituaries?

(General laughter.)

Prime Minister Ecevit: No, I didn't write obituaries, but Mr. Carroll, the distinguished journalist, who was my boss there and who is with us here today with his charming wife, Peggy Carrol, Mr. Wallace Carrol and his associates gave me every opportunity to write on every aspect of American life in as free a manner as possible. In fact, I wrote a farewell article shortly before leaving Winston-Salem. It was full of praise, but there were some sharp criticisms as well, because there were some serious problems in North Carolina at that time, that was in 1954, and he said, "All right, I will publish it, but only after you leave Winston-Salem."

(General laughter.)

(General applause.)

(Whereupon, at 2 p.m., the Press Conference was concluded.)

we believe that Turkey may provide a promising laboratory for political liberalization in the Middle East. The Turkish government has a number of liberal-minded members who are active in the political arena. We believe that Turkey may provide a promising laboratory for political liberalization in the Middle East. The Turkish government has a number of liberal-minded members who are active in the political arena.

Question: Do you think this is a rational approach to establishing a Middle Eastern National Club?
Answer: I think this is a rational approach to establishing a Middle Eastern National Club. I think this is a rational approach to establishing a Middle Eastern National Club.

Question: As a result of these events, we have many more questions than answers. How do you see the future of Turkey?
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**INTERVIEW BY BARBARA WALTERS
OF ABC TELEVISION**

**WASHINGTON D.C.
JUNE 1, 1978**

Prime Minister Bülent Ecevit, citing Turkey's strategic importance to NATO, said he was optimistic the United States would lift its arms embargo against his country because "It's very dangerous to leave vacuums in a collective security system."

Ecevit, interviewed by ABC News Correspondent Barbara Walters, said "one can be more optimistic" that the United States will lift the embargo and that President Carter "realizes the importance of Turkey for the alliance and for detente and peace. "Portions of the interview was aired (June 1) on the "ABC Evening News."

Ecevit said his most important argument to persuade Congress to lift the embargo is Turkey's strategic location. "I am sure Turkey occupies a very important place in NATO. It's situated in a most critical part of the world... and it's very dangerous, even in times of detente, to leave vacuums in a collective security system.

Ecevit also said that the U.S. arms embargo has hurt Turkey's military effectiveness "by about 50 percent."

The transcript of the Ecevit interview:

Walters: Prime Minister, you met yesterday with President Carter. What did he tell you about his commitment to persuade Congress to lift the arms embargo against Turkey?

Ecevit: I got the impression that President Carter has decided to do all he can to insure the lifting of the embargo as soon as possible... in fact in the Press conference that he held after the NATO meeting he expressed this explicitly.

Walters: Did he say that he would give it the same support... the same push, that he gave to getting the Panama Canal Treaty and the Mideast arms sales passed?

Ecevit: Well, he didn't make comparisons, of course, but I have the impression that he will put all his weight on it because he realizes the importance of Turkey for the alliance and for detente and peace.

Walters: Mr. Prime Minister, while you've been here yourself, do you feel that the arms embargo will be lifted?

Ecevit: Well, I haven't had much chance of contact outside the NATO Council meeting yet. I shall have the opportunity of meeting Congressmen in the days ahead, but my overall impression is that one can be more optimistic about the results, although one can't be sure yet.

Walters: You'll be meeting with Congressmen Brademas, who is your chief opponent?

Ecevit: I shall be meeting such Congressmen, who have been against the lifting of the embargo, as well.

Walters: What is your most important argument, do you think, to persuade Congress to lift the embargo?

Ecevit: Well, if NATO still has a function to perform in the world, and I am sure that it has, I am sure Turkey occupies a very important place in NATO. It's situated as you know, in a most critical part of the world .. and it's very dangerous even in a time of detente, to leave vacuums in a collective security system. Now, as a result of the embargo, and as a result of the Greek/Turkish dispute in the Aegean, for instance, the areas of responsibility have been undecided for a long time. There is a vacuum there, in a sense. And in the words of General Haig, as a result of the embargo, the military effectiveness of the Turkish armored forces, from the angle of equipment, has deteriorated by about 50 %.. and within a few years many of our armaments may become obsolete. In view of Turkey's strategically very important position, I am sure this is a very serious matter.

Walters: Mr. Prime Minister, suppose the arms embargo is not lifted. Would you pull Turkey out of NATO?

Ecevit: No, I have always said explicitly that, we would still want to remain in NATO because, as I said, NATO still has a function to perform, and Turkey, being situated in a very important part of the world, and the Turkish people being a very experienced and responsible people, we feel that we have a responsibility to the world, and too radical moves to be made by Turkey may upset the world balance in a way that may impair detente. So, we do not want to leave NATO. We attach importance to it. However, if the embargo is not lifted, obviously and inevitably our possibilities of contributing to collective defence, will be considerable reduced.

Walters: ... continued ... for a NATO commitment regarding Africa. What's your view?

Ecevit: I don't think he meant NATO commitment, really, but obviously in the small world that we have, in the interdependent world that we are living on

today, no military alliance could remain aloof to what's happening in other parts of the world. That doesn't mean that this alliance need have commitments to areas beyond its boundaries, but certainly it may be affected by what's going on in other parts of the world. But I do not think that NATO, in any way, would or should, intervene in areas outside its boundaries.

Walters: Do you think that the United States is overreacting to the Soviet/Cuban presence in Africa?

Ecevit: Well, we have made a realistic assessment of the issue in the NATO meeting. Of course, I'm not authorized to make any disclosures, but it's my opinion that there are reasons going deeper than those concerning East/West relations behind what's going on in Africa... and that is in fact indicated in the final communique of the NATO Council meeting. After all, there are historic reasons... there are ethnic reasons... there are social and economic reasons... behind what's going on in Africa. And when there are conflicts arising out of such deep-rooted problems, many countries, no matter to which block they belong, may try to exploit them. What is important, is to give the Africans a chance to try and settle their own problems without the involvement of others through exchange between themselves, and through their own organizations. And this is the spirit of the NATO community.

Walters: But do you think that the United States is overreacting? Are we getting too concerned?

Ecevit: Well, I wouldn't like to pass comments on the reaction of another country at the moment.

Walters: Mr. Prime Minister, you're going to go to the Soviet Union next month. Will you be signing a non-aggression agreement with the Soviet Union?

Ecevit: No. We had agreed, long before our government came to office early this year. It was agreed between the two countries that a political document should be signed between the two neighbouring countries. After all, we have increasingly good relations with all the regional countries, with the unfortunate exception of our only NATO ally in the region... that is Greece. And the political document that was envisaged between the two countries may be signed during my forthcoming visit to the Soviet Union, the content of which is not decided yet. It's being discussed between the two countries. It will probably include certain basic principles about the friendly relations and cooperation. And principles that would further insure mutual confidence between the two neighbouring countries.

Walters: Mr. Prime Minister, the central problem, of course, between the United States and Turkey, is what is going to happen in Cyprus?

Ecevit: Well, of course, this should not be an essential problem pertaining to Turkish/American relations, but because it did become sort of an essential problem between Turkey and the United States, the Cyprus problem has become practically insoluble.

Walters: Is it insoluble. Is there a solution now to Cyprus?

Ecevit: ... continued .. as long as time American embargo persisted because it would appear as if acting under pressure. But we changed that position when we took over the government and responsibility early this year and we said, we first have to unlink, do dissociate Cyprus issues from our relations with the United States, so even if the embargo is not going to be lifted, we are going to make the moves that we ought to make to ease the solution to the Cyprus problem.. and also to ease the tension between Turkey and Greece. And we encourage the Turkish Cypriot administration

to take the initiative in coming up with complete proposals, which indeed they did. They gave their proposals to Secretary General Kurt Waldheim in April, in mid-April this year... proposals that Mr. Waldheim himself defined as complete and substantial. However, the Greek Cypriots rejected these proposals as a basis for negotiation, although the Turkish Cypriot community had said from the beginning that their proposals constituted a negotiating position, indicating that they would have a flexible attitude once the negotiations started. But the Greeks tried to discredit the Turkish proposals, by saying for instance, that they only envisage a change of 1 % in the geographical arrangement. This is completely untrue because the Turkish Cypriots indicated 6 areas in the Turkish control zone in Cyprus, and said they were ready to discuss new land arrangements in all of these 6 areas. Apart from that, there is a security zone. extending from the East to the West, which comprises of 3% of the Island. And they said they would be prepared to let the Greek have all that security zone. What is more, they said that they would let Greeks be settled in Varosha, which would mean a settlement possibility for over 30.000 Greeks in a district of the Island, which economically may be worth half the Island. And the constitutional proposals included **about ten or twelve areas of joint responsibility in the juridical sense.**

Walters: Let me interrupt to ask you one specific question.. What happens now? I had understood that there **might** be meetings between you and the Greek Prime Minister and the two factions in Cyprus. **Would there be this meeting?**

Ecevit: That has been my proposal, Miss. Walters. You see, Mr. Kyprianou does not want it with Mr. Denktas on very unacceptable reasons. He said, for instance Mr. Denktas does not represent the Turkish community. This is a very unfair claim and it's not up to the head of another community, to make such a claim. When Mr. Kyprianou puts forth such excuses and reasons, I couldn't discuss with him the Cyprus problem, and after all it's the Turkish Cypriot administration which has the legal authority for discussing a final solution together with the Greek community I suggested, instead, that we four should come together for an informal meeting.. Mr. Karamanlis and myself, on the one hand, and Mr. Denktas and Mr. Kyprianou **on the other hand..** while all four of us are here in the United States.

Walters: **Is that going to happen?**

Ecevit: I've had, thus far, no reply from Mr. Kyprianou. I have the hope that Mr. Karamanlis, who I saw in Washington, may **approach** Mr. Kyprianou, and ask if he would accept such a meeting.

Walters: I see, but right now there is no plan for all four of your to meet, and so the Cyprus situation is still at a stalemate.

Ecevit: I'm afraid it is at a stalemate. My impression is that, as long as the Greek Cypriots have the impression that American pressure over Turkey through the embargo, will persist, they will continue to adopt an intransigent attitude they want to see to it that pressures over the Turks continue so that they may eventually return to status quoante... that is the situation that existed before July, 1974.

Walters: Mr. Prime Minister, the feeling of those opposing the embargo is, that it's the only way to persuade to help resolve the Cyprus situation, but if the embargo is lifted, there is no pressure on Turkey.

Ecevit: Well, you see, such matters, cannot be solved under pressure. In any case, this claim cannot hold any longer, because, as I said, after our government took over early this year, we didn't wait for the lifting of the embargo in order to

encourage the Turkish Cypriots to come out with complete proposals, which they did. And again, we didn't wait for the lifting of the embargo to invite Mr. Karamanlis for discussions at the Prime Ministers' level.

Walters: Right now, Mr. Prime Minister, are you hopeful that the situation in Cyprus, that the arms embargo, and that the major problems in Turkey are going to be solved?

Ecevit: Well, Miss Walters, I'm more hopeful than before coming here. And I cannot be hopeful about a solution to the Cyprus problem as long as the embargo is in effect... not because of Turkish intransigence, but because of the obvious Greek intransigence.

Walters: Thank you, Mr. Prime Minister

NEW YORK
JUNE 2, 1978

Mr. President,

I should like first to congratulate you warmly on the able way in which you are presiding over the special session of the General Assembly. I know to what extent your extraordinary diplomatic skills and dedication to the ideals of our Organization have contributed to harmonious discussions and constructive conclusions during the thirty-second session. We are confident that under your wise and inspiring guidance our deliberations will enhance the cause of disarmament, which is today the most urgent concern of mankind.

I should like also to express my satisfaction at seeing as President, a representative of a country with which Turkey has long and mutually maintained friendly and fruitful relations. I had, a few months ago, the opportunity of paying an official visit to your country and was extremely gratified to find a convergence of views between Turkey and Yugoslavia on several issues and particularly on the need to develop understanding, harmony and co-operation in the Balkan region. May I kindly add that we greatly appreciate in Turkey the important role played by Yugoslavia in the promotion of peace and international co-operation, as well as in the efforts for disarmament.



**SPEECH AT THE UNITED NATIONS
SPECIAL ASSEMBLY ON DISARMAMENT**

**NEW YORK
JUNE 2, 1978**

Mr. President,

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May I on this occasion reiterate our profound gratitude to the Secretary General for this tireless and dedicated efforts in the service of the world community. We realize the complexities of his task and we stand ready to support him in the fulfilment of his responsibilities.

A special tribute is due to the non-aligned countries, which took the initiative regarding the convening of this special session of the General Assembly. This initiative has had the support of the Turkish Government from the outset. Turkey was one of the sponsors of the relevant resolution adopted at the thirty-first session of the General Assembly and has participated in the preparations for this special session as a member of the Preparatory Committee.

Some years ago the United Nations General Assembly departed from its previous practice of meeting in special sessions only in times of crisis, when an issue had to be urgently debated by our Organization. I am referring to the special session which assembled in 1974, when the vital problem of the new world economic order was discussed in all its aspects in this forum. It is certainly not a matter of chance that we should be meeting again now for another special session to deliberate a question of equally vital importance to the international community, the problem of disarmament - and I mean disarmament on a world scale. Both questions - the need to establish a more equitable, more just and more balanced economic order in the world, and the necessity of initiating an effective disarmament process - constitute, in the present state of international relations, two closely-related problems, on the solution of which depend the future and indeed the fate of human civilization and its chances of survival.

They are indeed closely related, because disarmament would greatly enhance the possibility of using large amounts of resources for the construction of a fair order of that kind, rather than in a way that may result in the destruction of mankind and civilization. The United Nations special session on disarmament is being held at a crucial time, when consciousness of the necessity of stopping the arms race and of initiating and promoting more efficient methods in the field of disarmament is acutely felt throughout the world.

The degree of progress we can achieve in agreed measures for the reduction of arms will depend to a large extent on whether we can take bold and imaginative steps to improve economic and political relations throughout the world. A breakthrough in disarmament negotiations cannot be achieved if we do not have more trust in each other and a better awareness of the common aims and interests of all mankind. We are assembled here to express the will of the nations to achieve disarmament and permanent peace and to search for new ways and means for a quicker pace in the disarmament process.

We ought to devise methods that will have to be implemented within the pattern of international relations and, to be successful, we must try to solve all our problems within that pattern. We should not, however, regard the existing pattern of international relations as immune to alterations and improvements. We should not lose sight of the fact that the disarmament process cannot progress independently of efforts to tackle the issues of the world economic order and to further and consolidate detente in the world. An equitable world economic order, detente and disarmament are the three pillars on which will rest a better and healthier system of international relations.



Detente, at present, is based largely on a balance of deterrence. This is a precarious balance that does not ensure substantial progress in the way of disarmament. We should all try to evolve a new concept and pattern of detente that would be based on a more positive balance - a balance of interest in maintaining peace and mutual confidence among nations.

The emergence of an atmosphere in which nuclear balance - that is, balance based on mutual annihilation power - will no longer be the unique impediment to a world war, seems to be the prerequisite for real advance in the limitation and eventual elimination of nuclear weapons. And this can only be achieved through closer dialogue and through increased mutual confidence among the nuclear powers with the active support of the world community.

I am of the opinion that such developments as have taken place in Europe in the last years and as have created improved political conditions and a better climate in relations between States on this continent must be considered at this session with particular interest, not only because we have in Europe a huge accumulation of arms, nuclear and conventional, but also because the experience that was gained there may greatly help us to ascertain what are the realistic and practical methods of promoting a process of relaxation of tensions in other parts of the world. I would, in this connexion, stress that mutual and balanced force reduction efforts should be global rather than local, with the aim of reducing the threat universally.

We are still at the stage when a take-off in disarmament negotiations is hampered, among other reasons, by the lack of sufficiently reliable and agreed upon methods and means of control. But a start has been made, and we should try to assess realistically the factors which made some progress in disarmament negotiations possible and opened vistas for further advances. These factors are, as we see them, a state of rough parity in defence, a growing consciousness of increased economic interdependence and the benefits which accrue from it for the welfare of mankind, better mutual understanding and a stronger feeling of friendship between nations. The necessary feeling of relative trust originates in such positive developments in international relations.

Success in the first stages in the disarmament process will depend on the implementation of a sequence of balanced reductions, subject to adequate control. Measures and international rules for increasing the adequacy of such control could best be adopted and applied under United Nations responsibility and supervision with the contribution of all nations. The United Nations should be better equipped for such a function. We are of the opinion that would greatly contribute to strengthen and promote the mutual trust on which rest, ultimately, agreed disarmament measures.

We should not be discouraged by the difficulties of the start. The dynamics of detente and disarmament have a logic of their own, and with goodwill and effective organization and control mechanisms, they may follow their course once set in motion.

Promoting mutual understanding, trust and friendship would provide the soundest basis for disarmament efforts. The United Nations, therefore, should require all member nations to adopt and implement educational programmes that should breed a culture of peace and international friendship. Terrorism and violence have reached alarming dimensions in our age, indicating the insufficiency of educational efforts to cultivate feelings of love and tolerance in the hearts and minds from

an early age. Today, I have had sad news demonstrating this regrettable fact: the wife and a close relative of the Turkish Ambassador in Madrid, as well as his driver, have been killed in a terrorist attack. It is obvious that it is difficult to mobilize the will of mankind for disarmament and peace in a psychological atmosphere that breeds hate, hostility and violence.

Questions relating to disarmament constitute a major preoccupation of the foreign policy of Turkey. As a developing country, Turkey has no doubt felt more than many others the harmful effects of the burden of armaments in times of the Cold War, as its particular geographical and geo-political position did not allow it to remain outside the grave tensions of that period. But when conditions slowly improved, Turkey made consistent efforts to facilitate and promote the process of detente. Since the signing of the Helsinki Final Act, it has substantially increased, in its own region, its contribution to the consolidation of detente, following an active policy of friendly co-operation with all its neighbours and the countries of the region. In parallel to its efforts for improved political relations and enlarged economic collaboration, Turkey has supported all initiatives aimed at arms reductions. Because of its particular location, at the crossroads of East and West, and North and South, Turkey realizes that the only firm foundation of its own national security - and indeed of the security of all nations - rests on the successful outcome of such collective endeavours as bring us together here today.

The SALT I negotiations were concluded because both sides could rely on the means of control at their disposal for verification of the particular dispositions of the Agreement. Where effective verification measures could be agreed upon, arms control arrangements have come into being. If we are sincere in arms control and disarmament measures, I believe that there should then be a sharing of information by those who have the means. National verification methods should be gradually developed and internationalized. As I have already indicated, this could best be done under United Nations supervision.

The present terrifying arsenals are the product of advanced technology. Advanced technology should also provide the means for more effective control and verification of existing armaments. Under the circumstances, we consider that it would be highly advisable for the world organization to set up a scientific body which could be entrusted with the task of studying and evolving arms control methods with a view to providing reliable technical means of verification to be used in the disarmament process. The work of such a scientific body would prove useful to disarmament negotiations, and the reliable techniques that independent scientists might evolve could ultimately form the scientific basis of an international system of arms verification and control.

With respect to the other important initiative which was taken in convening the Vienna talks on mutual force reductions, we observe that differences between the views of the negotiating parties are in the process of being narrowed, thanks to the constructive proposals which have recently been put forward. We expect that the mutual and balanced force reduction talks will now achieve substantial progress. We think that an initial agreement on force reductions in central Europe can and should pave the way for new initiatives for negotiations on balanced force reductions ultimately covering the whole of Europe. My Government intends to contribute constructively to all initiatives aiming at reducing the reducing the military threat in all parts of that continent as well as all around the world.

We are fast moving towards an integrated world and we have to consider our problems on a global scale. As I pointed out earlier, we are faced with similar and sometimes interrelated political problems and issues of defence and military balance in various regions of the world. I think that the dynamics of detente and disarmament, of which I have spoken, would apply to all regions of the world where more stability and enlarged co-operation is needed for the interests of the nations situated in those regions. Regional efforts aimed at improving political relations, the intensification of economic exchanges, stability and gradual reduction of forces that countries attempt to make in their own regions should be strongly supported and assisted by the world community. The question of regional balance is acquiring increased significance for world peace. Tensions and the over-arming which results from them exists in several important regions of our globe. Defusing existing tensions and achieving equitable political compromises of differences and conflicts would result in greater security for all concerned and enhance disarmament efforts both regionally and globally. In order to create an atmosphere of confidence as well as to focus the attention of the world's opinion on regional balance and stability, proposals for the registration of weapon transfers and sales should be seriously considered. Turkey would support proposals for the enforcement of a system of registration of arms sales, with the expectation and hope that mandatory publicity about arms deals would enable the international community to preserve and bolster regional balance in the field of detente.

We must not overlook the fact that, together with State-to-State or commercially open arms deals, illicit arms sales and smuggling have reached dangerous proportions in our world. Arms-producing and arms-exporting countries have the particularly grave responsibility of strictly enforcing in good faith adequate measures which would prevent illegal sales and contraband of arms, this sordid trade which thrives on human lives must be stopped. Our countries should agree on a set of procedures and restrictions regulating the sales of arms, forbidding and preventing all illicit arms deals and deliveries for purposes inconsistent with the common interests of the world community and the aims of our Organization. As a first step, my country suggests that the Secretary-General request Governments to provide for our Organization, all needed information regarding legislation and law-enforcing measures regulating arms sales and purchases in Member countries, including measures enacted and implemented to prohibit and impose penalties for contraband and the smuggling of arms.

Substantive progress in disarmament negotiations depends to a large extent on the availability of effective machinery for negotiations. In this respect also we strongly believe that the role of the United Nations should be strengthened.

My Government is of the opinion that the Conference of the Committee on Disarmament (CCD) should continue its work under the aegis of the United Nations, provided that some adjustments are made in its composition in line with present needs and provided as well that a closer link is established with the United Nations. However, my Government supports appropriate steps that would encourage all nuclear-weapon States to participate in the work of the disarmament negotiating body. If all nations - big or small - are not identified with this work, the success of the negotiations conducted in that Conference is bound to remain limited. As in most bodies, the importance of rotation should be kept in view. It is normal that all nuclear powers, as well as some countries well advanced in arms technology, should be permanent members of that body, but I believe that countries with heavy and



important responsibilities in maintaining stability and balance should also take part in its work. The participation of such States which have a big stake in the reduction of armaments would stimulate new and bolder initiatives in this important forum of disarmament negotiations.

An end to nuclear tests has for more than 20 years been considered a crucial step towards the achievement of nuclear disarmament. A total ban on all nuclear tests would limit substantially the competition among nuclear-weapon States in the qualitative field and would at the same time help to prevent the spread of nuclear weapons to other countries. We earnestly hope that the discussions on this subject between the Soviet Union, the United Kingdom and the United States will result in an agreement to which other nuclear and non-nuclear countries will adhere.

The risks inherent in an unchecked competition in strategic armaments between the two main nuclear powers are becoming greater every day. Rapid technological advances and the introduction of new weapons systems are escalating the strategic arms levels, increasing the likelihood of the use of such arms and raising the possibility of fatal errors of judgement.

The danger of the present nuclear arms race can only be aggravated by nuclear proliferation. My Government fully shares the concern felt over the spreading of nuclear weapons. It considers that an increase in the number of nuclear Powers would be a destabilizing factor in the present balance of nuclear deterrence and would undermine disarmament efforts. Therefore, we believe in the necessity of taking urgent measures in order to strengthen the present non-proliferation regime. In this regard due attention must be given to the balance between responsibilities and obligations established within the frame-work of the Non-Proliferation Treaty. Until the super-Powers begin to diminish their massive nuclear arsenals, they will not be seen to be fulfilling their own share of the contract with the non-nuclear countries as defined in the Non-Proliferation Treaty. For this reason the state of Strategic Arms Limitation Talks (SALT) has an important impact on the climate of international opinion with respect to proliferation. The conclusion of a comprehensive nuclear test ban Treaty would have a profound effect in enhancing a non-proliferation.

A workable strategy for restricting the spread of nuclear weapons must be broadly based. It must take into account the legitimate interests of both the developing and the developed countries. Energy at affordable costs is a prerequisite for development. The non-proliferation of nuclear weapons must not entail the prevention of the dissemination of nuclear technology for peaceful and development purposes. Under adequate safeguards, nuclear technology for peaceful purposes should be available, without any restrictions or discrimination, to all developing countries.

Turkey is a signatory to the Treaty on the Non-Proliferation of Nuclear Weapons and my Government, while conscious of the imperfections of the Treaty, will nevertheless promptly request approval from Parliament of its ratification. We shall do this in the hope of doing our part in encouraging all countries to accede to the Non-Proliferation Treaty and thereby to give more vigour to the appeal directed to nuclear-weapon States for quick and effective progress in the field of nuclear disarmament.

These are, in broad outline, some of the views which my delegation may further elaborate in the deliberations at the special session. The Turkish Government is fully aware of the fact that arming cannot of itself guarantee a country's security. Improvement of international relations, as well as disarmament and arms-control

activities, forms a vital part of security. It is in this belief that my Government, in its programme, has defined the following line of action in international relations:

"We will follow a foreign policy which binds the national interests of Turkey not to international tensions but to detente in international relations and to the consolidation of world peace. We will strive to ensure that world peace is based upon human love and the principle of the non-violability of each nation's independence, sovereignty and territorial integrity, and not on the balance of terror. Our Government is determined to contribute to the termination of the armaments race and to preventing war technology from reaching dimensions dangerous to humanity."

It is in this spirit, as expressed in my Government's programme, that Turkey will try to contribute to all activities in the field of disarmament.

The aims and endeavours of the foreign policy of Turkey will be threefold:

Turkey will support all efforts aiming at the betterment of economic relations on a global scale and the establishment of a just and equitable international economic order, it will continue to contribute to the strengthening and consolidation of detente, and, in parallel with these pursuits, it will participate actively and with determination in actions and undertakings which will ensure steady progress towards world disarmament and lasting peace.

Allow me to end my statement with the wish that mankind may progress, through concerted efforts, towards a fairer, freer and more peaceful world, a world in which feelings of hate and fear will be replaced by feelings of love and confidence.

NEW YORK
JUNE 1979

Dear Mr. Winston, Mr. Whitson and Mr. McNamara:

I wish to express my deep appreciation to you and your staff for the beautiful dinner. I take great pleasure in addressing the various possibilities of the international banking and money market.

The problems presently facing Turkey could better be understood within the global context of economic development. We are now in the aftermath of one of the worst recessions in history. In the world, Turkey shared more or less the same experience with the other nations of a general increase in the cost of borrowing, a sharp rise in the price of oil, a sharp rise in the price of investment and intermediate goods and by inflation, lower export and other foreign currency earnings.

Under these conditions, inflationary pressure is rising, and the danger of either containing the ever increasing balance of payments deficit as the result of growth stagnation or allowing it to continue unchecked remains. That is, all of them posed by the current situation, at least for a certain period of time, are not a coincidence and we must take the best advantage of the time rather than they thought they would give the economy a long and difficult adjustment period of seven months. It is the purpose of this letter to discuss these issues.



activities form a vital part of a country's life. It is in this field that our Government's special programme has followed the following line of action in international relations: We will follow a foreign policy which seeks to establish friendly relations with all countries, but to concentrate our efforts on the development of relations with the countries of the Eastern Hemisphere.

We will continue to support the principle of the peaceful settlement of international disputes and the principle of the non-use of force in international relations. We will continue to support the principle of the equality of all nations and the principle of the self-determination of peoples. We will continue to support the principle of the peaceful settlement of international disputes and the principle of the non-use of force in international relations. We will continue to support the principle of the equality of all nations and the principle of the self-determination of peoples.

My Government fully shares the concern of the world community for the peaceful settlement of international disputes and the non-use of force in international relations. We will continue to support the principle of the peaceful settlement of international disputes and the principle of the non-use of force in international relations. We will continue to support the principle of the equality of all nations and the principle of the self-determination of peoples.

The Non-Proliferation Treaty (NPT) is a landmark in the history of international relations. It is a treaty which seeks to prevent the spread of nuclear weapons and nuclear technology to all States. The NPT is a treaty which seeks to prevent the spread of nuclear weapons and nuclear technology to all States. The NPT is a treaty which seeks to prevent the spread of nuclear weapons and nuclear technology to all States. The NPT is a treaty which seeks to prevent the spread of nuclear weapons and nuclear technology to all States.

My Government fully supports the NPT. We will continue to support the NPT. We will continue to support the NPT. We will continue to support the NPT. We will continue to support the NPT. We will continue to support the NPT. We will continue to support the NPT. We will continue to support the NPT.

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**SPEECH AT THE MEETING
WITH BANKING AUTHORITIES**

**NEW YORK
JUNE 1978**

Dear Mr. Wriston (Mr. Witteveen and Mr. McNamara)

I wish to express my deep appreciation to you and your bank for this beautiful dinner. I take great pleasure in addressing the eminent personalities of the international banking, and corporate sector.

The problems presently facing Turkey could better be understood within the global context of economic development. We are now in the aftermath of one of the worst recessions in history. In this period, Turkey shared more or less the same experience with the other middle or upper income non-oil exporting developing countries. That is to say, disproportionately high oil bills, more costly imports of investment and intermediary goods and by contrast, lower export and other foreign currency earnings.

Under these conditions, middle-income developing countries faced the dilemma of either containing the ever-increasing balance of payments deficit at the expense of growth prospects, or resorting to short-term commercial credits. That almost all of them opted for the second alternative, at least for a certain period of time, was not a coincidence and neither was it merely the lack of perceiving the crisis. Rather they thought they could spare their economies from the detrimental consequences of severe adjustment, hoping for a reversal of world-wide economic trends. They expect-

ted that once the world economy returned to expansionary conditions, most of the problems would be solved by themselves. It was nevertheless an illusion, a dangerous one, to think that crisis deferred was crisis evaded. For it was already there and delays in coming to grips with it only aggravated the situation.

I do not believe that I should elaborate here on the past developments which led to the present situation of the Turkish economy. You know them very well.

When we came to power we recognized the problem with all its dimensions. We set out immediately to implement a comprehensive policy package encompassing a set of austerity measures. Our immediate aim was to curb the balance of payments deficit, to check inflation and prepare the ground for the rehabilitation of our economy. Having no time for preparations of a new budget we just made some modifications in the bill we inherited from the previous government and planned to improve it during the process of implementation.

The 1978 budget envisages a modest increase in current prices, and given the rate of inflation, it signifies in real terms a drastic cut in expenditures. Consequently, this is not a deficit budget, for it is based on real public revenues in line with de-emphasis on the role of short-term treasury borrowings.

To supplement our fiscal policy we submitted a tax reform bill to Parliament. The major objectives of this bill are to spread tax coverage; to prevent tax evasion; to correct the injustices caused by severe inflation by transferring the tax burden from the higher to the lower strata; to restrict demand in general and that of some luxury goods in particular; to shift productive resources to regions and municipalities. Our efforts to ensure the early passage of this bill are well under way in Parliament.

We considered the question of state economic enterprises as one of the root-causes of inflation. Consequently, we abandoned the previous policy of keeping artificially low the prices of their goods and services, and meeting their losses by Central Bank credits. Although, we allowed them to raise their prices, as a first step, we are well aware that, in the long run, we should enhance their cost efficiency in order to eliminate their inflationary potential.

In the field of exchange rate policy, in addition to 10 % devaluation in September 1977, we devalued the TL by another 30 % in March 1978 and reorganized completely the Turkish foreign exchange system. It is my belief that the new regulations created operational conditions in full conformity with international practices with respect to uses of commercial credits and medium term loans. These regulations enable us to better control and allocate short and medium term credits and gradually phase out accumulated debts.

In the field of monetary policy, in addition to regulating a new credit policies, we adjusted the interest structure to the present conditions. We are conscious that the basic tasks of our austerity programme cannot be fulfilled without an appropriate wages and prices policy. Therefore, for the first time in Turkey, we have taken some steps in this direction which we shall pursue resolutely.

The process of implementing the austerity programme is a continuous and dynamic one. We do not consider it as a temporary expedient. Therefore, we will try to improve and render it more effective throughout its implementation, as well as adjust it to new developments.

In my contacts, I perceive in the minds of my interlocutors a question as to whether these measures could be implemented without causing important socio-

political and economic disruptions in my country, in other words whether the Turkish people could be induced to accept them. I concede that in such a short span of time, no country, be it industrialized or developing, dared to introduce such a comprehensive austerity programme. This fact coincides with a characteristic of the Turkish people which is to give birth to an exceptional political will in exceptionally difficult times of our history. Personally, I do not know whether it is a matter of gratification or sorrow that the Turkish people turn to us in such times to assume the heaviest responsibilities. It is my observation on the other hand that half-measures, expediencies and palliatives adopted by some countries in similar situations neither helped solve their problems nor saved them from the pernicious effects of prolonged crisis. I firmly believe that the democratic regime we have maintained under all circumstances paves the way for its being adopted and supported by the people. I have no doubt that, under present circumstances, the awareness in all segments of the population of the challenges we face is a stronger support for our action than the margin of majority in Parliament. Our experiences in the past difficult months have amply proved this fact.

Up to now I have stated policies, in a sense, of negative nature, namely restricting overall demand, curbing expenditures and slowing down the growth. Nevertheless, these policies can only be partially successful in a developing country where demand is concentrated on some essential indispensable goods for the majority of the population. In fact this healthy demand for physical goods cannot be pushed down beyond a certain point. Therefore, as compared to industrial countries, the efficiency of policy tools is somewhat limited with respect to restrictive policies. In the light of this main feature of developing country economies, a healthy growth is ultimately the only way out of dilemma. Now we are prepared in Turkey to embark upon this course in controlled manner.

The most urgent task before us is to get the Turkish economy going once again. This wholly depends on whether we will soon be able to remove the bottle-neck in our foreign trade. The stand-by agreement with IMF, the agreement recently reached within the Turkish Consortium in the OECD on the rescheduling of official and government guaranteed debts, and the facilities obtained from friendly countries on a bilateral level, all are encouraging concrete steps towards this goal. I welcome the efforts of the international banking community in this respect, and hope that these efforts will soon bear fruit.

I wish to emphasize that we regard our cooperation with the international banking sector within a long-term perspective, for you proved in the recent past to be responsible and responsive partners for development. Greatly increased borrowings of the developing countries from the international banking sources made available through mainly recycling petro-dollars did not only cushion the shock of recession on them but, by saving millions of jobs, it had a positive impact on the industrialized countries as well.

Under the circumstances, containment of deficits was and is the only viable option open to developing countries. The question, nevertheless, remains whether such action is in the interest of the world economy. Although the economic policies of developing countries exerted a beneficial influence on stagnating economies of the industrial countries, most developing countries paid the price of rapidly increasing external indebtedness. An alternative to increased borrowing however would be further scaling down of international economic activities. Therefore, common sense suggests that deficits of developing countries resulting from deflationary pressures in



the rest of the world should be financed rather than suppressed through detrenchment of expenditures.

In this delicate period in the international economic relations, when rumours of another recession are wide-spread, and the limits to the outcome of concerted action among the industrialized countries are better conceived, opportunities offered by the developing country's economies remain yet to be seized. On the one hand, unutilized productive capacity in the OECD area constitutes great output potential on the supply side. On the other, if a desirable level and structure of demand is obtained, rapid economic growth can be achieved on sustainable basis. And this non-inflationary demand exists in developing countries. What is needed is increased transfer of resources. With this, additional sources on a massive scale are met. Let me emphasize straight away that these transfers should not aim at changing the basic features of stabilization policies, but serve as a complement, not as a substitute, to conventional monetary and fiscal policies.

For this purpose, the industrialized countries and multilateral financial institutions should closely cooperate with the international banking system in order to create an integrated system of financial cooperation. Up to now, the international banking sector assumed on its own, the risk of transforming the short-term liabilities to oil-exporting countries to medium and long-term loans. The oil-exporting countries should actively participate in searching for ways and means to make available their petro-dollars for long-term investments.

With regard to transfer of resources, the main problem boils down to enhancing the debt-servicing capacity of developing countries. This problem is essentially of structural character and directly connected with the goals of development. Keeping this imperative in mind, our balance of payments policy, as a first step in 1978, envisaged 57 % decrease in the amount of external resource use. To compensate for this loss, it is planned to increase public savings by 40 % and private savings by 13 %. As a result, our development efforts will rely more on indigenous resources.

As a major second step, we will take every imaginable measure to increase our foreign currency earnings. This effort will require some important reorientations in our industrialization policy which will be geared more and more to export potential sectors that are more eligible for the sources of the international banking system. We observe that increased reliance on commercial sources under present conditions limits the range of options open to borrowing countries. We will try to fashion our policies in a manner consistent with market perceptions of creditworthiness. Nevertheless, we are aware that over-emphasis on investments which can be recouped in a relatively short period might endanger long-term investments essential to broadly based and self-sustained growth. Therefore, we have to strike a right balance between short and long-term investments and implement a policy-mix making use of short and long-term external sources as well as domestic savings to meet the requirements of development goals and efficient cash flow management.

The role of foreign investment in our development has been marginal. We opt for rational use of direct investment as an important foreign currency inflow and assess each case on its merits according to a combination of criteria regarding export-orientation, technology, economies of scale and employment. In our view, the problem is not one of legislature but one of implementation. Therefore, the relevant Turkish authorities will undertake a study to determine further the areas of cooperation.

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THE GENERAL DIRECTORATE OF
PRESS AND INFORMATION OF THE TURKISH REPUBLIC

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