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TENSIONS IN AMERICAN-TURKISH RELATIONS DURING WORLD WAR II

by

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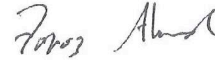
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ABSTRACT

In this study, an effort has been made to question the conventional wisdom of the United States not having a foreign policy vis-à-vis Turkey, which was independent of that of Britain's during the World War Two years. Not only will this thesis set out to prove that the United States had an independent foreign policy toward Turkey during those years but it will show why that was so. It is the contention of this thesis that The United States followed an Open Door Policy after its first acquisition of Spain's colonies following its victory in the Spanish-American War in 1898. It also started to apply that policy toward the Ottoman Empire the same year as the first Open Door note in 1899. It also very much followed that policy during World War Two, albeit under extraordinary circumstances. It was able to do that by passing the Lend-Lease Act on March 11th, 1941. That act provided a boom for American exports and increasing the dependence of Allied countries on the American economy. That was not entirely true for neutral Turkey because of its economic relationship with Germany. However, once Turkey cut its economic and diplomatic ties with Germany during the course of 1944, it was left with only one realistic option for rebuilding its economy in lieu of a possible state-managed autarkic drive: sovereignty-eroding United States economic assistance. The Lend-Lease program and the commensurate increase in trade, the collapse and defeat of the Nazis, and American political pressure would pave the way for Turkey eventually opening up its economy following the war. It started to liberalize its economy in 1946 and was finally integrated into an American-dominated global economic order with the first receipt of Marshall Plan Aid in 1948. The final American drive to successfully apply the Open Door economic policy to Turkey, after approximately forty years of mostly unsuccessful efforts, unquestionably had its start during the World War Two years.

ÖZET

Bu çalışmada, Amerika Birleşik Devletleri'nin İkinci Dünya Savaşı sırasında Türkiye'ye karşı İngiltere'den bağımsız bir dış politika gütmeye çalıştığı şeklindeki yaygın inanış sorgulanmaya çabalanmıştır. Bu tez, Amerika Birleşik Devletleri'nin Türkiye'ye karşı bağımsız bir dış politikası olduğunu kanıtlamakla kalmayacak, ayrıca bunun neden olduğunu da gösterecektir. Bu tezin savunduğu fikir, Amerika'nın ele geçirdiği ilk İspanyol kolonileri ve 1898'de bunu takip eden İspanya-Amerika Savaşı zaferinden sonra küresel bir Açık Kapı Politikası uyguladığıdır. Amerika Açık Kapı Politikasını ayrıca ilk Açık Kapı Mektubunu yayınlamasını takip eden yıl Osmanlı İmparatorluğu'na da uygulamaya başlamıştır. Amerika Birleşik Devletleri Açık Kapı Politikasını sürdürmeyi Osmanlı İmparatorluğu'nun çöküşüne kadar bırakmadı ve Türkiye Cumhuriyeti'nin ilk yılları boyunca da devam ettirdi. Bu politika 11 Mart 1941'de Lend-Lease (Ödünç Verme ve Kiralama) Yasasını yürürlüğe sokarak İkinci Dünya Savaşı sırasında olağanüstü şartlar altında bile sürdürülmüştür. Bahsi geçen yasa Amerikan ihracatında bir patlamaya yol açmış ve İttifak ülkelerinin Amerikan ekonomisine olan bağımlılığını arttırmıştır. Ancak durum tarafsız Türkiye için Almanya'yla sahip olduğu ekonomik ilişki sayesinde böyle değildi. Ancak Türkiye 1944 yılında Almanya'yla ekonomik ve diplomatik bağlarını kestikten sonra devlet tarafından yönetilen otarşik bir ekonomi yerine kalan tek gerçekçi seçeneği egemenliği kemiren, aşındıran Amerika yardımıydı. Lend-Lease programı ve ticarete görülen orantılı artış, Nazi'lerin yenilgisi ve Amerika'nın politik baskıları, Türkiye'yi savaşı takip eden süreçte ekonomisini açmaya itti. Türkiye Devleti 1946'da ekonomisini liberalize etmeye başladı ve Marshall Aid Plan (Marshall Yardım Paketi) sonucunda 1948'de en sonunda Amerika tarafından domine edilen küresel ekonomik sisteme integre oldu. Amerika'nın Açık Kapı politikasını Türkiye'ye son uygulama çabasının yaklaşık 40 yıl süren başarısız denemeler sonunda İkinci Dünya Savaşı sırasında başladığı sorgulanamaz.

INTRODUCTION

Literature on general Turkish foreign policy has been richer than that on its relations with the United States and vice versa. The Cold War and post-Cold War period relations between the two countries have also been much more widely written about. Obviously, there is a good reason for that and that is because relations between Turkey and the United States only reached a high level of importance at the beginning of the Cold War. Turkey, with its size and location, was seen by the United States as the most important strategic bulwark against the Soviet Union in the Middle East, the Eastern Mediterranean, and the Black Sea. That is not to say that relations between the two countries did not have any importance before the beginning of the Cold War. There were American endeavors to deepen the economic relationship in the first quarter of the twentieth century. Two significant attempts by the United States to attain the so-called Chester Concessions (the first attempted in 1908 and the second in 1923) would have given the United States a significant economic foothold in Turkey. According to Leland Gordon '... the whole course of Turkish-American relations would have been altered.' The American government, in Gordon's view, would have been forced to continue to support the concession and 'been drawn into the whirlpool of Old World imperialism.'¹ If the United States had been successful with the first Chester Concession, it would also be interesting to consider how late Ottoman history would have changed and if it would have entered World War One as Germany's ally. Perhaps the empire would have been preserved for two decades longer than it was. World War Two would no doubt have been the final breaking point for the empire as it was for Britain's India, de facto colonized China, and the rest of Asia. As it was, the first Chester Concession attempt was unsuccessful, U.S.-Ottoman relations did not significantly develop, and the Ottoman Empire was pressured by its ally Germany to break relations with the United States in 1917 towards the end of the First World War. That defeat and the resistance to a mainly French and British imperial carve-up (the latter using its Greek Proxy) attempt following it was the spark that led to the eventually successful conclusion of the Turkish War of Independence in 1922. Rather than dealing with

¹ Gordon, Leland, *American Relations with Turkey 1830-1930: An Economic Interpretation*, (Philadelphia: University of Pennsylvania Press, 1932), p. 265

counterfactual history, however, we have to deal with history as it happened (or supposedly happened).

Several books have been written about Turkish foreign policy but most either gloss over, give a very cursory glance to, or entirely skip over the World War Two years. Mustafa Aydın, for example, wrote an historical overview of Turkish-American relations in English along with Çağrı Erhan called *Turkish-American Relations: Past, Present and Future* but his one big omission was the relationship between the two countries during World War Two. That is a rather serious gap considering that the nature of Turkish-American relations underwent a dramatic transformation after the war years. Was it the case that those years had absolutely no bearing on what was to follow? That omission notwithstanding, Aydın has made a contribution in so much as he has made an attempt to write solely about Turkish-American relations from its inception during the Ottoman Empire prior to the Tanzimat to the present. His book was actually a series of articles written by various scholars, reflects the lack of focus on the World War Two years. Chapter 3, written by James Goode, covers the 1919-1939 period and is not even about traditional diplomatic or economic relations. It is entitled, *Archaeology and Diplomacy in the Republic of Turkey*. The world war years are then skipped over, with Chapter 4 called, *Turkish-American Relations in the Post-Cold War Era: Issues of Convergence and Divergence*. Aydın also wrote an article for the Center for Strategic Research in 2004 (in English) about Turkish Foreign Policy but his starting point was the immediate post-World War Two period. He finally corrected that by writing a 75-page chapter (in Turkish) in volume 1 of Baskın Oran's 2006 *Türk Dış Politikası* (Turkish Foreign Policy) called *İkinci Savaş ve Türkiye 1939-1945* (*The Second World War and Turkey 1939-1945*) However, that chapter looks mostly at overall Turkish foreign policy with no special emphasis on relations with the United States.

George Harris wrote the classic *Troubled Alliance: Turkish-American Problems in Historical Perspective, 1945-1971*, which gives focus to relations between the two countries during the first half of the Cold War. He does write an introductory chapter which briefly sketches the relationship, using the end of World War One as the starting point. However, he simply provides the usual information about the failure of the Chester Concession ending any meaningful economic relations between the two countries. There is

truth to that but there were economic relations between the two countries and also had the potential to significantly increase in the late 1930's. The only obscure bit of information in his book is his comment that Atatürk, during the Sivas Conference of September 1919, kept the door open to an American mandate in the worse-case scenario, well before the Turkish victory ruled out any such one. His conclusion is based on his interpretation of Atatürk's 1927 *Nutuk (Great Speech)* and Lord Kinross' book *Atatürk*.² Harris does not skip World War Two entirely but reiterates the standard line that relations with Britain took precedence over those with the United States. The failure to receive sufficient Lend-Lease aid angered Turkey but, according to Harris, the explosion of the atomic bomb by the States and the victory of the Allies in the war turned Turkey toward the U.S. and its United Nations. Harris later filled the pre-war gap in Turkish-American relations with the 2009 book (actually a series of articles by various scholars), *Studies in Atatürk's Turkey: The American Dimension*. In the end, World War Two, an important transition period in relations between the two countries, is neglected by Harris. He essentially bookends the World War Two years with his two books. Nasuh Uslu wrote a very recent book (2003) entitled *The Turkish-American Relationship between 1947 and 2003: The History of a Distinctive Alliance* which skips the 1919-1945 period entirely, outside of his analysis of the theoretical basis of Turkey's foreign policy in the pre-World War Two period. His book, not surprisingly, deals mostly with Cold War relations and Cyprus. Suha Bölükbaşı's *Turkish-American Relations and Cyprus* and Ekavi Athanassopoulou's *Turkey-Anglo-American Security Interests 1945-1952: The First Enlargement of NATO* also start their stories after the end of the Second World War. The former only analyzes the relationship from the angle of the American-Turkish disagreement over Cyprus, a rather narrow focus.

Aydın's book covered the long-term from both sides of the relationship although there had been several attempts to cover both the short and long-term from only the Turkish side. William Hale's *Turkish Foreign Policy 1774-2000* represents the most ambitious work in terms of time-scale but offers a rather un insightful conclusion about the effectiveness of

² Harris, George, *Troubled Alliance: Turkish-American Problems in Historical Perspective, 1945-1971*, (Washington, D.C.: American Enterprise Institute for Public Policy Research, 1972), p. 11

Turkish foreign policy during the World War Two years.³ Hale's book is a grand sweep so he used mainly secondary sources for the book which held true for the world war years as well. He devotes thirty pages to the World War Two period and uses a mix of British and Turkish-authored books, all in English. Hale emphasizes the Turkish fear of both Nazi Germany and the Soviet Union but does not stress the commensurate Turkish fear of being hung out to dry if it entered the war on the Allied side. Earlier in the book, Hale wrote that neither Turkey nor Britain had a legitimate ethnic claim to Mosul and implied that the League of Nations and subsequent Permanent Court of International Justice's rulings on it in 1925 and 1926 should have been more readily accepted by Turkey.⁴ That would have been an even-handed approach except for the fact that the region belonged to Turkey's political predecessor, the Ottoman Empire. Hale's idea of fair play looks straightforward only if one is to ignore the Turkish perspective. His analysis of Turkish relations with other countries is therefore inadequate. In the end, there is a focus on the British relationship with Turkey, with only a minor look at the American angle, which leaves the field open for another book of this type but mainly focused on Turkish and American diplomatic relations, with a more detailed look than Hale's. It should be mentioned that Edward Vere-Hodge's *Turkish Foreign Policy 1918-1948*, which preceded Hale's book by many decades, was an early attempt to make sense of Turkish foreign policy from the end of World War One until the very early years of the Cold War. However, although its focus gave a fair amount of attention to the World War Two years, it was, like most other books written about that time, focused on Turkey's general foreign policy.

There were a few books written solely about the war years from the Turkish side by both Turkish scholars and one western scholar. The sympathetic viewpoints, not surprisingly, came from two Turkish scholars and the negative one from Frank Weber. The two sympathetic viewpoints came from Turkkaya Ataöv's *Turkish Foreign Policy 1939-1945* and Selim Deringil's much later *Turkish Foreign Policy during the Second World War: An 'Active' Neutrality*. Deringil points out in his book that Turkey and Britain had completely conflicting ideas about the October 19th, 1939 Tripartite agreement between Britain,

³ Hale, William, *Turkish Foreign Policy 1774-2000*, (London: Frank Cass, 2000), pp. 104-105.

⁴ Ibid., p. 58

France, and Turkey. He wrote that, "To the Turks it was an insurance policy to be put into practice only in the case of dire need, while for the British it was a means of effective action in the Balkans and the Middle East."⁵ Even that level of understanding by a not totally sympathetic viewpoint toward Turkish foreign policy on the part of Deringil needs to be grasped by western scholars. Ataöv's book is a more left-wing, anti-imperialist look at Turkey's foreign policy and Deringil's book is an attempt to show the precariousness and difficulties of Turkey's foreign policy position during the war. His is a fully pro-Turkish viewpoint.

On the other hand, Frank Weber's *The Evasive Neutral: Germany, Britain and the Quest For A Turkish Alliance In The Second World War*, written in 1979, was a negative look at Turkey's foreign policy during the war years. Weber contends that Turkey was delinquent in its assigned duties as delineated in its agreement with Britain and France signed in the autumn of 1939, that it weakened Britain's position in the war, and that it was only seeking benefits for itself, including territorial gains. That seems a rather one-sided analysis considering that Britain was attempting to hang onto its worldwide imperial possessions but Weber is typical of the imperial British mindset and, not coincidentally, reflects much of Hale's thought. Additionally, the book was not an attempt to look at the American angle during the war except for a brief and superficial mention throughout the book. It is unfortunate that more insightful looks at Turkey's World War Two foreign policy had to come from mostly Turkish authors and the less insightful ones from non-Turks. That did not always hold true, however.

Edward Weisband and Annette-Baker Fox, two non-Turks, look at Turkish foreign policy during World War Two from the perspective of a small power attempting to balance off the ambitions of larger powers and, in the context of World War Two, we mean, of course, the United States, Nazi Germany, Mussolini's Italy (until 1943), Britain, the Soviet Union and, to a lesser extent, France (until June 1940). Weisband's book, *Turkish Foreign Policy 1943-1945: Small State Diplomacy and Great Power Politics*, published in 1973, mostly deals with British-Turkish relations but it is a very useful look at Turkish foreign policy

⁵ Deringil, Selim, *Turkish Foreign Policy During the Second World War: an 'Active Neutrality*, (Cambridge: Cambridge University Press, 1989), p. 92

after the war started to turn against Germany at the beginning of 1943. Weisband does a very effective job of capturing the Turkish perspective that the whole concept of the American-inspired "United Nations" was stacked against smaller countries like Turkey. Moreover, he grasps the Turkish government's sense of extreme vulnerability during the war so much better than other scholars. A statement in his book by Turkish Foreign Minister Numan Menemencioğlu on July 13th, 1943, excellently summarizes the overall Turkish position during the war:

“The objective of our foreign policy is to protect our self-determination to the end. I am certain that if we entered the war, our self-determination will be destroyed, and there would not be the slightest gain for my country.”⁶

Weisband reads Turkish and used some Turkish sources in the book, quite an accomplishment for a western scholar. Although he could have easily captured Turkey's concerns simply by using the *Foreign Relations of the United States* series he makes an extra effort with his book. It must be considered the most objective look at Turkey's position during the last two years of the war of any western scholar. In this way, he has bettered his typical western counterpart and done us a great service.

Fox's book, *The Power of Small States: Diplomacy in World War Two* (1959), looks at Turkey's foreign policy from a more general perspective, namely, that of a member of a club of small neutral states during World War Two whose other members included Finland, Norway, Sweden, and Spain. That book gives us a larger context and puts Turkey into that bigger picture but it mostly deals with Turkey's relations with Germany and Britain, with the American diplomatic factor only included and analyzed as part of the 'Allied' grouping. Fox, incidentally, sees Turkish foreign policy during the war as quite effective. In her final paragraph she sums up the success of Turkish foreign policy during World War Two:

“The Turks were among the most successful of the neutrals because they were unusually alert in exploiting openings to convince the great powers making demands upon them that more intense pressure was not worth the cost. They convincingly

⁶ Weisband, Edward, *Turkish Foreign Policy 1943-1945: Small State Diplomacy and Great Power Politics*, (Princeton, NJ: Princeton University Press, 1973), p. 51

persuaded those threatening them that Turkey would withhold services of value, that the enemy's retaliation would be highly injurious, that further pressure would push Turkey into open belligerence, or that one or more of these disadvantages would follow coercive steps.”⁷

From the American side very little has been written with regard to its foreign policy vis-a-vis Turkey during World War Two. Interestingly enough, a Turkish author, Gül Inanç Barkay, recently wrote a book about American diplomacy toward Turkey during World War Two in Turkish called *ABD Diplomasisinde Türkiye 1940-1943 (Turkey in U.S. Diplomacy 1940-1943)*. He makes extensive use of the Foreign Relations of the United States series and provides a few footnotes from the American Archives, providing a much needed and detailed filling of the gap by analyzing diplomatic relations between the two countries during those years. However, it only covers the first three years of the war, so the final two years of the war need to be looked at in more detail. Additionally, he focuses mostly on Lend-Lease and the chromium issue, two very important topics, but ones which also need to be considered as part of a larger picture. The larger picture would be the United States being on the verge of amplifying its economic and political relations with the whole world and Turkey, the World War Two years simply representing a final delay in the realization of that situation. By not covering the final two years of the war, we are unable to fully see what the United States had in store for Turkey post-war. The last two years, in fact, are when America started to gain more influence in its relations with Turkey vis-a-vis Britain as a result of Nazi Germany's faltering war effort. In addition to Barkay, Harry Howard, a former U.S. government official, looks at the American side concerning the status of the Bosphorus Straits in *Turkey, the Straits and U.S. Policy*, published in 1974. It is an important topic but a narrow perspective nonetheless. It also does not place special emphasis on the World War Two years. Suleyman Seydi has also written a book about the Bosphorus Straits issue called *The Turkish Straits and the Great Powers: From the Montreaux Convention to the Early Cold War*, published in 2003. As indicated by the title it emphasizes neither American-Turkish relations nor the World War Two years.

⁷ Fox, Annette Baker, *The Power of Small States: Diplomacy in World War Two*, (Chicago: The University of Chicago Press, 1959), p. 42

The failure to address the larger picture of American foreign policy toward Turkey, as pointed out in the previous paragraph, will be addressed in this thesis. This author contends that the larger picture was the attempt by the United States to successfully apply the Open Door Policy to Turkey. Thomas Paterson was perhaps the only previous author to use the term ‘Open Door’ in reference to U.S. foreign policy toward Turkey but that came as almost a side note in a book about Soviet-U.S. relations in the aftermath of World War Two.⁸ This thesis will show that it was applied during the war as well.

Books about American foreign policy toward the Middle East and Turkey simply have not emphasized the larger open door picture. For example, books like Robert Daniel’s *American Philanthropy in the Near East 1820-1960*, published in 1970, and Thomas Bryson’s *American Diplomatic Relations With the Middle East, 1784-1975: A Survey*, published in 1977, look at long-term American foreign policy but from a narrow missionary perspective and a general Middle Eastern one (with the World War Two years only a small part of their books). Neither of these authors use the term ‘Open Door’, the former obviously because he concentrates on American missionary interests in the Middle East. Bryson, although he does focus heavily on economic relations between the United States and the Middle East (and particularly toward Turkey in his 1965 Doctorate thesis, *Woodrow Wilson, The Senate, Public Opinion, and the Armenian Mandate*), also does not use the term ‘Open Door’.⁹ Nevertheless, that term will be used widely in this thesis as the author considers it an appropriate one. The United States most definitely wanted the late Ottoman Empire and the early Republic of Turkey to keep their tariffs low and opportunities for American exports and investment high. That is what is meant by the United States trying to apply the Open Door Policy to a country. Just because there were not extensive economic relations between the United States and Turkey from 1899 to World War Two does not mean that there could not have been. There was an intention on the part of the United States government to increase trade with Turkey in the first two

⁸ See Paterson, Thomas, *Soviet-American Confrontation: Postwar Reconstruction and the Origins of the Cold War*, (Baltimore and London: The Johns Hopkins University Press, 1975) for the details of his argument.

⁹ However, one of his articles is solely devoted to the Open Door Policy. He wrote an academic article in 1974 called, *Admiral Mark L. Bristol, an Open-Door Diplomat in Turkey*.

decades of its existence, especially beginning in the mid-30's, but the global economic recession and economic protectionism on the part of the Turkish government were obstacles to that.

Robert Dallek's book *Franklin Roosevelt's Foreign Policy 1932-1945*, published in 1995, is useful insofar as it offers a look at how overall U.S. foreign policy had taken on a new look under Roosevelt, with the substance of the policy not as different as it would seem at first glance. There is no mention of the Open Door except in a reference to Japan's rejection of it being applied to China by the United States.¹⁰ It also only deals with general American diplomacy during World War Two with almost no mention of Turkey. Dallek's interpretation makes it difficult to understand whether Roosevelt was sincere in delaying America's entry into the war. Roosevelt was, however, anti-imperialistic in rhetoric, which probably sat well with Turkey. For Turkey to be dealing with Roosevelt rather than his predecessors gives food for thought about whether a more overtly imperialistic attitude by the United States would have forced any changes in Turkish foreign policy during the war. In order for the United States to have been more overtly imperialistic, however, would have required an America that continuously demanded access to military bases and perhaps made military threats against Turkey for trading with Germany. Those simply were not options under the conditions of the war where Turkey could have easily joined the Nazis as a military ally if pushed too far. Even Britain, as the responsible regional power, never went so far as to directly threaten Turkey with military invasion or bombing.

In 2011 Princeton scholar Joshua Walker wrote a chapter in Nur Bilge Criss's book, *American Turkish Encounters: Politics and Culture, 1830-1989* about American-Turkish relations during World War Two titled, *World War Two: The Foundation of the American-Turkish Relationship, 1939-1947*. Here was finally an excellent opportunity to fill the gap in knowledge on the subject of American-Turkish relations during World War Two and add new insights as well. However, Walker shows himself to not be up to the task. Other than the fact that his title states the obvious, he also employs the usual secondary sources to formulate his analysis of the war years. He provides his own opinion that there was 'no

¹⁰ Dallek, Robert, *Franklin D. Roosevelt and American Foreign Policy 1932-1945*, (New York: Oxford University Press, 1995), p. 193

point of contention' between the United States and Britain during the war as Turkey was the only country in the region to maintain its political independence. He then proceeds to quote historian Gaddis Smith's contention that Turkey was 'the only country in the region in which the United States and Great Britain did not suspect each other's moves.' He concludes, also based on Smith's analysis, that it was therefore logical for the United States 'to simply follow the British lead and avoid unnecessary involvement in Turkish affairs, while continuing to view Turkey through the principles on which American policymakers intended to build the postwar world.'¹¹

While it is true that Turkey was considered a British area of responsibility it is not completely true that there were no sources of disagreement between the U.S. and Britain over Turkey and that Britain was completely free to do whatever it wanted with regard to Turkey, especially beginning in 1943. At that point the tide of the war was turning against the Nazis and the American as well as the British position was strengthened. The U.S. was not just going to concede Turkey to Britain nor be continuously linked to what Turkey saw as a very negative British policy toward it. In the final analysis, Walker's intention was to only write a short chapter summary about relations between the two countries and was not looking to break new ground. By quoting heavily from fairly old books written by Bruce Kuniholm, Gaddis Smith, and Ferenc Vali, he makes it clear that shedding new light on American policy toward Turkey during World War was not his aim. Moreover, he adds very little insight to the Turkish side. One thing he did do was to invert the relationship to 'American-Turkish' rather than 'Turkish-American' as most books written about this subject have done previously.

Turkish scholar, Dinç Yaylalier, wrote a thesis called *American Perceptions of Turkey 1919-1927*, in 1996, a very detailed look at American-Turkish relations for that period. His emphasis is on the importance of the American missionary presence in late Ottoman and early Turkish history. The significance of his work is that he is a Turkish writer examining the relationship from the American side. That allowed him to do a thesis from the

¹¹ Walker, Joshua, *World War Two: The Foundation of the American-Turkish Relationship, 1939-1947*, in Criss, Nur Bilge, *American Turkish Encounters: Politics and Culture, 1830-1989*, (Newcastle upon Tyne, UK: Cambridge Scholars Publishing, 2011), pp.168-169

American perspective but with the aid of many Turkish sources as well. He argues that the relationship potentially held a lot of promise as America did not have the taint that longer-established European imperialist countries like France and Britain had in the eyes of Turkish politicians. It is a most welcome addition to the underresearched subject of American-Turkish relations. His thesis is one of the most detailed so far concerning American-Turkish relations but its time period is earlier than the one in this thesis and does not focus as much on what were potentially high-level economic relations between the two countries in the early 1920s. He does acknowledge that there was an increased level of American-Turkish trade for the 1920-1921 but emphasized that it then fell precipitously until the establishment of diplomatic relations in 1927 and remained at a low level throughout the 30's. For him, therefore, there was no American Open Door Policy toward Turkey in the 1920's and 1930's because of both lack of intention and results. The reason for that, according to him, was that Turkish citizens simply did not yet have sufficient purchasing power to be a viable American market, potential American investors were put off by the negative image of Turks that had been perpetuated in the American media, Turkey did not have the political stability desired, and its future was seen as uncertain.¹² He uses three tables from Leland Gordon's *American Relations with Turkey 1830-1930: An Economic Interpretation*, to prove his point.¹³ In summary, he believes that American business had no intention of investing significantly in Turkey in spite of Mark Bristol's urgings. Missionary interests, for him, trumped business interests.

This thesis, on the other hand, will contend that American economic power had the potential to transform relations between the two countries much more than the American missionaries in the interwar years. Without a doubt there was an American Open Door Policy toward Turkey. There was a clear intention, particularly on the part of American oil interests, in investing in Turkey from the beginning of the 1920s. That interest only diminished with the failure of the Chester Concession in 1923 and the awarding of Mosul to Britain in 1926 by the League of Nations. Trade interest in Turkey did not disappear

¹² See Yaylalier, Dinç, *American Perceptions of Turkey, 1919-1927*, (Utah University: Doctorate Thesis, 1996) for his overall argument.

¹³ Gordon's book has already been cited. See Appendix B for the three charts which detail American-Turkish trade in the 1910's and 1920's.

after that either as the two countries signed a trade agreement in 1929 which remained valid until a follow-up agreement was signed in 1939, on the eve of the Second War. With the failure of the development of significant economic relations between the two countries, however, the transition period of the World War Two years meant that less Lend Lease aid would go to Turkey than China, a more important economic market for America in the decades before World War Two. That does not undermine the argument, in any event, that Turkey could have received more American investment in the interwar years if political developments had taken a different turn. It could, therefore, very well have been treated as a more important country during World War Two in terms of Lend-Lease aid.

Roger Trask wrote a book in 1970 called *The United States Response to Turkish Nationalism and Reform, 1914-1939*. At that time very few books had been written on American-Turkish relations and Trask pointed that out in his preface. He wrote that although Turkey was not important to the U.S. government in those years overall, it was important to American foreign policy. He acknowledges some works to that point in time that contributed to a better understanding of the relationship in those years but he still felt that the relationship was neglected mostly due to the fact that the United States was seen as an isolationist country following World War One. Nothing could be further from the truth. There was a Red Scare in the United States following the Russian Revolution, worry about revolution in regions like Europe and countries like Mexico, and a later fear in the 1930's of the Germany-Italy-Japan axis capturing significant portions of the global market. The United States simply preferred political pressure and economic agreements in the interwar years as strategies for keeping the global market open to it. In the case of a small country like Nicaragua in Central America it simply trained its military to maintain political control and withdrew its own troops from the country.¹⁴ That can hardly be considered isolationist. Trask adds to Yaylalier's book to give us a much better understanding of the interwar relationship between America and Turkey. Yaylalier gives us the perspective of the American missionary lobby while Trask adds all the other dimensions of the relationship: commercial, economic, technical, educational, and cultural as well as the political one

¹⁴ Schmitz, David F., *Thank God They're On Our Side: The United States and Right-Wing Dictatorships, 1921-1965*, (Chapel Hill and London: The University of North Carolina Press, 1999), p. 56

within an international context. It adds twelve years of analysis of U.S.-Turkish relations to Yaylalier's thesis. He does not concentrate on America's Open Door Policy but he does make one reference to it as expressed by Secretary of State Charles Evans Hughes during the Lausanne Conference.¹⁵ This main body of thesis will pick up where Trask left off and will extend forward in time the economic and political aspects of the relationship throughout the World War Two years as well as do more than just make a passing reference to the Open Door.

Richard Company wrote a book about relations between the two countries which completely skipped over the World War Two period and devoted only two pages to the relations between 1830 and the beginning of the Cold War. His brief mention of the early relations between the two countries in the second chapter of the book was titled *Early U.S.-Turkish Relations* an inversion of the book's title, *Turkey and the United States: The Arms Embargo Period*. The arms embargo period, the emphasis of the book, was from 1975-1978, temporally far outside the scope of this thesis. Since this book is about the military aspect of the relationship, it is also mostly contextually outside the scope of this thesis. Exclusive emphasis on American-Turkish relations during World War Two has hardly been touched.

What remains to be done, therefore, is to dig deeper into the subject of American-Turkish relations after the re-establishment of diplomatic relations in 1927 but, most importantly, during the World War Two Years when Turkey's strategic value increased and the United States had to intensify its interest in Turkey under the contingencies of a world war. Trask's book must be built upon. The fact that the United States took a partial backseat to Britain vis-a-vis throughout most of the war does not change the fact that this transitional period in American-Turkish relations was important and should be scrutinized.

There have been books written, however, about the Turkish side of foreign policy during World War Two in Turkish. The Turkish Foreign Ministry, in 1973, published *Türkiye Dış Politikasında 50 Yıl: İkinci Dünya Savaşı Yılları (1939-1946)* (*50 Years of Turkish Foreign Policy: The Second World War Years (1939-1946)*), which was beneficial in that it provided a Turkish perspective, which should be enlightening for western authors who have

¹⁵ Trask, Roger, *The United States Response to Turkish Nationalism and Reform 1914-1939*, (Minneapolis: University of Minnesota Press, 1972), p. 32

neglected it. It specified Turkey's big three demands in order for it to enter the war on the Allied side. These were as follows: 1) Plans had to be made by the Allies to defend Turkey from German attack and bombardment; 2) A strategy and plan of cooperation had to be made together with the allies; 3) Security and interests (Turkey's) had to be dependent on concrete political conditions. It makes clear how the Turkish government saw the war and its deep fears of being devastated again only two decades after its liberation war had ended, something western sources and books do not do sufficiently. Western writers sometimes allude to Turkish concerns but almost always in passing. Moreover, there was an implicit resentment towards Turkey for not coming into the war, as if that was such an easy decision to make for a country in its economic condition and at its weak level of military strength.

Focusing on the American Open Door Policy should be supplemented by books written in Turkish which focus on the Turkish perspective during World War Two. Books in Turkish written about the war years from the Turkish side include *İkinci Dünya Savaşı'nda Türkiye: Savaş ve Gündelik Yaşam (The Second World War in Turkey: War and Daily Life)* by Murat Metinsoy in 2007, *İkinci Dünya Savaşı ve İki Cepheye Türkiye (The Second World War and Turkey on Two Fronts)* by Cüneyt Arcayürek in 2010, and Cemil Koçak's two-volume *Türkiye'de Milli Şef Dönemi (1938-1945) (The National Chief Period in Turkey (1938-1945))*, the first volume published in 1996 and the second in 2007. Metinsoy's book, of course, is not a diplomatic history. Instead, it focuses on aspects of Turkish social life during the war such as the economy, its food situation, village life, the working class, and social problems and social policy. The second book is a thorough, multi-faceted look at Turkey's foreign relations during the war and prefaces the book by citing an İsmet İnönü interview with the Milliyet newspaper in October 1967. In the interview, İnönü again defended Turkish foreign policy during the war and stressed the feeling of insecurity that Turkey had, especially following the Molotov-Ribbentrop agreement in August 1939 between the Soviet Union and Nazi Germany. Turkey was, of course, shocked that the Soviet Union signed the pact and, thus, Turkey subsequently saw two potential enemies resulting from that agreement. Just the title of the book alone provides a counterbalance to the typical Western academic view of Turkey's foreign policy during the war. Any relatively small country facing such a predicament (one could argue

that it faced three fronts if we treat Italy separately) can not be measured with a typical moral barometer.

Koçak's book is the most useful and is an excellent opportunity for western readers of Turkish to better understand the problems facing Turkey during the war period, on both the domestic and international fronts. However, his two volumes are more concentrated on Turkey's domestic politics than on its foreign policy. It is very useful but does not focus very much on Turkey's overall relations with the United States. It does, however, provide some pertinent economic statistics concerning American-Turkish trade during the war years. Koçak's book is important for capturing the overall Turkish foreign policy perspective during the war years but it will only be used lightly as it is only a general look not specific to its relations with the United States. In fact it is, like most books, more heavily focused on Turkey's dealings with Britain and Germany. That is an additional reason why the book will not factor largely in this thesis: although getting the Turkish perspective during the war years is very important for achieving a more balanced picture of its foreign policy it will also only play a supporting role in this thesis because of the greater emphasis on American policy.

Examining the World War Two years from both sides of the American-Turkish relationship is the final angle that should be mentioned. Haluk Ülman's *Türk-Amerikan Diplomatik Münasebetleri 1939-1947 (Turkish-American Diplomatic Relations 1939-1947)* was the only book written in Turkish which exclusively examined the two sides of the relationship in detail during the Second World War (other than Barkay's later book) and it extended to 1947, two years past the end of the war. About forty pages of his book are devoted to Turkish-U.S. relations during the war but the fact that it was written in 1959 means that a more detailed and updated look at the war years is in order. The period focus in this thesis will be almost exclusively on the Second World War with a post-war epilogue added to encompass the final realization and success of the American Open Door Policy toward Turkey. Ülman does, in fact, end his book with the Marshall Plan aid to Turkey but he does not use the term Open Door to describe American policy and certainly does not use it as an organizing principle.

David J. Alvarez's *Bureacracy and Cold War Diplomacy: The United States and Turkey 1943-1946*, written in 1980, qualifies as the most thorough book in English written about

relations between the two countries (albeit only the second half) during the World War Two years but it also gives short shrift to the 1943-5 period. It focuses more on relations after Potsdam and the status of the Bosphorus Strait. For this author, Ülman's and Alvarez's periodizations are perfectly acceptable but the event which ensured that Turkey would be incorporated into American's post-World War Two order was once Turkey declared war on Germany and Japan. It did so in March 1945 and thus qualified for United Nations membership. At that point it was, for all intents and purposes, consigned to the Western camp of the United States and Western Europe, although there was a post-war debate in both the United States and Turkey about Turkey's future role in international relations. World War Two, more than anything, determined Turkey's future role in the world, and the deadline for United Nations membership is an effective cut-off point for analyzing Turkey's global political position. In the final analysis, it simply was not in any condition following the war to pursue an independent foreign policy and maintain its economic independence.

Ülman and Alvarez start to fill the gap in knowledge and analysis of the Turkish side of American-Turkish relations during the war years from but more needs to be done. It is interesting to note that William Hale, who wrote his book about the history of Turkish foreign policy in 2000 and did cite some Turkish sources, did not bother citing Ülman's book, which may have given him a more insightful look at the Turkish side during World War Two if he had so desired. He had already shown a lack of insight regarding the Turkish perspective previous to the war. It will be one of the aims of this thesis, as already mentioned, to examine the Turkish side during World War Two more closely as well as the American side without showing unnecessary support for Turkey simply because it was a vulnerable, small nation-state. To simply look at the Turkish side more closely is in itself a contribution to a better historical understanding of the subject of American-Turkish relations and, for that matter, British-Turkish relations.

As far as an analytical approach to the subject of Turkish foreign policy it seems necessary to state the obvious that it had its own interests, survival obviously being the most important of them, and one false foreign policy move would have spelled disaster. In conducting this analysis it is quite difficult to characterize Turkish foreign policy as having an ideological approach. Under wartime conditions no country can conduct an

ideologically-based foreign policy: one only has to look at the case of the Soviet Union to understand that. Its survival was at stake even more so than Turkey's and it expediently allied with the capitalist Allies in order to defeat Nazi Germany after its invasion. For that reason it would be even more unreasonable to characterize Turkish foreign policy in such a manner. Turkey, outside of fiercely trying to protect its economic and political independence, was not a potential revolutionary state that was fighting against imperialism or trying to spread Kemalism but simply one that was trying to balance off great powers to survive and help stake out its claim in a post-World War Two world. If anything, we may apply the Realist Theory of International Relations here as Turkey was willing to do almost sign any kind of treaty and establish an economic relationship with any country in order to ward off invasion or being pushed into the war against its will.

Not characterizing Turkish foreign policy as ideological (other than its belief in maintaining its absolute sovereignty) does not mean that the analysis of American foreign policy toward Turkey is not ideological. Without a doubt, the American attempt to apply the open door to Turkey is highly ideological. The Open Door Policy, translated into ideological terms, is an attempt to impose economic liberalism on the rest of the world.

1.1. Purpose of the Study

The aim of this thesis will be to correct the shortcomings of previous attempts at explaining American-Turkish relations during World War Two. In addition to that this thesis will also focus much more on the American side of the relationship through the declassified *Foreign Relations of the United States* documents. There are no equivalent declassified archives on the Turkish side for those years. Therefore, the title of this thesis will be referred to as *Tensions in American-Turkish Relations during World War Two*. This endeavor consists of not only adding an enormous amount of detail to the story of the diplomatic relationship between the two countries during the World War Two years but trying to get a better understanding of both sides of the relationship within the context of the exceptional circumstances of a world war. The American Documents represent the American governmental viewpoint but, in the process, the Turkish side will be explained as well because the American Ambassadors to Turkey during the war (JVA MacMurray and Laurence Steinhardt) sent back telegrams based on their conversations with high-ranking Turkish politicians.

Despite examining the relationship mainly from American documents the overriding goal of this thesis will be to understand the American side but, perhaps more importantly, to gain more understanding of the Turkish government's side and the choices it made during the war. That is something that can easily be done if a scholar is truly interested in understanding the different sides of a situation. It is important to overcome the western belief that Turkey acted in a uniquely ungrateful, disloyal, opportunistic, immoral and self-serving way. Turkish chromium sales to and trade relations with Germany throughout most of the war is often used to reinforce that view. A question should be raised with regard to this claim: What, for example, would Britain or the United States have done if it had a weak military and economy, no guarantee of economic and military aid, no true friends in the region, and was under the threat of Mussolini's Italy in the Mediterranean and the Balkans as well as Nazi Germany? Added to that was the fact that the Soviet Union and Germany signed the Molotov-Ribbentrop Pact in August 1939 which made it difficult for the Turkish government to know what the Soviet Union's intentions were after that. There were also differing interpretations of the 1939 Turkish agreement with Britain and France as well as the amount of gratitude Turkey should have shown for a rather paltry amount of Lend-Lease aid. Where is the understanding of the Turkish perspective in western books on these counts? In fact, the American government showed slightly more understanding than the British one regarding Turkey's situation as it did not push it to enter the war in any serious way during the war until early 1944. That deeper 'understanding' must be taken with a grain of salt, however, as the United States was much more heavily focused on the western front of the war and did not want to divert effort and supplies to the Balkan front. It was, in fact, no more lenient in its overall policy (except verbally) toward it but pretended to understand Turkey's feelings of insecurity even if that did not translate into a better policy toward Turkey. Roosevelt seems to have understood Turkey's wartime dilemma better than Churchill.

It is also important to point out that, although Turkey was ready to maintain a friendly relationship with Nazi Germany if it had sustained its advantage over the Allies, it was purely an expedient foreign policy option it was prepared to exercise. Realpolitik has been practiced for centuries by many empires, states, and nation-states; why should Turkey's policy be considered so unusual? This lingering and biased opinion among western academics is, of course, the result of the winners 'making history.' The point of this thesis

is not to prove that Turkey's policy was more moral than that of the Allies but simply to create a more sympathetic understanding of why it made the choices it did. In fact, Turkey's foreign policy was not moral but was successful in its overriding goal: staying out of the war. Its economy suffered under draconian restrictions imposed by the government in preparation for war and its domestic politics took a definite turn for the worse but it is unfair to selectively judge a country based on such criteria. The United States, for example, was on the winning side in the war but its Japanese-, Italian-, and German-Americans faced discrimination and harsh internment in prison camps following Pearl Harbor and the American entry into the war. Why should the policy of sending Wealth Tax evaders to prison labor camps in Aşkale be judged in a harsher fashion? It is also well-known now that major American companies continued to trade with the Nazis until well into the war while, at the same time, doing its utmost to get Turkey to end its trade with them. How is that to be considered morally superior to or more consistent than the policies carried out by the Turkish government? Rather than do that, this thesis will simply show that Turkey adopted a diplomatic approach vis-a-vis the United States during the war years based on its changing needs and the changing military and political dynamics of the war itself, not to mention the fragile state of its economy and military. A final element to consider is the inability of western scholars to understand that Turkey was a proud and newly-established republic that did not want to be treated like a colony but, rather, as an independent country and an equal partner with the west. In fact, there is still clear resentment among British and American scholars at the fact that Turkey did carry out a policy based on such an approach. Realist and Liberal International Relations theories can not fully account for the behavior of a state which carries out policies based on such feelings. Realist and Liberal International Relations theories only tend to treat nation-states as objective, emotionally detached units in an international system which either balance countries off against each other (by usually joining one side) or engage in diplomatic discussions with other countries as equal partners with identical economic and security interests. The Realist school's 'bandwagoning' strategy of joining the predominant power or power group was actually done fairly late by Turkey. It declared war against Germany and Japan only in February 1945 when its UN membership was at stake. Turkey's vulnerable strategic position and failure to be treated as an equal partner meant that it did not join any

side until it felt it had no choice toward the end of the war to officially join the Allies when the Nazis were on the verge of collapse.

Since this is a thesis on American-Turkish relations it will also be important to try to understand the motivations of the United States side of the relationship during the war. Was it genuinely motivated by the principles of Wilsonian self-determination, the Atlantic Charter, and the United Nations Declaration in its prosecution of the war against the Axis powers or simply interested in protecting global markets? Or, was it a combination of both? Why would it not have been even more considerate of Turkey's needs considering that it could have been invaded by Nazi Germany at some point during the war and the Bosphorus Strait was considered a vital sea trade corridor? Was it so beholden to Britain interests during the war or was it in fact more assertive than previously thought? That Turkey's interests were usually overlooked is quite clear. Harry Truman, even after the war was finished, showed himself to be rather insensitive to Turkey's strategic fears by focusing more on the freedom of waterways rather than Turkey's territorial integrity in spite of the overinflated fears about Soviet irredentist claims on Turkey. Turkey was right to feel underappreciated. Even if the United States government did not have good intentions toward the region why would it not at least show Turkey, outside of sympathetic rhetoric, that it cared more about the security and economic well-being of an important country in the Middle East region that could be very helpful in the war against the Nazis and Mussolini, especially in the Balkans? Treating Turkey as nothing more than a strategically important chess piece during the war was certainly a risky strategy. Regarding the level of aid given to Turkey during the war, the small amount given to Turkey is also rather curious and seems retrospectively rather risky on the face of it. It was perhaps more understandable during the 'phony war' period (from the September 1st, 1939 Nazi invasion of Poland until its initial invasion of the Low Countries and France in May 1940) but not after the U.S. had finally decided upon large-scale Lend-Lease aid to the allies against the Nazis just prior to the fall of the Balkans. The Open Door Policy was still all-important globally and was given a huge boost during the war years by the Lend-Lease policy but Turkey simply was not high enough on the priority list to get sufficient war materials under the program and its highly vulnerable geostrategic location compounded its anxiety and led it to engage in 'tight-rope' diplomacy, balancing off the interests of the Allies and Nazi Germany. There was some understanding of that on the U.S. side but there should have

been more. In the final analysis, Turkey was important to the United States but not important enough as long as it was not invaded and the Allies could turn the tide of the war against the Nazis, which it did starting in late 1942. The U.S. government's insufficient lack of understanding of Turkey's political situation also exacerbated a tense relationship and it adopted an insufficiently helpful and wrong-headed posture toward Turkey during the war. It was not entirely but mostly a cynical real-politick-driven posture.

Showing the motivations of the policies of both countries and how they interacted with each other will be covered in detail in this thesis. Turkey was struggling to survive, remain independent, and be treated as an equal partner with the west. The United States, on the other hand, was already the strongest country in the world. It had commensurate global ambitions such as keeping its global Open Door Policy intact and safeguarding Middle Eastern oil supplies as well as being on the cusp of superpower status. It had a resolve to maintain that status with much heavier involvement in the world economically, militarily, and politically during and following the war (i.e, Lend-Lease, the United Nations, the Marshall Plan, military and economic aid, CIA-supported coups, wars in the third world periphery, PL-480 food aid). This thesis is not going to examine the goals of either Turkey or the United States because there can be no doubt as to what they were: Turkey was a country attempting to become a developed capitalist economy and the United States was an established capitalist country aspiring to keep the world market open to it. As mentioned before it is difficult to characterize Turkey's policy as ideological. The Turkish government had supported Chiang Kaishek in China but had also signed Friendship treaties with the Soviet Union and supported the Republican side in the Spanish Civil War during the interwar years so its foreign policy would definitely have to be described as pragmatic not ideological. But then again, which country's foreign policy is not? The analysis in this thesis, therefore, will be concerned with why the specific diplomacy that was carried out by both governments vis-a-vis each other was carried out. In the process, the aim will be to look at the diplomatic relations between the two countries in a different way than has been done before, hopefully shedding new light on those years outside of the traditional focus on Turkish-German and Turkish-British relations during the war. It is simply not feasible to claim that the United States simply let Britain run a completely independent policy vis-a-vis Turkey during the war, especially a country looking to become the undisputed political, economic, and military power in the world following the war. The Lend-Lease

program was a prelude to what would be its continued global role in interfering in the economies of countries post-war. Turkey was certainly no exception in that regard so it is worth re-examining the claim that the United States simply allowed Britain a free hand in conducting its policy toward Turkey during the war. It is a claim that can not hold up under serious examination. The United States, in the final analysis, had a different agenda than Britain with regard to Turkey and used the Lend-Lease to try to impose its will on both Britain and Turkey. This is the new angle that this thesis will explore. An extensive mix of sources by both Turkish and non-Turkish writers across the ideological spectrum will be used to try to give a wider focus to the subject of American-Turkish relations than has previously been done.

To re-summarize: this thesis aims to add a lot more detail to a rather unexplored chapter in the history of American-Turkish relations; it seeks to show a much greater understanding of the Turkish government's foreign policy conduct during the war; it explores the foreign policy of the United States in much more detail than before; it examines the diplomatic interaction between the two countries during the war; and finally, it underscores that the United States certainly had its own foreign policy agenda vis-a-vis Turkey, namely putting the finishing touches on opening up the Turkish economy, and did not simply kowtow to British interests. In the final analysis, all of these elements can be better understood when put within the context of the Open Door Policy of the United States government.

Chapter 1

The Inability to Achieve a Fully Open Door, 1830-1939

1.1. The Ottoman Empire as an Inconsistent Trading Partner

American-Turkish Cold War relations have been, because of the importance of Turkey as the eastern geographical flank of NATO and the intractable Cyprus problem, extensively written about. Relations between the two countries have continued to be important in the post-Cold War world of the last twenty years. Even before the formal end of the Cold War with the dissolution of the Soviet Union in 1991, Turkey showed its loyalty to the United States as the Türgüt Ozal government shut down the Kirkuk-Yumartalık oil pipeline (which runs from northern Iraq to the southern coast of Turkey), costing the former untold billions in economic losses. It continued its pro-Western stance throughout the 1990s while also forming an alliance with Israel. With the coming to power of Tayyip Erdoğan's Islamist-leaning Justice and Development Party in 2002, despite its rejection of the right of passage through Turkey for American soldiers during the second Iraq war in 2003, Erdoğan's government has been seen by the United States as a model for the rest of the Middle East with its 'moderate Islam' and, very recently, 'secularism'. Additionally, its open investment climate and record number of privatizations since the beginning of the JDP in 2002 means that Turkey has been fully integrated into the current economic globalization process of the last 30 years. That is an ultimate victory for the open door. America is only Turkey's fourth-largest trade partner but it is not an insignificant trade relationship. Moreover, there is no reason why trade levels between the two countries might not pick up in the future. The United States is also keen to see Turkey become the main transit country for the proposed Nabucco natural gas pipeline, a project intended to bring natural gas to the west while bypassing Russia and Iran. That comes on the heels of the Iran- and Russia-bypassing Baku-Ceyhan oil pipeline, only opened in 2006. The American-Turkish relationship is one whose overall importance in recent years is unquestioned and for which much literature has been written.

When we go back deeper into history and examine late American-Ottoman relations and then Turkish-American relations, however, we see less written on the subject, especially

until and including World War Two. It goes without saying that Turkish relations with European countries, especially France and Britain, have a longer history and continued to be more important than those with the United States all the way until the end of World War Two. Turkey's previous incarnation, the Ottoman Empire, first issued capitulations to both France and England back in the 16th century with the very young United States only receiving the same treatment in 1830, eight years before the British forced a trade treaty on the Ottomans called Balta Limani. That treaty was to lead to the Ottoman Empire losing its economic independence to Britain so American influence in the Ottoman Empire was very weak compared to the deleterious effects on the Ottoman Empire brought about by Pax Britannica. In the 19th century the United States, being a limited economic and military power, preferred to try to spread its influence with a worldwide missionary movement which had only a slight effect on the Ottoman Empire. Although having a substantial missionary presence in the Ottoman Empire in the 19th century (one must not forget that Robert College was founded by American missionaries in 1869 in addition to the American Universities in Cairo and Beirut) the United States was not the Ottoman Empire's main trade partner and Britain dominated relations with it throughout the century.¹⁶

That is not to say that the United States had no desire to trade with the Ottoman Empire. That was not the case. In fact, missionary interests were not able to stop the United States from signing its first formal economic and diplomatic agreement (its own capitulation agreement) with the Ottoman Empire in 1830. Although the term 'open door' was not used

¹⁶ Even this sentence must be qualified because Robert College was not simply founded with purely missionary interests in mind. Famous copper magnate Cleveland Dodge and Charles C. Crane, owner of Chicago-based Crane Plumbing Company, were active supporters of Robert College. Crane later went on to head the King-Crane Commission, which was to look into the proposal of an American mandate in Turkey following World War One. When Robert College was founded the incorporating board was led by a wealthy importer called Christopher Rhineland Robert, the man who lent his name to the school. American business, educational, and missionary activity went hand in hand in the late Ottoman Empire. See Morgenthau III, Henry, *Mostly Morgenthau: A Family History*, (New York: Ticknor & Fields, 1991), pp. 121-122

at that time the United States was mainly concerned about keeping the Straits open to and the Black Sea available for trade right from the beginning of its relationship with the Ottoman Empire.¹⁷

As it was the United States was eager to trade with the whole world from the time of its declaration of independence from Britain, according to Thomas Paterson. Even at the beginning of the 19th century there was a desire to sign a treaty with the Ottomans. However, the Napoleonic Wars were raging and it was thought that to sign a treaty at that time would damage American relations with the French, who were only temporarily aligned with the Ottoman Empire during the Napoleonic Wars. In 1811, even before the end of the Napoleonic Wars, an American merchant named David Offley was able to get a promise from Sultan Mahmud on equal trading treatment with the British. There was a followup treaty concerning trade with Izmir and, as a result, Offley became the de facto American consul in the Ottoman Empire.¹⁸ Negotiations a formal trade agreement would start up again in 1820 against the wishes of other European powers and went forward all throughout the 1820s in spite of the Greek War of Independence.¹⁹ The Ottoman defeat was guaranteed after the naval battle at Navarino in 1827 and the door then opened for the United States to proceed with trying to nail down an agreement with the Ottomans. Commercial interests had won out over both missionary and secular pro-Greek interests. Secretary of State Henry Clay lamented the victory of merchant interests and their 'wretched invoice of opium and figs.'²⁰ It was Offley who signed the agreement. The agreement was essentially the basis for American-Ottoman economic relations until the official end of the empire and the establishment of an independent Turkey in 1923. The

¹⁷ In 1825, during the middle years of the Greek War of Independence, Commodore John Rodgers was sent to secretly negotiate a trade treaty with the Ottoman Empire. He was told to gain the right to trade with all Ottoman ports and the right of passage through the Dardanelles. That premise has never changed since. See Gordon, *American Relations*, p.9

¹⁸ Alvarez, David, *Bureaucracy and Cold War Diplomacy: The United States and Turkey 1943-1946*, (Thessaloniki, Institute for Balkan Studies, 1980), p. 16

¹⁹ Gordon, *American Relations*, pp. 8-9

²⁰ Daniel, Robert L., *American Philanthropy in the Near East 1820-1960*, (Athens: Ohio University Press, 1970), p. 3

new agreement itself was only signed in 1929 two years after diplomatic relations were re-established. It should also be noted, however, that there was also a military aspect to the treaty as the Ottoman Empire now saw the need to balance off other countries against the predominance of Britain, which was the biggest reason for its being unable to hold on to Greece. This balance of power strategy, employed previously, became a theme in American-Ottoman relations again during the reign of Sultan Hamid as well as for American-Turkish relations in the early Turkish Republic. In 1831, Henry Eckford, a successful naval architect, started to supervise the construction of ships for the Ottoman navy. Additionally, Ottoman officers were allowed to take training courses on American warships.²¹

The formal treaty and minor military cooperation still did not come close to displacing Britain as the major factor in Ottoman foreign relations. Outside of the pre-eminence of the British trading empire and its superior navy one of the reasons was that the United States was not a major political factor in the Ottoman Empire or anywhere outside of the Western Hemisphere (although the Monroe Doctrine was unable to keep British influence out there as well). It did not become a truly unified nation until the conclusion of its Civil War in 1865 between the pro-slavery South and the anti-slavery industrial north. With the victory of the industrial north and its market ambitions it then proceeded to finish filling out the continental United States with westbound railroads until the whole country became settled. The frontier was declared closed in 1890 and it was now time for American business interests to think globally. An economic slowdown in 1893 also gave impetus to that way of thinking. The United States, however, did not attain status as a full-fledged colonial power until its victory over Spain in 1898 following the official closing of its frontier eight years earlier. In that war, the United States acquired Cuba, Puerto Rico, Guam, and, most importantly in terms of furthering its global economic ambitions, the Philippines. The Philippines was seen as the springboard for further economic investment in China and Southeast Asia.²² That is not to say that the United States had not been exploring foreign markets before. After the Civil War, massive conglomerates, referred to by some as

²¹ Alvarez, *Bureacracy and Cold War Diplomacy*, p. 17

²² McCormick, Thomas J., *China Market: America's Quest For Informal Empire, 1893-1901*, (Chicago: I.B. Dee, 1990), p. 119

'Robber Barons', were to form, dominating both the U.S. domestic economy but simultaneously searching for markets abroad. Although they missed out on the 1885 Scramble for Africa, their focus in the decades after the Civil War was much more on small Pacific Island coaling stations for its trading ships and investment in the western hemisphere, which were the nearest significant markets. From the 1870's Canada, Mexico, and the Caribbean were the three major investment markets for U.S. capital. South American investments, much less than the three previous aforementioned regions until World War One, relied heavily on British capital.²³ It should be noted that Europe did catch up with the top three regions by the beginning of the 20th century and was receiving investment in much higher value-added sectors than Canada, Mexico, and the Caribbean. In the former investment was mostly in manufacturing, petroleum, and insurance while in the latter it was mostly in mining, railroads, timber, and agriculture. By 1914, the ranking of U.S. direct investment by region was Canada first (618 million dollars), Mexico second (587 million dollars in spite of the tumult of the revolution), Europe third (573 million dollars), the Caribbean and Central America fourth (371 million dollars), Asia fifth (120 million dollars, mostly in more developed Japan), Oceania sixth (17 million dollars, mostly Australia), and Africa last (13 million dollars).²⁴

Politically, Latin America was considered America's backyard after the proclamation of the Monroe Doctrine in 1823 although it only truly became its nearly exclusive backyard after American supplanted British and German influence in Venezuela at the end of the 19th century. Even then, British commercial influence hung on until into the Mexican Revolution period (1910-1917) in the form of the Mexican Eagle oil company, established at the turn of the century just before American investment started in Mexican oil. After the end of the Revolutionary War in 1917 it was bought out by Calouste Gulbenkian's Royal Dutch Shell but saltwater seeped into its wells, essentially brining to an end its oil

²³ See Wilkins, Mira, *The Emergence of Multinational Enterprise: American Business Abroad from the Colonial Era to 1914*, (Cambridge, Massachusetts: Harvard University Press, 1970) for the story of American investment abroad up to World War One.

²⁴ *Ibid.*, pp. 202-205

production there.²⁵ Without question, the Monroe Doctrine was finally a complete reality for the United States by the end of World War One.

1.2. The United States Increases Its Diplomatic and Economic Presence

As for the Middle East there was no way the United States could extend the Monroe Doctrine to such a faraway geographical region. There it would have to be much more subtle in its tactics to ensure the openness of markets and investment opportunities. The only way to do that would be to raise its diplomatic presence in order to give a boost to its economic relations with the Ottoman Empire. While the biggest market target may have been China, to get shut out of large non-colonial areas of the globe, like the Ottoman Empire, would not bode well for the export of surplus American products on a global scale.

The United States was engaged in a fair amount of global trade even before the Open Door Notes and the government was aware that it needed to raise its level of trade in the Ottoman Empire where the British, and now Germans, predominated. The Germans were latecomers to the imperial game as it had only become a unified nation-state in 1871 but would score a coup by signing the Baghdad Railway agreement with the Ottoman government under Sultan Abul-Hamid in 1903. It had the inside track on mining concessions in the Ottoman Empire going back to 1890, when Deutsche Bank helped fund the Baghdad Railway Concession along with mining rights on 20-kilometer swathes of land on each side of the railway. It was not very dissimilar from the later Chester Concession attempts. After 1904, when Sultan Abdul Hamid transferred the original Baghdad Railway to his private account euphemistically referred to as the *Liste Civile*, Germany had to compete with British bids for Mosul oil concessions. That went on until 1912, when German and British interests combined to form the Turkish Petroleum Company, with the assistance of the aforementioned Calouste Gulbenkian.²⁶ World War

²⁵ Yergin, Daniel, *The Prize: The Epic Quest For Oil, Money and Power*, (New York, NY: Simon & Shuster, 1991), pp. 230-232

²⁶ The International Petroleum Staff Report to the Federal Trade Commission, released through Subcommittee on Monopoly of Select Committee on Small Business, U.S. Senate, 83d Cong., 2nd sess(Washington, DC, 1952),Chapter 4,"Joint Control Through Common

One broke out, the concession, granted in 1914 just before the start of the war, was put on hold, and Germany finally lost its share of the company upon its defeat. In any case, the British definitely saw Germany as a threat to its interests in the whole Middle East by the first decade of the twentieth century as well as a physical threat to its worldwide empire.

The United States also started to pay attention to Germany's imperial machinations even before the turn of the century. Germany had, for instance, improved its commercial success in the Ottoman Empire with its extensive consular representation, something which did not go unnoticed in Washington. In 1892, President Benjamin Harrison spoke before Congress and said that 'interference with the trading ventures of our citizens in Asia Minor is also reported, and the lack of consular representatives in that region is a serious drawback to instant and effective protection.' Even before the first Chester Concession endeavor the United States made an attempt to increase its economic influence in the Ottoman Empire. Just before the turn of the century the American Oriental Agency, a consortium of more than one hundred American importers and exporters, was organized by the American Consul-General in Istanbul. It was established to show off an array of American goods, especially agricultural-related ones. In 1901 the subsidiary branch, American Agency for Eastern Turkey, was organized at Harput (today's Elazığ) to assist in the introduction of American agricultural machinery.²⁷ The United States was just starting to penetrate the Ottoman Empire in a more serious fashion and its government saw that it had a role to play in order to facilitate American business investment.

Using its victory in the 1898 Spanish-American War as a springboard to a more global economic role the United States officially adopted the so-called 'Open Door' policy in 1898, under President William McKinley, fearful that it would be left out of the spoils in the biggest prize of them all, China. The first note, written by Secretary of State John Hay in 1899, left no doubt as to where U.S. concerns lay. It specifically asked in the first sentence whether Germany's takeover of a Chinese port was going to leave the door open

Ownership- The Iraq Petroleum Co., Ltd." pp. 47-112, <https://www.mytholyoke.edu/acad/intrel/Petroleum/ftc4.htm>, (retrieved 03/12/12)

²⁷ Gordon, *American Relations*, p. 155

for the U.S. to trade through it.²⁸ The actual author of the Open Door notes was William W. Rockhill, who would, interestingly, eventually become American Ambassador to the Ottoman Empire from 1911-1913. He believed that China's territorial integrity should be kept intact rather than be carved up by the various European powers into separate and exclusive economic zones. He made sure of that in negotiations with the European powers following the Boxer Rebellion and also managed to keep China's indemnity at a reasonable level so its economy would not be so heavily damaged. Heavy Chinese reparations could have had the effect of heavily impoverishing it and reducing its significance as an export market for the United States.²⁹ A similar approach would be employed by Woodrow Wilson after Germany's defeat in World War One in not wanting to too heavily Germany with debt and reparations. The Marshall Plan after World War Two would be the culmination of that approach, a plan which included Turkey. The United States, knowing it had to share the global market with the major European powers, adopted a seemingly "gentle" economic imperialism compared to the former, out of what it saw as a necessary tactical maneuver to ensure market access for its exporters.

The now-official Open Door Policy quickly transformed under Theodore Roosevelt's successor, William Howard Taft (1908-1912), into 'Dollar Diplomacy', a policy that meant using America's economic clout to give it an advantage in foreign countries. Much to the chagrin of U.S. business interests, that would not outlast his administration because of the resistance of other imperialist powers like Holland, Britain, France, and Germany to economic penetration of their far-flung colonies. By going back to 1898 and reading government reports, however, we gain an understanding of the original impetus of the Open Door Policy. It is summarized in the State Department's April 1898 "Review of the World's Commerce". According to the report,

²⁸ AMDOCS: Documents for the Study of American History, "First Open Door Note: John Hay to Andrew D. White, Department of State, Washington, September 6, 1899" <http://www.vlib.us/amdocs/texts/opendoor.html>, (retrieved 7/2/12)

²⁹ Meyer, Karl E. and Brysac, Shareen Blair, *Tournament of Shadows: The Great Game and the Race for Empire in Central Asia*, (Washington, D.C., Counterpoint, 1999), pp. 414-416

"the ability of the United States to compete successfully with the most advanced industrial nations in any part of the world, as well as with those nations in their home markets, can no longer seriously be questioned... every year we shall be confronted with an increasing surplus of manufactured goods for sale in foreign markets if American operatives and artisans are to be kept employed the year round."³⁰

The United States had just been through a five-year recession and it was a country whose frontier had been reached. It would have to look for markets elsewhere in order to rid itself of its surplus in competition with European nations, Russia, and Japan. The open door meant that the United States should be given equal access to markets(or more favorable access to them) that European countries had access to and 'dollar diplomacy' meant that it would attempt to use its economic power to gain political influence over countries.

The United States was not yet a military power so Roosevelt, for example, used diplomacy in 1905 to balance Russia and Japan off against each following their war in order to keep the Chinese market open to it. These 'balancing off' diplomatic tactics would be employed until the outbreak of World War One took Russia out of the equation. That was the only tool the United States had at its disposal at that time (other than economic power and the dollar diplomacy interlude) until it could build up its navy, a process that started in earnest under Roosevelt.³¹ Roosevelt was a committed military imperialist who believed that the 'big stick' had to be employed when necessary in order to further American economic interests. His forcing of the secession of Panama from Colombia in 1903 was the most prominent display of his attitude toward international affairs. In that part of the world the

³⁰ Williams, William Appleman, *The Tragedy of American Diplomacy*, (New York: Dell Publishing, 1959), pp. 40-41

³¹ Roosevelt and his Secretary of War Elihu Root Johnson were looking to improve the effectiveness of the American military following the Cuban occupation in 1898. Root particularly drew attention to the fact that Germany had a highly-trained General Staff, establishing a clear military authority which America lacked in its first main military imperialist adventure. In 1903, following Root's advice, Congress passed legislation creating a precursor to the 1947 Joint Chiefs of Staff and also established the Army War College. See Johnson, Chalmers, *The Sorrows of Empire: Militarism, Secrecy, and the End of the Republic*,(London: Verso, 2004), pp. 45-46

'big stick' could work as there was no longer a European rival in competition with the United States. However, in China and the Ottoman Empire, traditional diplomacy and dollar diplomacy would have to suffice as a foreign policy strategy until the United States became a more formidable military power. In the end America's Open Door Policy, augmented by the Dollar Diplomacy strategy, was resisted by Germany and Britain in the Ottoman Empire and an assortment of European powers and Japan in China; it took World War One to give the United States a better opportunity to try to gain the upper hand over them.

Dollar Diplomacy was to be global in scope, and the late Ottoman Empire, first under Sultan Abul-Hamid (1876-1909) and then under the Committee of Union and Progress (CUP) government after the 1908 'constitutional restoration', fell within this scope. It was now felt that it was time to recover from the decline in trade that the United States experienced with the Ottoman Empire in the late 19th century after having experienced rapid trade growth from 1862-1886 following the signing of a trade treaty during the American Civil War in 1862.³² The United States had already attempted to apply the Open Door Policy to the Ottoman Empire in 1899, the same year of the first note.³³ Taft's Dollar Diplomacy was attempted with the CUP government in the late Ottoman Empire in the form of the first 'Chester Concession' but its three-year effort (1908-1911) failed. From the beginning of the establishment of full diplomatic relations with the Ottoman Empire in 1906 (there were no U.S. ambassadors anywhere in the world until 1893 as that supposedly symbolized royalty in an anti-monarchical nation) the Open Door Policy was to be applied. To show that the U.S. government was taking the open door very seriously in the Ottoman Empire, it had appointed John G.A. Leishman, a steel magnate and former partner of Carnegie Steel President Andrew Carnegie, to be the envoy to the Ottoman Empire in 1900. He was, of course, upgraded to ambassador in 1906, when the level of American

³² Gordon, *American Relations*, pp. 345-346

³³ American Consul General Dickinson broke the British shipping monopoly to the Ottoman Empire by opening a steamship service between New York and Istanbul. That line was not successful but it motivated the establishment of German and Italian lines, which had the effect of breaking the British shipping line monopoly thus leading to cheaper transportation of American exports to the Ottoman Empire. See *Ibid.*, p. 56

diplomatic representation was raised. Leishman, perhaps as a symbolic gesture of stressing the economic importance of the Ottoman Empire, went so far as to buy the American Embassy building in Istanbul.³⁴ Leishman also wrote this following the CUP revolution of July 1908 almost two years later:

"The revolution enhances the opportunity of extending our commerce many fold, as the development of the country, which was retarded and strangled by the methods of the old regime, will be encouraged to the greatest extent by the new Government, which is sure to result in a great wave of prosperity."³⁵ The feeling was obvious in U.S. government and business circles that economic relations with the Ottoman Empire would be even better with the CUP government than under deposed Sultan Abdul-Hamid."

Dollar Diplomacy, as mentioned before, was resisted by European powers, as it was being in China. In the Ottoman context, the CUP was still looking more to Europe for finance (especially Britain), despite the United States having upgraded its diplomatic status to full ambassadorship. It was not yet the world's superpower but, rather, one of many possible western choices as an investment source for the CUP. Although Admiral Colby Chester first went to Istanbul in 1908 in representation of American business interests the initial application for the original Chester Concession was not until late summer 1909. The concession was to build rail lines from Sivas in central Anatolia to Sulaimaniya in Mosul Province. Including branch lines, the total length of the railroad concession would be 2,000 kilometers. It would also cost more than 100 million dollars and allow the exploitation of

³⁴ Leishman paid 150,000 dollars out of his own pocket for the building with the expectation that he would be reimbursed by the U.S. Congress for the purchase. When Congress refused to do so he invited key congressmen to an evening of poker and wagered for the embassy building. He won the bet and the building was paid for, becoming the first American diplomatic residence to be fully-owned by the U.S. government. See Mazzari, Louis, *A Palazzo on the Bosphorus: The American Embassy in Beyoğlu in American Turkish Encounters : Politics and Culture, 1830-1989*,(Newcastle upon Tyne: Cambridge Scholars, 2011), pp. 111-112

³⁵ Howard, Roger, *The Oil Hunters: Exploration and Espionage in the Middle East 1880-1939*, (London: Hambledon Continuum, 2008), p. 90

mineral resources along the rail route for the Chester Concession syndicate as well as prospects of the sale of railroad construction equipment for the railway itself.³⁶ The Chester Concession eventually failed after more nearly three years of negotiations, even with the efforts of William Rockhill late in that commercial endeavor to bring it to a successful conclusion.³⁷ There was heavy resistance to it from colonial powers Germany,

³⁶ DeNovo, John, "A Railroad For Turkey: The Chester Project, 1908-1913", *Business History Review*, 33 (Autumn 1959), p. 304

³⁷ Rockhill wrote the original Open Door note, as mentioned before, and also served as envoy to Czarist Russia two years (1909-1911) prior to taking his post in the Ottoman Empire. His job was to work to promote America's Open Door Policy in Russia, trying to capitalize on President Howard Taft's Dollar Diplomacy. Taft had in 1907, the year before he became president, journeyed around the world as U.S. Secretary of War to Hawaii, the Philippines, Japan, China, and Vladivostok, Russia, a signal of his attention to focus America on the Far Eastern markets. Rockhill was criticized by B.A. Kennedy, director of manufacturing for International Harvester, a huge farm equipment company trying to make inroads in the Russian market. He thought Rockhill was too timid to approach Russian government ministers and was completely ignorant of the needs of International Harvester. Author Norman Saul argues, however, that Rockhill did not want to favor one farm equipment company at the expense of all others, such as John Deere and Massey Ferguson, in the agricultural sector. That posture taken by Rockhill accords with Leland Gordon's definition of a real Open Door Policy, which does not allow for favoritism given to one or a select group of companies but rather desires markets open to all companies equally which are interested in trade and investment in a foreign market. International Harvester successfully penetrated the Russian market, nonetheless, and was a significant presence in Russia until war and revolution disrupted all foreign investment in Russia temporarily. Overall, American trade with Russia increased consistently year-on-year (1906-1913) after the Russo-Japanese war of 1905 (in which the United States slightly favored Japan) and was the second-largest exporter to Russia after Germany in 1911. In early 1914, just months before the outbreak of World War One, a Russian-American Chamber of Commerce was established. Rockhill's China was the main interest for the United States in the early twentieth century but, as is evident, the huge market of Russia was also very much in the sights of large American business interests. The Ottoman Empire (by virtue of

Britain, and France, all of whom had large economic interests in the Ottoman Empire and certainly did not want any further competition. The Germans, for example, protested that the Chester Concession would cross over its Berlin-to-Baghdad Railway project.³⁸ Additionally, the way that the United States government went about carrying out the Open Door Policy was insufficient according to Ambassador Oscar Strauss (Secretary of Commerce and Labor under Roosevelt), who assumed his post in late 1909.³⁹ It was not the case that the United States government was not interested in promoting American business. On the contrary, it was whole-hearted in its support.⁴⁰ Strauss, however, would

the first Chester Concession) was a significant third in priority in Asia (Latin America and Canada were still the major global markets for American business outside of Europe in the early twentieth century) until the failure of the first Chester Concession. For the aforementioned details of the Rockhill and America's business story in Russia in the years prior to World War One see Saul, Norman, *Concord and Conflict: The United States and Russia, 1867-1914*, (Lawrence, Kansas: University Press of Kansas, 1996), pp. 527, 538-541, 546-547

³⁸ DeNovo, *A Railroad For Turkey*, p. 304

³⁹ It should be noted that Straus was serving his third tour of duty as American representative to the Ottoman Empire, this being his first as ambassador. He was attracted to returning to the post because of the growing importance of the Ottoman Empire. As put in the New York Times, "The next few years are likely to improve the relations between the two countries and to increase American trade there such as have not been known before." See, "Straus Will Go To Turkey Again: Chosen Because of Former Service at the Porte to Stir Trade with Ottomans", New York Times, May 4, 1909. The immediate reason for such optimism was no doubt the current Chester Concession endeavor but the words in the article implied that relations between the two countries would go even beyond that, possibly transforming into a very expansive trade and economic relationship, albeit to most likely be tilted in America's favor.

⁴⁰ John D. Rockefeller, in the 1909 memoir *Random Reminiscences of Men and Events*, stated, "One of our greatest helpers has been the State Department. Our ambassadors and ministers and consuls have aided to push our way into new markets in the utmost corners of the world." While the situation of Rockefeller's Standard Oil was unusual because of its status as America's richest company, it also showed that State Department support would

have to explain the intricacies of pushing for investment in terms of a close coordination of government and business, in this case the State Department and the Chester Concession. He stated that the Germans, French, and British understood that game very well and American business could not 'be successfully advanced and sustained in the Empire without the strong support of our government.'⁴¹ The lesson that Strauss was trying to provide was that the open door for American business would not thrive under laissez-faire conditions while there were other colonial powers trying to protect their economic investments in the centuries-old mercantilist tradition.

The State Department again intervened in the Chester Project in March 1910. It offered four things in return for the approval of the concession by the Ottoman government: permission to raise its tariffs from 7 to 11 percent; the purchase of warships in the United States to counteract those that it had sold to Greece in 1909; abandonment of capitulatory privileges involving criminal acts by American citizens on Ottoman soil; and loans to relieve the Ottoman government's financial difficulties.⁴² On December 7th, 1911 President Taft addressed Congress, extolling the progress of the previous year in promoting trade with the rest of the world. With regard to the Ottoman Empire, he said this:

"In spite of the attendant uncertainties and detriments to commerce, the United States has gained markedly in its commercial standing with certain of the nations of the Near East. Turkey, especially, is beginning to come into close relations with the United States through the new interest of American manufacturers and exporters in the

be forthcoming if it were a potentially very lucrative as well as a risk-free opportunity to extend American business influence abroad. Rockefeller's words also reveal that it certainly was not a universally applied rule that the State Department would not support individual companies abroad. For Rockefeller's quote see Phillips, Kevin, *American Theocracy: The Peril and Politics of Radical Religion, Oil, and Borrowed Money in the 21st Century*, (London, England: Penguin Books, 2006), p. 47

⁴¹ DeNovo, *A Railroad for Turkey*, pp. 316-17

⁴² Gordon, *American Relations with Turkey*, pp. 66-67

possibilities of those regions, and it is hoped that foundations are being laid for a large and mutually beneficially exchange of commodities between the two countries."⁴³

Taft's Dollar Diplomacy was very eager for increased trade with the region.⁴⁴

Unfortunately, for the United States government that progress in the Near East did not translate into success for the Chester Concession. The 'uncertainties' and 'detriments' mentioned by Taft in his speech to Congress were definitely a factor in the eventual failure of the Chester Concession. In a case of 'too little, too late', on June 17th, 1911, Taft's Secretary of War Henry Stimson wrote a letter to Rockhill instructing him to promote U.S. economic interests in the 'Near East.' Rockhill got to work right away as time was running out for the concession. He even suggested bribing Ottoman officials to expedite the process and get the concession granted. The Italo-Ottoman war broke out in September, however, and the Ottoman-American Development Company withdrew from the project because of the now risky situation for the investment. Rockhill did not think that was the case, however, and expressed disgust with the withdrawal from the project. Rockhill thought that the failure endangered future American investment in the empire and criticized the American approach for being too impatient. He wrote in a letter on November 6th to JVA MacMurray (later American Ambassador to Turkey) in the State Department:

"The Department is very anxious, I know, to extend our relations here; but how the devil are you going to do it if nobody in America, I mean in the business world is willing to give to the extension of our interests in this country either time or trouble or even to pledge to keep good faith with the people here in case something is given them. I trust that you, in your wisdom, will give me full instructions as to how I am to act here because I really don't see what we are to do in the matter of carrying out the wishes of our country."⁴⁵

⁴³ *Ibid.*, p. 58

⁴⁴ In fact, the United States had massively increased its trade with the Ottoman Empire from 1900 until the outbreak of World War One in 1914. Its exports to the Ottoman Empire increase roughly six-fold and its imports increased by nearly three times. See *Ibid.*, p. 60

⁴⁵ DeNovo, *A Railroad For Turkey*, pp. 322,325

Chester did not give up so easily and communicated to the State Department that he had revived the company on more secure financial footing. Unfortunately for him, he did not get the necessary support from the department, which remained suspicious of Chester's claims. The project faded into oblivion.⁴⁶

There was an attempt to revive the project from 1912 to 1914 but it was considered too risky by the State Department. Its biggest concern was not to get involved in the politics involving Europe and the Near East.⁴⁷ Sixty concessions given to Standard Oil of New York prior (as well as the British and German-dominated Turkish Petroleum Company) to World War One were also put on hold. The government decreed that in late 1914, shortly after the outbreak of the war. It did, however, that its permits would be extended for a period of one year following the conclusion of the war. For the moment major American investment in the Ottoman Empire was not to be a reality and its trade with it would also take a severe hit as a result of the war.⁴⁸ In conclusion, the first Chester Concession episode showed clearly that the State Department was only willing to go so far in assisting particular American business ventures in faraway markets. It did not like to get entangled in complicated multinational politics and it wanted to give support to less risky ventures. The Chester Concession did not meet those two criteria.

The failure of the first Chester Concession did not mean that American-Ottoman relations were permanently damaged despite Rockhill's downbeat language. On the contrary, but for the war, developments could have much earlier taken a different turn. As an indication of the growing importance given to commercial penetration of the Ottoman Empire, The United States established an American Chamber of Commerce the same year that the first Chester Concession fell through. It was only the second one it had established abroad after France.⁴⁹ On February 28th, 1914, months before the outbreak of the First World War, co-CUP leader Talat Pasha, with American Ambassador Henry Morgenthau at his side, spoke

⁴⁶ Ibid., p. 326

⁴⁷ Gordon, *American Relations with Turkey*, p. 85

⁴⁸ Ibid., p. 60

⁴⁹ Ibid., p. 155

in highly positive tones to the American Chamber of Commerce. Talat Pasha, in fact, raved about the potential of the relationship with United States, stating that the

'great economic activity of the U.S... would be of great value to us because the economic status of our country is just now the most important question before us. This much is to be desired and wonderful industrial and commercial progress made by your country is for us a real example worthy to be followed... Your honorable Chamber will be instrumental in showing economic success. The efforts which you will make in advocating and working for our mutual interest will be highly appreciated by the Ottoman Government.'⁵⁰

Whether Talat Pasha was exaggerating the positiveness of his attitude toward the United States is up for debate but there can be no doubt that he saw the U.S. as a possible model for Turkey to follow in the modernization and economic development of the Ottoman Empire. It had the added benefit that it could also provide a counterbalance to Germany and Britain if either of the latter two were to prove too overbearing and arrogant in their dealings with the Ottoman government.

The Ottoman government's balancing-off strategy had initially hurt U.S. business interests by scuttling the first Chester Concession but it also had the paradoxical effect of permanently keeping its economic door open to it. As further evidence that the Ottoman government valued its relationship with the United States, it did not include it in the group of nations that were subject to its November 1914 jihad (holy war) declaration. The United States, neutral at the time, was included in the non-jihad list with Ottoman allies Austria-Hungary and Germany. What is even more impressive about the United States being left off the jihad list was that neutral Belgium was not to be excluded from the list.⁵¹ The relationship, however, was not to move forward in the short-term. World War One broke out, the Ottoman government sided with the Germans, and it was forced to break

⁵⁰ Ahmad, Feroz, *Young Turk Relations With the United States, 1908-1918*, in *American Turkish Encounters: Politics and Culture. 1830-1989*, (Newcastle upon Tyne: Cambridge Scholars, 2011), p. 84

⁵¹ McMeekin, Sean, *The Berlin-Baghdad Express: The Ottoman Empire and Germany's Bid for World Power 1898-1918*, (London, England: Penguin Books, 2010), pp. 124-125

diplomatic relations with the United States, under German pressure, after it entered the war in 1917.⁵² The United States had earlier broken diplomatic relations with Germany after entering the war. There was not unanimous support in the Ottoman government in favor of breaking relations with the United States, however. Cavid Bey, who kept close relations with American Ambassador Abram Elkus (appointed by Wilson in 1916 to succeed Morgenthau) and became Finance Minister after the U.S. broke relations with Germany, told Elkus confidentially that it would not be a wise move. Elkus reported that Cavid had said that 'Turkey's only hope' was the United States and that European countries would be 'unwilling or unable' to help it financially. He also stated that there was 'absolutely nothing' to be gained by a war with the United States.⁵³ The Ottoman Empire did end up breaking relations with the United States but did not declare war on it, even after the United States declared war on Germany April 6th. Relations did not deteriorate nearly as much as they should have, considering the negative circumstances. To compound the already bad situation, the Ottoman government even caught wind of an American plot involving ex-ambassador Morgenthau to undermine it, very much in line with policies like those of established imperialist powers like Britain and France. The plan was hatched outside the borders of the empire. Morgenthau, who had just finished up his tenure as American Ambassador to the Ottoman Empire, had offered to go to Switzerland to meet with anti-Unionist representatives. In this he was supported by Secretary of State Robert Lansing but the plot went nowhere as it was thought to be futile.⁵⁴ If that policy of undermining the Ottoman state had continued it could have served to damage the relationship even further. In any event, the U.S. diplomatic position in the Ottoman Empire and subsequent Turkish Republic was set back for years as a result of the break in relations during the war.

⁵²The Ottoman government apparently told new ambassador Abram Elkus (he replaced Henry Morgenthau in 1916) that it had done so 'reluctantly'. See Mazzari, *A Palazzo on the Bosphorus*, in Criss, p. 113

⁵³ Ahmad, *Young Turk Relations*, in Criss, p. 90

⁵⁴ Ibid., p. 93. Morgenthau's close ties to Standard Oil does raise suspicion that the annulment of Standard Oil Concessions in 1914 may have some connection to the plot in Switzerland, in addition to the fact that the Ottoman Empire sided with Germany. Elkus, Ambassador to the Ottoman Empire at the time, was a very good friend of Morgenthau's as well. For these details see Morgenthau III, *Mostly Morgenthaus*, pp. 91,99,158

Its failure to push forward Dollar and Open Door Diplomacy in the Ottoman Empire notwithstanding, the United States entered the First World War in 1917 with global economic might already in place not yet matched by its military prowess, a situation that was about to change. During Woodrow Wilson's presidency (1913-1921) the controversial Federal Reserve was set up in 1913⁵⁵, big New York banks were to lend heavily to the allied side in the Great War, raking in immense revenues and making the United States the world's largest creditor nation. The war was a watershed for America in that now finance and corporations were both powerhouses meaning it could finance its own global economic expansion as well as become the world's banker. Moreover, the United States, which supported France and Britain against Germany, saw its exports to the two countries increase from 754 million dollars in 1914 to 2.75 billion dollars by 1916, more than tripling the amount.⁵⁶ It also became the world's main agricultural exporter, supplying most of war-ravaged Europe's food needs.⁵⁷ Outside of Europe it was to massively increase its

⁵⁵ Although the Federal Reserve was initially seen as an instrument to tame the big banks like JP Morgan it turned out to be of ambiguous status and became a useful finance vehicle for the big banks (although also criticized by some of them). Wilson sometimes showed a progressive coloring concerning big business and finance, questioning the 'concentration of the control of credit' but was also seemingly fatalistic about the demise of 'individual competition' in favor of 'vast corporations.' In the end, he was also on both sides of the fence concerning public versus private operation and ownership of the Fed. There was to be a central Federal Reserve Board in Washington appointed by the president but the twelve regional Federal Reserve Banks would be run by bankers. Populist Congressman Robert Henry, however, showed no ambiguity in his opinion of the Federal Reserve Bill. He described the creation of the Federal Reserve as "wholly in the interest of the creditor classes, the banking fraternity, and the commercial world, without proper provision for the debtor classes and those who toil, produce and sustain the country." See William Greider's *Secrets of the Temple: How the Federal Reserve Runs the Country*, (New York, NY: Simon and Shuster, 1987), pp. 277-284.

⁵⁶ Paterson, Thomas, *American Foreign Policy: A History/ 1900 to the Present*, (Lexington, Massachusetts. D.C. Heath And Company), p. 266

⁵⁷ Hardach, Gerd, *World War One 1914-1918*, (London: Allen Lane The Penguin Press, 1973)

investment in order to meet its wartime requirements for minerals and manufactures. That represented the final American drive to take over the markets of Latin America and even pushed it to expand its rubber interests in Indonesia although it would not yet be the main player in Asia until after World War Two.⁵⁸ The United States was now also starting to become more of an economic player outside of the Western Hemisphere.

Additionally, the role of oil increased massively during the war. World War One was the first war to use mainly petroleum-burning vehicles after starting out using horses, as in previous wars in history. The United States was well-disposed to take advantage of that fact with its huge domestic oil reserves and the fortuitous fact of other major petroleum sources like Romania and Azerbaijan having been cut off from the Allies during the war. The former was owed to Jersey Standard Oil being ordered by the Romanian government to blow up its properties in advance of the German invasion.⁵⁹ The latter situation owed itself to the political and economic dislocation suffered by Czarist Russia during the war followed by revolution. The United States provided 80% of the Allies' oil needs and Exxon (Jersey Standard) alone supplied 25%.⁶⁰ This meant that the United States had now, for all intents and purposes, become the most influential economy in the world but it was not yet matched by its military prowess, the only weak link for it outside of the Western Hemisphere.⁶¹

⁵⁸ For the full story of American investment in non-European countries during World War One see Wilkins, Mira, *The Maturing of Multinational Enterprise: American Business Abroad from 1914 to 1970*, (Cambridge, Massachusetts: Harvard University Press, 1974), pp. 8-32

⁵⁹ It should also be noted that Jersey Standard did not sell its shares in its German marketing and refining affiliate until February 1917, just prior to the United States entering the war. This business policy prefigured the policy adopted by major American companies who had investments in Nazi Germany in the 1930's and even kept them during World War Two. See *Ibid.*, p. 7

⁶⁰ Anthony Sampson, *The Seven Sisters*, (New York: The Viking Press, 1975), p.60

⁶¹ As it was 77% of America's exports were being absorbed by Europe in 1913, before the outbreak of the war. See Williams, *The Tragedy of American Diplomacy*, p. 81

The war also brought about new thinking about government support for the private oil industry, even the possibility of direct government ownership of an oil company to coordinate an international oil policy. The war had shown the importance of oil in maintaining ships and military vehicles and, with an automobile society in America just around the corner as well as a mass consumer society, oil supply was not predicted to meet future demand. At the same time, domestic American supplies were dwindling, Mexican fields showed water by 1920 (eventually leading to a fifty percent reduction in oil output there between 1922 and 1927), Britain had acquired fifty percent of the world's estimated future reserves by 1919, and American oil companies became worried that they might have to forgo future profits because of their failure to challenge Britain and purchase more global reserves. This led the oil industry to blame the United States government for failure to help it acquire those reserves in the way that the British helped Royal Dutch Shell and Anglo-Persian (today's British Petroleum).⁶²

By 1920 there was a push in the United States Congress to have the government take a more active role in the oil industry, even to the extent of creating a state oil enterprise called the United States Oil Corporation, which would have a nine-member board of directors chosen by the President, although the capital would be provided by the private sector. The views of the State Department were sought out by some members of Congress. The most important opinion elicited was that of Secretary of State Bainbridge Colby. Colby, who had been the chairman of the United States Shipping Board, a United States governmental agency set up during war and devoted to helping build civilian and naval ships.⁶³ He was, therefore, a man very likely to lend an ear to oil industry demands. However, Colby said that a government-owned oil company in foreign lands could lead to legal problems and opposed the idea.⁶⁴ That did not mean that the State Department was not behind supporting big oil but that it rather preferred that private oil companies do the

⁶² DeNovo, John A., "The Movement for an Aggressive American Oil Policy Abroad, 1918-1920", *The American Historical Review*, Vol. 61, No. 4 (Jul., 1956), pp. 865-866

⁶³ 1911 Encyclopedia Britannica, "Bainbridge Colby," <http://www.1911encyclopedia.org/Bainbridge.Colby>, September 1, 2006,(accessed 17/4/2013)

⁶⁴ DeNovo, "The Movement", pp. 872-873

concession-seeking in foreign countries. Lack of State Department support for a government-owned corporation would eventually give way to the State Department backing private American oil companies in the Turkish Petroleum Company venture in Iraq, culminating in an American share in the company in 1928. That was the first big government assist for Big Oil in the interwar years to be followed by another huge oil bonanza, Saudi Arabia in the 1930's. Washington in the 1920s had finally come around to fully supporting perhaps the most lucrative private industry in the United States.

On the military front, a War Munitions Board was also set up after the U.S. entered the war, which saw war profiteering on a massive scale and the primitive beginnings of America's military-industrial complex, in addition to adding to America's economic strength, and, perhaps most importantly, showed how a planning regime was important in insuring corporate profits. When the United States decided to enter World War Two it would revive another kind of munitions board in addition to implementing Lend-Lease aid, bringing economic coordination to new levels, establishing the permanent military-industrial complex, and calling into question the commonly held belief that the United States operates under the principles of Laissez-faire. Although there was a Communist Soviet Union in existence following World War One there was no Cold War (but there was U.S. paranoia about the spread of Communism) at this stage, accompanied by an arms race and a military-industrial complex. The Soviet Union at that point was very weak, its survival as a nation was in question, and it had just given up Eastern European territories, not occupied them. A military-industrial complex stoking fears of a Communist takeover of the world was not necessary at that point. It was enough for Washington to support the anti-Communist Whites in the Russian civil war, and, when that failed, to do business with the regime when Vladimir Lenin adopted his New Economic Policy in 1921, in search of investment from all quarters to help stimulate Russia's war-devasted economy. The opportunities in the Soviet Union would have grown even more with time, a nice antidote for a slowdown in the American economy in the late 1920s. In fact, in 1928, 24 percent of all investment in the Soviet Union was American.⁶⁵ If negotiations had worked out at the Paris Peace Summit in 1919 and there had never been a civil war between the Whites and the Reds the Soviet market would have been immediately available as concessions were on

⁶⁵ Paterson, *American Foreign Policy*, p. 318

offer from the Soviet side for American and other investment.⁶⁶ The Open Door Policy, at that moment, could succeed even in the ostensibly non-capitalist world, at least short-term.⁶⁷ Ironically, the capitalist Western European economies would be become more closed off after the war than other regions, owing to political instability and economic problems, coming on the heels of the world, as well as protectionist policies. However, even there, the United States was able to double its direct investment in Western Europe, allowing it to leap over the high tariffs Germany, France, Austria, Italy, and Spain, and Britain placed on imports. Turkey, if considered a part of Europe as a regional trading bloc, only placed 16th among countries receiving direct investment from the United States in 1929 at 8.5 million dollars.⁶⁸

It is true that after World War One defense spending would be cut back and that trade and investment in a peaceful and economically stable world was the priority. There was no need to create a permanent enemy yet. War was not a priority. However, bad memories of World War One disorganization in coordinating military supplies meant that government-managed military preparation for any future war was to be a higher priority henceforth. It also meant that leaders of the American corporate and financial world would be involved in this military coordination of the economy in order to provide them with a more dependable economic system in which to flourish.

⁶⁶ Gardner, Lloyd, *Safe for Democracy: The Anglo-American Response to Revolution 1913-1923*, (New York: Oxford University Press, 1984), p.237

⁶⁷ One of the reasons for the failure to get enough votes in the American Congress for a mandate over Armenia was that there was worry in the State Department that the United States would miss out on the large Soviet market(which included American oil interests outside of the Caucasus region as well) and that putting troops into Armenia and administering it would cause unnecessary friction between the two countries. An American presence next to oil-rich Azerbaijan was also seen as unnecessary as there was a plentiful supply of oil in southern neighbor Mexico. See Bryson, Thomas, *Woodrow Wilson, The Senate, Public Opinion, and the Armenian Mandate*, (Athens, Georgia: Doctorate Thesis, 1965), pp. 195, 201.

⁶⁸ Wilkins, *The Maturing of Multinational Enterprise*, pp. 56,61

Even during the war a step was taken in that direction. General George Goethals, who would later be involved in the second Chester Project, brought purchasing, storage, and transportation of wartime supplies under a government agency in the War Department called the General Staff Division of Purchase, Storage and Traffic. In this endeavor, Goethals would bring in such corporate executives as Robert Thorne of Montgomery Ward and Gerard Swope of General Electric. He would also bring in Hugh Johnson to lead it, who along with Goethals, would also sit on the later War Industries Board, which was the highest-ranking government agency to coordinate purchases of wartime supplies. Walter Gifford of American Telephone and Telegraph was enthusiastic and saw the War Industries Board as the way to permanently organize the whole American economy in this manner. In any event, the War Department and the American corporate world were directly linked for the first time.⁶⁹ In 1919, the first lobbying group for the incipient military-industrial complex was established in the United States. Initially known as the Army Ordnance Association (now the defense industry's most important lobbyist and known as National Defense Industries Association), it was ostensibly set up because of the 'inability of industry to meet the needs of troops in World War One' and the fact that American aviators had to fly French- and British-made warplanes.⁷⁰ The United States had to gain complete military independence if it was going to have to utilize the military option, when necessary, of keeping the open door open. In addition to the establishment of a military lobby, there was the fact that the military was heavily dependent on the business world, with corporate executives and business school social scientists lecturing at the Army Industrial College from the time of its founding in 1924 until the outbreak of World War Two.⁷¹ Military and business growth were to go hand in hand but, in the interwar years, the idea of a permanent and tightly-linked military-industrial complex was still to

⁶⁹ Cooling, Benjamin Franklin, *War, Business, and American Society: Historical Perspectives on the Military-Industrial Complex*, (Port Washington, N.Y.: Kennikat Press, 1977), pp. 78-79

⁷⁰ Farrell Jr., Lawrence P., "NDIA Expands Opportunities for Defense Professionals," <http://www.tradeandindustrydev.com/industry/aerospace-defense/ndia-expands-opportunities-defense-professionals-588>, 2009, April 30, 2009, (retrieved 19/3/12)

⁷¹ Kolko, Gabriel, *The Roots of American Foreign Policy: An Analysis of Power and Purpose*, (Boston: Beacon Press, 1969), p. 31

put on hold to see if the access to global markets could continue to be guaranteed without a permanent global military presence.

After the U.S. entered the First World War, Turkey was pressured by Germany to break diplomatic relations with it, as already mentioned. In spite of that, by war's end, the United States looked set to step up as the world's preeminent economic and political power as Russia and Europe were reeling from the effects of the war and revolution and U.S. economic growth had boomed as a result of the war. However, the Versailles negotiations were a forum in which the British and French were simply aiming to safeguard their imperial interests worldwide, and even to expand them in the Middle East, as would be evidenced later by the awarding to them by the newly-formed League of Nations of respective Mandates in the Middle East. French and British pressure betrayed any Wilsonian pretense of self-determination for the world's colonies, if he actually ever meant it.⁷² Additionally, the "isolationist" U.S. Senate also rejected Woodrow Wilson's League of Nations application, an idea from the liberal school of international relations to which he supposedly belonged. There was a qualification of Wilson's 'liberal' international relations theory of free trade and multilateral diplomacy bringing world peace; it was to be

⁷² Wilson's high-flown rhetoric during the war did not translate into a principled stance toward the Middle East following it. However, the following sentences, spoken by Wilson on December 22, 1917, indicated a very fair-minded attitude compared to that of long-established imperialist powers Britain and France. He said, "It is necessary to free the subject races of the Turkish Empire from oppression and misrule. This implies at the very least autonomy for Armenia and the protection of Palestine, Syria, Mesopotamia and Arabia by the civilized nations. It is necessary also to establish free intercourse through and across the straits. Turkey proper must be justly treated and freed from economic and political bondage." In this case, the Open Door rhetoric is less emphasized than his supposed focus on self-determination and liberation from de facto colonial rule but it is still present. In the end, he also favored colonies for the non-Turkish parts of the empire. Wilson never followed through even for Anatolia, as we would see by the political events of 1919 and 1920 concerning the future of Turkey. See Helmreich, Paul C., *From Paris to Sévres: The Partition of the Ottoman Empire at the Peace Conference of 1919-1920*.(Columbus: Ohio State University Press, 1974), p. 21

supplemented with military invasion and sometimes occupation (the big stick policy), as he had amply showed in Mexico, Haiti, and the Dominican Republic. Oil, United Fruit, and banking interests, all beneficiaries of the open door, as well as the need to safeguard the Panama Canal (finished in 1914) to maintain the open door, were always interests to be considered. E.H. Carr, a fierce left-wing critic of the liberal international relations school accused supporters of simply protecting their own economic interests and so-called free trade and multilateral diplomacy through such an international body as the League of Nations, which would simply provide cover for those economic interests.⁷³ It would be very argue to argue with Carr and it is also important to keep in mind that the so-called isolationists included members of Wilson's cabinet who were fully in favor of quick and easy military "interventions" to protect business interests as long as it didn't have to subject itself to a somewhat democratic process by having to vote on it in the League of Nations with other nations. That school of thought was represented by Senator William Borah. Another anti-League of Nations viewpoint was that of Senator James Reed, which was outright racist. He did not want non-white countries to have an equal vote on any matters relating to the foreign policy of the United States.⁷⁴ Isolationism, in this sense, only meant having the freedom from international obligations to go it alone when deciding to invade another country. In the end, the unilateral internationalists won out and the United States did not join the League of Nations. The big stick policy, having been applied to Latin America exclusively, would nearly disappear in the 1920s and finally end in the 1930s. Trade, investment, and political negotiation (and pressure) would trump militarism overall for the next two decades of American foreign policy.

As for American relations with the Ottoman Empire following World War One it was generally a mixture of distant friendliness and tension. While Wilson's principle of self-determination would have seemed a perfect match for an empire keen to protect its Anatolian heartland from a European carve-up Wilson's principle would actually work against that Turkish aspiration. Rather than an independent Turkey in its current form Wilson actually told Edward House on October 13th, 1917 that Turkey should be divided

⁷³ See Carr, E.H., *The Twenty Years' Crisis 1919-1939: An Introduction to the Study of International Relations*, (London: MacMillan, 1981) for his overall argument.

⁷⁴ Paterson, *American Foreign Policy*, p. 287

along racial (ethnic) lines although not divided among the belligerents. In his Fourteen Points speech of January 8th, 1918 Wilson declared:

"The Turkish portions of the present Ottoman Empire should be assured a secure sovereignty, but the other nationalities which are now under Turkish rule should be assured an undoubted security of life and an absolutely unmolested opportunity of autonomous development and the Dardanelles should be permanently opened a free passage to the ships and commerce of all nations under international guarantees."⁷⁵

What Wilson wanted was only a very partial fulfillment of an independent Turkey, completely at odds with the desires of Turkish nationalists. Moreover, he attached the condition that the Straits should be kept open, an open door demand which would actually be a violation of Turkey's sovereignty if it did not want to agree to such a condition.⁷⁶ In fact, the final settlement for Anatolia was to get even worse with the passage of time: at Versailles, Britain and France were simply looking to carve Anatolia up as a part of an overall Middle Eastern division of territory, and in August 1920, the Sevres agreement would have completed that work if not for the heroic efforts of Atatürk.

As evidence of the way in which the United States pursued its selfish goals it is necessary to go back the last autumn of the First World War. On September 21st, 1918, just before the end of the war, Robert Lansing prepared a memorandum for American peace commissioners. There were a multitude of items on the list and the ones concerning a future Turkey were most unattractive for Turkish nationalists. The first item concerning the Balkans would, in fact, be very much a part of American and British policy toward Turkey in the Second World War. It stated that 'Germany was to be blocked from the routes to the Near East.' in the period from the end of World War One.⁷⁷ The American perspective was

⁷⁵ Howard, Harry, *The Partition of Turkey: A Diplomatic History 1913-1923*, (Norman: University of Oklahoma Press, 1931), p. 202.

⁷⁶ In fact, Wilson's initial position at Versailles was that there should be an international state, run by a small power or group of small powers, under the supervision of the League of Nations, compromising the Straits, the Sea of Marmara, and including Bursa and Bandırma. See Helmreich, Paul C., *From Paris to Sevres*, p. 22

⁷⁷ Howard, Harry, *The Partition of Turkey*, p. 204

that Turkish nationalism and a viable and independent nation-state of Turkey would take a backseat to strategic concerns and economic interests.

There was one positive factor going for American-Ottoman Relations and that was American High Commissioner to the Ottoman Empire and Elus' second successor, U.S. Navy Admiral Mark Bristol. According to Thomas Bryson,

"Bristol was successful in helping lay the foundation for good relations with the modern Turkish Republic- a nation that would play an important role in aiding the United States to contain Soviet Russia in the post-World War Two era."⁷⁸

He did not have ambassadorial rank because of the break in diplomatic relations between the two countries in the last year of the war, however. Bristol was positive for relations between the two countries in different ways. He was, first of all, ardently against the Greek invasion of Anatolia in May 1919 believing it would create the Balkanization of Anatolia and destabilize the region. He also took an even-handed approach, unlike most western observers, by pointing out that Greeks were also killing Turks and that in Russian Armenia, Armenians were also killing Tartars.⁷⁹ Bristol, as a supposed sign of his even-handedness, was also credited with saving the lives of many Greeks and Armenians during the Turkish War of Liberation (1919-1922), a time when non-Turks were viewed with suspicion.⁸⁰ However, he still held an overall pro-Turkish attitude, which was a much more convenient position to take in order to facilitate American investment in Turkey and Mosul. In this vein, it should be emphasized that any endeavor of his to help Armenians

⁷⁸ Ozoğlu, Hakan, *Admiral Bristol and the Turkish Republic, 1923-1925*, in Criss, Nur Bilge, *American Turkish Encounters: Politics and Culture, 1830-1989*, p. 123

⁷⁹ Yaylalier, *American Perceptions*, pp. 35-38

⁸⁰ During the Paris Peace Conference, however, Bristol slightly damaged his cause by issuing a warning to the Ottoman government that massacres of Armenians must cease. It was seen as not only meddling in Ottoman affairs but it irked the British and French, who did not want to be upstaged in any way by the United States in their dealings with the Ottoman government. See, "American Admiral Warns Turkey To Spare Armenians: Message Stirs Up Both the Sultan and Peace Council at Paris", *New York Times*, August 28, 1919

was not based on principle (considering the pro-Armenian missionary lobby in the United States); he may have saved some Armenian lives but when it came to rhetoric concerning the Armenians he could be quite disparaging. In an equally anti-Armenian and anti-Semitic verbal blast he equated the Armenians with the Jews as a race with 'little or no national spirit and poor moral character.'⁸¹ The possibility that he was simply pandering to Turkish nationalist politicians to gain economic benefits for the United States in making such a strongly racist comment is also of very little doubt.

As further evidence of his wholeheartedly pro-Turkish position he established the American Hospital in Nişantaşı (a district on the European side of Istanbul) in 1920 in an officially non-political endeavor and was credited by famous pro-American Turkish journalist Ahmed Emin Yalman as having helped form an 'informal alliance' between the United States and the Ottoman Empire. He went on to claim, "This American's concern for Turkey's (still officially the Ottoman Empire) fate in the critical years, 1919 to 1923, can be considered the introductory phase of Turkish-American cooperation during and after World War Two."⁸²

Bristol may have been pro-Turkey but there was also an underlying political strategy involved, clearly revealed by him. He was convinced that the majority of Turkish nationalists were not Communists in spite of the help it was receiving from the Soviet Union and that there should be no attempt to 'crush' Turkey by the Allies. If it made one 'false move' it could unite the Turks and Russians and provoke the 'Moslems of Egypt, Persia, the Caucasus, and Turkistan' to join the Turks as well.⁸³ Bristol was thinking of the big picture and for such a huge and important swathe of territory to turn against the west or to be carved up by western competitors would have been disastrous for American economic interests. At the same time, while the statement by Yalman and Bryson's statement are perhaps slightly glib and overly positive assessments of the situation there

⁸¹ Loftus, John, and Aarons, Mark, *The Secret War Against the Jews: How Western Espionage Betrayed the Jewish People*, (New York: St. Martin's Griffin, 1994), p. 221

⁸² Mazzari in Criss, *A Palazzo on the Bosphorus*, p. 115

⁸³ Yaylalier, *American Perceptions*, p. 173

was an element of truth in those statements when one considers the hostility Turkey felt toward Britain and France at the time.

That Bristol was working for the establishment of the open door in Turkey and the region there can be no doubt. In addition to worrying about the territorial loss of Turkey and the neighboring region to U.S. economic interests he was from the Alfred Mahan School of International Relations, which claimed that naval power was the key to world domination. The navy, in fact, sent him to be the envoy to the Ottoman Empire in January 1919, evidence of the early interlocking of U.S. commercial and military interests. Admiral William S. Sims, navy commander in Europe, sent him to Istanbul with the specific aim to 'safeguard and assist... wherever and whenever possible' American economic interests and work for the 'removal of all economic barriers and the establishing of an equality of trade conditions.'⁸⁴ Additionally, he was to do more than just work to keep Turkey open to American business in general. Standard Oil was also to benefit from his efforts. In July 1922 he wrote to L.I. Thomas of Standard that he had 'convinced missionaries, educators, and philanthropists to see that their interests depended on American business interests.'⁸⁵ Moreover, in February 1920, he worked to get permission from the Turkish government to allow Standard Oil to build an oil depot in Istanbul.⁸⁶

While Standard Oil got a boost Bristol was also keen to gain access to Turkey for many sectors of the American business world as part of an overall global strategy. He spoke at the annual meeting of the American Chamber of Commerce for the Levant in Istanbul in 1922, outlining specifics. He said,

"... it is essential that we should have abroad at least seven American activities in every market where we hope to successfully compete: namely: banks, trading firms, steamship lines, direct-parcels post service, insurance companies, and finally these interests should be bound together by an efficient and aggressive American Chamber

⁸⁴ Bryson, Thomas A., "Admiral Mark L. Bristol, an Open-Door Diplomat in Turkey", *International Journal of Middle East Studies*, vol. 5, no. 4, Cambridge University Press, Sep. 1974, p. 452

⁸⁵ *Ibid.*, p. 456

⁸⁶ *Ibid.*, p. 463

of Commerce that will bring about unity of action for the common good of American business."⁸⁷

Without question, Bristol was working for American business interests but he was still seen as pro-Turkish in his dealings with the government because he did not push the Armenian issue. Any goodwill created by Bristol, however, certainly did not mean there were not serious diplomatic, political, and economic hurdles to be overcome. The years between 1919 and 1923 were tumultuous for Turkey and it was not about to make any overly generous future offers to any western country, even one which stayed out of the Liberation War like the United States.⁸⁸ In spite of that, the early years following World War One were advantageous for American business. It increased its trade with the Ottoman Empire following the conclusion of the war until 1921. It started to decline again after Turkey made peace with two of the Allies that same year, France and Italy.⁸⁹ In fact, the

⁸⁷ Yaylalier, *American Perceptions*, p. 177

⁸⁸ There was an exceptional minority of Ottoman politicians, however, who thought otherwise. In April 1919, a month before the Greek invasion and the start of the Liberation War, there was a request from the president of the Ottoman Parliament, Ahmed Rıza to Lewis Heck, The American High Commissioner before Bristol, for such a mandate. He rationalized it by stating that the United States would carry out the mandate with good intentions and not want to remain as a mandate power for an extended period of time. He also compared the American colony of the Philippines and the British one of Egypt and decided that American rule in the former recognized 'nationalist aspirations' more than the latter. Rıza was quickly removed from power by Sultan Vahidettin. Even before Rıza's request there was the formation of the Turkish Wilsonian League in December 1918. This small group of writers and lawyers wanted a fifteen-year American Mandate to get Turkey on its feet. The group only lasted two months, however. Months after the Turkish Liberation War broke out in May, 1919, two other groups, represented by Halide Edib and Damad Hami Osman, inquired about an American Mandate as well. Yaylalier, *American Perceptions*, pp. 45-47

⁸⁹ It should be noted that Turkey was in need of investment and saw foreign capital as necessary to its development, as long as it did not compromise its independence. In fact, the government in Ankara, even before it was clear that it would win its Liberation War,

United States was Turkey's largest trade partner in 1919-1920, a situation made possible by the fact that the British, French, Italians, and Greeks were all at war with it.⁹⁰ Standard Oil was also in good stead during those years thanks to Bristol. It built oil depots in Turkey, as mentioned before, and supplied the majority of Turkish oil until the Soviet Union recovered from its own liberation/civil war in 1922 and reattained its previous role as main supplier of oil for Turkey. Standard did get a special contract to bring oil into Turkey in 1926 but it was not the market where it would make its most profits.⁹¹ That distinction would go to Mosul and the rest of the Middle East. The U.S. was not in a militaristic mood during this period and certainly not so toward distant Turkey. It simply wanted to continue its Open Door Policy by diplomatic and economic means if possible. As it was, the big stick policy would go into hibernation during the 1920's outside of Latin America (and in the 1930's there as well) but so would America's attempt to get a second Chester Concession from the transitional pre-Republican Turkish government.

Before delving into the details of the second Chester Concession attempt it is important to consider the 1919-1923 years concerning American-Turkish relations, especially with regard to possible American mandates in the region. Even if there had been a carve-up of Turkey by the Allies America would have unilaterally demanded trade access to the region. The question of the territorial extension of Turkey and Mandates including or excluding it were the only issues that were uncertain. The various American mandate ideas such as a single geographically contiguous mandate for all of Thrace, Anatolia, and Armenia as

was welcoming to foreign investment. It even offered its former enemies, Italy and France, economic concessions very soon after making peace agreements with them in the midst of the war in early 1921. At the London Conference later that year Turkish Foreign Minister Bekir Sami Bey, declared that French and Italian companies were to have many concessions in Turkey, especially in the mining sector. Without a doubt, American capital would have many opportunities given to them under such circumstances. See Ahmad, Feroz, *From Empire to Republic: Essays On The Late Ottoman Empire and Modern Turkey, volume 1*, (Istanbul: Istanbul Bilgi University Press, 2008), p. 200

⁹⁰ Bryson, *Admiral Mark L. Bristol*, p. 464

⁹¹ Gordon, *American Relations*, pp. 110-111

recommended by the Harbord Commission⁹², had already been rejected by the United States Senate. However, there was an interest in the idea on the part of some American politicians. What would have been preferred was one single mandate, lumping Turkey and Armenia together, not separate mandates. The reason for that was that Armenia was devoid of mineral resources like Turkey and it was located in a strategically disadvantageous geographical space. Taking Turkey and the Caucasus as a whole was a much more attractive option. The Harbord report was quite detailed in its assessment of the region's mineral wealth. It reported,

"There are coal, iron, copper, and other minerals and oil in quantities sufficient to supply the needs of a much more numerous and progressive people than now inhabits this ancient region. They have not been developed to any great extent, except the oil of Azerbaijan, the chromium of Anatolia and the manganese of Georgia. Forty-three percent of the world's supply of manganese comes from Georgia and 7 percent of its supply of chromium from Anatolia. The most ancient copper mine in the world is at Argana Marden in Turkish Armenia. In the province of Kars there are great deposits of rock salt."⁹³

There were economic interests but, as already mentioned, the Armenian Mandate was not approved. It turns out that an even larger economic stake for American business was considered as reason for the rejection. In addition to not wanting to station troops in the Soviet Union's backyard (and very soon to be its territory), it did not want to anger it and potentially get shut out of investment in that very large market. Aside from economic interests, many members of the United States Senate were concerned about getting bogged down in a colonial-like counter-insurgency war as in the war in the Philippines twenty years earlier and were opposed to the idea of the United States as the world's policeman and nation-builder.⁹⁴

In addition to the American mandate dilemma the second Chester Concession effort should be considered and analyzed briefly. If it had come off relations between the two countries

⁹² Bryson, Thomas, *American Diplomatic Relations with the Middle East. 1784-1975: A Survey*, (Metuchen, NJ: The Scarecrow Press, Inc., 1977), p. 66

⁹³ Yaylalier, *American Perceptions*, p. 75

⁹⁴ Bryson, *Woodrow Wilson*, pp. 85-86

most certainly would have transformed and the United States would have done its best to see that Mosul would be awarded to Turkey, not the other way around. Turkey would have been a bigger country and would have held significant oil reserves, making it much more important in America's open door scenario. It would also have been a significant boost to the morale of the majority of the country's citizens as well, not just a feather in the cap of the government. According to American Embassy archives the Chester Concession was eagerly awaited by a wide spectrum of the Turkish public. It wrote, "Every merchant and villager in Anatolia at once pinned absolute faith on the Chester project, believing that the American nation as a whole was behind it. The expectation was that within three years new railroads would be running, new agricultural machinery would be on every farm and prosperity reigning throughout the country. An unhealthy mood of over optimism seemed to sweep the country."⁹⁵ While the hopes of the Turkish people may have been exaggerated the United States missed an important opportunity to extend its interests in the country. It would have had a huge investment in Turkey regardless of Mosul and there would have undoubtedly been the establishment of diplomatic relations, by treaty rather than an exchange of diplomatic notes, three to four years earlier than occurred. The concession most likely would have been highly exploitative and of low value for Turkey but U.S. business interests would have been firmly ensconced in the country and would have meant the United States playing a much larger economic and political role in the country in the next two decades.

The lead-up to the application for the Second Chester Concession should first be explained as it involved the American government's desire to apply both the Open Door Policy to Turkey and take advantage of the fact that the Turks were still fighting for independence against the European powers. In 1920 Colby Chester first applied to the State Department to revive the failed pre-World War One project but then turned to the oil-hungry Navy. Both attempts failed to gain support as Turkey was involved in its liberation war so Julian E. Gillespie, the American vice-commissioner for trade in Istanbul, went to Ankara to get a feel for the reception that would be given to the idea of American capital investment in

⁹⁵ Gordon, *American Relations*, pp. 133-134

Turkey.⁹⁶ Gillespie held talks with the Turkish government from December 26th, 1921 to February 5th, 1922. Gillespie declared that he actually had no diplomatic authority and submitted forty questions to Rauf Orbay, the Minister of Public Works, to simply get an idea of what Turkey thought about a revived Chester Concession and American investment in Turkey in general. A question related directly to the Chester Concession was answered in the following manner:

"The government is ready to study any project brought to its attention. A general and basic rule in such matters... provides that none of these projects should cause any damage to the economic and political independence of Turkey. The specific conditions, on the other hand, would be defined by the government after it was presented with a concrete proposal."

Turkey was hoping to gain leverage at any future peace conference by being able to tell Britain, France, and Italy that it had already awarded a concession to another country such as the United States. In addition to that positive portent for future American investment Gillespie was even told weeks before official talks started that members of the Turkish cabinet told him the rejection of the first Chester Concession had been one of its biggest mistakes and that the granting of the concession might have prevented or postponed the First World War.⁹⁷ The response was positive but the insistence on the capital not compromising Turkish independence (which had not yet been won) was stressed. It was

⁹⁶ Gillespie held that position in the Commerce Department as the representative to the Near East and Balkans from 1920 to 1922. He then took the top position from 1922 to 1926, and became commercial attache' to Turkey in 1926, at a time when diplomatic relations had not yet been re-established. He was also economic and financial advisor to American observers at the Lausanne Conference and was a delegate in the group that negotiated the 1929 Commerce and Navigation Treaty between the United States and Turkey. He died in Istanbul in 1939 of a heart attack. See *Texas State Historical Association*, "Gillespie, Julian Edgeworth," *Handbook of Texas Online*, <http://www.tshaonline.org/handbook/online/article/fgi21>, (retrieved 01/12/12)

⁹⁷ Ilkin, Selim, "A Foreign Investment in Turkey in the Years 1922-1923: The Chester Railway Project", *Türkiye İş Bankası Cultural Publications*, 1981, pp.776-777

not until the conclusion of Turkey's Liberation War and a final negotiated independence was within Turkey's grasp that talks were really to go somewhere.

The details of the Second Chester Concession are needed to shed light on why it was to eventually fail. The new Chester Company was put together in early 1922 and it included a diverse group of people which consisted of businessmen, bankers, and journalists. K.E. Clayton-Kennedy was appointed representative of the company, which was renamed the Ottoman-American Development Company. General George Goethals, famous for helping build the Panama Canal (an early project to facilitate American exports and further the interests of the Open Door Policy) and lay the groundwork for the military-industrial complex during World War One, was chosen as general director. Kennedy and Chester's son, Arthur, who was already representing a shipping company in Istanbul, went to Ankara to pitch the project. At the time the company still had positive expectations of the Turkish government based on Gillespie's experience with them previously.⁹⁸ As to whether the company had the backing of the United States government, it is quite conclusive that it was. The American Committee for the Independence of Armenia cited articles from both the British and American press as well as a statement from Frederick S. Blackall, general manager of the Chester Company, which the State Department was fully behind the revival of the Chester Company.⁹⁹

An agreement to carry out the project was actually reached in a three-week span in September 1922 just a short time after the successful conclusion of the Turkish Liberation War. This time it would be 4,000 miles in total length with longer and more branch lines than the previous Chester Concession and also to include the Mosul region. The project would be financed by concessions found within the first twenty years and within a 40-kilometer swathe of land along the routes. It was to be a 99-year concession (like the first one) with an opt-out option for the Chester syndicate within the first two years if the project was considered economically unfeasible.¹⁰⁰ Because the British were so insistent on

⁹⁸ Ibid., p. 778

⁹⁹ The American Committee for the Independence of Armenia, *Secretary Hughes and the Chester Oil Concession*, (New York: 1924), p. 19

¹⁰⁰ Ilkin, "A Foreign Investment in Turkey", pp. 780-781

oil claims in Mosul Turkey moved closer to the United States delegation during the Lausanne Conference to settle issues between Turkey and the European powers, which lasted from November 1922 to July 1923.¹⁰¹ The turn toward the United States was not to last, however. *Tan* newspaper, which followed the details of the Chester Concession closely, published a critique of the project in February 1923. It listed reasons to oppose the concession: the wide gauge required by the railroad would be expensive and raise the delivery costs for Turkish farmers, a 99-year concession was considered too 'outmoded' and an excessively long giveaway of national wealth, Turkey could pay for its own railroads with the revenues from the Ergani and Mosul mines alone, the 40 kilometer strip along the railroad for mine exploitation would give too much of Turkey's riches to a foreign company, there was no full guarantee that enough Turkish workers would be hired and provided technical know-how, and there was suspicion that Chester had not raised the 25 percent of the estimated total cost of the project that was required to finish the project.¹⁰² Perhaps the Chester Concession could have survived in spite of the growing skepticism about it but for America's not giving full cooperation to the Turkish government after the Lausanne Conference resumed on April 23rd. In addition to the Chester Concession, the United States had also been granted the old French Sivas to Samsun railroad concession as well as the right to construct the port of Samsun. The Turkish government expected American diplomatic support in exchange for these concessions, however. An article by Edwin L. James of the New York Times made it clear that the American diplomats were not going to just give up on maintaining capitulations. His opinion was that the Turkish side had raised its hopes too high with the United States.¹⁰³ In

¹⁰¹ On the opening day of the Lausanne Conference, Cemaleddin Arif Bey indicated to Richard Child, head of the American delegation to Lausanne, that capitulations and minorities could not be discussed but that protection for American missionary institutions, a share of Mosul oil for American companies, and a commercial treaty with the United States were all likely outcomes in the near future. See Heinrichs, Waldo, *American Ambassador: Joseph C. Grew and the Development of the United States Diplomatic Tradition*, (Boston and Toronto: Little, Brown, and Company, 1966), p. 68

¹⁰² Ilkin, "A Foreign Investment in Turkey," pp. 791-792

¹⁰³ Edwin L. James, "Chester Grant Row Likely at Lausanne; Turks Seek Our Aid", New York Times, April 23, 1923

any event, the United States was to receive none of those concessions in the end. Kennedy had sought funding from Standard Oil but it was progressing in negotiations with the Turkish Petroleum Company over Mosul Oil further east. This lack of funding led to the concession being cancelled by the Turkish parliament on December 18th, 1923.¹⁰⁴ Whether Turkey was simply giving hope to American capital to play the American government off against Britain and France (as it had done in 1908 as well with the first Chester Concession attempt) or whether the offer of the concession was genuine, the annulment of the agreement signaled the end of the possibility of Turkey being put in the same category of importance with oil-producing countries of the Middle East. Iraq, Iran, Saudi Arabia, and the Persian Gulf Emirates would become the focus of American oil companies and the American government from the interwar period onward. Turkey, which would also lose Mosul in 1926, would be of less value economically.

1.3. The United States and Turkey after the Chester Concession Cancellation

As for the world economy, Latin America and Asia were more important for the United States and in the Middle East, the new British mandate (a fancy word for colony) of Iraq and Iran were much bigger economic interests with their large oil reserves.¹⁰⁵ In fact, the

¹⁰⁴ Ilkin, "A Foreign Investment in Turkey," pp. 815-816

¹⁰⁵ In addition to the fact that the rest of the Middle East was more important than Turkey and grew in importance throughout the 1920s, American oil companies invested even more money in Latin American oil fields than in the Middle East. United States oil investments in South America increased from 17% of total foreign oil investment in 1919 to 34% in 1929. The 1930s would see the oil focus switch to the Middle East, especially Saudi Arabia (in addition to the aforementioned Red Line Agreement with Iraqi oil as the largest prize), as large discoveries were made there and the United States did not want to get shut out of market access there. See Randall, Stephen, *United States Foreign Oil Policy since World War I: For Profits and Security*, (Montreal & Kingston: McGill Queen's University Press, 2005), p. 70. It should also be noted that the United States was, without question, following a global Open Door Policy regarding oil. Its domestic oil production in 1921 accounted for 65 percent of global output but it also bought 17 percent more of the rest of global production, mostly from Mexico. See *International Petroleum Staff Report*

Mandates in the Middle East, although under French and British responsibility, were not an obstacle to the open door although U.S. companies invested in those territories in partnership with European companies, not independently.¹⁰⁶ The reality was that there was nowhere in the world off limits to U.S. companies in the 1920s. Firestone Tire Company got the first American concession in Africa in the officially independent West African country of Liberia (in spite of European competition) although the U.S. Senate had just rejected a loan for it in 1923.¹⁰⁷ As pointed out already the United States was even able to invest in the Communist Soviet Union. It was relentlessly pushing the expansion of its global economic presence in the 1920's. The United States was also, more or less, able to get satisfactory deals in terms of Middle Eastern oil, and was also able to overcome the left-right political struggle and turmoil in China in the 1920s, which culminated in investor-friendly Chiang Kai-Shek taking power in 1927. That allowed it to substantially increase its trade in China by the early 30's.¹⁰⁸

It is the case that the United States could afford to get partially shut out of a fairly small market like Turkey's at the time, especially with Mosul oil looming larger to the east. The Chester Concession was certainly not insignificant and would have been a high-value-added western extension of the Mosul oil bonanza. In the end, however, it was still secondary to the Chinese market and Middle Eastern (and Latin American) oil. It was also hindered by pro-Armenian politicians in Washington who, when it came to protecting missionary interests, were critical of the Open Door Policy. In the case of Turkey the Chester Concession was criticized as well as general American business interests in Turkey, with Standard Oil lawyer Secretary of State Charles Evans Hughes on the

¹⁰⁶ Williams, *The Tragedy*, p. 157

¹⁰⁷ Wilkins, *The Maturing of Multinational Enterprise*, p. 99. Because of the instability and relative insignificance of Liberia, Secretary of State Charles Evans Hughes talked in ambiguous terms of lending support to Harvey Firestone's investment there. He told him that he could not guarantee protection there but that it had been historic State Department policy to 'lend proper support of a diplomatic character to the just claims of its citizens.' Firestone was not as important as Standard Oil in State Department calculations. See *Ibid.*, p. 100

¹⁰⁸ Williams, *The Tragedy*, p. 191

receiving end of it. The American Committee for the Independence of Armenia published a pamphlet of a speech in congress by Senator William H. King on June 3rd, 1924, criticizing Charles Evans Hughes and the now-defunct Chester Concession on many fronts. Citing a U.S. naval paper as an additional part of its critique of the Open Door Policy, it also explained that the stationing of the U.S. navy at Samsun was simply there to protect American tobacco interests.¹⁰⁹ In other words Hughes was simply looking out for American business interests at the expense of the Armenian Christian minority in Turkey.

The missionary and Armenian question in Turkey, however, stands out as possibly the only example in the world where there was resistance to the open door in American government circles. Even that, however, would not have been enough to keep American business interests out of Turkey. Economics always took precedence over other concerns and the State Department was fully behind any settlement which would benefit the open door for American business. In the Turkish case it was simply a wait and see game to see what the final borders of an independent Turkey would look like after the failure of the Chester Concession. As Hughes put it in December 1922, during the middle of the Lausanne negotiations, the United States did not care what side of the border Mosul ended up on as long as it got access to it.¹¹⁰ After the collapse of the second Chester Concession in late 1923 and the 1926 League of Nations ruling in Britain's favor to keep Mosul American focus would turn away from Turkey economically without any misgivings. Turkey was an acceptable exception to the Open Door Policy now that it had no chance of recovering oil-rich Mosul. With the Chester Concession possibility now scuttled the United States government gave its complete attention to helping CEO Walter Teagle and Standard Oil of New Jersey get its share of Mosul oil. Allen Dulles, chief of the Division of Near Eastern Affairs, challenged the legal validity of the 1914 concession given to the Turkish Petroleum Company (consisting of British, Dutch, and French interests (which had replaced the German share in the consortium following its defeat in World War One). In 1924 he explained with confidence, "The information we have is sufficient to knock the

¹⁰⁹ The American Committee for the Independence of Armenia, *Secretary Hughes*, p. 20

¹¹⁰ Stivers, William, *Supremacy and Oil: Iraq, Turkey, and the Anglo-American World Order, 1918-1930*, (Ithaca and London: Cornell University Press, 1982), pp. 186-187

case of the Turkish Petroleum Company (TPC) into a cocked hat."¹¹¹ The Iraqi government did sign an agreement with the TPC in March 1925 but the door remained open to Standard Oil (and the rest of the American oil consortium involved) and it got in on the Iraqi oil bonanza in 1928 with the infamous Red Line Agreement which divided up the Middle Eastern spoils of Iraq and the Persian Gulf States (minus Kuwait) between British and American oil companies. American oil companies would also get the edge over Britain in securing Saudi Arabian oil by the mid-1930's. That certainly took the sting out of losing the Chester Concession for the United States.

The Chester Concession aside, the two countries still had to work on establishing normal diplomatic relations. A separate Lausanne agreement had been agreed to upon conclusion of the Lausanne Conference (August 6th, nearly two weeks after the end of it) but formal diplomatic relations would be put on hold until 1927, owing to, as mentioned before, disputes over the status of missionaries and the Armenian question. Bristol tried his best to bring about the ratification of the treaty. He even visited the United States, a rarity for him, in November 1924 to further the cause. Rather than visit a delegation of missionaries he was instead the guest of the Federated American Chambers of Commerce of the Near East in New York. While he did feel compelled to tell the audience that the government would respect the rights of Christians¹¹² that was simply a ploy to alleviate the possible fears that the audience of American Christian businessmen would have. The Friendship and Commerce Treaty, which was the name given to the post-Lausanne agreement between the United States and Turkey, was finally rejected in January 1927 but diplomatic relations were able to be restored by means of an exchange of two notes between Bristol and Bülent Aras. The second note extended commercial relations for fifteen months. The notes exchange was a convenient way to bypass the arduous process of resubmitting a treaty to a hostile United States Senate for ratification.¹¹³

¹¹¹ Yergin, *The Prize*, p. 201

¹¹² Yaylalier, *American Perceptions*, p. 244

¹¹³ For the full story of the long saga of the treaty and formalization of diplomatic relations in the 1923-1927 period see Trask, Roger, *The United States Response to Turkish*

Joseph Grew, who would become the first U.S. Ambassador to Turkey, thought that Turks were honest in their dealings with the United States during the Lausanne discussions in 1923 and lobbied hard to gain diplomatic recognition for Turkey in the intervening years until relations were finally established in spite of the failure to sign a formal treaty.¹¹⁴ His was a pro-Turkish position, at least relative to other western countries, despite his complaints about what he thought the United States had given up at Lausanne to Turkey. He had been introduced to America's Open Door Policy during the Lausanne Conference where he was part of the effort to establish it in the face of British resistance. After becoming the Ambassador to Turkey he did wield his power to endorse (or not endorse) American companies willing to do business in Turkey. The problem was that mostly American companies of a higher risk status seemed willing to invest in the Turkish market, which was seen as unfriendly to business interests. Grew was not willing to support such uncertain endeavors.

Nonetheless, Grew carried out his Ambassadorial duties as protector of the open door diligently when the opportunities arose. In 1930 he and İsmet İnönü discussed a loan of some thirty to fifty million dollars for Turkey. Grew suggested that İnönü send a loan mission to the United States to sound out the terms. Şükrü Saraçoğlu, future Turkish foreign minister, headed the mission, which itself was sent only after a delay of more than a year owing to the prolonged finalization of the Treaty of Residence and Establishment between the United States and Turkey, eventually concluded in September 1931. By that time the figure in mind was fifty to a hundred million dollars which would be used for railroads, port facilities, irrigation projects, and cotton production. Both the Commerce Department and Grew were behind the loan. Grew wrote letters of introduction for Saraçoğlu to the Secretaries of State and the Treasury, Henry Stimson and Andrew Mellon (a famous banker and U.S. Treasury Secretary), as well as prominent bankers Thomas LaMont and JP Morgan, the latter a relative of Grew's by marriage. Despite the support given by such important figures in the Wall Street community the loan did not go through

Nationalism and Reform 1914-1939 (Minneapolis: University of Minnesota Press, 1972), pp. 37-51

¹¹⁴ See Grew, Joseph, *Turbulent Era: A Diplomatic Record of Forty Years, 1904-1945, Volume 1*, (Boston: Houghton Mifflin, 1952), pp. 602, 679-681

because of the onset of the depression and the obvious reluctance to extend a high-risk loan.¹¹⁵ Grew very much intended to further American business interests in Turkey but global economic conditions meant that deepening those economic relations were to face hurdles.

Added to that difficulty was the domestic political context of a still very young and vulnerable Turkish Republic. After the formal establishment of diplomatic relations, Grew also seemed fairly confident that a weak Turkey was not going to last long as an independent republic. He avoided Ankara except for taking 'sightseeing' tours, as he put it in his memoirs. Waldo Heinrichs points out that Grew also did it for personal reasons but if even if it were only for that reason it still rankled with the Turkish government.¹¹⁶ It was not being treated like a sovereign nation-state by someone who was supposedly more attuned to the Turkish government's sensibilities than other western diplomats. Whatever would have emerged from a collapsed Turkey in the interwar years (perhaps a British-

¹¹⁵ Heinrichs, *American Ambassador*, pp. 143-144. As for Grew's relationship with Morgan, he was in fact, his cousin by means of the aforementioned marriage. On February 15th, 1918, during the last stages of World War One, his diplomatic mission was transferred from Berlin to Vienna, prompting sharp criticism from the German press. His status as Morgan's cousin was mentioned in an editorial, which characterized Morgan as an arms provider and war profiteer. Grew was scornfully referred to as Morgan's spy. This relationship does make it unlikely that Grew only learned about America's Open Door Policy during the Lausanne negotiations. In any event, he worked hard to further American business interests in Turkey during his ambassadorial tenure. The fact that there was not a lot of American investment in Turkey does not reflect lack of effort on his part, but the difficult economic and political circumstances of Turkey and the generally depressed global economic climate. For the German critique of Grew, which included a scathing poem as well, see Grew, *Turbulent Era*, pp. 62-63

¹¹⁶ Grew mostly stayed away from Ankara because of altitude sickness, the summer heat in Ankara, the fact that the embassy in Ankara was too small, and not having privy to political intelligence there because of the secretive way Atatürk ran his government. In Istanbul he was closer to well-established American institutions and businesses. See Heinrichs, *American Ambassador*, p. 153

French-Italian-American condominium over most of the country or an allout scramble for territory)¹¹⁷ is certainly another interesting counterfactual historical question but any variant of a post-Turkish collapse scenario probably would have been accepted by the United States as long as the open door was unaffected and access to Middle Eastern oil was undisrupted. There also may very well have been an attempt to set up an international consortium along the lines of the nine-power agreement in China in 1922 to decide on which country got what, not so different from a Sevres scenario minus military occupation. The difference was that it would have been a Sevres scenario plus the United States and Turkey's independence would not have remained intact as was theoretically the case with China under the nine-power agreement. In the Turkish case there would most likely have been actual territorial grabs as well as economic concessions.

Since the United States had not yet completely supplanted Britain and France globally and in the Middle East, a very young and wary Turkish republic could keep the United States at bay. A distant country, no matter how powerful, was not factoring into the overall strategic calculus of the young Turkish republic at the moment. Turkey was in a tough neighborhood and was keen on establishing good relations with all of its neighbors while keeping a cautious diplomatic distance from Europe and, at the same time, allowing much-needed investment into the country during the 1920s. Its goals at the beginning of the republic were simply peace (at home and in the world), economic development, and nation-building. As it was, the United States was not the largest investor in Turkey. Statistics show that in 1924 Germany was the largest investor in Turkey by far with the

¹¹⁷ Benito Mussolini and Sir Austen Chamberlain met in September 1926 and discussed what he saw as the probable future collapse of Turkey. Chamberlain agreed to Italian intervention in Anatolia in such a scenario. Prior to that, in 1919 and 1924, Lord Curzon, British Foreign Minister, stated that he did not think that Ankara would survive as the Turkish capital. See Ahmad, Feroz, *Turkey's Foreign Policy Options, 1923-1952, Reconsidered*, in Martin, Lenore G. and Keridis, Dmitris, *The Future of Turkish Foreign Policy*, (Cambridge, Massachusetts: The MIT Press, 2004), p. 333. If Britain, Italy, and the United States would have been correct in their assessment that Turkey would collapse, France would no doubt have wanted a share as well, as it did with the Turkish Petroleum Company following World War One.

United States coming in a very distant and insignificant fifth.¹¹⁸ Additionally, the United States was not yet the global gendarme (nor did it yet desire to be) and its military-industrial complex was not fully developed so it had little to offer Turkey in the way of arms that Turkey could not get from Western Europe.¹¹⁹ After the establishment of diplomatic relations there was the signing of an economic agreement in 1929 but the Great Depression spurred Turkey to adopt statism as its main economic principle in order to rescue and develop its economy. The Soviet Union looked like a more attractive model for economic organization as it was able to weather the effects of the depression better than Western Europe and the United States. American advisers were sent to Turkey in 1934 within the context of Turkey's five-year plans but trade did not significantly pick up between the two countries throughout the decade.¹²⁰ The United States was not interested in Turkey's concerns about remilitarizing the Bosphorus Strait (if it did not become aggressive) as long as its open door for trade was kept open. The United States also showed little regard for Turkey's delicate geostrategic position although it admired Turkey's attempts at developing a peaceful region with the 1934 Balkan Pact and the 1937 Saadabad Pact. That seemed to be a guarantee of peace and security from Romania to Afghanistan. There were also some irritations expressed by the United States government concerning the lack of trade opportunities with Turkey but not enough to cause any significant amount of tension between the two countries. On the eve of the Second World the United States and Turkey did sign another trade agreement (in April 1939), a precursor of slightly deeper involvement when the Lend-Lease agreement was applied to neutral Turkey in March 1941, albeit through Britain.

¹¹⁸ Hershlag, Z.Y., *Turkey: The Challenge of Growth*, (Leiden: E.J. Brill, 1968), p. 41

¹¹⁹ Rustow, Dankwart, *Political Modernization in Japan and Turkey*, (Princeton, NJ: Princeton University Press, 1964), p. 356

¹²⁰ There was one spike in trade, however, between the two countries from 1936 to 1938. Turkey only received 9.7% of its imports from the United States in 1936 but increased its share to 15.1% in 1937. American exports to Turkey more than doubled in the first four months of 1938 compared to the first four months of 1937. See Koçak, Cemil, *Türkiye'de Milli Şef Dönemi (1938-1945), The National Chief Period in Turkey (1938-1945), Volume I*, (Istanbul: İletişim Yayınevi, 1996), p. 286

Although the Open Door Policy was still intact at the end of the 1920s the Wall Street stock market crash of 1929 set off a chain reaction in the global financial markets which threw the world into an economic depression, ramping up global trade protectionism and the search for statist economic solutions worldwide to solve economic problems. That was the case for both Turkey and the United States. However, for the Open Door Policy of a trading and investment power like the United States, that was cause for concern. It reserved the right to protect its market but for other countries to do that was threatening to its interests. In fact, Turkey was, in any event, to regain tariff autonomy the year of the crash, 1929, according to the provisions of the 1923 Lausanne Agreement. With the onset of the Great Depression and the drying up of foreign investment, Turkey also felt it had to employ the statist option to get its economy back on its feet as well as wean itself away from its economic dependence on the great powers. Although the United States was not the main investor in Turkey nor its main trading partner it was, naturally, as one of the great economic powers, a target of Turkey's new economic strategy. The Turkish *Cumhuriyet* newspaper, for example, editorialized in 1931 that Turkey should import more of its oil from Romania rather than the United States, although, ironically, Standard Oil was operating inside the country by then and would no doubt benefit by increased imports from Romania.¹²¹ Turkey realized that it could not just depend on Western European and American investment to kickstart its economy in the midst of a global economic depression and would have to try to build a domestic industry in a more self-sufficient manner. A more statist approach to building up its private sector would be a part of an effort to truly gain its economic independence from western countries.

For the United States, Turkey aside, the global economic picture was also a bit worrying. Moreover, in spite of the current satisfactory level of openness to economic investment, there was always the possibility that the global political and economic situation could change and close off the American economy from world markets, which were not only important for the Open Door Policy but becoming a necessity for supplying its heavy industry. It was, for example, by the end of the 1920s a net importer of important industrial

¹²¹Barlas, Dilek, *Etatism and Diplomacy in Turkey: Economic and Foreign Policy Strategies in an Uncertain World, 1929-1939*, (Leiden, The Netherlands: Brill, 1998), p.

mineral resources. At the beginning of the 20th century, it was a net exporter of those mineral resources but, by 1930, it imported 5 percent of its iron ore, 64 percent of its bauxite (aluminum), 65 percent of its copper, 9 percent of its lead, and 4 percent of its zinc.¹²² By 1937, Asia was the main source of its mineral imports. In that year 51.5 percent of all raw and crude materials came from there, with even higher percentages of tungsten (85%), jute (99%), and shellac (98%). British Malaya (today's Malaysia) and the Dutch East Indies (today's Indonesia) alone provided 86% of its crude rubber and 87% of its tin.¹²³ Oil was no longer the only mineral resource which had to be kept available to the American industrial engine and it is very easy to understand why the United States was so fixated on China and Southeast Asia and was also desperate to keep the Japanese from dominating the two regions economically.¹²⁴

¹²² Kolko, *The Roots*, p. 51

¹²³ Williams, *The Tragedy*, p. 192

¹²⁴ Jonathan Marshall argues that maintaining access to Southeast Asia's mineral wealth was America's paramount important reason for entering World War Two. However, he also gives a list of scholars and their different reasons why the United States would have eventually entered the war even if there had been no Pearl Harbor. The list of the scholars and their respective theories about American policy are as follows: Paul Schroeder, Wayne Cole, and Frederick Marks III- it was because of the inability of the two countries to compromise over China. Norman Graebner- it was to defend "post-Versailles principles" rather than a territorial battle over China. David Reynolds- there were not vital interests in the Far East so the war came about because of "confused moralizing." Akira Iriye, Waldo Heinrichs, and Michael Barnhart- it was motivated by Wilsonian liberalism- the principles of peaceful change, the open door, national sovereignty, and territorial integrity. William Appleman Williams- China as a hugely important market could not be lost as that would threaten the Open Door Policy. Jonathan Utley- Japan was a threat to the "liberal commercial economic order" although the United States was not overly interested in China nor Southeast Asian minerals. Deborah Miner- The United States accepted British claims that Southeast Asia was crucial to the European war effort. Robert Dallek and Abraham Ben-Zvi- Roosevelt had to take a hard line against Japan in order to win support for a war against the Nazis. See Marshall's critique of these various theories in Marshall, Jonathan,

The United States would gradually increase its trade with Turkey in the 1930s (there was a 'permanent' trade agreement signed in 1929) under the conditions of increased Turkish import tariffs (a global trend in the Depression) and a heavier state role in its economy. Obviously that trade would have increased more rapidly if Turkey had not applied restrictions on foreign trade and investment. The U.S. was, therefore, rather dissatisfied with its level of trade with Turkey although it did pick up.¹²⁵ It could afford, however, to be frustrated in its economic relationship with Turkey and not receive a serious blow to its economy, as opposed to Asia. The problem was that a growing and assertive Nazi Germany was also making inroads into the Turkish economy and there was a general geostrategic concern for the whole Eastern Mediterranean and Middle Eastern region, with the goal of protecting oil shipping lanes and the Suez Canal of the utmost importance. The

To Have and Have Not: Southeast Asian Raw Materials and the Origins of the Pacific War, (Berkeley and Los Angeles: University of California Press, 1995), Preface, xiii-xv.

This author sees William Appleman Williams and Jonathan Utley as having the only complete theories and the others as having partial theories which should be listed as supporting items under the rubric of the Open Door Policy. Marshall chooses to narrow his focus on the raw materials of a specific region rather than accept that there could be an overall global agenda to keep markets open to U.S. business interests. Multi-causality, not mono-causality must be a part of any good theory. At the very least, Middle Eastern oil resources were as important as the mineral resources of Southeast Asia. In addition to that, China and Latin America as markets were of immense importance to the United States. Therefore, it is inadequate to simply isolate regions and attribute their singular importance as the cause of something as large as a global world war.

¹²⁵ It would be more accurate to say that trade truly picked up starting from the mid-1930s. It is true that U.S. imports from Turkey increased from 1928 to 1935 but exports from the United States to Turkey dipped even more. Interestingly, the United States was the second-largest exporter to Turkey in 1928 after Italy. By 1935, however, Germany was, by far the largest exporter to Turkey and the largest importer from it. From 1935 until 1940 the United States exports to Turkey and imports from it increased as a percentage of Turkish foreign trade from 10.1% and 7% to 14.1% and 10.8% until experiencing a dip in 1941 due to wartime disruption of trade. See Thornburg, Max, *Turkey: An Economic Appraisal*, (New York: Greenwood Press, Publishers, 1968), p. 282

greatest worry for the United States would be the rise of Fascist Italy and Germany in the second half of the 1930s but not enough to take over the role of policeman in the Eastern Mediterranean or the Middle East. There was still hope for maintaining access to global markets short of war and, in any case, a seemingly dependable Britain was still the deputy in that region.

Globally, Japanese aggression was threatening the Chinese market as it invaded Manchuria in 1931 and staged a full-scale invasion in 1937. Germany remilitarized the Rhineland in 1936, annexed the Sudetenland in Czechoslovakia and Austria in 1938, finished annexing Czechoslovakia in March 1939 and set off World War Two with its invasion of Poland in 1939. Italy invaded Ethiopia in 1935 and Albania a few months before the war. As for oil worldwide Germany was not completely out of the picture in Saudi Arabia and Iran and even in Latin America. Even distant Japan may have been planning to seize Bahraini oil.¹²⁶ Bolivia nationalized its oil industry in 1937 and Mexico followed suit in 1938 (the trend in Latin America in the 1930's was toward nationalizing at least part of its oil operations). Kuwait and Saudi Arabia had been become very prominent supplies of oil in the last two years of the 1930s and in 1940, even after the war had broken out, subsidiaries of Standard Oil of California and Texaco were pumping 5 million barrels of oil out of the Saudi kingdom.¹²⁷ There was also concern about Nazi Germany's and Fascist Italy's influence in the rest of Latin America by 1938 in the form of propaganda, economic, political, and military ties, threatening Roosevelt's Good Neighbor Policy and the Monroe Doctrine.¹²⁸ To America's more immediate south, in Mexico, there was also general worry even outside of the oil industry about Japanese, Italian, and German economic penetration, with State Department official Adolf Berle specifically talking about a campaign, in tandem with Pan American Airlines, to 'clear out' German airlines in Mexico.¹²⁹

¹²⁶ Kent, Marian, *Moguls and Mandarins: Oil, Imperialism, and the Middle East in British Foreign Policy, 1900-1940*, (London: Frank Cass, 1993), p. 158

¹²⁷ Little, Douglas, *American Orientalism: The United States and the Middle East Since 1945*,(Chapel hill and London: The University of North Carolina Press, 2002), p. 47

¹²⁸ Dallek, *Franklin Roosevelt and American Foreign Policy 1932-1945*, p. 175

¹²⁹ Williams, *The Tragedy*, p.178

As far as the other side of the world was concerned, if Germany expanded eastward from Europe it would threaten the whole Middle East and the Caucasus as well as geostrategic thinker Harold MacKinder's Eurasian heartland, a key geostrategic concept in western political thinking since the late 19th century. MacKinder believed that whoever controlled the Eurasian heartland controlled the world. The Soviet Union, as mentioned before, was not completely isolated from the world. Roosevelt recognized the Soviet Union in 1933, trying to restart American penetration of the Soviet market, which had slowed down because of Stalin's economic nationalism and the effects of the Great Depression. Its oil in the Baku region was also vulnerable.

Even a supposed western ally like Britain was a threat to America's open door. In 1931, in reaction to the onset of the Depression and growing trade protectionism, Britain decided to shore up the Sterling Bloc with the Ottawa Agreement. That agreement established the Commonwealth but, not only was the official British Empire covered by the agreement, but several other countries outside of Britain's colonial ambit were to be given 'imperial preference' on trade. In finest imperial fashion, British Admiral Sir Ernle Chatfield put it very bluntly in a 1934 statement: "We are in the remarkable position of not wanting to quarrel with anybody because we have got most of the world already, or the best parts of it, and we only want to keep what we have got and prevent others from taking it away from us."¹³⁰

The American position, articulated nearly two years earlier by Secretary of War Pat Hurley, was that England's first-class position could be maintained only if it 'discarded the principles of imperialism and monopoly.'¹³¹ After taking office in 1933 Roosevelt had pushed for a free trade world at the London Economic Conference as the cornerstone of his foreign policy. The British were not cooperating with that approach by protecting its sterling zone. All in all, most of the developments of the 1930s were very threatening to the Open Door Policy of keeping global markets accessible to American capital. Capital

¹³⁰ Reynolds, David, *From Munich to Pearl Harbor: Roosevelt's America and the Origins of the Second World War*, (Chicago: Ivan R. Dee, 2001), p. 16

¹³¹ Gardner, Lloyd, *Economic Aspects of New Deal Diplomacy*, (Boston: Beacon Press, 1971), p. 179

and surplus production always needed new markets (in lieu of increased wages) and even a stalwart ally like Britain would not be respected if it stood in the way of access to them.

As far as looking towards the democratic west for a political partner, Britain was Atatürk's preferred choice as it was not isolationist like the United States, owing to its global empire and the need to protect it. It was also on the periphery of Europe and would be much more useful as a counterweight to growing powers Italy and Germany. Immediately following the Mosul decision in 1926 Turkey looked to patch things up with it. That policy was put on hold in the still tense atmosphere and then rekindled in 1934 when Percy Loraine became British Ambassador to Turkey and decided that Turkey could unilaterally abrogate the Straits Convention and supported a revision.¹³² That stance, coming from the world's top imperialist power and main western interloper in the Middle East concerned with protecting its Suez lifeline, was more sympathetic than the American one simply by perceived necessity. Britain's status as the most important colonial power in the Middle East was under threat and it became extremely concerned about Italy's designs in the Eastern Mediterranean, especially after its invasion of Ethiopia, the first expansionist thrust of any fascist power to date. Italy's aggressive foreign policy in the region was something which could threaten British shipping and, thereby, its entire colonial empire. The United States was simply interested in maintaining its Open Door Policy, something that it felt could be done non-militarily at the moment, and it was not very interested in Turkey's security concerns.¹³³ That is not to say that, by the mid-1930's, it was not worried about Italy and Germany threatening to slam the open door shut. Mussolini was planning to recreate the Roman Empire on the Mediterranean basin and perhaps even go beyond that. American Ambassador to Turkey, J.V.A MacMurray, after talking with Turkish Foreign Minister Tefvik Aras following the ratification of the Montreaux Convention, expressed satisfaction with Turkey's 'feeling of common cause with Great Britain in opposition to

¹³² Stephen Evans, *The Slow Rapprochement: Britain and Turkey in the Age of Atatürk, 1919-1938*, (North Humberston: The Eothen Press,) p. 100

¹³³ Although that did not mean that the United States was not interested in making money from the Turkish market. In Roger Trask's opinion American Ambassador to Turkey Robert Peet Skinner was especially interested in getting American firms to benefit from Turkey's rearmament program. See Mazzari, *A Palazzo on the Bosphorus*, in Criss, p. 117

Italian designs in the Eastern Mediterranean.¹³⁴ The United States saw the Eastern Mediterranean, where Britain already had a significant presence, as its area of responsibility, a sufficient guarantee, in its view, of the open door in that region. There was a slight apprehension about Soviet designs following the ratification of the Montreaux Convention, however. P.W. Wilson of the New York Times summed up those feelings in the following statement:

"The whole situation resolves itself into the attitude of Turkey, which now holds the keys of the Dardanelles and the Bosphorus. Turkey is in close contact with Russia, and it is a reasonable assumption that Russia, in all essentials, has achieved her long-desired objective- that is, strategic influence over Constantinople and the commerce that flows past Constantinople."¹³⁵

There was some worry, then, that not only the Germans and Italians, but the Soviets could gain influence over the Straits enough to give it some control over the right of American economic access to the region.

For the moment, however, the American attitude was one of discreetness in spite of the situation regarding the Straits not being completely to its satisfaction. Following the Turkish remilitarization of the Straits after the ratification of the 1936 Montreaux Convention, the U.S. tried to show a more nuanced understanding of Turkish foreign policy. Consul G. Howland, post-agreement, made an assessment of that policy:

"The essential simplicity of Turkey's foreign policy has often been mentioned in the Embassy's dispatches but this fundamental quality should again be emphasized. Turkey, like the U.S.S.R., wishes peace in order to consolidate her revolution; she has all the territory she wants and can be relied upon to avoid any international adventure; it is her earnest desire to have good relations with all the world, first of all with her neighbors and then with countries further distant from her frontiers; as the originator of a significant form of government and social organization, she considers herself as a

¹³⁴ Howard, Harry, *Turkey, the Straits and U.S. Policy*, (Baltimore: The Johns Hopkins University Press), 1974, p. 156

¹³⁵ P.W. Wilson, "Turkey Gets Key To Straits: Montreaux Agreement Opens a New Chapter In Long Struggle Over a Vital Waterway", *New York Times*, July 26, 1936

leader so far as the Middle East is concerned; she quite definitely feels herself in danger in a world which is rearming and will make every sacrifice to maintain her means of defense in a state of efficiency."¹³⁶

While this assessment was mostly true her desire for territory was actually not quite sated. It had been forced to give up on Mosul in 1926 but it still had not forgotten Hatay. Turkey's need to shore up its security meant, in the case of Hatay, that it might need a little extra territory and have to risk an international adventure. This was to prove a second headache for American diplomats.

The sense that it was in danger would further propel the Turkish government to take an aggressive stance toward the Hatay issue. Hatay had remained a part of the French mandate of Syria following World War One against the wishes of Turkey. The remilitarization of the Straits following Montreaux was to be only the first step toward recovering what it saw as its full sovereignty and protecting its security against Italian encroachment in the Eastern Mediterranean. Hatay contained the strategic port city of Iskenderun and Atatürk was determined to have it back. The only question in American eyes was whether he would take it back peacefully or by force, meaning that Howland's positive assessment of Turkey's position and attitude was completely shared by others in the American government. The United States, for its part, was also concerned about Italian expansion in the Mediterranean but certainly did not want Turkey engaging in 'territorial revision' in the region, wanting to make sure France and Britain had the edge in the region. That could establish a bad precedent and destabilize the region, allowing Italy and Germany to benefit. By the beginning of 1937, MacMurray's greatest fear was that Turkey would take back it back with force, indicating a changing Turkish mood since Howland's assessment. He noted that the press was fully behind the campaign to take back the region

¹³⁶ Shields, Sarah, *The U.S. and the Sanjak Question: Navigating a New Relationship in a Rapidly Changing Context*, in Criss, Nur Bilge, *American Turkish Encounters. Politics and Culture, 1830-1939*, (Newcastle upon Tyne: Cambridge Scholars, 2011), p. 139

and that its propaganda could push the situation over the edge.¹³⁷ However, MacMurray subsequently wrote:

"I am still... of the opinion that Atatürk will in the final analysis prove too realistic to permit action which could not but stultify the diplomatic position that Turkey has in recent years built up by the scrupulous observance of international engagements, and which would, by associating her with the Governments seeking forceful modification of their international obligations, alienate not only the French and perhaps the British, but also the Balkans allies with whom Turkey is associated on the basis of their common front against 'revision.'"¹³⁸

The idea of a Turkish/Balkan/French/British block to counter the Germans and Italians (and even the Soviet Union) was already firmly embedded in American governmental circles. There was great fear that the Hatay issue was going to break it apart and leave the region vulnerable to Italian and German depredations.

The United States government would have to play a wait-and-see game for the next two years with regard to Hatay. Turkish troops would enter Hatay in July 1938 and officially annex the region in June 1939. The new arrangement had come about peacefully much to the relief of the United States. American officials like MacMurray concluded that Turkey had pushed so hard for the repossession of Hatay out of a need for security and, in the end, welcomed the Turkish occupation of the territory, something it had feared initially. The settlement of the issue would lead to the tripartite alliance of Turkey with France and Britain following the outbreak of World War Two.¹³⁹

It was only with the Second World War that relations between the United States and Turkey intensified but that must be seen in the context of the war with the Nazis and the threat to the Open Door Policy and, at the end of the war, tensions with the Soviet Union and a possible threat to the open door in the Middle East. The larger context was that the

¹³⁷ Shields, Sarah, *Fezzes in the River. Identity Politics and European Diplomacy in the Middle East on the Eve of World War Two*, (New York, NY: Oxford University Press, 2011), p. 66

¹³⁸ Shields, *The U.S. and the Sancak Question*, in Criss, pp. 141-142

¹³⁹ *Ibid.*, p. 151

United States was ready to become the world leader and it was to transform its relations with the whole world, not just Turkey. The Open Door Policy was, in light of militaristic Nazi attempts to cut out a large share of the world for itself with its Lebensraum (to be acquired in the Russian and Ukrainian heartland of Eurasia) and 1000-year Reich concepts, going to need some teeth to back it up. That was, for all intents and purposes, decided in June 1940, after the fall of France to Germany. Whereas the United States could afford to sit out the first three years of World War One during its stalemate in France, this time the Germans overran France with hardly any effort; the Nazis were now in a position to dominate Europe and the Middle East, a threat to both the British Empire but, more importantly in American eyes, access to global markets. It was also to be compounded by the fact that, unlike World One, Japan was to join the German side in the war, threatening the rest of Asia. In the Turkish case, there was the issue of the freedom of the seas in the Black Sea and through the Bosphorus Strait as well as its proximity to the Suez Canal and Middle Eastern oil resources. A military build-up was imperative for the United States, its allies, and even fence-sitters like Turkey which, it was felt, could come over to the Allied side with a little coaxing. An impetus to that policy was the Lend-Lease program, designed to lend arms to various nations contingent on repayment at the end of the war (its predecessor, Cash and Carry, was started even before Nazi territorial annexation and the outbreak of war), which was first applied to Turkey through Britain in March 1941, when it was first initiated. It was to be a stimulus for the American economy and precursor to its policy of using economic aid to gain control over countries during the Cold War as well as an instrument to sow the seeds of a permanent, coordinated military-industrial complex. It again seems strangely ironic, considering the latter, that James Burnham, who wrote the 'Managerial Revolution', marveled at the Nazi and Soviet managerial systems and thought the United States had to emulate it.¹⁴⁰ Not only was access to global markets threatened by Nazi Germany and the Soviet Union but their economic models were deemed to be superior with regard to planning and coordination, more evidence that policy-makers in the United States had, in fact, no faith in laissez-faire principles as a guarantor of peace, security, and open markets. A greater irony is that emulation of the government-managed system of capitalism was to preserve an ostensible 'free-market' global economy and

¹⁴⁰ See Burnham, James, *The Managerial Revolution: or, What is Happening in the World Now*, (London: Putnam, 1942, c1941)

worldwide democracy (with a definite emphasis on the former). The Lend-Lease Program would be the first step in fulfilling Burnham's vision.

What the United States started in World War One, namely, a government-engineered private sector economic growth explosion, was now to be resurrected, completed, and given permanent status as a policy in the Second World War to be carried forward post-war. The Open Door Policy had to be saved by whatever means available. As early as 1937 Roosevelt had presented his Industrial Mobilization Plan to his cabinet stating that 'no less than 20,000 factories should be earmarked for production of war materials' in order to bring America out of recession.¹⁴¹ Nazi Germany's territorial conquests would bring Corporate America's undecideds concerning war over to supporting war as the only means to ensure the open door. The old-fashioned thinking of Bernard Baruch's fear of war causing revolution was about to be put aside. Attitudes among America's big business community, as exemplified by steel magnate James A. Farrell's (ex-U.S. Steel President from 1911 to 1932 and first President of the pro-open door National Foreign Council for Trade, which had been established in 1914) pro-war stance, had evolved and fallen in line with the idea of war against the Nazis as the savior of capitalism. Nazi Germany had struck fear into the heart of American businessmen and facilitated their conversion in thinking. Farrell, speaking against laissez-faire, was the spokesman for the beginning of the new era. For Farrell, it was now 'imperative that business interests and government agencies act together to assure American business a proportionate and equitable share in the world's trade... The door of equal opportunity to all trading areas should be kept open.'¹⁴²

Britain was to remain the deputy in the Middle East during the war but the dollar was to be the new world currency and the open door had to apply to every region of the world. This included Turkey and the rest of the Middle East, especially with regard to Saudi Arabian oil, which had started to be produced in sizable quantities starting in the 1930s when American oil companies joined British ones in carving up the spoils. Access to Iraqi and Iranian oil also figured prominently in American and British machinations during the war,

¹⁴¹ Colby, Gerard, *DuPont: Behind the Nylon Curtain*, (Englewood Cliffs, NJ: Prentice-Hall, Inc., 1974), p. 353

¹⁴² Williams, *The Tragedy*, pp.197-198

with less hope of gaining access to Azerbaijani oil as long as the Soviet Union was in the control of the territory. Turkey's strategic importance, like in World War One, was its location next to the Middle Eastern and Caucasian oil, which Germany was going to try to grab a second time around. As far as Caucasian oil was concerned, as mentioned before, the United States could survive without it but the important thing was to keep it out of the hands of the Germans. Luckily for America, Germany never reached Azerbaijan and Stalin would order most of Baku's oil wells to be filled with cement, rendering the wells useless even in case of a German takeover.¹⁴³

Moreover, the Open Door Policy had to maintain the appearance of not appearing overtly imperialistic (a source of America's relative higher level of credibility vis-a-vis traditional imperialist powers France and Britain despite the fact that it still held the Philippines). Britain, after fulfilling its political and military role vis-a-vis Turkey during the war, would have to give up its imperial possessions this time, in the mind of Roosevelt. Roosevelt was more interested in allotting spheres of influence for the 'four policeman' of the United States, China, the Soviet Union, and Britain rather than allowing the pre-war British Empire to remain. Not only Britain but convenient wartime ally, the Soviet Union, would be the other power to be dealt with post-war. As Turkey's very large northern neighbor, the Soviet Union was seen as a potential threat to close that door and, within that context, Turkey could no longer be ignored following the war. If the two countries were to work out an arrangement to safeguard the straits together that would be a potential threat to America's trade monopoly in the region. In that light, Turkey could also be seen as a country caught in the middle of the American attempt to put a check on both Soviet and British aspirations in the region once the Nazi threat was vanquished. In the case of the Soviet Union, its aspirations actually meant greater cooperation once the Straits situation was resolved in its favor.

American-Turkish relations going into World War Two represented a rather unique political situation as the United States still was not taking Turkish concerns seriously, although it was an independent sovereign nation, an impressive anomaly for the non-

¹⁴³ LeVine, Steve, *The Oil and the Glory: The Pursuit of Empire and Fortune on the Caspian Sea*, (New York, NY: Random House, 2007), p. 50

western world outside of Latin America (which may even be considered part of the western world). By that time, barring a catastrophe such as complete devastation in war, Turkey's chances of survival were very good. Turkey had come a long way since Grew's diary entry in 1927. At the same time, Turkey had real concerns about its security and, thus, survival as a nation, so its government was in a very sensitive frame of mind concerning its relations with western nations, which had been kept rather distant outside of economic relations. There was no way the government was going to recklessly entangle itself in another world war which would certainly have destroyed the country physically even if it backed the right horse that time. Moreover, its economy was weak and undeveloped; Italian and German fascism was expanding in a rapacious fashion; it was a very young republic which was trying to unify the country around the idea of Turkishness and had just dealt with the 1937-38 uprisings in Dersim, a threat to the monocultural nation-state project; and, very importantly, Turkey was experiencing a transition from Atatürk's rule following his death and his successor, İsmet İnönü, who was not exactly enamored of France, Britain, or Nazi Germany. That meant that moving unconditionally closer to the democratic west just because of the Nazi threat was not to be. An example was his stance at the Nyon Convention in September 1937, a forum ostensibly held to discuss Italian piracy but actually to talk over a way to limit Italy's naval power. İnönü rejected the idea of allowing Britain and France to use Turkish naval bases to combat it while Atatürk supported the idea and overruled him.¹⁴⁴ The base idea would come up again in World War Two and was to finally find its culmination in a Cold War context in the building of and opening of Incirlik Air Base to the United States in 1954 as part of its Status of Forces Agreement with Turkey. After Atatürk's death İnönü moving closer to Britain would happen only because of necessity and, as an extension of warmer relations with the isolated United States was not a pressing matter. İnönü, however, was also not a fan of the Germans for reasons stemming from World War One. Like Atatürk, he was a veteran of World War One, on the losing side with Germany, in which the Ottoman Empire was its junior partner. No doubt he shared Atatürk's distrust of the Germans and felt that the late Ottoman Empire, with disastrous results, had become a 'tool of German policy'.¹⁴⁵ With an almost equal distrust of both the Allies and Nazi Germany, balancing the two sides against

¹⁴⁴ Barlas, *Etatism and Diplomacy in Turkey*, p.140

¹⁴⁵ Deringil, *Turkish Foreign Policy*, p. 58

each other was going to be the order of the day during the war, especially with a man as cautious as İnönü in charge. With the early successes of Nazi Germany in the war Turkey also had to employ a rather pragmatic policy so as not to alienate it and that was a situation that was to remain fully in effect until the German war effort started to falter in late 1942 at Stalingrad and in North Africa, at which point Turkey would start to slowly tilt toward the Allies.

1.4. Keeping the United States at a Distance: An Analysis

1.4.1. Turkey's Economy before and during World War Two

Before delving into the World War Two years it is important to first take a look at Turkey's economy on the eve of the war. It was a huge factor in pushing the government toward trading with whichever country would do so and, with the lack of economic aid coming from Britain and the United States, Turkey would turn toward Germany for trade. However, in order to understand its economy and why it was so vulnerable just prior to World War Two a look at its economic development going back to World War One is necessary. While conducting this examination, it should be kept in mind that the Turkish government's goal was to develop an economy strong enough to help Turkey maintain its independence.

Turkey, firstly, was a very young nation with a very young bourgeoisie that had developed under wartime conditions in World War One. The rushed formation of that bourgeoisie was motivated by the ruling Committee of Union and Progress' (CUP) fear of a conflict between a Muslim-dominated government and a dominant minority non-Muslim bourgeoisie.¹⁴⁶ For Turkish nationalist theorist, Yusuf Akçura, developing a Turkish bourgeoisie was essential to the survival of an independent Turkish nation. According to him, a nation could not just have bureaucrats and soldiers and expect to survive.¹⁴⁷ The bourgeoisie was formed as a result of World War One and survived because of the Turkish

¹⁴⁶ Keyder, Çağlar, *Manufacturing in the Ottoman Empire and in Republican Turkey, ca. 1900-1950* in Quataert, Donald, *Manufacturing in the Ottoman Empire and Turkey, 1500-1950*, (Albany, NY: State University of New York Press, 1994), pp. 123-164

¹⁴⁷ Ahmad, *From Empire to Republic*, p. 196

victory in the subsequent liberation war but had not had time to mature by the onset of World War Two, having been heavily reliant on foreign capital in the 1920s,¹⁴⁸ still possessed of a short-term profit mentality, as well as being heavily dependent on the state in the 1920s and 1930s for any hope of raising enough capital to further its growth. The onset of the Great Depression in 1929 would also put a damper on Turkey's private-sector-led economy. Between 1928 and 1933, the agrarian Turkish economy saw wheat prices drop 60 percent and export crop prices such as tobacco, raisins, hazelnuts, and cotton fall 50 percent.¹⁴⁹

Because of steady state-led growth in the 1930s, however, the Turkish government looked set to finally get the wheels rolling for the private sector. A law was passed in 1938 concerning state enterprises, allowing them to enter into partnerships with the private sector or be sold to the private sector.¹⁵⁰ However, the beginning of World War Two would put an end to those plans and the state, because of the necessity of both managing the economy and keeping the country in a state of war preparation, was to have to take the reins of the economy under its control. At the same time it would try to maintain the growth of the prewar years, which proved impossible under regional wartime conditions. The economy had been developed significantly in less than two decades but it was still very vulnerable, needed to maintain external trade, and had a disgruntled bourgeoisie which could foment political opposition, thereby possibly posing a threat to and weakening the state. The poor condition of its economy was to be a major Achilles heel for the Turkish government in carrying out its foreign policy during World War Two as it was forced to rely so heavily on state intervention and foreign trade.

¹⁴⁸ Many state monopolies were sold to foreign companies during the 1920s. See Keyder, Çağdar, *The Definition of a Peripheral Economy: Turkey 1923-1929*, (Cambridge: Cambridge University Press, 1981), p. 95

¹⁴⁹ Owen, Roger, and Pamuk, Şevket, *A History of Middle East Economies in the Twentieth Century*, (Cambridge, MA: Harvard University Press, 1998), p. 16

¹⁵⁰ Barkey, Henri, *The State and Industrialization Crisis in Turkey*, (Boulder: Westview Press, 1990), p. 49

During World War Two it was imperative that the Turkish government keep its export markets to prevent its economy from completely collapsing. It had registered impressive growth rates in the 20's and 30's but its economy was still extremely vulnerable and war meant great uncertainty for its still non-self-sufficient economy. To compound that, the government had to devote most economic resources to the military, delivering a harsh blow to both the agricultural and industrial sectors. The National Defense Law of 1940 meant that the state would determine industrial output, forcibly requisition food from farmers and underpay for it, reinstate the extremely burdensome agricultural tax, and establish corvee labor, which was disproportionately taken from the ranks of farmers.¹⁵¹ Manufacturing industrial output declined by 35 percent between 1939 and 1945, which caused a black market, inflation-producing printing of money by the government, and a loss of the tax base.¹⁵² The state's heavy-handedness and its later Wealth Tax of 1942 to recoup lost taxes also caused worry for the United States government, which wanted to see a Turkish economy not only move away from Germany, but also move toward withdrawing the state from the affairs of the economy. After the onset of the decline of Germany, it would take a year to get Turkey to remove the Wealth Tax, a prelude to it later being pressured to open up its economy by the United States. The war, in the end, meant that Turkish attempts at developing a self-sufficient economy were to come to an end.

1.4.2. The Military and Diplomacy

Militarily speaking, Turkey was still in a third-rate condition on the eve of the war. It had won its liberation war with brilliant leadership and strategy but was to make almost no improvement to its military during the following two decades as it focused more on economic matters and found military equipment hard to come by. Military equipment only, such as submarines, tanks, and rifles was to come from Europe almost exclusively in the 1920s and 1930s but ammunition was mostly manufactured at domestic armaments plants at Mamak and Kırıkkale in Central Anatolia.¹⁵³ When the war came, its weapons were still

¹⁵¹ Hershlag, Z.Y., *Turkey: An Economy in Transition*, (Leiden: EJ Brill, 1958), pp. 179-180

¹⁵² Owen and Pamuk, *A History of Middle East Economies*, p. 106

¹⁵³ Rustow, *Political Modernization in Japan and Turkey*, p. 356

World-War-One technology, its military transport was still mules and horses, as in World War One, and its most powerful warship was the German gift from 1914, the *Yavuz Selim*. With its opponents defeated in the Liberation War and peace being made with its immediate neighbors, the Turkish government was more focused on civilian economic development rather than excessively spending on the military, although the level was by no means low. The share of the budget given to defense fell from approximately 40 percent in 1926 to a low point of 23 percent in 1932-3, rising back up to 30 percent starting in 1934 with the growing Italian and German threats, the level at which it stayed until the outbreak of the war.¹⁵⁴ As for the United States lending a helping hand to Turkey in the military sphere, there was marked disinterest in Turkey's military strength level in spite of some profit-making opportunities for American companies.¹⁵⁵ The United States did not want an arms race in the Mediterranean at the moment. The thinking was still that the Open Door could operate with a strong British military presence in the region. When Turkey approached the United States for warplanes in 1934, the State Department rejected it by offering a moral argument and saying 'that, in case of war, this Government could be justly criticized for assisting in the military preparation of one of the parties thereto.'¹⁵⁶ With the coming of war, Turkey did not have true friends in the west who were looking to arm a bulwark in the Middle East against Italian and German depredations in the area or help it grow into an independent regional power. It would have to look after itself and diplomacy

¹⁵⁴ Hale, William, *Turkish Politics and the Military*, (London: Routledge, 1994), p. 79

¹⁵⁵ There was at least one exception to that in the case of Turkey. As revealed by the 1934 Nye Committee (set up by American Congressman Joseph Nye to investigate World War One war profiteering by American munitions companies (including DuPont), Douglas MacArthur visited Turkey in 1932 as Army Chief of Staff. He had, according to an executive at Curtis Wright Corporation (a now defunct aircraft maker which competed with Boeing at that time), pitched American military aircraft equipment to the Turkish General Staff. This led Nye to charge, "It looks to me like General MacArthur was pretty much of a salesman. It makes one begin to wonder if the Army and Navy is just a sales organization for private industry." See Stone, Oliver, and Kuznick, Peter, *The Untold History of the United States*, (New York: Ebury Press, 2012), pp. 67-68

¹⁵⁶ DeNovo, John A., *American Interests and Policies in the Middle East 1900-1939*, (Minneapolis, MN: The University of Minnesota Press, 1963), p. 247

would be the key to its survival. Turkey was certainly in no condition for another war and would only fight if its physical survival was at stake.

Diplomacy, however, was Turkey's strong suit and it had been very successful in its dealings in the sixteen years preceding World War Two. That, of course, would allow it to skillfully remain neutral. It had made peace with all of its neighbors in the 20's and 30's, had avoided any kind of binding treaty, and with its crowning diplomatic achievement, the regaining of Hatay in April 1939 from France, had at least partially made up for not being able to regain Mosul from the British. Its borders were almost those of the stated goals of the Milli-i-Misak-desired borders of 1920 and the important thing now would be to defend them while developing the economy of the country. It had no more territorial claims. It had normal diplomatic relations with Communist Soviet Russia, the capitalist west (with the addition of the American factor providing Turkey an opportunity to exploit American-British differences as well), and Fascist Italy and Germany as well. It had no real friends but no real enemies as well. As American Ambassador to Turkey J.V.A. MacMurray described Turkey's foreign policy in 1936 it was, "Friendship with all but identification with none."¹⁵⁷ Turkey's government was keen to keep it that way as well but the real balancing act was going to be how to play off the three blocs against each other, a classical realpolitick maneuver, while at the same time not becoming dragged into the war. During peacetime Turkish diplomacy had brought superlative results but with war approaching it realized it would have to walk a diplomatic tightrope, a much more challenging feat. In the final analysis, the Turkish government managed to overcome its economic and military weakness with its skillful diplomacy, just enough to maintain its political independence but not enough to leave it in the post-war position of determining its economic future.

¹⁵⁷ Shields, *The U.S. and the Sencak Question*, in Criss, p. 139

CHAPTER 2

American-Turkish Relations Fail to Get on Track, September 1939- June 1940

2.1. The United States Closely Follows Turkish Foreign Policy Developments

The beginning of World War Two is officially dated from September 1st, 1939, the day of Nazi Germany's invasion of Poland. Two days later Britain and France declared war on it. It was something that Turkey dreaded, especially coming on the heels of the Molotov-Ribbentrop Pact, signed between Nazi Germany and the Soviet Union on August 23rd. The non-aggression pact meant that the two sides would not attack each other and not help a third country which attacked one of the two. An additional secret protocol dealt with territorial issues. It essentially divided up Poland, the Baltics, and Romania between the two countries.¹⁵⁸ For Turkey the balance of power in Europe, an important reality for it and the Ottoman Empire, was now destroyed and it had to worry about spheres of influence being decided upon so close to its territory. This led it to not renew a trade agreement with Germany at the end of the month and Foreign Minister Sarper Saraçoğlu to visit Moscow the next month to try to work a new agreement with the Soviet Union. Turkey was Germany's biggest trading partner at that point and had a keen interest in keeping the 1936 Montreaux Pact intact. The Montreaux Pact was enormously important to Turkey and it did not want its status as guardian of the Bosphorus Straits threatened. The Pact allowed Turkey to remilitarize the Straits, hence giving it back its national sovereignty, as well as limiting the weight of non-riparian warships, meaning that western countries were subject to them since they were not located on the Black Sea.¹⁵⁹ That new status was definitely called into question as the Soviet Union and Nazi Germany had made amends and would then proceed to work out an agreement on the Bosphorus and other territorial claims,

¹⁵⁸ For the full pact see Fordham University, "The Molotov-Ribbentrop Pact, 1939," Internet Modern History Sourcebook, <http://www.fordham.edu/halsall/mod/1939pact.html>, 1997, (retrieved 22/4/12)

¹⁵⁹Howard, *Turkey, The Straits, and U.S. Policy*, p. 152

which they unsuccessfully tried over a year later. In fact, the Soviet Union almost immediately started to make demands to change Montreaux on its own. The Molotov-Ribbentrop Pact between the Soviet Union and German was a particularly demoralizing blow to Turkey; its largest trading partner, Germany, and the country which helped it in its liberation war and had signed a series of Friendship Treaties with it since 1921 had come together in an agreement in an agreement which could threaten the future territorial integrity of Turkey. The future looked very unpredictable and the last thing the weak and undeveloped Turkish economy needed was a war on its doorstep or on its soil and its control over the Bosphorus Straits threatened.

In any event, France and Britain declared war on Germany on September 3rd and it should be noted that Roosevelt stated in a fireside chat that "this nation will remain a neutral nation" and, two days later, formally declared American neutrality in spite of the seeming gravity of the new war situation.¹⁶⁰ Whether he was pleased with staying neutral was another matter. He moved quickly that month to repeal the arms embargo parts of the Neutrality Acts of 1935-1937 by pressuring Congress with the help of politically well-connected businessmen like Thomas W. Lamont, a partner in J.P. Morgan investment bank and Myron Taylor, former chairman of U.S. Steel.¹⁶¹ There was now growing support in the financial and corporate world for arming the Allies, giving the 'interventionists' in the business world an upper hand over the 'isolationists.' Debate in Congress continued for roughly two months before a new Neutrality Act was signed on November 4th allowing for arms shipments for European Belligerents.¹⁶² This was especially directed toward helping

¹⁶⁰ Dallek, *Franklin Roosevelt*, p. 199

¹⁶¹ Divine, Robert A., *The Reluctant Belligerent: American Entry Into World Two*, (New York: John Wiley and Sons, Inc., 1967), p. 67

¹⁶² America's decision to arm the Allies may well have been a major reason why the Nazis did not delay its offensive the following spring. Hitler, in a November 23rd meeting with German military officials, cited the fact that Germany's superior air force and armored division would not have such an advantage within six to eight months considering the way that the United States was arming France and Britain. See Renouvin, Pierre, *World War 2 and Its Origins: International Relations, 1929-1945*, (New York: Harper & Row, Publishers, 1968), p. 180

Britain, the main ally against Nazi Germany. Officially, armed belligerents could now engage in 'cash and carry', an arrangement whereby arms sold would have to be paid for immediately and transported from the American border. The original Cash and Carry agreement was in 1937, well before the war started, but applied to non-belligerents. Since the arms were meant for European countries actually fighting Germany, Turkey was left out of the arrangement and was going to have to look for help in the west to France and Britain, its old nemeses from World War One and the Turkish War of Liberation. The United States would, for the time being, not be involved in the war outside of finance and war supplies and Britain, particularly, would have to deal diplomatically with Turkey and the rest of the Middle East. In a letter to Roger Trask in 1958 J.V.A. MacMurray, the ex-American Ambassador to Turkey summarized his feelings concerning American influence on Turkey during the war. He wrote that he thought the United States did not really have any influence on Turkish neutrality that it did not try to do so, but that it made 'no secret of American sympathy with the Allies.'¹⁶³ While it is true that the United States did not have real influence over Turkish neutrality and favored the Allies it did have a limited economic relationship with Turkey. In fact, the United States, while deferring diplomatically to the British throughout a good part of the war, was ruthless in its limited economic dealings with Turkey early in the war. It could have chosen not to do that but it was obviously dissatisfied with Turkey's economic relationship with Germany and its unwillingness to completely bow to its demands as well as those of Britain and France. Later in the war, especially after the Lend-Lease program started, diplomatic engagement between the two countries would increase as well and the United States did have a lot of influence over Turkey's decisions vis-a-vis Germany.

The United States and Turkey had signed a new trade pact in April but that would not have much of an impact in the trading relationship. While Washington would have been quite happy to increase that relationship as part of its Open Door Policy to keep Turkey from trading from Germany, it would settle for a Turkey that, at least, traded with Allies France and Britain. The month of September was of great interest to the United States as Turkey was still in a position to strike separate deals with the Soviet Union and/or Nazi Germany and was going to send its foreign minister late in the month. If some alternative deal were

¹⁶³ Trask, *The United States Response*, p. 239

cut in Moscow Turkey would find that its economic interests lay outside of the Allied sphere.

The Molotov-Ribbentrop Pact, therefore, did not mean all was lost for Turkey regarding diplomatic relations with the Soviet Union and Germany. Regarding the former, Stalin, on September 3rd, even offered help to Turkey if the 'Straits or Balkans were threatened.' As for Germany, Turkish neutrality was important for it at that time as its main oil supply was shipped from Romania through the Straits to Italian ports.¹⁶⁴ İnönü's speech on September 12th also made clear that Turkey was interested in the status quo diplomatically in spite of the impact of Ribbentrop-Molotov and was not about to bolt over to the Allied side. As evidence of his balancing game, he stated in the speech,

"We are united with Britain and France in national interest and shared beliefs. Negotiations with these countries aiming at a final treaty are progressing in a most friendly atmosphere... Our relations with the Soviet Union are friendly and will stay so. There is no change in our relations. Our contacts and traditional exchange of opinion are cordial as always."¹⁶⁵

It was in that vein that Turkish Foreign Minister would visit Moscow on the 25th for a three-week conference to discuss important issues between the two countries. The United States was as worried as Britain about the visit as it believed there was an outside possibility of Turkey hammering out a separate deal with the Soviet Union at the expense of the imminently expected Turkish-British-French Mutual Assistance Agreement. Some tried to alleviate those concerns. On the 18th, just a week before the summit, Joe Kennedy, American Ambassador to Britain, telegraphed Hull that the Turks were 'unperturbed' by the what the Soviets had done (the joint Polish carve-up with Germany), that its policy toward Britain and France remained the same, and that it was trying to bring negotiations with

¹⁶⁴ Gorodetsky, Gabriel, *Grand Delusion: Stalin and the German Invasion of Russia*, (New Haven and London: Yale University Press, 1999), p. 13

¹⁶⁵ Ataöv, Turkkaya, *Turkish Foreign Policy 1939-1945*, (Ankara: Ankara Üniversitesi Basimevi, 1965), p. 54

those two countries to a conclusion.¹⁶⁶ Moreover, the American Ambassador in Bulgaria, Millard, relayed to Hull that British General Weygand had told him that Turkey was nervous about Saraçoğlu's upcoming visit to the Soviet Union.¹⁶⁷ According to American Ambassador William Bullitt in France, both France and Britain were very anxious to get Turkey to finalize an agreement with them immediately. Turkey confirmed that it would but on the condition that it would have to come after the Moscow summit with the Soviet Union.¹⁶⁸

Turkey was intent on conducting its diplomacy on its own terms but it did not mean that there was no hurry to settle its now very fluid foreign policy predicament. Because of the new German-Soviet relationship, the Turkish government wanted to quickly clear up where it now stood with the Soviet Union. As a first step towards covering its diplomatic flank following Molotov-Ribbentrop and the beginning of the war, Saraçoğlu arrived in Moscow. As added pressure on the Soviet Union it had just managed to get Britain to raise its armaments credit by 11 million pounds the week before. The British motivation was to make sure Turkey did not sign a pact with the Soviet Union or a parallel agreement that did not conflict with its upcoming agreement with Turkey.¹⁶⁹

After three weeks of unfruitful talks Saraçoğlu left Moscow, disappointed. The main sticking points, laid out by Molotov on September 26th, just after Saraçoğlu's arrival in Moscow, concerned Turkey closing the Bosphorus Straits, creating a 'neutral Balkan bloc' separate from the Allies and under the auspices of the Soviet Union and Germany, as well as recognizing the partition of Poland. On all three counts Turkey would have broken agreements with Britain or France or legitimized the aggressive actions of the Soviet Union and Germany, hence undermining its own security.¹⁷⁰ In addition to Molotov, Stalin

¹⁶⁶ Foreign Relations of the United States 1939, General, Volume 1, University of Wisconsin Digital Collections, 2001, pp. 437-438. *Foreign Relations of the United States* will henceforth be referred to as FRUS.

¹⁶⁷ *Ibid.*, pp. 443-444

¹⁶⁸ *Ibid.*, p. 449

¹⁶⁹ Deringil, *Turkish Foreign Policy*, p. 83

¹⁷⁰ Ataöv, *Turkish Foreign Policy*, p. 56

also made what were seen by Turkey as excessive demands. After trying to sow doubt in Turkey's mind about British commitment to it he went on to demand that Turkey 'withdraw' its forces if France or Britain were to go to war against the Soviet Union.¹⁷¹ Despite the failure of those negotiations and the subsequent signing of an agreement with France and Britain, Ismet İnönü, in a November 1st State of the Union speech, made it clear that relations with the Soviet Union were still important. He stated that, although a 'mutually beneficial agreement' had not been reached between the two countries that the 'unusual conditions and the difficulties of this period should not be permitted to undermine such a friendship' and the 'friendly course of Turco-Soviet relations' would continue.¹⁷² Turkey was not going to burn its bridges with the Soviet Union, especially following its agreement with Nazi Germany.

During the course of Saraçoğlu's three-week conference in Moscow U.S. officials were extremely worried lest the Soviet government persuade Turkey to turn away from France and Britain. While it may have seemed that the upcoming treaty with France and Britain was, for all intents and purposes, a *fait accompli*, there was always the chance that the Soviets could score a diplomatic coup. That aside the United States government was able to ascertain a couple of items that Turkey discussed with the Soviet Union. American Ambassador to the Soviet Union Laurence Steinhardt, who was to get his next diplomatic posting in Ankara, reported on German Foreign Minister Ribbentrop's visit to Moscow on the 27th. He stated that the major idea being discussed was a grouping of Germany, the Soviet Union, and Turkey which would effectively 'neutralize' the Balkans and the Black Sea.¹⁷³ An agreement between those three countries was the greatest fear of the United States and Britain. Another angle on the meeting came from the American Ambassador Gunther in Romania. He was informed by the Turkish Ambassador that Saraçoğlu's visit to Moscow was to form a Balkan Union 'with or without' the Soviet Union. It was hoped by

¹⁷¹ Godoretsky, *Grand Delusion*, p. 14

¹⁷² Tamkoç, Metin, *The Warrior Diplomats: Guardians of the National Security and Modernization of Turkey*, (Salt Lake City: The University of Utah Press, 1976), p. 204

¹⁷³ FRUS 1939, *Volume 1*, p. 455

the Turkish side that the Soviet Union would join, making it more likely that Bolshevik-fearing Italy would also join the bloc.¹⁷⁴

Turkey, although it continued its relationship with the Soviet Union in a new and uncertain fashion, found itself backed into a corner diplomatically following Saraçoğlu's long stay and failed negotiations in Moscow. It had no choice but to sign the already-drafted agreement with Britain and France on October 19th, 1939 called the Tripartite Pact or Mutual Assistance Pact. The agreement stipulated in nine articles and two protocols that each country would come to each other's aid if they were involved in hostilities with another European power which had provoked a conflict with it. Everyone understood that to be Germany. Article 3 was very important in that Turkey also had an obligation to come to Britain and France's assistance if their April 13th pledges of support for Romania and Greece had to be activated in case of their invasion. Turkey was being drawn into France and Britain's affairs rather deeply but Turkey also needed to balance them off against both Nazi Germany and the Soviet Union. Turkey had no intention of getting into a war but it needed security guarantees, especially after the negotiation debacle with the Soviet Union. The most important provision of the agreement for Turkey, Protocol 2, did not oblige Turkey to fight the Soviet Union.¹⁷⁵ The Turkish government thought it had bought an insurance policy for itself against entering the war as long as the Balkans was not invaded. With regard to Romania and Greece, they were both invaded in late 1940 but since Turkey declared itself freed from the obligations of the October 19th pact after France was occupied by Germany in June, coming to the aid of the two countries would not be treaty obligation either. The German issue was another matter which had to be dealt with on a bilateral basis. It had not made its move against the Balkans yet so matters between Turkey and Germany were not urgent yet. On that issue the worry was not that the Soviet Union was the key to keeping the Balkans untouched but Italy. H. Ocakoğlu wrote in *Yeni Asır*, 'To prevent the fire from reaching the Balkans or the Mediterranean remains Italy's

¹⁷⁴ Ibid., pp. 456-457

¹⁷⁵ See Hurewitz, Jacob, *Diplomacy in the Near and Middle East: A Documentary Record: 1914-1955, Volume 2*, (Princeton, New Jersey: D. Van Nostrand Company, Inc., 1956), pp. 227-228 for the details of the full agreement

responsibility.¹⁷⁶ There was indeed some cause for concern about Italy's possible reaction to the agreement, since, in the Italian press this sentiment was expressed following the October 19th pact: "It would appear that the Ankara government is trying to eliminate the Italian presence in the Dodecanese (islands south of Greece which were handed to Italy by treaty in 1912 following its 1911-1912 war with the Ottoman Empire which also won it Libya)."¹⁷⁷

Not only Italian but German reaction to the Mutual Assistance Pact had to be considered. The German government warned Turkey that, as a result of the pact, it would not be able to count on the Soviet Union as a neutral friend, especially as it was now intensifying its negotiations with the Soviet Union. To underscore its message that the Soviet Union could react negatively to the pact, one prominent Nazi official stated,

"The Turks insist that the fifteen-year-old friendship between Turkey and Russia will be maintained but this appears questionable now since it is clear that after signing the pacts with the Western powers the latter will seek to acquire military positions in Asia Minor (Anatolia). Such an attempt cannot leave Russia indifferent."

The German government also warned its exporters to not lend uninsured credits to Turkey since the previous clearing agreement between the two countries had expired and a new trade agreement had not yet been signed.¹⁷⁸

For Turkey, simply having an agreement with Britain and France did not mean the end of its problems. In addition to the negative Italian and German reactions there was a very lukewarm one in Romania, a potential Balkan ally. According to Ambassador Gunther the Mutual Assistance Pact was a diplomatic defeat for Germany but it left the door open to the Soviet Union to become aggressive in the Balkans. The Romanians felt that Turkey would not defend it unless Bulgaria attacked it. It felt insecure without a Balkan pact.¹⁷⁹ Gunther was clearly trying to warn Washington that it should see both Germany and the

¹⁷⁶ Deringil, *Turkish Foreign Policy*, p. 90

¹⁷⁷ Renouvin, *World War Two and Its Origins*, p. 210

¹⁷⁸ Guido Enderis, "Nazis Warn Turks: Imply They Might Share Poles' Fate- Pact Held Threat to Balkans," *New York Times*, October 20, 1939

¹⁷⁹ FRUS 1939, *Volume 1*, p. 464

Soviet Union as threats to the Balkans and not simply be satisfied with the Mutual Assistance Pact.

After the agreement was in tow Turkey still faced another hurdle. It had to reconcile its obligations under the 1936 Montreaux Convention with those of the Mutual Assistance Pact. Would, for example, non-riparian countries like Britain and France have their warships blocked from passing through the Bosphorus Strait if they were needed under wartime conditions? To the American government's satisfaction, Turkey did not agree during its October conference with the Soviet Union to do so. Among four proposals it rejected from the Soviet Union, it would not agree with the Soviet idea that it go beyond the 'discretion' given to it by the Montreaux Convention and block French and British warships from passing through the Straits if the Soviet Union became a belligerent in the war.¹⁸⁰ In an even more positive development for the Allies Turkey voted on December 14th to expel the Soviet Union from the League of Nations following its invasion of Finland. Turkey's own fear of being invaded and its belief in the ideals of the League of Nations contributed to its decision.¹⁸¹

Following the Turkish rebuff of the Soviet proposals and its vote to expel it from the League there was a follow-up agreement with France and Britain on January 8th, 1940 which included a 25-million pound credit from the UK, a debt-clearing Anglo-French loan of 12 million pounds and another 15-million pound Anglo-French loan.¹⁸² As reported from London it was clearly the intention of the Allies to buy Turkish surpluses that would otherwise go to Germany. Turkey was to be just one of Germany's customers that the Allies wanted to make trade treaties with. The other added benefit for Britain was that it would also expand its exports, allowing it to receive the foreign exchange necessary to

¹⁸⁰ FRUS, 1940, *General, Volume 1*, p. 448

¹⁸¹ Carnegie Endowment for International Peace, *National Studies on International Organization: Turkey and the United Nations*, (New York: Manhattan Publishing Company, 1961), p. 50

¹⁸² Vere-Hodge, Edward, *Turkish Foreign Policy 1918-1948*, (Ambilly-Annemasse: Imprimerie Franco-Suisse, 1950), p. 133

buy war materials abroad, namely, from the United States.¹⁸³ However, Turkey was also seeking out military aid from the two powers to ensure its security against a possible future Nazi invasion and that was far less forthcoming. The lack of military aid from France (before June 1940), Britain, and later, the United States, would affect Turkey's future policy vis-a-vis both the Allies and Nazi Germany. Early on, it was understood by the United States that Turkey would need a lot of coaxing to enter the war at some point. JVA MacMurray, a career diplomat and then American Ambassador to Turkey, sent a telegram to Roosevelt, explaining Turkey's attitude. In his telegram in of November 9th, 1939 (received December 8th, 1939) he explained, "... meanwhile, what has happened only makes the Turks more resolute in their policy of remaining aloof from involvement in the war unless and until new circumstances create a situation calling for positive action by them jointly with their British and French allies."¹⁸⁴ The new circumstances would have to be more military supplies, which would never be forthcoming to the satisfaction of Turkey, although the United States was now free after the November modification of the Neutrality Acts to provide it with that. The sense of real urgency was not yet there as Germany's invasion of the Balkans was still a long way off and the United States preferred to arm Britain first.

However, the American government's feeling after the failure of the Turkish-Soviet talks and the signing of the Mutual Assistance Treaty with Britain and France was one of at least temporary satisfaction. MacMurray sent a long telegram to Roosevelt explaining the attitude of the Turkish government, more specifically, Saraçoğlu's. MacMurray gave Roosevelt his belief about what the current Turkish government's thinking was with regard to the Soviets. He related that Saraçoğlu had told him that the Soviet Union's diplomatic partnership with Nazi Germany was not a deep one and was only intended to provide

¹⁸³ It was also very interesting that Turkey had not given up on trying to develop a better relationship with the Italians, in spite of its clear Allied tilt. On the same day of the economic agreement with Britain and France, a Turkish commercial mission arrived in Rome to try to assess trade prospects between the two countries. See "Allies Join Turkey In An Economic Pact: Aim to Seize Nazi Markets Seen- Turks on Mission in Rome," New York Times, January 9, 1940

¹⁸⁴ FRUS 1940, *Volume 1*, p. 451

benefits to it resulting from any kind of Nazi aggression. He was certain that the Soviets had 'no concrete plan for expansion.' He went on to explain that Saraçoğlu and the Turkish government were not overly-alarmed about the situation. MacMurray had his doubts about Saraçoğlu, "But in any case, his views have the importance that they represent the bases on which Turkish policy has been and doubtless will be formed."¹⁸⁵ In other words, Washington could take Turkey for granted for the moment and adopt a wait-and-see attitude.

Moreover, Washington was receiving overall positive messages from its ambassadors abroad concerning Turkey. Bullitt in Paris transmitted French Foreign Minister Daladier's statement that Turkey was the 'key to the Mediterranean' and France would support it 'under all circumstances.' Steinhardt, after meeting the Italian Ambassador in Moscow, sent back encouraging news regarding the Italian attitude toward the post-Mutual Assistance Pact situation. The ambassador said that Italy would only stand for a partial Soviet penetration of the Balkans, would not be adverse to the idea of joining the Turkish-French-British pact, and shared British and French desires to keep the war out of the Eastern Mediterranean.¹⁸⁶ It certainly did not seem at the moment like Germany and Italy were planning to jointly carve up the Balkans.

2.2. A Need for Aggressive Turkish Diplomacy

Turkey, however, intended from the very onset of the war to send home the message, especially to the British, that it was serious about looking out for its economic concerns and geopolitical interests and, additionally, to show Britain that it could not take Turkey for granted. No better person than the Secretary-General of the Turkish Foreign Ministry, Numan Menemecioğlu, represented this school of thinking on the Turkish side. As described by Yücel Güçlü, with only a slight disagreement from Menemencioğlu's nephew, Turgut, who believed morals and ideals also drove his uncle's foreign policy, the Turkish Foreign Minister 'was essentially a realist in international politics. Sentiment or sympathy was not a valid criterion where his judgements were concerned. He based his decisions on frank calculations of enlightened self-interest and he generally assumed that others would

¹⁸⁵ Ibid., p. 449

¹⁸⁶ Ibid., pp. 474, 476

follow the same principle. The Secretary-General did not conduct foreign policy from any predetermined ideological and geopolitical theories, but according to the dictates of geography and the needs of the time.¹⁸⁷

Menemencioğlu left for London and Paris on November 20th with this hard-headed attitude in mind in order to solidify the October 19th agreement. He let it be known in London that the Germans were willing to buy Turkish chrome and tried to get the British to buy a guaranteed supply for twenty years, which it refused. The price of 105 shillings for a ton of chrome was later to shoot up to 270. Nine days into the visit, the British side (Halifax) asked about Turkey's view of a possible Soviet attack on the Bessarabian province of Romania and Menemencioğlu said that he could not say but that he hoped it would be resolved in a peaceful way. Halifax asked him what the Turkish government would do if an attack on Bessarabia were followed by a crossing of the Danube River into Dobrudja and Bulgaria. Menemencioğlu said that it would depend on the attitude of Bulgaria, Italy, Yugoslavia, and, most, importantly, Britain but stated that he also believed the Soviet Union would not attack Romania to start with unless it was determined to fight Britain and France as well. He added that he also believed Bulgaria would not just let the Soviet Union occupy it without resistance as that would mean the end of its independence but that if that did happen Turkey would consider that a serious blow to its national security interests. Finally, with regard to the encouraging sign of Italy's neutrality, Menemencioğlu left the door open to Italy to form a Balkan bloc with which Turkey would collaborate.¹⁸⁸ Turkey was not overly concerned about any possible Soviet aggression in the Balkans and saw Italy's future actions as the key to the stability and security of the Balkans and, by extension, Turkish security. Menemencioğlu had shown Britain and France that he was a tough negotiator concerning Turkish interests and had the two governments on the defensive diplomatically.

Menemencioğlu's cautious but tough diplomatic style would eventually pay off and lead to the January 8th economic agreement, a follow-up to the Mutual Assistance Pact of October

¹⁸⁷ Güçlü, Yücel, *Eminence Grise of the Turkish Foreign Service: Numan Menemencioğlu*, (Ankara: Boğazici University Library, 2002), p.71

¹⁸⁸ *Ibid.*, pp. 79-82

19th. It was Menemencioğlu on January 2nd who offered the two draft trade agreements on chromium and dried fruits, agreements intended to boost Turkey's rearmament program. The chromium agreement was to be for only two years with the option of extending it for a year and the dried fruit agreement was to run until the end of the export season following the end of hostilities although the British insisted on a clause that its obligation not run past the 1942-1943 export season. There was verbal agreement on January 3rd and a formal signing on January 8th, much to Menemencioğlu's satisfaction.¹⁸⁹ He had managed to get the British and French to sign an economic agreement which they did not really want but, since they were determined to keep chromium out of German hands, he was able to force them to agree to buy Turkey's dried fruits as well, providing an additional benefit to the Turkish economy.

In spite of Menemencioğlu's successful economic pact with Britain and France, Ankara would continue to struggle with economic matters throughout 1940. It had to take the drastic decision at the beginning of the year to put the economy almost completely under state supervision. It also had to deal with a dropoff in trade with Germany after the signing of the Mutual Assistance Treaty with Britain and France. During the 1930s Germany accounted for 51% of Turkey's imports and 31% of its exports. However, these numbers dropped off to 12 and 9 percent in 1940.¹⁹⁰ Britain did its best to continue to try to get Turkey to wean itself further away from dependence on trade with Nazi Germany with a pre-emptive buying program in early 1940, the primary focus being on purchasing the strategically important mineral chromium.¹⁹¹ The United States did not immediately follow suit as it was trying to work out trade disputes with Turkey. However, it would eventually do so by buying into the chromite part of the preclusive purchasing program in April 1941 with the chromium-rich Balkans by then occupied by the Germans. The Treasury Department agreed to buy 100,000 tons of chromium from the British preclusive purchasing government agency and followed that up with another purchase of 292,000 tons

¹⁸⁹ Ibid., p. 83

¹⁹⁰ Hale, *Turkish Foreign Policy*, p. 84

¹⁹¹ Weisband, *Turkish Foreign Policy*, pp. 105-106

in March 1942.¹⁹² Washington joined the general pre-emptive buying program in 1942, one more appreciated by the Turks, as the U.S. used a Turkish middleman to conduct trade deals. Britain did not do so because it did not trust the Turkish middlemen.¹⁹³ The United States would go on to purchase a total of 125 million dollars in Turkish goods in the preclusive purchasing program from 1942 to 1944. Tensions developed between the United States and Britain on purchases made by the United States as it often made 'unofficial' purchases that bypassed consultation with either the Turkish or British governments. This was done, of course, to prevent exports to Germany at all costs.¹⁹⁴

Although there was increased trade between Turkey and Britain it was not able to hold down Turkish-German trade for long: after the fall of France in June and trade disagreements between Britain and Turkey the latter signed a new commercial agreement with Germany and trade levels between the two countries almost got back to 1930's levels despite the fact that chromium was not included in the deal.¹⁹⁵ It should be noted, however, that Turkish trade with Germany did not preclude trade with the United States. Far from it, trade between the two countries would increase quite rapidly throughout World War Two, with Turkey maintaining a healthy trade surplus. Of Turkey's total exports from 1941 to 1944 its share going to the United States rose from 13.5% to 23.95% with the aim of increasing that figure to 43.95% in 1945.¹⁹⁶ Its imports from the United States actually slightly decreased, however, from 1941 to 1944, only to rapidly increase in 1945 when a defeated Germany was no longer a factor in its trade.¹⁹⁷

¹⁹² Hellenic Resources Network, " U.S. State Department Report on Allied Relations and Negotiations with Turkey," http://www.state.gov/www/regions/eur/rpt_9806_ng_turkey.pdf, June 1998, (retrieved 12/2/12)

¹⁹³ Weisband, *Turkish Foreign Policy*, p. 106

¹⁹⁴ Hellenic Resources Network, "*U.S. State Department Report*"

¹⁹⁵ Hale, *Turkish Foreign Policy*, p. 84

¹⁹⁶ Koçak, Cemil, *Türkiye'de Milli Şef Dönemi (1938-1945), Volume 2*, (Istanbul: İletişim Yayınları, 1996), p. 239

¹⁹⁷ Thornburg, *Turkey*, pp. 282-283

Turkey's main concern throughout the first half of 1940, outside of economic matters, was to keep the peace in the Balkans. That was its neighborhood, not under the control of a colonial power like the Middle East, and was the key to its security, especially with possible Italian and German (and even Soviet) depredations looming. Albania had been invaded by Italy in April 1939, with Greece also being threatened and, further afield, the Soviet Union and Germany had carved up Poland following Molotov-Ribbentrop and the Nazi invasion of Poland, while the Soviet Union invaded Finland at the end of November 1939. Turkey, naturally, saw these developments as ominous for its future and was fearful of another Sevres-type scenario. Germany and the Soviet Union were both potential threats to the Balkans and, by extension, Turkish interests. Italy was not yet a belligerent but had designs in the region as well.

In the context of these developments Turkey immediately became concerned with securing peace in the Balkans. An article by the Turkish newspaper *Tan* on November 28th drew attention to the issue by writing,

"The events of the last months have shown the impotence of the Balkan Union: Romania was in no position to resist German pressure; Greece and Yugoslavia were constrained to second Italian policy. Only the reinforcing of the Balkan Bloc with the active participation of Turkey would be able to give to the Bloc of 70 million the force to resist any sort of external imperialist aim and to safeguard peace in the Balkans."¹⁹⁸

It held a series of conferences dealing with the issue but was unable to get what it wanted regarding its security, particularly a Balkan Pact to reinforce the one it signed in 1934 with Greece, Romania, and Yugoslavia. As pointed out by Çevat Açıkalın, an important Turkish diplomat of the time, the Turkish government saw the Balkans as a peaceful region growing in importance daily after the start of the war, which could be disrupted by a condominium of some combination of the Soviet Union, Germany, and Italy (based on the Polish example with regard to the Soviet Union and Germany and Italian aggression in the Eastern Mediterranean).

These worries would motivate the Turkish government to pay two diplomatic visits to Bulgaria and Yugoslavia, one by Secretary-general of the Foreign Ministry (since 1933)

¹⁹⁸ Vere-Hodge, *Turkish Foreign Policy*, p. 131

Minister Numan Menemencioğlu and one by Foreign Minister Şükrü Saraçoğlu, who had become foreign minister the year before. On January 12th, 1940, Menemencioğlu went to Sofia for talks with the Bulgarian government. It agreed in principle to protect its neutrality, not allow any foreign countries' armed services to transit its territory, and, in case of any kind of attack or offer from Germany, Italy, or the Soviet Union of an alliance with Bulgaria, the Bulgarian government would immediately consult with the Turkish government.¹⁹⁹ Menemencioğlu had sounded a very confident note in discussions with Halifax concerning Bulgaria weeks earlier but he was certainly not going to take any chances by not diplomatically engaging its next-door neighbor Bulgaria. That was a good first step for Turkish diplomacy but, as we will see, circumstances would not allow for these verbal agreements to hold up.

At the beginning of February Şükrü Saraçoğlu went to Belgrade to discuss the situation in the Balkans with the heads of state of Yugoslavia, Bulgaria, Romania, and Greece. A common defence plan could not be ratified because of Yugoslavian resistance and by the spring of 1940 the Balkan Entente was 'nearly dead.'²⁰⁰ The Nazi pressure in the Balkans would see that the idea went nowhere. As early as December 24th, even before the visits by Menemencioğlu and Saraçoğlu, writer Necmeddin Sadak of *Akşam (Evening)* wrote that the failure to take Bulgaria into the agreement, which was under German pressure, and Hungary's foreign minister announcing that its disagreements with Romania would not allow it to sign, would render any smaller agreement useless.²⁰¹ Thus, Turkey's Balkan flank, which it had secured through peaceful diplomacy in 1934, was now about to be lost.

During the phony war period France and Britain also became concerned with finding a way to cripple Nazi Germany's oil supply, hence shutting off the Nazi war machine before it could get started with fresh spring offensives. The main source for its oil had become Baku, Azerbaijan, a part of Stalin's Soviet Union. From January 1940, during the phony war period, to June 1941 (until the German invasion of the Soviet Union), the Soviet

¹⁹⁹ Cevat Açıkalın, *Cevat Açıkalın'ın Anıları: 2. Dünya Savaşının İlk Yılları (1939-1941)*, (Ankara: Türk Tarih Kurumu Basımevi, 1992), pp. 1038-1039

²⁰⁰ Ataöv, *Turkish Foreign Policy*, p. 69

²⁰¹ *Ibid.*

Union delivered 16 million barrels of oil to the Germans.²⁰² The key for the Allied side was to cut off that source and Turkey, naturally, was to be a part of that plan. At least as early as January 15th the United States government knew about the plan of the British and the French to attack the Soviet coast by passing through the Straits.²⁰³ Turkey, to its disappointment, was not willing to allow British and French warships through for such an operation, although it had indicated before that it would not agree to a blanket ban.

2.3. Friction Present in American-Turkish Relations

American-Turkish relations were very slow in developing during this period as diplomacy with Turkey had been left to Britain for the most part. However, the United States had been keeping a watchful eye on developments and was not completely unengaged with Turkey. Turkey and the United States had signed a trade agreement on April 1st, 1939, giving the United States a stronger relationship with Turkey in the face of German and Italian aggression. It was a most-favored-nation trade agreement with regard to both customs and non-customs duties, replacing the most-favored-nation agreement that the two countries had signed back in 1929.²⁰⁴ While the pact was nothing special as this type of agreement was a pillar of Roosevelt's overall economic diplomacy of free trade, it did come at an opportune time, sandwiched between Germany's final annexation of Czechoslovakia and Italy's invasion of Albania. It had actually first been discussed in 1937 as American fear of Germany dominating trade with Turkey grew. Herbert Feis, a State Department economic adviser, couched America's interests in open door terms as a safeguard against Germany blocking America from the Turkish market. As Turkey had bilateral clearing and compensation agreements with German and other countries while America did not, future trade would be endangered. Feis described those agreements as 'of a character that could substantially curtail the possible market for American goods in Turkey'.²⁰⁵ Moreover, the agreement, according to New York Times journalist Bertram D.

²⁰² Deringil, *Turkish Foreign Policy*, p. 93

²⁰³ FRUS 1940, *Volume 1*, p. 277

²⁰⁴ Howard, Harry, *The Problem of the Turkish Straits*, (Washington: United States Government Printing Office, 1947), p. 28

²⁰⁵ Trask, *The United States Response*, p. 116

Hulen, struck 'directly at German ambitions for economic expansion and leadership beyond the Black Sea.'²⁰⁶ The implication was that Turkey was considered perhaps the main obstacle to Germany's southeastern expansion into the Middle East and Asia. The April 1st agreement was followed up on April 14th by a telegram from Roosevelt to Hitler asking for assurance from him that he would not attack or invade a list of thirty-one nations in Europe and the Middle East, among them Turkey and its neighbors Bulgaria, Greece, Iraq, Iran, and Syria.²⁰⁷ Turkey was seemingly growing in importance in the eyes of the United States government.

Growing U.S. interest in Turkey did not immediately translate to an immediate deepening economic relationship, however. Turkish trade certainly saw no immediate change. Although Turkey was signaling that it wanted to diversify its trade and diplomatic options in light of German and Italian actions, it did not show a significant change in its economic orientation. It continued the lion's share of its trade with Germany and that would continue throughout most of the war. The United States, strangely, was seemingly interested only in collecting arrears on its previous exports to Turkey, taking a hard line on the issue. Just two weeks prior to Hitler's invasion of Poland and the setting off of the war, however, Vernon L. Phelps of the U.S. government's Division of Trade Agreements indicated that a major problem for U.S. policy toward Turkey was Turkish-German trade and finding a way to limit it.²⁰⁸ That indicated a more anxious attitude on the part of Washington, a little less concerned with money and more concerned about Turkey's strategic importance. The U.S. was following a very inconsistent policy with regard to Turkey. It took a very curious approach toward economic relations with Turkey after the war started as well. Instead of showing eagerness to help the Turkish economy and attempting to lure it to its side the American Export-Import Bank rejected a Turkish request for a loan in December, at a time when Turkey was looking for economic aid.²⁰⁹ Turkey was in arrears on previous trade and

²⁰⁶ Bertram D. Hulen, "Reciprocal Pact Made With Turkey: Hull Trade Program Extended to Near East, Striking at German Expansion Move," *New York Times*, April 2, 1939

²⁰⁷ "Letter sent by the President to the Chancellor of the German Reich, Adolf Hitler, April 14, 1939," <http://www.ibiblio.org/pha/7-2-188/188-12.htm>, (retrieved 13/3/12)

²⁰⁸ FRUS, 1939, *The Far East; The Near East, and Africa, Volume 4*, p. 876

²⁰⁹ Trask, *The United States Response*, p. 134

not in the same category of importance as the much larger market of China regarding loans, which had received one from the U.S. the year before. Additionally, the America's Open Door Policy was concerned with trade and investment, not aid and loans, which was costly and risky. Even that emphasis on trade was not enough to increase imports and exports between the United States and Turkey. For example, in 1939, 11.7 million dollars worth of exports went to the United States but in 1940 it fell to 7.4 million.²¹⁰ The Lend-Lease act would change that attitude to some extent. The conclusion of World War Two, the threat of communism and being cut off from markets finally led the United States to radically change its attitude toward loans and aid. If the United States had been truly concerned about 'losing Turkey' in the early stages of the war it would have come up with a loan or grant.

In spite of America's unhelpful attitude toward Turkey regarding financial matters Roosevelt wanted to keep the American public alert to the overall dangers of Nazi Germany after the turn of the new year, despite the fact that the war was in its 'phony' period; that is, there was no invasion of other countries from the September invasion of Poland until the German offensive the following spring except for the Soviet Union's invasion of Finland in late November. That fact was not to stop Roosevelt from issuing dire warnings to the American public. Roosevelt, in his address to Congress on January 3rd, said that keeping out of the war was one thing but 'pretending that the war was none of our business' was another. He also invoked the Nazi threat to worldwide freedom, trade, and worship and claimed that the world would be a 'shabby and dangerous place to live in if Nazi Germany would come to dominate it.'²¹¹ He also simultaneously pushed hard to renew the Reciprocal Trade Act Agreement for another three years, an act first signed in 1934 and renewed in 1937. The act granted mutually preferential tariff rates, was one of the legislative bedrocks of Roosevelt's free trade agenda and was only passed by a fairly close vote in both the House and the Senate on April 5th after three months of debate.²¹² Turkey and the United States had already signed their agreement, America's first with a

²¹⁰ Koçak, *Milli Şef Dönemi*, volume 2, p. 289

²¹¹ "Peace and War: United States Foreign Policy 1931-1941," (Washington: United States Printing Office, 1942), Department of State, Publication 1853, p. 69

²¹² Reynolds, *From Munich to Pearl Harbor*, p. 73

Middle Eastern country, the previous year. It was unmistakable that the American bourgeoisie was starting to see Hitler as a threat to the Open Door Policy by that time rather than someone who could be counted on to engage in a joint carve-up of the world and that Roosevelt was equally nervous. In the same month that Roosevelt made his dramatic speech to start off 1940, *Forbes* business magazine stated unequivocally that it was necessary to revitalize American capitalism with new wealth, which entailed expanding America's frontier to the world and, at the same time, its political principles as well.²¹³ An anti-democratic Nazi Germany was a threat to both of those and the debate was on as to how to deal with that.

Roosevelt sent erstwhile political opponent and Tennessee Valley Authority opponent Sumner Welles (his utility company was nationalized by the TVA project in 1933 as part of FDR's New Deal) late in the phony war period, February 9th, to Berlin to talk with Hitler and other Nazi leaders, a part of an overall tour of the most important Western European capitals. Welles' utility company was nationalized by the TVA project in 1933 as part of FDR's New Deal, which involved a heavier state role in the economy. He was hostile to that then but now he and Roosevelt were on the same page diplomatically, fearful of Hitler's threat to the American open door. Although fellow open door supporter Cordell Hull was opposed to the trip it this was one attempt at diplomacy by the American side regarding the Nazi threat. It failed miserably if it was actually an attempt at diplomacy and not just an endeavor to sound out Hitler's views. In the spring there was also an attempt at a private diplomatic initiative by Thomas LaMont. He wrote a letter, approved by Roosevelt, to Mussolini, to try to keep him out of the war. Mussolini had been supported by the United States as a bulwark against communism since taking power in 1922 and there was hope at this late stage that he could come through and break with Hitler. LaMont's letter stressed that Italian-Americans, whom Mussolini thought would support him, were very anti-Hitler, and also wrote that he 'should not be fooled by the isolationists' in America. The initiative completely backfired. Since LaMont relied on JP Morgan's Rome agent, Giovanni Fummi, to facilitate the transmission of the letter, Mussolini was highly suspicious of Fummi and thought he might be an Anglo-American spy. Galeazzo Ciano, the Foreign Minister and Mussolini's son-in-law, made the announcement for Mussolini

²¹³ Williams, *The Tragedy*, pp. 199-200

that the no agreement could be worked out, taking a public swipe at what he characterized as the 'superficial American style of diplomacy' in the process.²¹⁴ The United States did not truly have anything to offer Italy diplomatically.

As for Welles' meeting with Hitler, there was no offer of peace negotiations but an opportunity to hear Hitler's side of the story concerning Germany's actions to date. When it came to the subject of free trade, Hitler was actually warm to the idea but with limits and qualifications. Hitler told Welles that,

'... while Germany would doubtless profit by taking a considerable portion of America's agricultural surpluses, an industrial country like Germany could not take any large part of America's industrial production, nor could the United States import Germany's manufactured products on a big scale. It was, consequently, necessary for Germany to intensify her trade relations with countries in Central and Southeastern Europe which desired Germany's industrial exports, which they themselves did not produce, in return for raw materials needed by Germany.'²¹⁵

There was no way that Germany was going to relinquish Central and Southeastern Europe as its economic and political sphere of influence as it felt that it had a right to act as the imperialist power in its region like the British did on a worldwide scale. America's desire for a global free trade regime would not be in the benefit of Germany overall and, therefore, it would not submit to such a regime dictated by another country. Welles left the meeting with no hope for peace or for a peaceful world of free trade.

While the United States was engaging in half-hearted diplomacy with Italy and Germany it was also still struggling with Turkey over the issue of trade. It was worried about the bigger picture, which was its Open Door Policy, but it was engaged in petty politics with minor trade partner Turkey. The desire for an open door did not mean that aid to potential markets would so easily be forthcoming. That was obvious from the approach that the

²¹⁴ Chernow, Ron, *House of Morgan: An American Banking Dynasty and the Rise of American Finance*, (New York: Atlantic Monthly Press: 1990), pp. 454-456

²¹⁵ Welles, Sumner, *The Time For Decision*, (New York and London: Harper & Brothers Publishers, 1944), p. 106

United States took with Turkey. It had a trade agreement with it and desired greater trade but it did not want to spend a lot of money to facilitate that relationship.

As part of the trade dispute, no exchange permits were issued by the Turkish government for the purposes of facilitating American-Turkish from January 5th to March 4th. These struggles were taking place in the context of a situation where Britain had just signed a pre-emptive purchasing agreement and Turkey had not formally agreed to a new trade agreement with Germany after having terminated the previous one on August 31st. 1939. There was opportunity for the United States to take advantage of the situation and direct Turkish trade away from the Nazis, as it wanted to, but it was still caught up with the issue of collecting arrears from Turkey on previous trade. It was truly a nickel and dime approach. MacMurray relayed to Hull on February 15th that there had been a delay in the liquidation of arrears, totally amounting to 4 million dollars.²¹⁶ Nine days later MacMurray confronted Saraçoğlu over the issue and indicated that continued friction between the two countries over trade could lead to the ending of commercial relations.²¹⁷

The next few months would see the two countries attempt to iron out differences over trade with some success. The resumption of the issuance of exchange permits for the purposes of trade resumed on March 4th with the amount increasing quite significantly in May.²¹⁸ However, by June the issue of the delay of the permits had resurfaced. Goodyear Tire Company suggested that Turkey had been delaying exchange permits in the expectation that it would be able to get a loan from the Export Import Bank. The U.S. Embassy in Turkey said that was not the case although there was evidence that Turkish authorities were indeed hoping for a loan in order to clear its arrears, which was valued at 6.5 million dollars back in December 1939. Not only delays in the issuance of exchange permits but another cutoff of them was enacted from June 15th to July 10th.²¹⁹ On the surface it seems that the United States and Turkey would have wanted to work out their trade and aid

²¹⁶ FRUS, 1940, *The British Commonwealth, The Soviet Union, The Near East and Africa*, Volume 3, p. 966

²¹⁷ *Ibid.*, p. 968

²¹⁸ *Ibid.*, 975

²¹⁹ *Ibid.*, pp. 973, 974, 978

disputes, especially after the Nazi Spring offensive, but it was only temporarily to be so. The monetary value of the permits increased in May only to see the economic relationship sour once again. Turkey may very well have implemented the cutoff only five days after the capitulation of France to see if it could finally extract the loan from the United States or at least show it that it was able to conduct an independent and tough foreign policy. On the other hand, it may have been only due to the fact that Italy finally entered the war, disrupting Mediterranean shipping traffic.

That latter possibility was the one mentioned by Ambassador MacMurray in an August 6th telegram to Hull. He stated that even after the reissuing of exchange permits on July 10th the dollar transfers covered by the permits were increasingly difficult and that it was due to Italy's entrance into the war. The Transsiberian railway to Vladivostok was chosen as the alternative route for mail. In addition to that, a cable transfer arrangement through London was also set up.²²⁰

However, the issue of arrears was difficult to clear up. In August the Turkish government expressed its earnest desire to settle accounts. In September the Turkish Minister of Commerce said that arrears to the American Socony Vacuum Oil Company would be liquidated by means of revenue from already-sold cotton to Yugoslavia and wheat exports to Greece. He also responded positively to the idea of establishing a Basra-Baghdad-Istanbul American-Turkish trade corridor.²²¹ The worst of the tensions between the two countries over trade and debt matters was nearing an end. The negotiations would go on for roughly another three months. At the beginning of December MacMurray announced that the arrears to Socony Vacuum, Petro Romani, and Shell oil companies had finally been settled as well as the 1939 arrears which had been the crux of the overall arrears dispute.²²²

There were other important problems Turkey had to face in 1939 and 1940, in addition to trade tensions. While Turkey was trying to shore up the Balkans region as a bulwark against Nazi aggression it also had to concern itself with the status of the Bosphorus Straits. The situation of the Straits did not change during the phony war period but there

²²⁰ Ibid., p. 979

²²¹ Ibid., pp. 981-982

²²² Ibid., p. 989

were attempts to modify the provisions of the Montreaux Convention and Churchill even suggested that the British have a presence in the Black Sea or in the Bosphorus Straits.²²³ The Soviet side, during its disjointed three-week late September to October meeting with Saraçoğlu, had demanded revisions to the Montreaux Convention as well. Turkey did not budge to either side as it not only did not want to get involved in war but did not have to in the phony war period. That reality was not to stop Britain and France from also trying to get Turkey to make exceptions to the Montreaux Agreement. Joseph Kennedy, America's ambassador to Britain, noted in a telegram to Hull on October 4th that the Russians were attempting to get Turkey to change the agreement.²²⁴ In the event of a German attack on Romania or a Soviet attack on the Straits Britain pressured Turkey in February to accept that it would have to come to the assistance of Britain and France by allowing passage through the Straits.²²⁵ The next month, as an alternative to the bombing of the Baku oil fields by air was a simultaneous idea proposed by French Foreign Minister Paul Reynaud (soon to be Prime Minister) and supported by the British to intercept Soviet oil supplies to the Germans in the Black Sea. That would, of course, have been an infringement of the Montreaux Convention.²²⁶ Turkish resistance scuttled both ideas.

Although the U.S. and Turkey were struggling to iron out their differences over trade matters Roosevelt did show some interest in formulating a separate and rather interesting diplomatic strategy vis-a-vis Turkey and the Middle East. That showed that the United States was not willing to enter into reasonable diplomatic negotiations with Turkey as a sovereign nation-state but rather only as part of the whole Middle Eastern region. In any event, the diplomatic move did involve Turkey. The Welles mission had been a failure and it was now time to start exploring different diplomatic strategies in dealing with the Nazis. In late March Assistant Secretary of State Adolf Berle sent a memo to Roosevelt proposing a diplomatic initiative vis-a-vis the main religious organizations in the Near East. Berle suggested that such a strategy had paid dividends in Italy already, citing the fact that

²²³ Churchill, Winston S., *The Gathering Storm*, (London.Cassell Ltd., 1983), p. 666

²²⁴ FRUS 1939, *Volume 1*, p. 501

²²⁵ Seydi, Suleyman, *The Turkish Straits and the Great Powers: From the Montreaux Convention fo the Early Cold War, 1936-1947*, p. 88

²²⁶ *Ibid.*, p. 90

'contact with the Vatican and King of Italy had altered the whole diplomatic situation in Italy'. He conceded that there was 'no recognized head of the Orthodox Church but the acknowledged senior was the Patriarch in Istanbul'... and 'could consult with other patriarchs'. He continued: "Conceivably, the combination of contact with Turkey, with Ibn Saud (the de facto caliph of Islam) and Muslim leaders, and with the Greek Orthodox Church might materially influence the Near East".²²⁷ Roosevelt replied that he could send American Minister in Greece Lincoln MacVeagh to visit the Patriarch in Istanbul but only with the full approval of the Turkish president and Muslim leaders in Turkey, Saudi Arabia, Egypt, Iran, and Iraq.²²⁸ It was a poorly conceived idea and politely rejected by the Turkish Ambassador to the United States, Munir Erteğün, in the most diplomatic fashion. Erteğün explained to Berle that the "Turkish government had endeavored to play down the political functions of the Muhammedan church; as in many revolutions, the pendulum had probably gone too far in the anti-religious direction."²²⁹ Erteğün even added later that 'Inönü would feel embarrassed if the suggestion were put to him directly by Roosevelt.'²³⁰ The United States government had, in this instance, showed a poor understanding of domestic Turkish politics, its fierce commitment toward secularism, the overall mentality of its government and, thereby, could not understand the restrictions placed on Turkish foreign policy. Turkey, for its part, was interested in maintaining its neutrality and independence. It was not going to get involved with a grandiose American-inspired Middle Eastern project. For policymakers in Washington, it was time to consider another strategy for Turkey.

2.4. Deeper U.S. Involvement in the War

On March 12th, 1940, the Soviet Union finished off Finland after neither Britain nor France came to its aid. That did not mean that the two countries were not making plans to confront its ally Germany, however. On March 28th the Anglo-French War Council put in an order for 4,600 U.S.-made aircraft, signalling a change in Britain's fiscally conservative policy

²²⁷ FRUS 1940, *Volume 1*, p.130

²²⁸ *Ibid.*, p. 131

²²⁹ *Ibid.*, p. 132

²³⁰ *Ibid.*, p. 134

toward doing business with the United States, a first step toward more agreements involving the two countries. The Council also mined neutral Norwegian waters to prevent Scandinavian raw materials from reaching Germany. The former action did not spur Germany into action but the latter one did.²³¹ On April 9th, Denmark and Norway were overrun by Germany. All the American attempts at half-hearted diplomacy had failed and the Germany had started its spring offensive. Not only was Europe being swallowed up by the Nazi war machine but the location of the two countries meant that the North Atlantic was now more vulnerable. The United States itself was not under threat but its shipping lanes were, threatening its access to European markets. Cash and Carry was still in effect at that time but that was not going to be effective if cargo ships were threatened.

Britain, which had been concerned about saving dollars, only bought machine tools from the United States until the German invasion of Scandinavia began. After that the purchase of finished war materials began and became top priority after the May invasion of the Low Countries and France. Even on May 4th, six days before Hitler's invasion the British Chiefs of Staff Committee had decided that financial matter should no longer be an obstacle to preparation to defend itself against Germany.²³² With France ready to fall in late May Roosevelt had still not mind made up his mind about what policy to follow, both domestically and vis-a-vis extending economic and military aid to the Allies. The Low Countries (Belgium, Luxembourg, and the Netherlands) and France had been invaded by Germany on May 10th and Britain and France withdrew their troops from Dunkirk over the next few weeks so the situation in Western Europe was dire indeed. During a fireside chat on May 26th Roosevelt sounded a very populist tone, although underlining it was his fear of losing his control over the economy with a presidential election only six months away. He said, "... I am not going to set up a War Industries Board and turn a billion dollar or two billion dollar program over to five complete outsiders who don't know anything about running government. It would be unconstitutional; the final responsibility is mine and I can't delegate it." Although he appointed a Defense Advisory Commission to coordinate war production planning, he warned that this drive would not undermine his New Deal

²³¹ Reynolds, *From Munich to Pearl Harbor*, p. 75

²³² Kimball, Warren, *The Most Unsordid Act: Lend-Lease, 1939-1941*, (Baltimore, The Johns Hopkins Press, 1969), pp. 27, 39

social achievements, would protect the labor that would be engaged in the production of armaments, and would oppose 'the creation of a new group of war millionaires' and work to prevent 'the rising spiral of costs of all kinds.'²³³ In short, Roosevelt knew a new war drive would be very unpopular with the American public, which was opposed to going into war. He was trying to find a way to reassure them that they would not lose the gains they had achieved in the New Deal 1930's, such as labor rights and social security, and also would not have to endure skyrocketing prices while a handful of businessmen and companies engaged in war profiteering. He would have to follow a very careful policy with regard to arming the Allies and, even further, a U.S. drive toward entering the war itself.

While it is true that Roosevelt still had to be wary of undermining his rather popular New Deal domestic achievements by going to war, that was not the real reason for the delayed improvement in American-Turkish relations. Roosevelt was very quick to alert the American public to the dangers of a Nazi threat even during the phony war period of the war. The United States left diplomacy with Turkey mostly to the British while keeping a keen eye on Turkish foreign policy and the attitudes of the other major powers toward its policy. When it did engage in diplomacy as per the religious diplomacy initiative in early 1940 it betrayed an ignorance and ineptitude on its part. It was practicing Realpolitick with that attempt but was apparently unaware Turkish sensitivities to both employing religion in foreign policy as well as getting too heavily involved in an international agreement that would overcommit itself. To compound the backfiring of that endeavor the United States government used overly harsh economic diplomacy with Turkey. It should have been willing to write off some Turkish debt and increase trade with it for the purposes of enlisting it as an ally in the war. Threatening to cut off trade relations was probably a ruse as it would have caused difficulties for post-war trade relations with Turkey. However, it was poor diplomacy. It took the events of early June to make modifying that harsh economic policy toward Turkey a little easier, however. That would see the heightening of Washington's economic involvement with Turkey.

²³³ Dallek, *Franklin Roosevelt*, p. 224

CHAPTER 3

Turkey's Strategic Value to the United States Rises, June 1940-March 1941

3.1. Chromium and Turkey's Strategic Position

With the shock of the Nazi takeover of France and the fall of Paris on June 10th Turkey had lost whatever comfort zone it had when Britain and France were both still independent. The Mutual Assistance agreement was now in shambles with France out of the picture on the Allied side, giving Turkey yet another excuse to not enter the war. The United States was still a non-belligerent but was concerned about Britain's plight, especially without its French ally. The Nazi-collaborating Vichy regime was now in power in France with the Free French government fleeing to the south of the country. Additionally, Italy seized the opportunity after France's fall and officially entered the war, grabbing a little piece of the French Riviera for itself. The Soviet Union also finally occupied the Baltics after violating their airspace repeatedly following the Molotov-Ribbentrop Pact. The war was going very badly but Roosevelt did try to go the diplomatic route with France. He would try to bring Vichy France over to the Allied side before and after Pearl Harbor but it was to no avail and he gave up by April 1942.²³⁴

The fall of France did, however, spur the U.S. toward making a big first step toward implementing a Lend-Lease-type program although it was in a geographical region that would not be of much help to Britain or France at the moment. The Congressional approval of the Pittman resolution on June 15th authorized the sale of surplus coast defense and anti-aircraft equipment to countries in Latin America as well as allowing them to build warships in American shipyards. No sales were allowed to Europe under the bill and the Latin American countries would not be allowed to transfer goods purchased under the act to third countries.²³⁵ The United States was instinctively defending its traditional

²³⁴ Calvocoressi, Peter and Wint, Guy *Total War*, (New York, NY: Penguin Books), 1979, p. 307

²³⁵ Kimball, *The Most Unsordid Act*, pp. 52-53

'backyard', as it had seen Latin America since the promulgation of the Monroe Doctrine. Even the gravity of the fall of France to Germany could not propel the United States Congress to pass a law to give permanent wartime aid to the Allies. However, that principle had now, at least, been applied in Latin America.²³⁶ At the same time, Turkey was beginning to figure more prominently in American foreign policy circles.

In the immediate aftermath of the capitulation of France the United States became extremely concerned by the situation of Turkish chromium sales.²³⁷ Its value had suddenly

²³⁶ Because Latin America and Canada were the two regions of the world which were most available for U.S. investment during the war owing to the fact of Axis and Allied imperialism alike in the rest of the world the two regions would be the major focuses of American investment during the war. To further its economic interests in Latin America, Washington would follow up on the June 1940 defense-related agreement with Latin America in 1942 by giving tax breaks to corporations that did business in Latin America. It was actually the Internal Revenue Service that gave the tax breaks. To qualify to be a member of the tax-break-receiving Western Hemisphere Trade Corporation, a company had to derive more than 95 percent of its income from outside the United States. As for further symbiosis of government and business in Latin America mostly, but also outside the region, there are many examples of the United States government assisting large American corporations in different ways. It entered into a joint venture with Freeport Sulphur Mining Company in Cuba, for example. It bought up corporate production surplus, as in the case of Anaconda Mining in Chile and Mexico. It provided financing for corporations, such as with Phelps Dodge Mining in its copper mine in Mexico. The government Rubber Reserve Company engaged in synthetic rubber production after the Japanese took over the Southeast Asian rubber plantations. It even requested that companies produce governmental necessities during the war: in the case of the notorious United Fruit Company, on behalf of the the U.S. governmental Defense Supplies Corporation, it planted 28,000 acres of Manila Hemp on the Caribbean Coast of Central America and planted quinine and palm oil trees as well. See Wilkins, *The Maturing of Multinational Enterprise*, pp. 262, 268-270

²³⁷ In fact, even before the war started the issue of world supplies of chromium figured prominently in U.S. government thinking. Roy Veatch of the Office of the Adviser on

shot up in the eyes of Washington. It was trying its best to keep the chromium out of Nazi hands and into British hands while also reserving a certain amount for itself. Cordell Hull, in fact, encouraged Britain to approach Turkey on the sly in that regard to increase the American quota.²³⁸ The United States had already decided to slap an embargo on Japan, which was making gains in the Far East simultaneous with German advances in Europe. It is clear that the United States, following the fall of France, was becoming more engaged in the Allied war effort and Turkish affairs as well, albeit through its anointed intermediary, Britain. Outside of the chromium issue, however, increased aid to and trade with Turkey was not high on the agenda. It was now more highly valued as a strategic player in the Balkans and Middle East. Chromium was of very unique value so Washington decided to fix its focus on getting Turkey to heavily reduce its exports of it to Germany.

The United States, therefore, wanted to increase its chromium purchases from Turkey for strategic reasons not economic ones. The idea was simply to try to get Turkey to not sell chromium to Nazi Germany even at an economic cost. It was not only easier but cheaper for the United States to rely on Rhodesian ore, a secure source controlled by colonial power Britain. Hull, in fact, noted the 'great expense and difficulty' of purchasing Turkish chromium.²³⁹ It was in the first half of July when Hull first telegraphed American Ambassador, Joseph Kennedy, about the idea of purchasing the chromium to compliment British purchases. However, the tactic would still be to purchase it through Britain, not directly. The British were quite willing to allow the United States to purchase more chromium as it was buying excessive amounts simply to keep it out of the hands of the Germans. According to Britain's Ministry of Economic Warfare, 'Mr. Marris', Britain was buying more than it required and would be willing to have the United States buy that excess share as long as the Turks arranged the shipping and a good price. While eager to

International Economic Affairs wrote a memo dated August 8th, 1939 which outlined government strategy. The plan was to buy 100 million dollars worth of strategic minerals from fiscal year 1939 to fiscal year 1943. Chromium was ranked fourth in importance out of a list of eight strategic minerals produced by the Army and Navy Munitions Board. See FRUS 1939, *Volume 1*, p. 854

²³⁸ FRUS, 1940, *Volume 3*, p. 948

²³⁹ *Ibid.*, 946

buy more Turkish chromium the United States government also saw difficulties with such an arrangement. Hull recognized the dangers of the indirect purchase and delivery arrangement. If the British approached Turkey about buying chrome for the United States that it would be found out and the ships carrying the chromium through the Mediterranean would be endangered.²⁴⁰ It was a risk, however, that had to be taken in the now very precarious war situation for Britain.

Procuring necessary wartime minerals and materials was becoming more urgent after the fall of France. In addition to the chromium, the United States government wanted to stockpile all so-called 'strategic and critical' metals. Under the Strategic Materials Act of June 7th, 1939, the government Metals Reserve Company was created. After the Nazi conquest of France in June 1940 the United States government authorized it to stockpile such metals and engage in 'preclusive' buying so Nazi Germany could not get its hands on them first. The staff of the Metals Reserve Company was stacked with representatives of big American mining concerns like Guggenheim and the major American copper companies, including Newmont Mining.²⁴¹ In the process of buying the chromium from Turkey, therefore, major American mining companies would simultaneously benefit from the program. The fulfillment of the Open Door Policy would be realized in this regard.

The United States was also progressively increasing its involvement in the war. In August the National Guard and Reserve were activated for active duty in the Western Hemisphere and in September Roosevelt instituted the Selective Service Act, America's first ever peacetime draft. It had also started the procedure for the Bases-for-Destroyers agreement with Britain, which was finalized the next month. The Battle of Britain had begun in August with the commencement of Nazi bombing raids. The United States was now involved in the war by virtue of having become a regular military supplier for Britain although it was still a long way from being officially at war. By dint of readying its soldiers and implementing a draft it was now ready to enter the war itself if the right circumstances were to allow for it.

²⁴⁰ Ibid., 945, 948

²⁴¹ Wilkins, *The Maturing of Multinational Enterprise*, p. 253

The overall war position for Britain and the United States was also getting progressively worse. In September Italy launched its North African offensive to take Egypt and the Suez Canal from the British. Germany, on the other hand, stopped its invasion plans for Britain as it was unable to weaken it enough to allow for an unfettered one. The air attacks would go on sporadically but attention was starting to focus on the Soviet Union. That was a positive development for Britain but further east brought nothing but negative developments. On September 27th the Tripartite Pact (not to be confused with the Turkish-French-British one) was signed between Germany, Italy, and Japan to work on carving out spheres of influence for the respective powers. In addition to the German and Italian conquests Japan had moved out of China and invaded resource-rich Southeast Asia following the fall of Indochinese colonial power France to Germany in June. The provisions of the agreement stated that the three countries agreed to come to each other's aid if attacked by a third country. Additionally, Japan recognized Italy and Germany's attempt at establishing a 'new order' in Europe and Italy and Germany recognized the same for Japan in East Asia.²⁴² It was also the moment when the three countries became known as the Axis.

The prospect of the three countries carving out major portions of the globe itself was a frightening prospect for the United States government although it tried to throw scorn on it from the beginning. Hull maligned the agreement as nothing more than an act to preserve Hitler's prestige in light of the fact that he had failed to invade Britain and, downplaying the significance of it, saying that the agreement was something that simply formalized what was already a reality.²⁴³ The club of Tripartite powers was to eventually expand to a fairly lengthy list but the more immediate concern for Turkey was the offer to Molotov during a meeting in Berlin on November 12th and 13th to join the pact. What was most discomfiting for Turkey was Molotov's proposal of having a permanent base 'within range of the Bosphorus and the Dardanelles.' Additionally, a Soviet sphere should consist of, '... the area south of Batum (Georgia) and Baku in the general direction of the Persian Gulf.'

²⁴² Yale Law School: The Avalon Project: "Summary of the Three-Power Pact Between Germany, Italy, and Japan, Signed at Berlin, September 27, 1940," <http://avalon.law.yale.edu/wwii/triparti.asp>, (retrieved 12/5/2012)

²⁴³ "Peace and War", Department of State, p. 81

The aim of the already-signed secret protocol number two was 'to detach Turkey from her existing international commitments and progressively to win her over to political collaboration.' On an even more menacing note for Turkey, it was stated that 'This protocol should provide that in case Turkey refuses to join the Four Powers, Germany, Italy, and the Soviet Union agree to work out and to carry through the required military and diplomatic measures, and a separate agreement to this effect should be concluded.'²⁴⁴ Worse yet, by November 20th threats against Turkey were emanating from the Italian press. An editorial in one of its newspapers by Virginio Gayda, coming on the same day that Hungary joined the pact, indirectly issued the threat. It stated that Hungary joining had now turned the Tripartite Pact into a formidable alliance which could invoke Article 3 of the agreement 'in case of intervention in the present conflict of a country not already involved in the European or Asiatic wars.' The New York Times, commenting on that editorial, stated that in 'Italian circles', that meant Turkey. The same article also reported that King Boris of Bulgaria had reportedly told Hitler that Bulgaria would allow German troops to pass through his territory.²⁴⁵ Although Bulgaria would not join the pact until March the noose seemed to be tightening around Turkey's neck at the time.

Luckily for Turkey, the Soviet Union did not join as the German side would not accept the Soviet base idea for the Straits. Turkey had no interest in joining the agreement either as it did not want to be tied down to another pact, especially one that would further put the squeeze on its territory. In any event, the Soviet Union rejected it, taking the heat off Turkey. However, the joining of the Axis by Hungary and Romania in late November caused further headaches for Turkey geostrategically. The neighboring Balkans was progressively becoming an Axis zone. For the United States a successful agreement that had involved Turkey and the Soviet Union with the Axis powers would have been a crushing blow and a most definite immediate threat to its Open Door Policy everywhere in the world save Latin America, even if that fear was not fully betrayed by Hull. That did not happen but Hungary and Romania did join. Though they were much less important than a

²⁴⁴ Hurewitz, *Diplomacy in the Near and Middle East*, p. 229

²⁴⁵ "Pact Aimed at Turkey: Gayda Holds Terms Could Not Apply to Any Other State," New York Times, November 21, 1940

huge country like the Soviet Union, the development still did not bode well for the future of the war in the region and future market access.

By October 1940 the Nazis and Italians had made more gains, with the latter having attacked Greece on the 28th, and sending out its Libyan-based troops to within 50 kilometers of Cairo, threatening Britain's semi-colony, the Suez Canal and the rest of the Middle East, by extension. These events were still two weeks prior to the discussion between the Nazis and the Soviet Union about carving out spheres of influence per the Tripartite Pact expansion talks.

Prior to these negative developments the United States started to promote a Balkan Union to create an obstacle to those plans. Coming off the October 7th Nazi invasion of Romania, Turkish Ambassador to the United States Munir Erteğün met with Deputy Secretary of State Adolf Berle in Washington October 9th to discuss these proposals.²⁴⁶ In fact, as an expansion of the Balkan idea earlier in the year, Munir Erteğün proposed forming a specific bloc consisting of Turkey, the Soviet Union, Greece, and Bulgaria to fight the Axis conditional on help from the United States but it went unheeded.²⁴⁷ Erteğün may have been turned down solely for asking for the inclusion of the Soviet Union in the bloc. As Berle made quite clear it was fine for Turkey to try to pursue closer relations with the Soviet Union but the United States could never truly have strong relations with it until it stopped its 'revolutionary propaganda' in the United States and gave up its right to violently invade countries as it had done in the Baltics and Finland. In any event, Erteğün lamented the fact that the United States had given 'insufficient attention' to the Eastern Mediterranean.²⁴⁸ Here was a golden opportunity to secure the Balkans, Middle East, and Eastern Europe as a potential bulwark against the Nazis but it was not taken by the United States government because of its continued hostility toward the Soviet Union. In fact an arrangement which grouped Turkey and the Soviet Union together as allies had possibilities of turning into a more permanent kind of arrangement, one which would not

²⁴⁶ Ülman, Haluk, *Türk-Amerikan Diplomatik Münasebetleri 1939-1947*, (Ankara: Sevinç Matbaası), 1961, p. 29

²⁴⁷ FRUS 1940, *Volume 3*, p. 958

²⁴⁸ *Ibid.*, p. 960

have been to the liking of the United States. Sumner Welles later wrote in 1944 that an economic union with the Balkan countries, Turkey, and the Soviet Union was a necessity but explained away America's inaction in the region as a situation where Nazi Germany had already locked in Balkans countries into an economic arrangement where they could sell their agricultural products and American importers had no need for those.²⁴⁹

With regard to the Balkans Roosevelt did later sent Colonel William Donovan, the later head of the CIA precursor, the Office of Strategic Services (OSS), in January 1941 to the Balkans and the Middle East to further build on the original proposal to no avail.²⁵⁰ In fact that trip was part of a grand tour that Donovan made from London to the whole Mediterranean region lasting nearly three months (counting the two trips across the Atlantic made it just over three months- December 6th, 1940 to March 8th, 1941). The perspective he had developed before his long political sojourn was that the Mediterranean was a 'no-man's land' which had to be protected from Germany. Britain had to protect Greece and the Balkans on the eastern end of the zone and keep Germany out of Spain and North Africa on the western end of it. As an additional reinforcement for the Balkans he pleaded for a league of Greece, Turkey, Yugoslavia, and possibly Bulgaria, as a counterbalance to the Nazis.²⁵¹ This was the second Balkan proposal to go nowhere as the remaining Balkan countries of Bulgaria, Greece, and Yugoslavia were to fall to the Nazis by early spring of the following year and an excluded Soviet Union would be attacked in June. If the Soviet Union had been included in a Balkan bloc with Turkey perhaps Nazi Germany would not have been in a position to later attack the Soviet Union when it did. The United States was still not willing to take the lead in the region as it was still seen as having secondary importance to Western Europe. At the same time it never stopped trying to elicit the attitude of the Turks toward its diplomatic offensives as will be seen.

Even if Hull was not showing nervousness publicly there was interest on the part of Washington to get Turkey more involved in the Middle East as a bulwark against Nazi

²⁴⁹ Welles, *The Time for Decision*, pp. 253, 255

²⁵⁰ Ülman, *Türk-Amerikan Diplomatik Münasebetleri 1939-1947*, p. 31

²⁵¹ Troy, Thomas F., *Wild Bill and Intrepid: Donovan, Stephenson, and the Origin of CIA*, (New Haven & London: Yale University Press, 1996), pp. 82, 86

Germany and the Soviet Union. JVA MacMurray, three weeks after the Tripartite Pact, expressed puzzlement at the Turkish attitude. He wrote that he was 'struck with the relative calmness of Turkish official opinion with respect to the developments of Axis policy in the region.'²⁵² Washington, more specifically, also wanted to know where Turkey would stand in case of German aggression in the region and whether the Soviet Union would stand by Turkey as well. Adolf Berle sent a telegram to Murray, wanting to know if the Turks would resist the Germans in case of attack or let them through and if the Soviets would support Turkey or 'stab them in the back' via Armenia or Persia (Iran). He also wanted to know if Turkey could be tempted into a leadership role in the Arab world 'operating through Baghdad.'²⁵³ Five days later Acting Chief of the Division of Near Eastern Affairs, Paul Alling, got back to Berle with the answers to his questions. With regard to a German attack he said that if the Germans attacked the Dardanelles that the Turks would fight and also added that Germany would attempt to go for both the Suez Canal and the Mosul oilfields but that the Taurus Mountains would make it difficult for both approaches. He showed particular concern for the seizure of the Mosul oilfields, in spite of the difficulty in transporting it out of the region, as Germany would be in the position of cutting off Britain's oil pipeline to Haifa, Palestine. He added, in enlightened fashion, that the Soviets probably would not move for or against Turkey, that it was more suspicious of the Axis, it was in a strategically difficult position between Germany and Japan, and wanted to play it safe, hoping to pick up territory in the Dardanelles or Iran in case of an Axis defeat of Turkey. Finally, Alling and others were 'doubtful of the possibility' of Turkey providing some sort of leadership to the Arab world as the retaking of Hatay by Turkey was still too fresh in their minds, Iraq's Foreign Minister had just visited Turkey to get reassurance that Turkey would not attack Syria or Iraq, and there was general distrust in Iraq of the Turks.²⁵⁴

At this stage in the war, there was now a willingness on the part of American diplomacy to risk getting Turkey involved in the Middle East to protect all-important oil supplies against the Nazis, even to the extent of 'providing leadership' in the capital city of a still-heavily-

²⁵² FRUS 1940, *Volume 1*, p. 523

²⁵³ FRUS 1940, *Volume 3*, p. 961

²⁵⁴ *Ibid.*, pp. 962-963

British-influenced ex-Mandate that hosted its military bases. There was logic in that though, as Iraq was still led by a man with pro-German sympathies and anti-British proclivities, Rashid Ali el-Gailani. He came to power in March 1940, during the phony war period but was now ruling in the midst of a very negative phase in the war for Britain. As a British periodical summarized it, Ali's thinking on 'neutrality' on it was this: "If Britain wins we will be safe anyway. If the Nazis are going to win, our only hope is to do nothing to offend them now."²⁵⁵ That seemed to be roughly Turkey's policy and the idea of a bloc of neutral nations in the Middle East was not an appealing one to the United States and the Allies. In that light, Berle's query should not be seen as that surprising after all.

While the United States was inquiring about getting Turkey getting more deeply involved in the Middle East to serve its geostrategic interests it was not doing the same to look out for Turkey's geostrategic interests on its western border. A more concerted effort toward helping Greece would have taken some of the heat off Turkey and perhaps have led it to adopt a more conciliatory policy toward the Allies earlier on. The Greek situation was, in fact, not hopeless. However, on November 15th the United States invoked the Neutrality Act (which Roosevelt rescinded only two days later) with regard to the Greek situation thus precluding any form of military assistance. On November 23rd, Greece launched a counteroffensive and temporarily drove the Italians back into Albania but, unfortunately, there was no hope of any U.S. assistance to further its advance. On December 3rd, King George did write a letter to Roosevelt asking for a loan to buy munitions and planes. Roosevelt replied two days later that 'steps were being taken' to provide assistance but it was to be very limited, certainly not enough to fight off both the Italians and the Germans, who came to Italy's rescue.²⁵⁶ Additionally, Greece's attempts to purchase war supplies from the United States were resisted by Britain. It had set up a purchasing commission in Washington and did not want to have its system of buying supplies from the United States disrupted nor have countries it wanted to have influence over buy supplies independently of it. The British government sent a warning on December 28th, telling not only Greece, but Turkey, Belgium, Poland, the Netherlands, and Norway to buy through the British

²⁵⁵ Lenczowski, George, *The Middle East in World Affairs: Fourth Edition*, (Ithaca and London: Cornell University Press, 1980), p. 273

²⁵⁶ Langer and Gleason, *The Undeclared War 1940-1941*, pp. 116-117

government as well as to conserve dollars.²⁵⁷ Not until the Lend-Lease Bill was signed by Roosevelt in March was any significant assistance to be apportioned to Greece and by then it was too late as the Nazis stormed into Greece in April and saved the day as well as Italy's hash. Although too late to save from occupation by the Nazis, its long list of war supply demands submitted to the United States was cited by a member of the British Purchasing Commission as helping to facilitate the passage of the Lend-Lease Act in March.²⁵⁸

The Greek episode showed that the priority for U.S. economic and military aid in Europe was Britain and, since the Soviet Union had not joined the Tripartite Pact, the U.S. and Britain were able to breathe easier concerning the Balkans and the Middle East, meaning that Turkey's needs were not to be top priority and it would not be willing to put troops into countries like Greece to help fight off the Nazis. That is not to say that the region was unimportant; it was of the utmost importance but as long as Turkey did not allow the Germans to traverse its territory toward the oil-rich Middle East and the Suez Canal there would not be a security-enhancing pact for Turkey with the United States either involving the Soviet Union or the Balkans.

3.2. Turkey Stays Neutral and Qualifies for American Lend-Lease Aid

By the beginning of 1941 there was a further change in the American attitude toward involvement in the war. The war was not going well for Britain, its military stocks were depleting and it was decided that it was time to aid it in a more substantial fashion. After the United States transferred fifty destroyers to Britain in September in exchange for Western Atlantic bases in the bases-for-destroyers deal Britain started to suffer heavy naval losses, which effectively erased the benefit of the agreement. By the end of 1940 British shipping losses totaled 300,000 tons a month increasing by 100,000 tons a month consecutively from February to April of 1941.²⁵⁹ The Lend-Lease bill was introduced into the U.S. congress on January 10th following Roosevelt's state of the union address on

²⁵⁷ Kimball, *The Most Unsordid Act*, pp. 80-81

²⁵⁸ Ibid. p. 130

²⁵⁹ Calocoressi and Wint, *Total War*, p. 197

January 6th.²⁶⁰ The previous month, following his reelection, Roosevelt was to board the USS Tuscaloosa for ten days to unwind and assess the war situation. His cabinet joined him and, although there was disagreement between Secretary of State Cordell Hull and Secretary of War Henry Stimson over the necessity of naval escorts of material assistance to Britain it was decided that it did indeed need to be assisted and that American war production would have to be boosted in turn. Stimson, curiously, as War Secretary, seemed to have other concerns as well. Speaking of the meeting he said, "We all agreed that we should do our best to try to stir the country- the business people of the country- who are still asleep."²⁶¹ Stimson had started out his professional life as a Wall Street lawyer for open-door supporter and ex-Secretary of War Elihu Root, became Secretary of War under Warren Harding, and was heavily involved in Washington politics until the early 1930s, including a stint as Governor-General of the Philippines, firmly opposing the idea of its independence.²⁶² Whether he was generally against colonialism is hard to say but since the Philippines was America's only large colony at the time and strategically placed in the Far East it was, at minimum, an exception to the rule of American opposition to physically administering another country as a formal colony. Stimson defended his rejection of Philippine independence in no uncertain terms. The Philippines had 'become a physical and spiritual base for American influence- political, economic, and social- in the Far East. There we demonstrate before the eyes of all Far Eastern peoples and all governments which exercise authority or influence in the Far East, American ideas and methods.'²⁶³ Not only was business important but overall American influence in countries was important in making sure that American business and exports could operate unfettered. This thinking was a precursor to the idea of Lend-Lease. Stimson became Secretary of War again in June

²⁶⁰ For the full text of the Lend-Lease bill as introduced into Congress see Our Documents, " Lend-Lease Act(1941)," ourdocuments.gov/doc.php?flash=true&doc=71, January 10, 1941, (retrieved 13/3/12)

²⁶¹ Langer and Gleason, *The Undeclared War*, p. 228

²⁶² The New York Times on the Web, "Henry Stimson Dies In His Home on Long Island," <http://www.nytimes.com/learning/general/onthisday/bday/0921.html>, October 21, 1950, (retrieved 17/5/12)

²⁶³ Gardner, *Economic Aspects of New Deal Diplomacy*, p. 178

1940 after the French fall and was most earnest in his desire to prepare the new role on the global stage for the United States.

The Lend-Lease Bill would be debated for two months before finally being passed by both the House of Representatives and the Senate. There was opposition to it from both isolationist leftists and rightists, the former seeing too much power given to the executive and get involved in imperialist wars abroad and the latter simply not wanting to get involved in expensive major wars abroad. Charles Beard, an American historian who supported World War One but had since become a strident critic of American foreign policy, testified in the Senate while the bill was being debated. As he saw it the passing of the bill was no different than declaring war. Rather than a bill to promote the defense of the country Beard thought it should read as something that was a threat to American democratic checks and balances and a green light for imperialism:

“All provisions of law and the Constitution to the contrary notwithstanding an Act to place all the wealth and all the men and women of the United States at the free disposal of the President, to permit him to transfer or carry goods to any foreign government he may be pleased to designate, anywhere in the world, to authorize him to wage undeclared wars for anybody, anywhere in the world, until the affairs of the world are ordered to suit his policies, and for any other purpose he may have in mind now or at any time in the future, which may be remotely related to the contingencies contemplated in the title of the Act.”²⁶⁴

While the United States was starting to move toward taking a more active role in the war through the controversial Lend-Lease Act, it was also trying to figure out Turkey's conditions for entering the war against Germany. Turkey was in a precarious position and not in a trusting mood, especially with pressure being put on it to enter the war. British Foreign Minister Hughe Knatchbull-Hugessen wrote to the British government on January 8th, “The Turks faith in ourselves and France, particularly France, was considerably shattered by our asking them to come into the war at once, when they knew France was on the edge of the Abyss.”²⁶⁵ ‘On January 14th, JVA MacMurray sent a telegram to Hull with a contradictory message, stating that the 'embassy is convinced there is no basis for report

²⁶⁴ Langer and Gleason, *The Undeclared War*, p. 278

²⁶⁵ Deringil, *Turkish Foreign Policy*, p. 117

that England is trying to bring Turkey into war'.²⁶⁶ Ten days later, however, there was a clarification by MacMurray regarding Turkey: Turkey's conditions for fighting were: 1) an attack on its territory from any quarter; 2) a Bulgarian attack on Greece; 3) a German advance into Bulgaria; 4) an Axis advance threatening seizure of Saloniki (Greece).²⁶⁷ As we know now, the latter three did happen and it was insufficient to bring Turkey into the war but, at the time, the U.S. government was looking for indicators from Turkey. In a matter of months both Greece and Bulgaria would be occupied by the Axis.

The United States was trying to boost confidence in Turkey that the forthcoming Lend-Lease aid was sufficient for it to turn against Nazi Germany although it also made it clear to it that it had been increasing its war production to help Britain win, first and foremost, as well as stating that it wanted a total German surrender.²⁶⁸ On February 14th, Hull sent a message to MacMurray, telling him to convey to Prime Minister İnönü that the impending Lend-Lease Bill was 'to protect victims of and which are threatened with aggression'.²⁶⁹ On that same day Roosevelt sent a letter to Turkish parliamentary president Refik Saydam confirming that it was necessary for Turkey to resist Germany.²⁷⁰ Turkey had other ideas in mind when it came to defending itself against aggression; it signed a neutrality agreement with Bulgaria on February 17th.²⁷¹ The United States was disappointed with that move, with MacMurray's telegram to Hull expressing worry 'that Turkey's agreement with

²⁶⁶ FRUS, 1941, *The British Commonwealth; the Near East and Africa, Volume 3*, p. 814

²⁶⁷ *Ibid.*, pp. 814-815

²⁶⁸ *Ibid.*, p. 815

²⁶⁹ *Ibid.*, pp. 815-816

²⁷⁰ Koçak, *Milli Şef Dönemi, Volume 1*, p. 526

²⁷¹ In fact, Turkey, because of its need to find export markets for its economy under difficult wartime conditions was to maintain its economic relationship with European Tripartite members including Bulgaria. A trade agreement that Turkey signed with Italy in October 1941 was extended for one year on February 8th. That was a follow-up to a trade agreement signed with Tripartite pact member Romania on December 14th. An agreement with Bulgaria was soon to follow the Italian one on March 27th. See *Keesing's Contemporary Archives 1940-1943*, p. 5294

Bulgaria would be represented by Germany as acquiescence in Bulgarian occupation.²⁷² The two countries were on different pages diplomatically. İnönü explained a few days after the agreement that the effect of the 'declaration' was to bind Bulgaria to unconditional neutrality with Turkey and that this agreement was a replacement for the 1934 Balkan entente, which was now null and void as a result of the Romanian occupation by Nazi Germany. At the same time he expressed concern that the United States may have perceived Turkey as 'wavering' in its attitude after the joint declaration with Bulgaria and inquired whether Turkey might be able to receive materials from the United States to which MacMurray replied that it was 'not impossible.'²⁷³ Munir Ertegün was also disturbed by the negative American press reaction to the agreement, explaining to the American side that it was simply a reaffirmation of a 1925 agreement with Bulgaria and would prevent it from attacking Turkey in alliance with Germany.²⁷⁴ The whole point would become moot soon enough as Bulgaria joined the Axis on March 1st and then allowed its territory to be transited by the Nazis en route to its invasion of Greece and Yugoslavia the following month. It had taken the path of least resistance.

Just as the United States was trying to get a reading on Turkey's actions Turkey also wanted the United States to clarify its position in the war. Short of the minimum commitment on the part of the United States of actually entering the war, Turkey felt vulnerable. Ertegün, after defending the Turkish agreement with Bulgaria, went a step further and expressed Turkey's desire in very general terms. He explained that 'the only hope for the world is for the U.S. to announce its views as to a just settlement and, if necessary, impose it.' He continued on by explaining that the even-handed Turkish view was that some of England's claims were "unjust" and some of Germany's were "just".²⁷⁵ In other words, the United States had to be prepared to enter the war if diplomacy failed and Turkey would continue to balance its interests until it understood better where the United States stood and what its future plan for the war was. That was a commitment that the United States was not willing to make. Lend-Lease was about to be passed, the American

²⁷² FRUS 1941, *Volume 3*, pp. 817

²⁷³ *Ibid.*, p. 818

²⁷⁴ *Ibid.*, p. 819

²⁷⁵ *Ibid.*, p. 820

economy was about to receive a boost, and the lion's share of the aid would go to Britain, satisfying America's needs for the moment.

In addition to feeling pressure from the United States Turkey was also getting it from the British side. The British government may very well have been pressuring Turkey to give permission to its troops to enter Turkey, another source of concern. MacMurray sent a telegram to Hull on February 25th stating that there was 'reason to believe' the British had been urging Turkey to allow in its troops to match the number of troops Germany would have in Bulgaria. The telegram went on to explain that the Turks had told the British that its bases were not sufficiently developed for military operations and that a British troop deployment would 'entail reactions' that it was not prepared to meet.²⁷⁶ Turkey did not want to be pushed into the war with Germany and did not think the British were fully prepared to protect it from the Nazis.

While pressuring Turkey Britain was simultaneously asking for clarification of Washington's war position. A telegram from London via the British Embassy in Washington delivered on February 23rd explained Britain's predicament regarding its obligatory aid to Turkey under the 1939 agreement between Britain, France, and Turkey. It said that after the fall of France to the Nazis in June 1940 the French aid source had been cut off, resulting in the unsatisfactory levels of aid to Turkey. Since Britain was unable to provide enough aid to Turkey to satisfy it, U.S. aid would be crucial and also 'tip the balance' of the war.²⁷⁷ With the Lend-Lease Bill about to be approved by the United States Congress the British Ambassador to the United States inquired on March 3rd, just eight days prior to the activation of the aid, whether the United States would provide war materials directly to Turkey or through Britain. It would shortly be told that it would go through Britain.²⁷⁸ Although an indirect trade agreement with Turkey, the United States would now have a chance to gain more influence over the Turkish economy.

²⁷⁶ Ibid., p. 825

²⁷⁷ Ibid., pp. 830

²⁷⁸ Ibid., p. 828

CHAPTER 4

The United State Endures Turkey's Diplomatic Balancing Act, March 1941-December 1941

4.1. Lend-Lease Aid and the Non-Aggression Pact

Lend-Lease was to have a multipurpose function: to ratchet up general and military industrial production and fully bring the United States out of its economic slump, to increase its economic and military assistance to the Allied war effort (Britain most of all), and to set the stage for a post-war open door world under its influence and with a revitalized United States economy booming on all cylinders.²⁷⁹ It also meant that the United States was essentially taking control of the Allied war effort even if it was not yet a belligerent and was still depending on Britain to fight the Nazis. Lend-Lease was to completely change the character of American government, its relationship to the private sector, government policy and its economy. As Edward Stettinius put it, it was to affect American foreign policy, defense production, military policy, naval policy, and even food policy. It essentially fed Britain from April 1941 until the end of the year, boosting agricultural production and sales as well as government price supports for their products. It also had the indirect effect of stimulating investment in domestic industry such as factories and shipyards, especially boosting military production of huge car companies like Ford and Chrysler, and expanding aircraft plants of companies like Boeing in order to produce military planes.²⁸⁰ Agribusiness and the military-industrial complex got its main boost in the war and would continue to flourish in a post-World War Two open door world outside the Soviet Union and its Eastern European satellites.

²⁷⁹ It should be mentioned that the Lend-Lease Agreement itself turned out to be wildly expensive. 7 billion dollars was the initial appropriation but more than 50 billion dollars would end up being spent with 31,6 billion spent shipping goods to England alone. See Paterson, *American Foreign Policy*, p. 380

²⁸⁰ Stettinius, Edward, *Lend-Lease: Weapon for Victory*, (New York: The MacMillan Company, 1944), pp. 95-102

This was also the last step before the United States was to engage in full-out war. As a final move to appease isolationist sentiment and ameliorate the public relations damage caused by the belief that Britain had sufficient assets to pay for its own war effort and was not willing to financially sacrifice for the war, the United States government attached a condition to the Lend-Lease bill on the eve of the signing. Roosevelt and Henry Morgenthau, the Treasury Secretary, ordered the British to sell its most valuable textile company subsidiary in the United States. The sale was managed by Morgan Stanley, on the recommendation of JP Morgan, and later resold for a handsome profit. The whole affair rankled with the British, especially Churchill, who criticized the forced sale and subsequent profiteering.²⁸¹ If Cordell Hull had had his way Britain would also have been charged simply for the acceptance of Lend-Lease aid. He assumed Britain had about 18 billion dollars in wealth and should therefore have to put up 2 or 3 billion dollars as collateral.²⁸² There was public pressure on the United States government to make sure it at least made it look like Britain was sacrificing for the war but, even more than that, the United States was changing the tone of the relationship between the two countries and showing that it was now in charge of the war overall, whether it was still officially a non-belligerent or not.

Not only was the United States keen to show American citizens that Britain was not getting a free lunch but it also saw the Lend-Lease agreement as a way to cut into the British Empire's markets. After all, the post-World War Two plan was to have the whole global market open to American products and the British still held a large part of it. The emphasis on the open door as part of the Lend-Lease agreement was present nearly from the beginning. In late March JP Moffat returned to Washington from his ambassadorial post in Canada and stressed that the Ottawa Agreements (signed in 1932 to maintain British export dominance in the Commonwealth) had to be changed or there was a danger of getting 'shut out of Dominion (another name for the Commonwealth) markets.'²⁸³ By late May the

²⁸¹ Chernow, Ron, *House of Morgan*, pp. 462-463

²⁸² Kimball, Warren, "Lend-Lease and the Open Door: The Temptation of British Opulence, 1937-1942," *Political Science Quarterly*, p. 242,

²⁸³ *Ibid.*, p. 245

United States offered to write off all all Lend-Lease aid to Britain if it revised its 'existing trade agreements'.²⁸⁴

The agreement was multinational in scope, especially after the initial disbursement of aid so, of course, for Turkey to expect to get more than a small share of the aid was unrealistic.²⁸⁵ In February, just before the signing of the bill, it was agreed that the initial aid would be given to Britain, Greece, and Turkey. Greece was still resisting the Italo-German occupation so Roosevelt insisted that Greece get a share. Turkey had to get its portion through Britain.²⁸⁶ Britain was to be the biggest beneficiary, with large countries like China and the Soviet Union coming on line later, making the chances of getting sufficient Lend-Lease aid even smaller. China started to receive aid in April and the Soviets not until October, well after it had been invaded by Nazi Germany, further proof that anti-communist hostility could still trump rational policy. Even non-belligerent Saudi Arabia would later get Lend-Lease aid in February 1943 still further diminishing the opportunity for increased aid to Turkey.²⁸⁷ Oil interests in the Middle East were a very high priority and a crucial component of the planned post-war Open Door world. Turkey was, as mentioned before, to receive aid indirectly through Britain from the beginning.

In addition to supplying the economic and military needs of its allies, the political aspect of Lend-Lease, in line with previous statements and speeches, was also noted by Roosevelt four days later. According to him, the United States had to 'move products from the

²⁸⁴ Ibid., p. 246

²⁸⁵ In fact Turkey would only get 95 million dollars worth of military equipment from the United States during the war compared to the huge sums given to Britain, China, and the Soviet Union out of the total value of 50 billion dollars worth of supplies provided. After the war, a more satisfying agreement was reached where Turkey only had to pay back 4.5 million dollars of the Lend-Lease aid. The agreement was signed May 7th, 1946, a year before Turkey started to receive aid from the United States again. See Oran, Baskın, *Türk Dış Politikası*, (Istanbul, İletişim Yayınları, 2006), p. 411

²⁸⁶ Hellenic Resources Network, "U.S. State Department Report on Allied Relations"

²⁸⁷ Little, Douglas, *American Orientalism*, p. 49

assembly lines of our factories to the battle lines of democracies- Now!"²⁸⁸ That was the high-sounding rhetoric of the moment but just the year before, in 1940, Cordell Hull had used less lofty language and stated that the world had to be kept open for America's 'surplus production', an oft-repeated theme in American open door foreign policy. He made Britain agree to the principle of the open door in exchange for Lend-Lease aid, as there was to be a drive for the dollar to push the sterling out of many regions of the world.²⁸⁹ The war-time policy of not just attempting to maintain an open door for American production, but to expand it, was now underway. While it may have seemed like the United States was looking out for its ally Britain unconditionally because of the gravity of the war situation and the need to help it against Nazi Germany, there was, from the beginning of Lend-Lease, an agenda to push Britain aside in global markets even before the guarantee of victory in the war. Yet another condition had been imposed on Britain and the United States was once again showing that it wanted the whole world open to its surplus production. It was also to provide yet another episode of American war-profiteering courtesy of the the same man who had been one of the main leaders of the previous effort in World War One: Edward Stettinius.

Because of the importance of the Lend-Lease program Stettinius, the man who ran it, should be very briefly examined. The man who benefited from JP Morgan's financing exports to Europe during World War One and was also on the War Industries Board was now heading the governmental effort to coordinate exports for Corporate America in World War Two. It was war profiteering once again although Stettinius cast a positive light on the program as reflected in his book's title, *Lend-Lease: Weapon for Victory*. Roughly the same cast of characters (with Stettinius at the helm) which had run the government-managed economy in the First World War were called upon to run it again this time, resulting in the completion of the process of the United States government directly intervening to help American business keep global markets open to it. Stettinius would also succeed Cordell Hull as Secretary of State before the end of the war. The 1920-1945 period was thus bookended by one Secretary of State, Charles Evans Hughes, with ties to Big Oil and another, Stettinius (he would later succeed Hull at the end of the war), a representative

²⁸⁸ State Department, "Peace and War," p. 97

²⁸⁹ Williams, *The Tragedy*, p. 233

of Wall Street. It is fitting that a person like Stettinius would complete the process of the United States government acting as a permanent and full-time promoter of Corporate America's business interests abroad.

Regarding the timing of Lend-Lease it was obvious that the rest of the Balkans were about to fall following the Bulgarian decision of March 1st and the fate of Turkey was hanging in the balance. Interestingly, the Soviet Union was also starting to see the writing on the wall with regard to Nazi Germany. On March 9th, American Ambassador to the Soviet Union and future American Ambassador to Turkey, Laurence Steinhardt, sent a telegram to Hull telling him that the Soviet Union was prepared to deliver war material to Turkey in the event of an attack by the Nazis on it. The Soviets, according to Steinhardt, were less motivated by fear of a German attack on Turkey than fear of Turkey joining the Tripartite Pact of Germany, Japan, and Italy.²⁹⁰ Hence, the Soviet Union understood that keeping Turkey from jumping over to the Axis was the most important concern and it wouldn't hesitate to provide Turkey with arms to stop it from happening. The Soviet move of March 9th was also accompanied by a promise not to attack Turkey if it entered the war. Turkey responded in kind on the 17th, in effect reinforcing its non-aggression pact with the Soviet Union.²⁹¹ The United States, which would ally with the Soviet Union out of expedience after the June Nazi invasion, may have taken that point to heart but was probably also concerned that the Soviet Union would get the upper hand in its dealings with Turkey in any post-war scenario, a potential threat to an open Middle East regional market. Two days after the March 9th Soviet promises the Lend-Lease program was signed into law and Turkey was to finally, albeit indirectly, receive economic and military assistance from the United States.

However, the Soviet Union also had to appease Nazi Germany as it was now in position to invade it next if it wanted to. Facing such a dilemma it decided to make a deal with German Axis partner Japan thinking that would take the heat off it. On April 13th the Soviet Union signed a neutrality pact with Japan. This was ostensibly encouraged not only to partially revive the Tripartite-Pact-plus-Soviet-Union idea that had been proposed in

²⁹⁰ FRUS 1941, *Volume 3*, p. 831

²⁹¹ Godoretsky, *Grand Delusion*, pp. 112-113

November but also to discourage the United States from assisting Britain.²⁹² This had a negative impression on Turkey, which had just received assurances from the Soviet Union. In fact, it looked like double-dealing once again. Haydar Aktay, Turkish Ambassador to the Soviet Union, denounced the treaty. According to him '... the flattering of the Japanese by Stalin in the Soviet-Japanese agreement has been done purely and simply to win the heart of Germany' and that Stalin was 'about to become a blind tool' of it.²⁹³ If the agreement had actually satisfied Germany and possibly dissuaded the United States from assisting Britain that also would have had an additional negative effect on Turkey. Luckily for it Germany would later show its lack of appreciation by invading the Soviet Union in June.

The British continued to make important requests of the United States for Turkey after the enactment of the Lend-Lease bill. On March 21st Major-General James H. Burns, Assistant Secretary of War for Air, relayed to Under-Secretary of State Sumner Welles that the British had requested the U.S. government to make available fifty 155-millimeter howitzers and 18,500 rounds of ammunition to Turkey.²⁹⁴ On the 27th, Wallace Murray received a phone call from Ambassador Erteğün in which he explained to Murray that he would address a letter to Roosevelt, promising on behalf of the Turkish government that material made available to Turkey under Lend-Lease would not be transferred to any third power without the consent of the United States government. That was a repeat of an earlier promise and reinforcement of the message was considered necessary on the Turkish side seeing it as the only way to guarantee its continued flow of material. It was a move that was encouraged by Mr. Davidson of the British Purchasing Commission in Washington.²⁹⁵

While the British were working to get aid to Turkey April was to bring nothing but negative developments for the Allies outside of Britain's defeat of Italy in Ethiopia. Yugoslavia was invaded by the Nazis on April 7th and Salonika, Greece was taken the next day, preventing those two countries from receiving Lend-Lease aid. A lesser known event

²⁹² Ibid., pp. 190-191

²⁹³ Ibid., p. 199

²⁹⁴ FRUS 1941, *Volume 3*, p. 833

²⁹⁵ Ibid., p. 839

was the pro-Nazi coup d'etat that took place in Iraq that month as well, returning Nazi sympathizer Rashad Ali to power and leading to a prompt military action by Britain against him the following month. Turkey was facing negative war developments on all sides. The Salonika occupation was expressly one of the reasons given early in the year for Turkey to enter the war but it was not to be as it was in bigger jeopardy than ever before and had to be especially diplomatic toward the Nazis from there on in. Turkey communicated that it was 'outraged' by the attack on Yugoslavia and Greece. In the new situation, the United States, while very concerned about Turkey's territorial integrity, agreed that Turkey should remain neutral for the time being as the best policy option at that moment.²⁹⁶ The U.S. knew at this very delicate stage that any provocation by Turkey could lead to its immediate invasion by the Nazis. However, Turkey, after recovering from the initial shock of the double invasion, fell into a fatalistic mood, which did not go unnoticed by the United States. It was a source of concern and MacMurray communicated on April 11th that there was a 'surprising change of mood on the part of the Turks, most noticeably since the invasion of Yugoslavia' and 'our real apprehension is as to lack of wholeheartedness in their cooperation'.²⁹⁷ The respective agendas of the two countries were clashing once again; the United States wanted to see a more resolute Turkey taking a more aggressive stance towards Axis occupation of the Balkans and Turkey was seeking self-preservation more than ever by mollifying its major trade partner. The U.S. would learn the next day yet another element in Turkey's current thinking. Şükrü Saraçoğlu explained to MacMurray that the British demand for breaking off relations with Germany and Italy had revived Turks' suspicions that the British were trying to push them into war.²⁹⁸ Although MacMurray had more positive news for Hull on April 18th, reporting that Turkish opinion seemed to have made a substantial recovery from its demoralization following the Yugoslav invasion, there was also blame directed at the United States for not having put Yugoslavia or Turkey in possession of needed military equipment.²⁹⁹ The United States was, in addition to the British, being apportioned blame for the debacle in the Balkans by

²⁹⁶ Ibid., pp. 839, 843

²⁹⁷ Ibid., p. 845

²⁹⁸ Ibid., p. 846

²⁹⁹ Ibid., p. 847

the increasingly suspicious Turks and Lend-Lease was both belated and insufficient in their opinion.

While the issue of military and economic aid to Turkey was on the frontburner, the concern over Turkish chromium sales would also come to the fore again. Britain had early on in the war refused to buy a long-term supply of Turkey's chromium per Menemencioğlu's offer, leaving the door open for Germany to buy more of it. Both the United States and Britain were still anxious to prevent that from happening. An April 21st New York Times article communicated its concerns about Germany's intentions. It stated that Germany may have been trying to force Turkey to increase its chromium production in order for it to purchase the surplus. While the article was quite sure that Turkey would not allow itself to be forced into signing a non-aggression pact with Germany, the Tripartite Pact, nor break its alliance with Britain, an 'endeavor to come to some sort of terms with Germany' was not out of the question. A deal on chromium was not referred to.³⁰⁰ On April 23rd Rauf Orbay reassured MacMurray that the foreign ministry couldn't 'go back on its word' and wouldn't give any chromium to Germany but he also added that it 'was not his initiative'.³⁰¹ That was an ambivalent answer designed to moderately placate the United States while Turkey would keep its options open regarding chromium sales to Germany. In May MacMurray communicated to Hull that the United States expected to receive chromium shipments as payback for Lend-Lease aid and a 'liberal' policy of allowing Turkish exports to the United States.³⁰² Obviously the Turkish side had previously questioned how liberal U.S. policy had been. In any event, the United States was starting to increase its demands of the Turkish government even if what it had it had to offer it did not warrant such generous concessions.

With German Ambassador Franz Von Papen putting pressure on Turkey to cut ties with Britain and swing over to the German side following the German Balkan conquests in April the United States government was trying to get a proper reading of the Turkish

³⁰⁰ "Chrome Is Objective Of Reich In Turkey: Ankara Loyal to Agreement to Sell Entire Output to Britain," New York Times, April 20, 1941

³⁰¹ FRUS 1941, *Volume 3*, p. 950

³⁰² *Ibid.*, p. 937

government's resoluteness in the face of that pressure. While the perception was that Turkey had recovered from the initial shock of Germany's early April invasion the American Charge d'Affaires in Germany Morris put it to the Turkish Ambassador in Germany that the Turkish decision to grant passage of German troops through Turkey would depend on the success or failure of German-Italians to break through to Egypt to which the Ambassador replied affirmatively. However, he then went on to qualify that response by reiterating Turkey's determination to fight as a last resort if placating Germany were to fail. To add further ambiguity to the message, he carried on by saying that Turkey would restore its railroad link with Germany through the Balkans to if Germany were to provide it with the iron and steel. Morris' conclusion after this exchange was that Turkey would continue with appeasement of Germany up to the point of its independence being violated (invasion).³⁰³ Turkey, for its part, was following a policy of neutrality very skillfully.

In early May MacMurray was able to elicit further information from the Turkish government regarding its alliance with Britain, as well as its concerns and opinions relating to other countries' intentions, especially Germany. It first reaffirmed that it had confidence in Britain despite the recent negative developments in the war but that it was very concerned about Germany's ability to block the Aegean Coast from the west and post-coup Iraq's blocking of its supply line from the east, leaving it with the possibility of having no more regular supply route from the United States and Britain. It also insisted that it would not 'renounce or dilute' its alliance with Britain. While offering seemingly satisfactory answers to the question of Britain it also stated that it could not be sure whether Hitler had an invasion plan for the Soviet Union and was satisfied with Iran maintaining neutrality in the war.³⁰⁴

Three days after Von Papen returned to Ankara from Germany on May 12th the Turkish government related to MacMurray that Von Papen told it that the occupation of the Greek

³⁰³ Ibid., p. 847

³⁰⁴ Ibid.

islands and 'possible further developments along the Eastern Mediterranean' were temporary and of military necessity.³⁰⁵

On May 19th, as the war worsened for the Allies and Turkey was coming under increased pressure from the Germans, MacMurray was able to get the specifics on where Turkey drew the line as far as remaining neutral or non-belligerent. It said that it would remain nonbelligerent unless its 'sovereignty' or 'honor' was threatened by demands from Germany to: a) join the Tripartite Pact; b) conclude a non-aggression pact with it; c) renounce its alliance with Britain; d) permit passage of its troops through Turkey. MacMurray believed that these were the sincere beliefs of the Turkish government but he also stated that he believed that Turkey was falling too much for Germany flattery. He also stated his very important worry that members of the Turkish government realized that they were 'very junior partners' in its alliance with Britain and were quite resentful of that fact. The Turkish side felt that Britain had let it down in so many ways during the war already. It wondered why it gave tanks and guns to an already-doomed Greece earlier in the year, why it allowed the occupation of the Aegean Islands, and why it had stirred up Arab tribal feuds in Iraq which closed Turkey's sole dependable supply route. MacMurray finished up his telegram concerning this discussion on a rather pessimistic note. He stated that his diplomatic colleagues in Turkey had concluded that Turkey would probably, in the end, 'flinch under German pressure.'³⁰⁶

Roosevelt would declare an unlimited national emergency on May 27th. In the speech he again attempted to scare the American people into thinking that the whole world, including the Western Hemisphere, would live under Nazi tyranny with all its freedoms taken away. It is true that Crete had fallen and Rommel was at the borders of Egypt after having entered North Africa in February to once again bail out the Italians. In Edward Stettinius' words, "There was real and immediate danger that the Suez would be lost, the whole Middle East fall under Axis control, and the Nazis emerge on the shores of the Indian Ocean."³⁰⁷ However, much of the speech focused on the economic implications of Nazi dominance of

³⁰⁵ Ibid., p. 850

³⁰⁶ Ibid., pp. 850-852

³⁰⁷ Stettinius, *Lend-Lease*, pp. 92-93

the world, which meant a closing off of U.S. access to world markets. He made several references to it in his speech:

"... Germany would literally parcel out the world- hoisting the swastika over vast territories and populations...", "Farm income? What happens to all farm surpluses without any foreign trade?", "Tariff walls- Chinese walls of isolation- would be futile. Freedom to trade is essential to our economic life. We do not eat all the food we (can) produce; and we do not burn all the oil we can pump; we do not use all the goods we can manufacture. It would not be an American wall to keep Nazi goods out; it would be a Nazi wall to keep us in."

All of these items were classical Open Door Policy rhetoric but strangely, Roosevelt also seemed to accuse the same trading interests who wanted to maintain the open door on the cheap and easy as being unprincipled and unpatriotic and not willing to fight the Nazis for the sake of claiming their stake in that part of the world market that they thought Germany would not conquer. Roosevelt said, "Those in the New World who were seeking profits would be urging that all that the dictatorship desired was "peace." They would oppose toil and taxes for more American armament."³⁰⁸ It was, in other words, time to close the door on the 'isolationist' elements within the corporate community who thought they could still get a share of the world's market in coexistence with a Nazi Empire. The latter comment by Roosevelt seems rather disingenuous; however, when one considers that he spent most of the speech focusing on the threat to the open door for American business. He still saw the need to insert populist language into his speeches to provide cover for his inexorable drive toward entry into war. However, there is no doubt that there was an American business element still hoping for a peaceful path to maintaining access to foreign markets.

The month of June would change the whole course of the war as well as the feeling of vulnerability in Turkey. The Soviet Union and Nazi Germany, in spite of their Molotov-Ribbentrop alliance, had seen their relationship deteriorate since November because of disagreements over the apportionment of territory as part of the Soviet Union's

³⁰⁸ Address of the President Delivered By Radio From the White House, "Proclaiming an Unlimited National Emergency," <http://www.mhric.org/fdr/chat17.html>, May 27, 1941 (retrieved 19/1/12)

negotiations with the Tripartite Pact of Germany, Italy, and Japan. It is believed that the Hitler's decision to invade the Soviet Union was expedited by that fallout. While he may very well have been intending to invade the Soviet Union as far back as July 1940 Hitler ordered preparations for Operation Barbarossa on December 18th. All indications in the first half of 1941 were that Germany was getting ready to invade the Soviet Union and both countries jockeyed diplomatically to get on Turkey's good side in March in anticipation of the Nazi Balkan invasions and Germany's upcoming war against the Soviet Union.³⁰⁹ The Soviet Union assured Turkey that it would make no attempt to attack Turkey in case it should go to war. Although the Soviet statement did not completely alleviate Turkish fears concerning it³¹⁰ was enough for the moment. That was, of course, one reason Turkey remained so calm after the Balkan invasions of early April, much to the chagrin of the United States. That did not mean, however, that it was going to be unconditionally loyal to the Soviet Union. It had to come to terms with Germany to prevent itself from possibly becoming one of its next victims.

4.2. The United States Moves to Placate Turkey

In order to protect itself following the German spring invasions of the Balkans and its impending attack on the Soviet Union, Turkey signed a non-aggression Treaty with Nazi Germany four days prior to the invasion on June 18th, 1941.³¹¹ The agreement was a culmination of weeks of negotiations with the Germans that had begun at the beginning of May when Turkey felt it had no other choice but to enter into talks with the rapidly

³⁰⁹ Hale, *Turkish Foreign Policy*, p. 86

³¹⁰ Deringil, *Turkish Foreign Policy*, p. 120

³¹¹ The following day Italy, following Germany's lead, tried to get Turkey to sign a non-aggression agreement as well. Ciano wrote in his diary that Saraçoğlu seemed pleased with the idea when it was brought up never gave an answer to the request. Ciano also described Saraçoğlu as an odd person who only ever talked about his rheumatism with him in the five years that he knew him up to that point. There was actually no need for Turkey to sign a pact as Germany was clearly the major potential threat to Turkey's territorial integrity by that time. See Ciano, Galeazzo Conte, *Ciano's Diaries 1939-1943*, (Garden City, NY: Doubleday, 1946), p. 368

expanding Nazi Empire following its rapidfire Balkan conquests. Ribbentrop wanted unlimited transit facilities for Germany's troops and equipment while offering a border adjustment with Bulgaria and an Aegean Island or two.³¹² Germany overstepped its demands with Turkey and had to settle for the non-aggression Treaty with the strong-willed Turkish side. The Turkish viewpoint, with regard to the signing of the treaty and why it felt secure in doing so, is summarized by the Institute of International Relations of the Faculty of Political Sciences at the University of Ankara in the following three points:

- “1. Hitler's main objective was Russia (The Soviet Union). The Balkan campaign had lasted longer than he had expected and he had to turn back on Russia in a hurry. If war had been declared against Turkey, the operations against Russia would have been delayed.
2. Since Turkey was to be entirely surrounded in any case if Hitler's attack on Russia were successful, a frontal attack on Turkey at this time was strategically inopportune.
3. Finally, Hitler was confident that Turkey would remain neutral in the Russo-German war.”³¹³

In other words, Turkey felt safe for the moment in signing the pact as Germany would be too preoccupied with the Soviet Union to attempt any side invasion of Turkey. In addition to that, by signing the treaty, Turkey ensured that the two powers would at least be weakened, and, its greatest hope, that both countries would be so damaged by fighting each other that neither would be a threat to anyone for some time to come. In perhaps only a slight exaggeration, Italian Ambassador to Turkey de-Peppo said: “The Turkish ideal is that the last German soldier should fall upon the last Russian corpse.”³¹⁴ That attitude on the part of the Turkish government was reconfirmed by MacMurray, who wrote to Hull that there was 'privately unrestrained jubilation at outbreak of war between Germany and Russia' at the thought that the 'two "gangsters" will exhaust themselves in a long struggle.' According to MacMurray that was also the widespread sentiment of the Turkish public but he also noted that the Turkish newspaper press was more cautious and subdued in its

³¹² Deringil, *Turkish Foreign Policy*, p. 121

³¹³ Carnegie Endowment for International Peace, *Turkey and the United Nations*, p. 62

³¹⁴ Ciano, *The Ciano Diaries 1939-1943*, p. 456

reaction.³¹⁵ The private feeling of Turkish government officials was wartime balance of power thinking: rather than balance off two physically intact countries against each other, as would be the case in peacetime, it was much easier, considering Turkey's predicament, for the two countries to annihilate each other. However, if one side was to win easily that would not bode so well for Turkey which probably explained the restrained public reaction in Turkey.

For the United States the Turkish non-aggression treaty with Germany was a huge blow in its war effort against the Nazis. Sensible Turkish strategic thinking was at odds with American needs once again. Just three days prior to Turkey signing the agreement with Nazi Germany, the U.S. government attempted to send a warning to Turkey to not sign the agreement, an idea that was discouraged by MacMurray. Hull sent a telegram to MacMurray stating that deliveries of Lend-Lease aid could not continue in the event of any change in Turkish policy. MacMurray immediately sent a telegram back that a threat to not deliver Lend-Lease aid would irritate the Turks and Hull promptly agreed that it was a bad idea.³¹⁶ There really was not much that the U.S. government could do to prevent an independent Turkish foreign policy being carried out, especially with the meager amount of Lend-Lease aid that it was receiving and the now-superior Nazi strategic position in the war. To reassure the United States and the Allies, the Turkish did announce on June 22nd, the day that the Germans invaded the Soviet Union, that it would remain neutral. The announcement stated. "In view of the situation created by the war between Germany and Russia, the Government of the Turkish Republic has decided to proclaim the neutrality of Turkey."³¹⁷

The United States tried its best to analyze the reasons why Turkey had gone ahead and signed the non-aggression pact with Germany. Arthur Krock of the New York Times speculated that in addition to military and political reasons, economic reasons may have been the most important. His article, written a day after Turkey signed the pact with

³¹⁵ FRUS 1941, *Volume 3*, p. 872

³¹⁶ *Ibid.*, pp. 855-857

³¹⁷ "Turkey Proclaims Neutrality In War: Non-Aggression Pacts With Reich and Soviet Will Be Observed," New York Times, June 23, 1941

Germany, provides a lot of statistics on Turkish trade with the United States in the previous decade and how the war disrupted that growing trade. Germany's invasion of the Balkans had also crippled Turkey's growing trade with Italy and Britain, which would have filled the gap left by the crippling of trade between Turkey and Germany following the latter's invasion of Poland. The dilemma facing the United State and the blunt message that was no doubt directed at policymakers in Washington was delivered in the third paragraph of the article:

"If the United States were able to counterbalance the loss of Turkish trade with Great Britain and Italy, this economic pressure to sign a pact with Germany would have been much lighter. But United States-Turkish commerce must now be conducted via the Red Sea and Suez, and there are increasing complications in those waters. Also, shipping facilities become more and more insufficient to conduct the trade."³¹⁸

Brock's speculation was confirmed almost immediately. On the same day that Turkey announced its continued neutrality, Turkish Foreign Minister Saraçoğlu announced that Turkey was negotiating a new trade agreement with Germany. It was noted that Turkey was in need of various industrial products and felt Germany was now in the best position to supply those as Britain's supplies had been heavily reduced by the war. British sources, somewhat surprisingly, admitted that they had been expecting such a move by Turkey.³¹⁹

After The Nazis invaded the Soviet Union on June 22th, launching Operation Barbarossa, the Soviet Union became the main bulwark for the Allies against the Nazis. Turkey, however, could not break its link with the Nazis, whose purchasing power the Turkish government needed and whose presence in next-door Bulgaria and Greece remained a potential threat to Turkey's territory. In fact, as Lend-Lease aid was slow and in limited amounts the Allies were not able to offer Turkey any real incentives for breaking its relationship with Germany. Additionally, the United States was more concerned with the Pacific and the Atlantic theaters of the war and Turkey's strategic needs were being met by

³¹⁸ Arthur Krock, "In The Nation: Possible Economic Reasons for Turk-Nazi Treaty," New York Times, June 20, 1941

³¹⁹ Ray Brock, "Turkey To Enter Reich Trade Pact: Saraçoğlu Announces Deal to Implement Amity Accord Will Be Signed Soon," New York Times, June 22, 1941

the two powers fighting it out. Turkey, as long as it was not used by Germany as an invasion route to the Middle East, was still not a top priority for either the United States or Britain.

Not all was rosy for Ankara following Barbarossa, however. In fact, although the Turks were quite elated at the possibility of Germany and the Soviet Union exhausting themselves, there was also concern that the non-aggression pact it signed with Germany would mean that it would no longer factor into America's Lend-Lease equation. That was the feeling despite MacMurray having called off Hull's Lend-Lease cutoff threat before the invasion. The idea seems to have lingered in Washington despite Hull having agreed that it would not be a good idea. MacMurray had to reconfirm his opposition to a cutoff of Lend-Lease aid to Turkey. He wrote to Hull on July 7th stating that, despite the Turkish pact with Nazi Germany, it would not be good policy to cut off aid to Turkey as that could feed its suspicions that it could easily be abandoned by its friends and drive it into the hands of the Nazis; he recommended that aid continue. The Turkish government, on the other hand, did not feel so confident that that would be the case and, in fact, felt quite sure that Lend-Lease aid would be cut off. Erteğün reported that Turkey was unlikely to get any further aid in spite of MacMurray's insistence that that would not be the case.³²⁰

Another factor most likely weighing on the U.S. government decision to not discontinue aid to Turkey was continued Turkish dissatisfaction with military aid, the aforementioned chromium issue, and the possibility of a quick German victory over the Soviet Union and eventual dominance over Turkey. A memo by Paul Alling communicated that the Turkish government was buying bombs in the United States and the United Kingdom but thought the volume insufficient and was looking into manufacturing its own. The problem was that the bomb technology was protected by U.S. Patent Law and, therefore, its independent production of bombs was rendered impossible.³²¹ Regarding chromium, it was still working on getting Turkey to not sell it to Nazi Germany. British Minister, Noel Hall, after learning that the United States was considering sales of munitions and arms to Turkey contingent on receiving a satisfactory answer on Turkey's chromium sales stance (e.g. not

³²⁰ FRUS 1941, *Volume 3*, p. 881

³²¹ *Ibid.*, p. 883

selling to Germany), politely warned the U.S. not to antagonize Turkey. Dean Acheson, Assistant Secretary of State at the time, replied rather enigmatically that 'broader considerations than chrome (chromium) are involved in our consideration of Turkey's position.'³²² We may speculate that he was referring to any changes in Turkey's relationship with Germany.

Broader considerations were definitely a part of U.S. thinking on possible future Turkish policies in the event of changing war dynamics. There was, for example, consideration of what Turkey would do in the event of either the Nazi or Soviet side emerging victorious. While the Washington was rather pleased by what it says as Turkish hostility toward the Soviet Union, it also did not want Turkey to switch over to the German side in case of it defeating the Soviet Union. MacMurray was able to get a read on Turkey's thinking on the issue in late July. Numan Menemencioğlu informed MacMurray that German or Soviet dominance over Europe would be a disastrous development for Turkey but that, if one side had to win, Turkey would prefer that it be Germany. If Turkey fell under Soviet dominance, according to Menemencioğlu, it would be treated in a ruthless fashion and have its Turkish nationhood wiped out. At least under the 'civilized and constructive' Nazis, it would at least have a chance to survive and enjoy a national resurgence even after losing its economic and political independence for a prolonged period.³²³ While it may have been pleasing for the American side to hear those words even the hint that Turkey could very grudgingly accept being ruled by the Nazis must have raised at least a little concern. On August 4th, Adolf Berle sent a vague directive to Wallace Murray stipulating that Turkey should be given the same priorities given to the 'other American republics (Latin America).'³²⁴ Washington was finally starting to take Turkey more seriously, at least in rhetoric.

The problem with Turkey's new equal status with Latin America regarding Lend-Lease aid was that it meant that Turkey was still on the non-belligerent list. On August 13th Lynn R. Edminster, Special Assistant to the Secretary of State, made that clear in a memo. He

³²² Ibid., p. 884

³²³ Ibid., pp. 884-885

³²⁴ Ibid., p. 889

stated that putting Turkey on equal footing with Latin America was 'significant more as tokens than as vital to Turkish defense.'³²⁵ Although that was a candid confession it was considered a bad idea to give the impression to Turkey that it was only receiving token gestures. On August 23rd the British Foreign Office sent a telegram advising the Washington to have MacMurray relay to the Turks that it was to be put next in priority after Britain for American export licenses. MacMurray doubted very highly whether Hull would consider putting Turkey higher than not only Latin America but war-ravaged China and the Soviet Union as well.³²⁶

Earlier in the month, on August 10th, there was another attempt to placate Ankara. The British and Soviet Governments sent a joint note to Turkey indicating to it that they were totally loyal and committed to its security and welfare. The British stated that it would remain loyal to the Montreaux Agreement and would help Turkey if attacked by a 'European Power.' The Soviets reiterated its March commitment to not attack Turkey if it entered the war.³²⁷ If the two governments thought that would be enough to comfort the Turkish government then they miscalculated what the desired effect on it would be. MacMurray, in a conversation with Saraçoğlu, learned that the Turks were not deeply impressed by the joint Soviet-British statement. As far as Britain went, Saraçoğlu thought that nothing new was offered that had not been promised before (e.g. the 1939 Mutual Assistance Pact). Regarding the Soviet Union, he was more positive. He welcomed its declaration and stated that it alleviated Turkey's concern about the Straits but he also stated that it would have been better if the Soviets had made it before it had been invaded by the Nazis.³²⁸ Turkey was very wary of desperate and opportunistic realpolitick on the part of the Soviets in addition to being skeptical of the real commitment of the British to its security.

As for general war developments, the United States took over Iceland from Britain and occupied Greenland in July to confront the Nazis maritime threat in the Atlantic Ocean and

³²⁵ Ibid., p. 890

³²⁶ Ibid., p. 896

³²⁷ Ibid., pp. 891-892

³²⁸ Ibid., p. 894

set up a protection corridor for its shipping. Although not yet in the war, the United States was now, for all intents and purposes, involved in a naval war with Nazi Germany in the Atlantic. The first major event between the two countries was not until September but the writing was on the wall as far as a future conflict between the two countries was concerned. Additionally, Britain and Free French forces took Syria and Lebanon from Vichy French forces in July. The U.S. and the allies were now starting to step up their war efforts following the Nazi invasion of the Soviet Union but also felt the need to get the rest of the world to swing behind it. It was time to build upon Roosevelt's earlier rhetoric extolling a democratic and liberal free trade world.

Once again, domestic developments in the United States were at odds with Roosevelt's words. While Charles Beard was fearful of the threat to democracy and a judicious American foreign policy posed by Lend-Lease, the next step in the erosion of accountability of the American government was taken in July. William Donovan, the man Roosevelt had sent as an envoy to the Balkans and the Middle East before the Lend-Lease was signed into law, was now chosen to be the head of a new executive agency called the Coordinator of Information (COI). Donovan, like previous envoy Welles before him and a Wall Street lawyer, was an anti-New Dealer. Roosevelt, showing how far he had veered from his New Deal agenda in pursuing his war policy, admired Donovan's 'blend of Wall Street orthodoxy and sophisticated American nationalism.' Roosevelt's speechwriter Robert Sherwood, a firm supporter of the New Deal, was concerned. He complained that "It is all right to have rabid anti-New Dealers in the military establishment... but I don't think it is appropriate to have them participating in an effort which must be expressive of the President's own philosophy."³²⁹

Roosevelt's political philosophy, however, had to be very much questioned at this point. A democratic and liberal free trade world now entailed undermining democratic checks and balances at home as well as government accountability. He felt a covert agency was now needed to take on the Nazis. The COI, which later became the OSS, was actually scrapped

³²⁹ Smith, R. Harris, *OSS: The Secret History of America's First Central Intelligence Agency*, (New York, NY: Dell Publishing Co., 1972), p. 2

by Harry Truman after war's end but it had established a precursor for what would eventually become the CIA.

However, lending a helping hand to the Soviet Union to help defeat the Nazis and preserve that world was not as immediately forthcoming as had been the case with Britain. Precisely because the Soviet Union was perceived as a potential future threat to the future open door world did not help its cause. The delay in sending Lend-Lease aid to the Soviet Union should be explained in detail even though 'informal' aid started immediately after the invasion. Edward Stettinius points out that Roosevelt was quick to find a loophole in the Neutrality Law to send aid immediately to Vladivostok, aid which would be outside the auspices of Lend-Lease. In addition to anti-Soviet sentiment in government circles there was the priority of getting Lend-Lease aid to Britain and China. The Soviet Union would simply add a burden to the program. Moreover, inside the government the belief that the Soviet Union would succumb to the Nazis by the beginning of August was widespread. A final possible explanation was that there was concern about war-weary Britain and the Soviet eventually cutting a deal to share territory, a sort of British-Soviet version of Molotov-Ribbentrop. That was a worrying scenario in case of German defeat and one which Roosevelt had to clear up Churchill even prior to the final Atlantic Charter agreement in August.³³⁰ The open door concern was ever present even when dealing with an ally. In any event American aid was made available; the Soviets would pay cash for necessary supplies until the end of October as part of the informal program with U.S. confidence in its ability to survive growing with each month.³³¹ On November 7th, the same day that Turkey was accorded the same status, the defense of the Soviet Union was declared vital to the defense of the United States thereby finally qualifying it for Lend-Lease aid.

The hesitation in extending Lend-Lease aid to the Soviet Union did not stop the ideological aspect of the war from proceeding. The Soviet Union, in spite of not being happy about its level of aid, went along with the Allies in their crusade to win over the world to their side.

³³⁰ Gardner, Lloyd, *Architects of Illusion: Men and Ideas in American Foreign Policy 1941-1949*, (Chicago: Quadrangle Books, 1970), pp. 29-30

³³¹ Stettinius, *Lend-Lease*, pp.120-128

The Atlantic Charter and the United Nations declaration of August 14th, 1941, signed after a four-day meeting in Placentia, Newfoundland, was to provide a road map for the supposed ideals of Roosevelt and Churchill for the world. It was an announcement to the whole world, outlining what the goals of the allies would be if it were to win the war against the Axis. Obviously, it was a crafty public relations move in the early stages of the Nazi-Soviet struggle when the tide seemed to favor the Nazis and gaining global ideological support for the Allies was crucial. While emphasizing peace, freedom, and other political ideals items number four and seven of the eight points outlined in the Charter pertained to the desire for the maintenance of the open door: "Fourth, they (states in agreement with the Charter) will endeavor, with due respect for their obligations, to further the enjoyment by all States, great or small, victor or vanquished, of access, on equal terms, to the trade and to the raw materials of the world which are needed for their economic prosperity." Seventh, such a peace should enable all men to traverse the high seas without hindrance."³³²

While the United States and England made it sound like all freedom-loving nations would enjoy the benefits of an economically liberal global economy after ridding themselves of the Nazi threat, the reality was that there were very few nations in the world who were ready to benefit from such a development outside of the economically dominant United States and Britain, whose enormous colonial empire was still intact. The pro-American Turkish newspaper, *Ulus*, was effusive in its praise. While expressing concern whether Britain would respect the principles of the Charter, the editorial in *Ulus* relished the idea of free trade, a United Nations and a peaceful unarmed world, all classical, rosy-sounding Liberal International Relations theory thinking. Unlike after World War One, the editorial emphasized that the United States could not 'shirk its international duties and responsibilities' this time around.³³³ While there were certainly many critics of the United States in Turkey at the time, and some Nazi sympathizers, for pro-Allied thinkers, the United States was seen as the only hope to defeat Germany, and a better bet for nations gaining and keeping their independence as well as allowing them to stake out their claim in a newly-globalized world. As events showed later, however, hopes had been raised a bit

³³² Department of State, "Peace and War," p. 107

³³³ Carnegie Endowment for International Peace, *Turkey and the United Nations*, pp. 63-64

too high and skeptics of America's new 'United Nations' idea were to be proved correct. Strategic benefits for the U.S. and Britain were to prove to be much more important than the idea of independence for countries occupied or threatened by the Nazis as well as independence for colonies controlled by the British, one of the co-signers of the Atlantic Charter! Another soon-to-follow case exposing the hypocrisy of the main co-sponsors of the Charter would occur next door to Turkey.

The August 25th joint Soviet-British invasion of Iran would call into question the Atlantic Charter commitment and add an extra worry on Turkey's eastern border. The two countries (when the Soviet Union was still Czarist Russia) had divided up the country once before (1907-1918) to ward off revolutionary struggle and protect oil interests but the added role this time would be to use Iran as a corridor to get Lend-Lease aid to the Soviet Union and get rid of the Nazi-sympathizing Shah. Eleven days after the Atlantic Charter announcement a country's sovereignty had been violated by one of its two main co-sponsors, Britain. The British invaded but the operation had the tacit approval of the United States. The added cynical geopolitical intentions of invading Iran were explained by British Prime Minister Winston Churchill in a letter to Roosevelt, who was not as enthusiastic about the operation as the British side as it carried the possibility of irritating Turkey.³³⁴ On September 1st Churchill wrote that the invasion was a way of 'encouraging Turkey to stand as a solid block against German passage into Syria and Palestine and would be 'an enormous advantage if we can hold Turkey and sustain Russia.'³³⁵ Turkey was now being hemmed in from the east as part of Britain's strategy to prevent Nazi Germany from overrunning Turkey and linking up with Vichy France in the Middle East and was not happy about it. Hugessen, just before the invasion, on August 23rd, heard that

³³⁴ Added to that was the reality that the United States, in spite of wanting Lend-Lease aid to get through to the Soviet Union, had concerns about the joint Soviet-British invasion of Iran. Wallace Murray worried about Soviet influence in the country and instructed the Presbyterian Board of Foreign Missions to 'restrain Soviet separatist and ideological activities' in Tabriz while he supported resumed trade negotiations with Iran 'in order to safeguard American trade interests in Iran during the post-war period.' The open door in Iran, therefore, was of paramount importance. Gardner, *Economic Aspects*, p. 227

³³⁵ Deringil, *Turkish Foreign Policy*, p. 126

Turkish government was considering sending in supplies to help Iran and editorials in Turkish newspapers following the invasion were highly critical of the Iranian operation, particularly for the fact that the Soviet Union was involved as well.³³⁶ Turkey was not only being asked to join the war without sufficient military aid but, with Britain having removed a potential ally of Germany's in Iran and placing itself next to Germany's coveted oil resources in Azerbaijan, the chances for a German invasion of Turkey were increased. It made perfect sense for Turkey to continue to balance off Britain and America against Germany.

While the British were following a cynical policy vis-a-vis Turkey the United States was still not fully committed to materially supporting Turkey fully despite wanting a major war contribution from it. At the end of August İnönü would blast both the level of British aid and had also exclaimed that he had 'ceased to count upon American assistance.' The British were alarmed and found it easy to blame Washington. Hugesson was particularly furious at the Americans for not supplying Turkey with sufficient war material and noted that the Turks had lost faith in the United States and no longer counted upon its assistance. The U.S. reply was that it could not give Turkey priority over China and Latin America, a complete contradiction of Adolf Berle's supposed commitment earlier in the month.³³⁷ Turkey was an important country in the American perspective but still not in the top tier of importance, especially considering America's past deeper economic ties with the other two regions and the size of the markets in consideration.

Despite Turkey not being of the highest priority in Washington and its lack of willingness to sufficiently supply Turkey, the United States was also starting to show its frustration with Turkish policy. The Soviet Union was now an ally of its by default and there was no good reason not to add Turkey as well in fighting the Nazi war machine. When September arrived MacMurray was 'disappointed' and 'anxious' that Turkey was still considering Germany's request for chromium.³³⁸ He thought the U.S. had scored a minor coup on

³³⁶ Ibid., pp. 127-128

³³⁷ FRUS, 1941, *Volume 3*, p. 898

³³⁸ Ibid., p. 943

September 16th when 50 howitzers arrived, eliciting a highly grateful response and a query as to how much value in war materials Turkey might receive in the future.³³⁹

That development was, however, a small victory and hardly enough to get Turkey to break its economic commitment to German trade as well as endanger its security. The United States knew that as well. In fact, it was very anxious to improve its tarnished image in the eyes of the Turkish government. Rather than take the high road, however, it started to lay the blame at the feet of the British government, which itself had been blaming the United States for the failure of sufficient aid to reach Turkey. Alling, in a September 29th telegram, stated that it was very regretful, coming off the positive September 16th event and Turkish response, that more was not being done to supply the Turkish government. He also pointed out the urgency of the situation as Clodius was already in Turkey negotiating a new chromium agreement. He, to deflect responsibility for the situation away from the American government, blamed the British Supply Council for asking for an indefinite deferral of financing of all Turkey's Lend-Lease aid requests, which led the American War Department to deny approval for Turkish aid. For that reason Turkey was not going to receive the items it wanted.³⁴⁰ In any event the Turkish government was not impressed and not afraid to express its current thinking toward the war. The next day MacMurray made it clear that Turkish officials were no longer worried about a German invasion.³⁴¹

While the United States was blaming the British government for the failure of Lend-Lease aid it now wanted to show Turkey that it was attempting to rectify the situation.³⁴² It decided to bring up the idea on October 3rd of providing Lend-Lease aid directly to Turkey

³³⁹ Ibid., p. 901

³⁴⁰ Ibid., pp. 902-903

³⁴¹ Ibid., p. 903

³⁴² In addition to blaming Britain for shortchanging Turkey on Lend-Lease aid some American firms were complaining about the fact that the British were re-exporting Lend-Lease goods to Turkey squeezing them out of the Turkish market. While the companies were not able to change American policy at the moment because of the strategic need for Britain's friendship the Open Door Policy was being pursued. See Kimball, "Lend-Lease and the Open Door," p. 251

rather than through Britain. Murray would tell Erteğün in Washington that the United States wanted to deal directly with Turkey on the issue of Lend-Lease aid. Surprisingly, Erteğün responded that it would be more 'logical' for Turkey to continue receiving aid through Britain as it already had a treaty agreement with it in which Britain was already under obligation to provide Turkey with military supplies.³⁴³ The problem for Turkey, then, was not how it received its aid but simply the lack of aid it was receiving. The United States strategy of trying to blame the British was not going to change its image in the eyes of the Turkish government.

While the American and British governments were engaged in mutual recriminations, Turkey was proceeding with its chromium discussions with the Germans. Turkey was not in a mood to be truthful with the United States and Britain as it considered their efforts to aid and arm it terribly inadequate. Saraçoğlu had to explain in early October that Turkey would have been considered an enemy of the Nazis if it had refused Germany's request for chromium and was also under the impression that it would be invaded by Germany before the next summer.³⁴⁴ Whether he was overstating the threat of invasion or not he made it clear to the United States that Turkey was engaged in the most sensitive diplomacy. In any case, that statement was a clear contradiction of what MacMurray had stated in a telegram at the end of September. There was, however, not much that the United States could do. MacMurray also made it clear days later that, although the United States was not pleased with Turkey agreeing to sell chromium to Germany, it was still a preferable policy to strengthen economic ties with Turkey.³⁴⁵

MacMurray's displeasure was not enough to stop Ankara from carrying through with the Clodius Agreement on October 9th with Germany, however. This was the conclusion of the nearly four months of negotiations between Turkey and Germany since Saraçoğlu's June 22nd announcement that the two countries would sign an economic pact. The most important part of the agreement for the United States, the chromium provision, was a classic case of Turkey giving a foreign partner some of what it wanted but not as much as

³⁴³ FRUS 1941, *Volume 3*, pp. 906-907

³⁴⁴ *Ibid.*, p. 960

³⁴⁵ *Ibid.*, p. 963

it wanted. In this case, Turkey would delay selling chromium to Germany, much to its chagrin, under the terms of the agreement, until January 15th, 1943, when its agreement with Britain expired. It agreed to ship 45,000 tons of chromium to Germany between January 15th and March 31st. If Germany delivered 18 million liras worth of military equipment to Turkey it would send an additional 45,000 tons of chromium to Germany for the rest of 1943 and 90,000 tons in 1944.³⁴⁶ There was a note of skepticism regarding the overall agreement, a point of hope for the Allies. An anonymous trade expert stated, "The Turks will get what they need, as much as the Germans can deliver. The astronomical figure given is a pipe dream." On a more worrying note for the Allies, however, he added, "If the Germans can clear 20 percent of that, they will work wonders."³⁴⁷

Soon after that diplomatic success Germany decided to try to entice Turkey and play the Pan-Turkism card by inviting two Turkish generals to tour the Eastern Front from October 15th to November 5th. That endeavor went nowhere with the ever-cautious İnönü.³⁴⁸ Turkey was clearly drawing a diplomatic line with Germany but apparently that was not enough to mollify the United States. MacMurray, for his part, less than a week after the signing of the agreement, expressed disappointment with the Clodius Agreement.³⁴⁹ He intimated that Britain may at some point evaluate whether it was better to defend Anatolia jointly with the Turkish army at the Straits or to go it alone in the Taurus Mountains.³⁵⁰ For the moment the United States had to keep aiding Turkey but it was clearly willing to give

³⁴⁶ Weisband, *Turkish Foreign Policy*, p. 105

³⁴⁷ Ray Brock, "Ankara Reaches Chromium Accord: Agrees to Sell Germany Metal After Termination of Pact With Britain in 1943," *New York Times*, October 8, 1941

³⁴⁸ Deringil, *Turkish Foreign Policy*, p. 131

³⁴⁹ However, that would not stop Turkey from increasing its level of chromium exports to the United States from 80,000 tons in 1941 to 120,000 tons in 1942. See Koçak, *Milli Şef Dönemi*, p.706. Obviously the spike in chromium exports occurred because of the delay of chromium exports to Germany built into the Clodius agreement. That should also show that the United States may have had the opportunity to engage Turkey in more trade if it had shown the willingness.

³⁵⁰ FRUS 1941, *Volume 3*, p.909

up on wooing it if leaned further toward the Nazis and if Britain saw less need to keep it on side in future.

The United States, in the midst of all these developments concerning Turkey, was worried about the general course of the war and was starting to take an even more aggressive posture. It starting to engage in low-intensity naval warfare in the Atlantic with the Nazis and was also to make a key decision on the development of the ultimate weapon: the atomic bomb. The development program, started on October 9 (interestingly the same day as Turkey's Clodius Agreement with Germany), was to be highly secretive and the funding had to be as well. Roosevelt would pour over 2 billion dollars over the next four years into the Manhattan Project, whose money-draining secrecy finally had to be exposed in early 1944, after an uproar caused by Harry Truman in the Congress over matters such as funds flowing to mysterious plants and war profiteering. Subsequent to that the funding source would be revealed to certain Senate members but not the public. Truman eventually backed off his investigation and the stage was set for America's permanent 'black budget', that is, funded items in the Pentagon budget which did not have to be revealed to the public.³⁵¹ Democracy and accountability, the possible loss of which was feared by the likes of Charles Beard during the Lend-Lease congressional debate, was being further eroded as the United States moved ever closer toward full-fledged war. The Lend-Lease Act, the establishment of the COI, and now a secretive nuclear program and black budget were three major steps on the road to the erosion of wartime democracy. Roosevelt was preaching freedom and democracy for the world but was failing to uphold that ideal at home. Countries like Turkey, however, were expected to join the supposed freedom and democracy-loving United Nations.

The United States, in parallel with those domestic developments, continued working on how to make a better impression on Turkey with no help from Britain. On October 21st Sumner Welles explained that Britain had responded to the American suggestion of supplying Turkey directly with Lend-Lease aid rather than sending it through Britain. The British recommended that the indirect Lend-Lease aid agreement to Turkey through Britain

³⁵¹ Weiner, Tim, *Blank Check: America's Black Budget*, (New York, NY: Warner Books. 1990), pp. 19-20

remain. That scenario could lend more ammunition to the Turkish contention that Britain had not fulfilled its obligation to Turkey under its Mutual Assistance agreement of 1939 and would no longer feel itself obligated to Britain. Moreover, it worried that if aviation material went directly to Turkey and it started to expand its own air force then that would have a deleterious effect on 'British aviation plans for the Middle East.'³⁵² In other words, Britain would lose control over Turkey and the latter would also have an independent means for protecting itself.

The British Embassy in Washington also offered strategic reasons why it would be important to continue the indirect aid system through Britain with regard to Turkey. It argued that if Turkey allowed Germany passage through Anatolia it would mean that Britain would have to move its troops to the Northern Syrian and Iraqi borders with Turkey. In the event of that happening it stated it would be more difficult for British troops to defend themselves as the topography was not suitable for defense, Germany would be able to use Anatolian airfields to bomb British lines of communication and Egypt, and there would then be the threat of an air and sea invasion of Cyprus.³⁵³ Not only British interests in the Middle East would be threatened but its whole imperial system of bases and possessions guarding the sea lanes all the way to India and the Far East would be in danger.

For the British there were several advantages to Turkish resistance. The British embassy pointed out to the Americans that Turkey was topographically better for defense purposes (because of its mountains), that keeping Germany out of Anatolia would mean the British would have access to Anatolian airfields, it would be able to strike at German targets in the Balkans and the Aegean Islands, and the British colony of Cyprus would be less vulnerable to attack. Furthermore, Turkish resistance to Germany would take a toll on German troops and an offensive strategy for the Balkans in future would be possible. All of this meant that aid to Turkey could not be cut off.³⁵⁴

³⁵² FRUS 1941, *Volume 3*, p. 911-912

³⁵³ *Ibid.*, p. 914

³⁵⁴ *Ibid.*, pp. 914-915

From the American side, as expressed by Wallace Murray, it was no doubt on the same page as Britain but felt that it would be better for America to supply Lend-Lease aid directly to Turkey. Among other reasons, it would make Turkey feel that the U.S. was interested in its welfare and boost its morale, that it would obviate the problem of arms not getting to Turkey during the re-transfer process through Britain, and that direct aid would mean that U.S. taxpayers would be ensured that American policy was being supported, not another country's. Murray also stated that the real reason that Britain was against the idea was that it was afraid that the United States would then follow a more independent policy toward Turkey.³⁵⁵ Although the United States still saw Turkey and the region as a British responsibility it was starting to show hints of taking the dominant role in policy toward Turkey despite still being a non-belligerent.

The following week, on November 4th, George V. Allen of the Division of Near Eastern Affairs, laid out a new American policy regarding Turkish aid in a memo. It stated that the United States would now 'insist on being consulted before any diversion of British Lend-Lease meant for Turkey occurred. In addition to that, any future decision on the delivery of aid would give priority to America rather than Britain. However, two days later Hull made it clear that the system of re-transferring British Lend-Lease aid to Turkey would continue. In another memo to MacMurray Hull wanted to him to mollify the Turkish government by conveying the message that difficulties facing Turkish importers were the same difficulties all Lend-Lease recipients faced.³⁵⁶

By November the United States was clearly heading toward war with Japan, which meant that it was going to enter the war in the European theater as well. Joseph Grew, then U.S. Ambassador to Japan and formerly first Ambassador to Turkey, even said that war with Japan was inevitable.³⁵⁷ Roosevelt, on November 7th, even before he publicly announced

³⁵⁵ Ibid., pp. 916-917

³⁵⁶ Ibid., pp. 919, 921-923

³⁵⁷ Inevitable because of the yet-to-be-named Open Door Policy, the same reason that war with Hitler was seemingly inevitable. Charles Beard wrote a book very critical of Roosevelt's political machinations leading up to America's entry into the war. He had no question that the war was about the United States government being unwilling to share

that Turkey's defense was in America's strategic interests, communicated so privately.³⁵⁸ The prickly subject of Lend-Lease aid to Turkey via Britain now had a sense of urgency. There was talk of changing the policy by the American government. On November 12th Stettinius communicated to Hull that Lend-Lease aid could either continue indirectly through Britain or Lend-Lease aid could go to Turkey directly on a cash payment basis.³⁵⁹ The next day Hull telegraphed MacMurray, telling him that in the 'unlikely event' that material from Britain was diverted Britain would have to obtain approval for doing so,

global markets, which would be referred to as the 'open door' repeatedly throughout his book, originally written in 1946. William Appleman Williams would use that term in the 1960s in his criticism of American foreign policy. Eleven days before Pearl Harbor United Press International new service picked up a Cordell Hull memo. In describing it the UPI dispatch read: "The United States handed Japan a blunt statement of policy which, informed quarters said, virtually ended all chances of an agreement between the two countries on the explosive Far Eastern issues. The United States Government is reported to be demanding, as the price of any concessions it grants, that Japan abandon plans for future aggression, pull her armies out of China and French Indochina, restore the "open door" policy in China, and substitute peaceful negotiations for the sword in achieving her so-called co-prosperity sphere." See Beard, Charles, *President Roosevelt and the Coming of the War, 1941: Appearances and Realities* (New Brunswick, New Jersey: Transaction Publishers, 2003), pp. 198-199. Paul Varg wrote a book arguing that the 'open door' was closing with China but that was obviously circumstantial as Japan was taking over most of the country. That does not mean that the United States did not desire an open door for China just as its lack of trade with Turkey did not mean it did not desire that for Turkey. Varg, in fact, does acknowledge that the supposed lack of interest in China was due to competition from Europe, China's economic weakness and heavy debt burden, lack of American banking to finance trade, and poor American packaging of export goods. For Varg's analysis of why American trade did not pick up in China before World War Two see Varg, Paul, *The Closing of the Door: Sino-American Relations, 1936-1946*, (Lansing, Michigan: Michigan State University Press, 1973), pp. 4-6

³⁵⁸ FRUS 1941, *Volume 3*, pp. 922-923

³⁵⁹ *Ibid.*, p. 926

among other cosmetic changes in Lend-Lease aid policy toward Turkey.³⁶⁰ With war clouds looming Washington was finally beginning to take Ankara's grievances about Lend-Lease a little more seriously. It was also reported by Ray Graham, Liaison Officer of the office of Lend-Lease that, as gleaned in an October 23rd meeting, Turkey had purchased more material through PNRs (Purchase Negotiation Reports, which required Turkey to pay cash for supplies) than through Lend-Lease, yet more evidence that Lend-Lease aid meant for Turkey was either being kept by Britain or diverted to a third country.³⁶¹ Graham showed much concern over the situation, pointing to Turkey's significance as a 'natural bridgehead into the Balkans and then Germany' with the Baku oilfields abutting its eastern border. He explained that it was important to at least keep the bridgehead in 'friendly hands' as that would mean that there was 'at least one place on the map where the allies would be able to say, 'here we will be able to attack.'³⁶² The strategic importance of Turkey was now being emphasized more than before but the commitment to helping it was still not there despite the increased interest in it. There was still the desire on the part of the United States to get what it wanted from Turkey while maintaining a stingy approach aid-wise.

In a bit of wishful thinking by Graham, as well, it was clearly shown, at least by people in the Lend-Lease administration, that the United States was starting to take more responsibility for Turkey and that Turkey preferred the United States as an ally over all others. In a rather revealing paragraph Graham put it very clearly:

"The Turks are now interested principally in being allowed to go on running Turkey without interference. For this purpose it wants to be on the winning side. It regards all foreign powers, with the possible exception of the U.S.A., as fundamentally hostile to Turkish national interests. It thinks the Russians want the Dardanelles. It was allied with the Germans in the last war and has no illusions about what it was like to be a small country in a German run world. It knows that the British are not greedy for themselves but it is not at all sure that the British wouldn't give away part of Turkey in payment of war debts, say the Dardanelles to Russia. Adding these factors up the

³⁶⁰ Ibid.

³⁶¹ Ibid., p. 931

³⁶² Ibid. pp. 933-934

Turks would a little rather be on our side but, the only essential thing in their international policy is that they end on the winning side."³⁶³

On November 17th the Roosevelt rescinded the Neutrality Act, raising hopes that supplies would now be delivered to Turkey much faster than before as American ships could now deliver war material through war zones.³⁶⁴ Four days before Pearl Harbor he finally announced publicly that he now considered the defense of Turkey vital to American interests and decided to apply Lend-Lease aid directly to Turkey rather than Great Britain. In an economic sense the United States was already at war with Japan and it had engaged in naval battles with the Nazis in previous months. It now appeared that more Lend-Lease aid would be on the way now that Turkey's status had been upgraded. With direct American entry into the war it seemed that it would be able to intensify its economic control over Turkey with the goal of getting Turkey to redirect its trade away from Nazi Germany.

³⁶³ Ibid., p. 933

³⁶⁴ Ibid., p. 932

CHAPTER 5

America Fails to Lure Turkey to its Side, December 1941-January 1943

5.1. A More Aggressive American Policy Fails To Sway Turkey

December 7th, 1941 the day of the Pearl Harbor bombing of the American naval fleet by the Japanese air force, was one of the most significant dates in history. Any obstacles that lay in Roosevelt's path for entering the war were now removed. An event which should have been avoided had now happened and Roosevelt subsequently declared war on Japan but, interestingly, not Germany, which declared war on the United States on the 11th along with its Axis partners.³⁶⁵ This was, of course, a potentially positive development for Turkey, as the United States would definitely boost the Allied war effort and possibly step up the level of aid it provided Turkey. Positive if, in fact, Germany's war effort were to falter and Turkey were to choose to go over to the Allied side. Turkey, however, in spite of the potential benefits of the United States entering the war and the commitment to provide direct Lend-Lease aid to it, reiterated its position of neutrality three days after the Pearl Harbor attack.³⁶⁶ That was satisfactory for the United States government for the moment. Washington even saw the Turkish declaration of neutrality as a victory. It saw its policy of

³⁶⁵ In Hitler's declaration of war against the United States he made no reference to the Open Door Policy per se but did emphasize the extent to which financial interests dictated American foreign policy. In reference to Wilson and 'the Dictate of Versailles' he said. "We know today that a group of interested financiers stood behind Wilson and made use of the paralytic professor because they hoped for increased business." He also charged that Roosevelt made money in financial speculation following World War One and that those same interests were in support of American entry into World War Two. See Institute for Historical Review, "Germany's Declaration of War Against the United States: Hitler's Reichstag Speech of December 11, 1941," From: The Journal of Historical Review, Winter 1988-1989, <http://www.ihr.org/jhr/v08/v08p389.Hitler.html>, (retrieved 14/5/12)

³⁶⁶ Ataöv, *Turkish Foreign Policy*, p. 100

extending indirect Lend-Lease aid to Turkey through Britain, since May, as the reason Turkey was able to maintain its neutrality and not be forced to join the Axis.³⁶⁷ As a side note, which would be very important to Turkey's policy conduct throughout 1942, the Soviet Union struck a very conciliatory note with Turkey by proposing that Turkey get the Dodecanese Islands and some territory from Bulgaria and Syria.³⁶⁸ It looked like Turkey's value had risen in the eyes of the Allies but Turkey had to always remain cautious. It did not have any motivation for entering the war yet and, just because the United States had now entered the war, did not mean Germany was defeated by any means. Moreover, Germany following U.S. entry into the war was planning to ease up pressure on Turkey. On January 5th, Von Papen made that clear.³⁶⁹

While the United States now considered Turkey strategically important and had finally entered the war it was not to follow a moral policy consistent with the Atlantic Charter principles right from the beginning of its official entry into the war. In yet another curious development, in addition to not immediately declaring war against Germany, was an action taken by Roosevelt within one week of Pearl Harbor. On December 13th, he issued Executive Order 8839, which allowed for an exemption to the Trading with the Enemy Act of 1917, if the transaction were approved by the Treasury Department.³⁷⁰ That gave American businesses latitude to trade with enemy countries. The United States was now going to go to war against the Nazis but big business and the Open Door Policy was not to be sidetracked even for the short-term, even if trade were conducted with the enemy and undermined the American war effort. Hitler was to allow German corporations to do business with those same forces that he had denounced in his war declaration, rendering him equally hypocritical but the United States was supposed to represent the superior

³⁶⁷ "Turkey Continues Neutrality Policy: Stand Stated in Note to U.S.-Anti-Axis Diplomatic Victory is Seen," New York Times, December 14, 1941

³⁶⁸ Ahmad, Feroz, "Turkey's Foreign Policy Options, 1923-1952, Reconsidered", *International Conference on the History of the Turkish Republic: A Reassessment*, 10-12 December 1998, p. 336

³⁶⁹ Ataöv, *Turkish Foreign Policy*, p. 101

³⁷⁰ Higham, Charles, *Trading With the Enemy: The Nazi-American Money Plot: 1933-1949*, (New York: Barnes and Noble Books), 1983, Preface

moral side. It was trying to convince countries like Turkey exactly that but Roosevelt's decision to grant an exemption to trading with Germany made a mockery of that idea.

Only a few weeks after Roosevelt's decision to secretly trade with Germany, he took the moral high ground again publicly in Arcadia, Canada by building on the ideas of the Atlantic Charter with a new agreement. On New Year's Day, 1942, the follow-up to the Atlantic Charter, the Declaration of the United Nations, was signed by the United States, Britain, and 24 other countries, including the Soviet Union, which was fighting to oust the Nazis from its territory, India, which was still a British colony, and Yugoslavia and Poland, which were also occupied.³⁷¹ Turkey, of course, was not to sign the declaration until February 14th, 1945, just in time to join the United Nations, after the war was practically over and there no longer existed a Nazi threat. *Cumhuriyet*, which was not pro-American like *Ulus* and had a different attitude toward the Allied war effort and U.S. policy, on January 5th carried an editorial which discredited the declaration by stressing that 'most of its signatories were Latin American states or governments in exile' and that 'the declaration should be looked at as part of Allied propaganda.'³⁷² Turkey was highly unconvinced about the professed higher ideals being espoused by the United States and Britain, especially coming four months after the Iranian invasion and, additionally, was still in no position to swing over to the Allied side even if it had wanted to with the very real German threat next door in Greece. On January 6th Franz Von Papen, in a bit of wishful thinking, told Berlin that America's entry into the war had caused 'profound deception' in Turkey.³⁷³ Although he may have exaggerated that Turkey's sentiment there was also a grain of truth in that, especially with the United States and the Soviet Union now official allies and Germany still a good bet to win the war.

Early in 1942 the American attitude toward the war was being shaped by the negative developments of the war in both the German and Japanese theaters. Germany was making

³⁷¹ Yale Law School: The Avalon Project, "A Decade of Foreign Policy 1941-1949, Declaration by the United Nations, January 1, 1942," http://avalon.law.yale.edu/20th_century/decade03.asp, (retrieved 24/1/12)

³⁷² Carnegie Endowment for International Peace, *Turkey and the United Nations*, p. 64

³⁷³ Howard, *Turkey, The Straits and U.S. Policy*, p. 166

gains in the Crimea and North Africa. On February 9th, Saraçoğlu informed Hugessen that Von Papen asked Menemencioğlu about buying German arms, worrying the British government and prompting the British Foreign Office to scornfully refer once again to Menemencioğlu as 'the best bargainer Turkey ever had.'³⁷⁴ Further east it was even worse and the events there were of even more significance for the U.S. and Britain. Japan took Singapore on February 15th and later took Rangoon, Burma on March 10th. Japanese successes in the east and its seemingly imminent invasion of India ratcheted up the tension in the U.S.-British relationship, coming on the heels of the Arcadia Conference, which seemed to be such a positive portent for the future of the allies. The dispute would not only be about bilateral relations but carry over to U.S. policy toward Turkey regarding Lend-Lease. Fearing that Britain's crown jewel colony, India, would move over to the Axis side, there were now calls from both the U.S. and Chinese government for a change in British policy. In the second half of February the Senate Foreign Relations Committee called for autonomy for India and one Senator, according to Roosevelt, wanted to halt Lend-Lease assistance to England until it granted complete independence to India.³⁷⁵ That had the potential to pose a further problem for Turkey as it still depended on Britain for its indirect Lend-Lease aid. The United States would continue to press Britain on the India issue, as it felt it undermined the war effort, but did not press too hard and only really started to pursue its Open Door Policy there after the war ended. Britain was too important for America's war effort to be forced into granting independence to its crown jewel colony. As it was, the United States was able to pursue its policy of aiding China via India starting in 1942 without it gaining its independence.

Not only the remote possibility of cutting off Lend-Lease aid to Britain but changing the manner and amount of Lend-Lease aid to Turkey was high on the U.S. agenda. Murray, in a February 13th memo, was mistakenly upbeat about the prospect of Turkey finally joining the war. Welles was showing sympathy for the Turkish requests for trucks and the deposit it had already put down for them. While this was happening Britain was concerned that Turkey would be able to request arms directly from America without the latter having to

³⁷⁴ Deringil, *Turkish Foreign Policy*, p. 127

³⁷⁵ Dallek, *Franklin Roosevelt*, p. 325

consult with Britain.³⁷⁶ Although tensions were starting to build between the United States and Britain, the latter still found support by means of the American Ambassador to Britain, John Winant. Winant claimed in a telegram to Hull that sending aid to Turkey suffered from problems such as lack of facilities at its ports and an insufficient number of ships made available (four) for shipping, and had also, in his opinion, not done enough to open up supply lines into the country. Winant was of the opinion, therefore, that direct Lend-Lease aid to Turkey rather than the indirect aid through Britain, which had been the *modus operandi* up to that point, would lead to 'confusion, disagreement, and delay.'³⁷⁷ After one year the nature of Lend-Lease to Turkey had still not been decided upon because of disagreements between the United States and Britain. However, there was one bright spot for U.S. policy that month: on the 23rd the United States and Britain finally signed the Lend-Lease Master Agreement to clarify that the aid was contingent on keeping the world open to free trade, a condition that Britain had not fully understood up to that point.³⁷⁸ Hull expressed satisfaction with the signing by stating: "The foundation was now laid for all our later postwar policy in the economic field."³⁷⁹ That was a definite benefit for U.S. business interests but of no help to Turkish interests at the moment outside of guaranteeing it continued indirect Lend-Lease aid, no matter how meager the amount.

On March 9th, new U.S. Ambassador to Turkey, Laurence Steinhardt, relayed that, in a conversation with soon-to-be Turkish Ambassador to Britain, Rauf Orbay, that Turkey's 'will to resist a Germany attack had been secretly shaken not so much as a result of the failure of the Libyan campaign and recent events in the Far East as of a steadily growing

³⁷⁶ FRUS 1942, *The Near East and Africa, Volume 4*, pp. 677-678

³⁷⁷ *Ibid.*, p.680

³⁷⁸ American economist William Culbertson underscored that the aim of the Master Lend-Lease Agreement to be the implementation of the Open Door Policy. He wrote before the negotiation of the Master Lend-Lease Agreement: "Since the accounts under the lend-lease acts can never be balanced by shipments in kind of gold, it seems to me that the British Empire should, at the very least, extend to American trade and finance the equality to which they are entitled under the basic principles of sound commercial policy." See *Kimball*, "Lend-Lease and the Open Door," p. 243

³⁷⁹ Gardner, *Economic Aspects*, p. 280

dissatisfaction in Turkish government circles at the failure of promised and requisitioned war material to arrive from Britain and the United States'. He also referred to the fact that the British must first approve American delivery of Lend-Lease material, which led to delays, and questioned whether Britain wanted a strong Turkey to resist German aggression.³⁸⁰ The Turks were still dissatisfied with its level of military and economic aid and did not trust the intentions of the British and, by extension, the United States. It was also skillfully playing the balancing game between the Allies and the Nazis. A compromise was subsequently worked out. Sumner Welles, acting Secretary of State for Hull, instructed Winant that a new procedure had been agreed upon regarding Lend-Lease and that joint American-British decisions would be taken regarding Lend-Lease requisitions with Turkish consultation.³⁸¹ That would at least give the appearance of predominant American influence over supplying Turkey and also that Turkey was now being involved in the decision-making concerning Lend-Lease.

Turkey continued to indicate that it was not being appreciated by the Allies and that its political and strategic significance was undervalued as well. Two days after the joint American-British decision, İnönü told new Ambassador Laurence Steinhardt that 'a neutral Turkey allied to Britain would prove to be a greater asset to the United Nations than a belligerent Turkey.'³⁸² A concerned Steinhardt would also relay to Hull that the 1939 trade agreement and requisitions on Lend-Lease since December 3rd, the day that Lend-Lease was supposed to go directly to Turkey (but did not), had showed a shortfall.³⁸³ The U.S. now had hard evidence that Turkey was not getting the Lend-Lease aid that it requested and had to be very wary of Turkey moving even closer to Germany. That month Steinhardt told Hopkins that American Lend-Lease was making an impression on Turkey while Germany had failed to provide its promised aid thereby tilting Turkey toward supporting an Anglo-American victory.³⁸⁴ He also thought that the key would be whether the coming German offensive in the Caucasus succeeded or not. If it failed it would have to decide

³⁸⁰ FRUS, 1942, *volume 4*, p. 681

³⁸¹ *Ibid.*, p. 682

³⁸² *Ibid.*, p. 684

³⁸³ *Ibid.*, pp. 684-685

³⁸⁴ Howard, *Turkey, the Straits, and U.S. Policy*, p. 167

whether to go through Turkey as an alternative invasion route to continue fighting the Soviets.³⁸⁵

While the United States was trying to come up with new Lend-Lease arrangements for Turkey it made it clear where it stood with Lend-Lease. While a seemingly inopportune time to bring it up it was to let Turkey know at the beginning of April where it stood and what was expected of Turkey. Welles telegraphed Steinhardt telling him that Turkey had an obligation to pay back the Lend-Lease aid in some fashion and that Steinhardt should not 'convey the idea that Lend-Lease is a gift.' While making that absolutely clear he also clarified what else the United States would want as payback. He stated unequivocally, "This government will expect a committment in favor of a liberal trade and commercial policies after the war."³⁸⁶ Turkey was not the top priority for aid during the war but it was expected to be cooperative in bending itself to accomodate the American Open Door Policy once the war was over. Steinhardt, for his part, responded to the telegram from Hull nine days later, stating that the Turkish government did not think that Lend-Lease aid was a gift.³⁸⁷

April would continue to see the Turkish Lend-Lease situation debated. Additionally, the United States was worried about where Turkey really stood with regard to the Allies and if it really still felt positively about its relationship with Nazi Germany. A May 6th letter from Samuel W. Honaker in the U.S. Foreign Service to Steinhardt was able to shed some light on Turkish Ambassador to Germany Hüsrev Gerede's analysis of the German government's current frame of mind regarding the war. The letter disclosed information about Gerede's recent visit to Ankara. He related that Hitler, despite the low morale of the German troops fighting the Soviet Union, would 'go all out' to defeat the Soviet Union, even to the point of using gas and microbes.³⁸⁸ While that would indicate that there was some Turkish skepticisim regarding Germany it also made it clear that the Germans were not discouraged and would be able to continue to put pressure on the Turkish government.

³⁸⁵ Ibid.

³⁸⁶ FRUS 1942, *Volume 4*, p.691

³⁸⁷ Ibid., p. 692

³⁸⁸ Laurence A. Steinhardt Papers, 1942: General Correspondence, Box 37, E-F

A follow-up letter from Honaker to Steinhardt the following day, however, was more positive about Turkish skepticism regarding Germany. According to the letter, Emin Boland, sub-director of the Turkish government's Commercial Office, was sent in early December 1941 to obtain arms and equipment for the Turkish government. At the time, Boland was eagerly pro-German thinking that it was the strongest side in the war. By April Boland had become 'disillusioned' about the prospects of a German victory, citing its low morale, the tough winter it had experienced in the Soviet Union, and the deterioration of the supply line for equipment and foodstuffs.³⁸⁹ The problem for Turkey was that, even if it were becoming more skeptical of Germany's ability to win the war, it was still not going to get the Allied assistance that it wanted, meaning it would not be able to abandon Germany anytime soon. At the beginning of May the U.S. Joint Chiefs of Staff summarized its attitude toward Turkey by stating that it was in the 'military, political, and economic interest of the United Nations to maintain Turkish goodwill and confidence by granting reasonable requests for moderate amounts of material needed to support the Turkish domestic economy.'³⁹⁰

The U.S. concern was to get more information about what Turkey knew about the German side. By the end of May, matters had gotten more serious. Steinhardt communicated to Hull that 'German minister Kroll wondered whether Turkey wanted war material from Germany to protect it from a Soviet attack.' While that may have just been a pretext to sell Turkey arms and bring it closer to its side Numan Menemencioğlu subsequently indicated

³⁸⁹ Laurence A. Steinhardt Papers, 1942: General Correspondence, Box 37, E-F(Ibid.) It should be noted that, in spite of the encouraging news about Turkey possibly changing its mind about Germany's chances of winning the war, Washington was still very worried and cautious about the current war situation. In early May, with the United States anticipating a possible Spring German offensive in the Middle East, Lend-Lease aid was extended to Iraq and Iran. It was noted that, if Germany were to demand to pass through Turkey and the Turks put up a fight, Iraq would be even more important as a supply center than it already was. See Frank L. Kluckhorn, "Help For Mid-East: Capital Gets Unverified Report That a Nazi Drive Is Imminent," *New York Times*, May 3, 1942

³⁹⁰ Hellenic Resources Network, "U.S. State Department Report on Allied Relations and Negotiations with Turkey"

that 'Turkey was willing to get material from any source, especially tanks, airplanes, anti-aircraft and anti-tank guns.'³⁹¹ The Turkish government was obviously not worried about an attack from the Soviet Union at that stage but it was a fine opportunity for it to keep the Allies on their toes diplomatically by showing them that he could play the German card any time he wanted, not to mention that German still had had the upper hand in the war.

5.2. The United States Works to Prevent Turkey Moving Closer to Germany

With Turkey having bought itself breathing space with its balance-of-power strategy it started to gain more confidence in its position. In June it finally reopened its railroad bridges with German-occupied Bulgaria and Greece. In Istanbul, the mayor carried on, unflinchingly, with everyday matters such as expanding Taksim Park in the middle of Istanbul. He boldly proclaimed, "The reason Turkey is wrapped in peace and quiet and is far from disasters is that our leaders who know how to make war also know how to make peace!" A Turkish diplomat went even further, explaining, "Few people realize how difficult Turkey's position is and how dangerous a game she has been playing. ... Turkey had rendered her greatest service to the Allied cause by retaining her precarious neutrality."³⁹² While the diplomat may have felt emboldened to say that because of Turkey's more secure wartime position at that moment, it shows that the Turkish side wanted the Allies to appreciate it more and understand the benefits of Turkey's neutrality. *Ulus* newspaper felt even better about Turkey's situation and was very unequivocal about its continued relationship with Germany as part of its 'active neutrality' foreign policy. In echoes of the Turkish diplomat's words about the benefit to the west of Turkey's policy it proclaimed, on the anniversary of the Turco-German Treaty of Non-Aggression on June 18th, "The Germans who have no designs on Turkish territory have seen the value of a neutral Turkey fully aware of the delicacy of her geographical position and fully capable of defending it. Time and events have also shown that this neutrality can only be of aid to our ally, Britain..."³⁹³ This was from the same paper that had so enthusiastically supported American ideals and policy just a year earlier!

³⁹¹ FRUS 1942, *Volume 4*, p. 696

³⁹² Rubin, Barry, *Istanbul Intrigues*, (New York: Pharos Books, 1991), p. 115

³⁹³ Deringil, *Turkish Foreign Policy*, p. 139

On July 8th the Turkish Prime Minister Refik Saydam died and was replaced by Foreign Minister Sarper Saraçoğlu. Saraçoğlu continued the Turkish policy of ambiguous statements to keep Britain on guard. He announced that Turkey would do all it could to stay out of the war but if attacked would 'fight to the last man.'³⁹⁴ The Allies, including Washington, were a little bit on edge concerning what Turkey's future moves would be. Later that month an additional American strategy to keep Turkey from trading with Nazi Germany was announced: a pre-emptive purchasing agreement of Turkish goods. That was a follow-up to the previous day's message from Hull that the United States had agreed to send Turkey 15,000 tons of wheat in the next 45-60 days to make up for its shortfall that year, and also in lieu of war materials.³⁹⁵

The pre-emptive purchasing agreement and Lend-Lease was competing with Germany in the economic field but, more specifically, in terms of military supplies. Eden, in a War Cabinet memo on July 20th, wrote that neither Britain nor the United States could provide Turkey with the war materials that the Germans could give them and that,

'If the Germans fulfil their promises to supply this equipment within six months they will be supplying Turkey in a sixth of the time with three times as much equipment as we have done. Present circumstances make it impossible for us to outbid this German offer ourselves and there seems little we can do...'³⁹⁶

Saraçoğlu, contrary to Eden's claim, complained at the beginning of the month to Steinhardt, that the British had failed to supply the Turkish army for the past two years, not because it did not have sufficient military supplies, but that it was, militarily speaking, 'over-insured in England' and 'under-insured in the Middle East', a situation about which the Turkish government had been complaining for some time.³⁹⁷ In other words, Britain was keeping the weapons for itself at the expense of Turkey's security. Steinhardt would continue to plead Turkey's case for more arms but to no avail.

³⁹⁴ Knatchbull-Hugessen, Sir Hughe, *Diplomat in Peace and War*, (London: John Murray, 1949), p. 181

³⁹⁵ FRUS 1942, *Volume 4*, p. 730

³⁹⁶ Deringil, Selim, *Turkish Foreign Policy*, p. 140

³⁹⁷ FRUS 1942, *Volume 4*, p. 702

Although not forthcoming with heavy military equipment both the United States and Britain were continuously having to jockey for influence over Turkey with Germany. In July it had even gotten to the point where both Britain and Germany had decided to offer Aleppo to Turkey. Germany was ready for more territorial offers overall, however. In addition to Aleppo and Northern Syria, Mosul and Greek Islands were offered as well.³⁹⁸ Turkish suspicion of the Allies and the United States, moreover, were not alleviated. The Turkish media in October learned of an article by George T. Renner of the Teachers' College, Columbia University opining that the Soviet Union should receive the Balkan Black Sea Coast as far as the Straits. *Vakit* newspaper referred to it as the "Amerikalı Profesörün Gülmüş Projesi" (The Amusing Project of the American Professor).³⁹⁹

On August 12th Numan Menemencioğlu officially replaced Saraçoğlu as Foreign Minister. As mentioned before Menemencioğlu was a vigilant practitioner of Realpolitik and was willing to push pan-Turkism against the interests of the Allies as Saraçoğlu did.⁴⁰⁰ He would reassure the British on the Mutual Assistance Treaty but also made it clear that "Turkey was equally loyal and friendly towards all opposing states."⁴⁰¹ It was also a sensitive time for Allies in their dealing with Turkey as they were trying to ensure delivery of wheat to Turkey in order to not induce the feeling in Turkish government circles that Lend-Lease aid did not have Turkey as a priority.

Another continuing concern in Washington was the status of Turkish chromium sales to Germany. The end of Britain's agreement with Turkey was coming closer to an end and

³⁹⁸ Deringil, *Turkish Foreign Policy*, p. 140

³⁹⁹ Ataöv, *Turkish Foreign Policy*, p. 103

⁴⁰⁰ Just one week before Saraçoğlu was replaced he continued to push the Pan-Turkish card in parliament, a political strategy supported by a still-formidable Nazi Germany as a way to keep Turkey on side. In outlining his vision Saraçoğlu pandered to ultra-nationalist sentiments by declaring, "We are Turks; we are Turkists and we shall always be Turkists. For us, Turkism is a matter of conscience and culture as much as it is a matter of blood." See Dinçşahin, Şakir, *The Making of a Kemalist Intellectual: Niyazi Berkes, 1908-1988*, (Doctorate Thesis: Istanbul, 2010), p. 97

⁴⁰¹ Knatchbull-Hugessen, *Diplomat in Peace and War*, p. 181

U.S. officials were trying to divert its remaining amount to the Allies. On June 11th Steinhardt first relayed back to Hull Britain's desire to sign a new chromium agreement with Turkey to pre-empt Germany buying Turkey's chromium surplus upon the January 8th expiration of the Anglo-Turkish chromium agreement.⁴⁰² Not only did Britain want to immediately prevent Germany from getting any chromium in the months preceding the expiration of the agreement but it was also wanted to secure Turkish chromium for the remainder of the war. The negotiations for such agreements intensified throughout the summer months and into the fall. On September 18th, the British informed Steinhardt that Turkey was in negotiations with Germany for the delivery of chromium. That led Britain into an immediate scramble to secure a separate chromium deal with Turkey to pre-empt the German move.⁴⁰³

It was unable to do so as Turkey signed the deal with Germany on September 29th, itself a product of the previous Turkish-German economic agreement in October 1941. According to the deal Turkey was obliged to send 45,000 tons of chromium to Krupp Armament Company, with deliveries to begin January 15th, exactly one week after the expiration of the British chromium agreement with Turkey. Additionally, Doctor Clodius was again expected in Turkey before the end of the year to negotiate chromium deliveries not covered in the Krupp agreement.⁴⁰⁴

There were continued attempts by the British to strike a new chromium deal with Turkey to secure supplies for the remainder of the war. In the end, America and Britain were unable to stop the Turkish delivery of chromium to Germany from January 1943. As late as December 12th, Steinhardt was able to get a commitment from Turkish Foreign Minister Saraçoğlu that, between January 8th and March 31st, Turkey would only deliver chromium based on how much military material Germany sent it, and that after March 31st, delivery to Britain and Germany would be on 'equal footing.'⁴⁰⁵

⁴⁰² FRUS 1942, *Volume 4*, p. 742

⁴⁰³ *Ibid.*, pp. 745-746

⁴⁰⁴ "New York Times, Krupp Firm in Deal For Turkish Chrome," *New York Times*, October 1, 1942

⁴⁰⁵ FRUS 1942, *Volume 4*, p. 781

While no progress was made in getting Turkey to reduce chromium sales to Germany there was still the ever-present matter of the United States allaying Turkish concerns over inadequate Lend-Lease supplies. Lend-Lease supplies were both economic and military and Saraçoğlu requested in August that wheat supplies be sent in lieu of Lend-Lease war materials to tide over Turkey's food crisis. Steinhardt telegraphed Hull on August 8th telling him that he 'didn't want to ignore Saraçoğlu's request or the Turkish government would 'come to view with suspicion the entire Lend-Lease program', seeing itself as an unimportant and last choice recipient of Lend-Lease aid.⁴⁰⁶

The United States was increasingly worried that Turkey was moving closer to the German side but it was also wanted to show Turkey that it offered an alternative to Britain. The government sent special envoy Sumner Welles to Ankara from September 7th to the 10th to show Turkey that it was intending to be an alternative to Britain and France in any post-war scenario where the Allies emerged victorious. Turkey, at this point, started to realize that there was a genuine American-British rivalry concerning it in spite of outward appearances.⁴⁰⁷ That would be proven to be another weapon in Turkish diplomacy which would allow it to keep itself out of the war as long as possible.

After the Welles visit Britain continued conducting its own diplomacy with Turkey, trying its best to lure Turkey into the war. Clutton in the foreign office was quite sure that Turkey was keen to gain territories in Bulgaria, Iran, and Iraq as well as the Dodecanese Islands, which had been given to Italy by treaty in 1912.⁴⁰⁸ Offers of territory would be the latest diplomatic ploy but to no avail. Turkey was much more concerned about its economy and trade than with territorial concessions.

On October 20, American charge' in Turkey Kelly telegraphed Hull, explaining Turkey's perspective on its trade with Germany. Menemencioğlu informed Kelly that Turkey had to deliver goods to Germany if it delivered goods to Turkey; in other words, the two countries had a reciprocal trade relationship. He went to say that that was not the case with Britain and the United States so Turkey's most important products had to be reserved for

⁴⁰⁶ Ibid., p. 733

⁴⁰⁷ Koçak, *Milli Şef Dönemi*, volume 1, pp. 708-709

⁴⁰⁸ Deringil, *Turkish Foreign Policy*, p. 140

Germany.⁴⁰⁹ Menemencioglu's stance again prompted elements in the United States government to consider direct lend-lease aid to Turkey with the understanding that Turkey would not budge over the issue of its continued trade with Nazi Germany. Oscar Cox wrote a letter of support for the idea to Steinhardt. He stated that it was over British objections as it considered itself the responsible party for the Middle East and 'therefore military items should be under the control of the British Commanding General.'⁴¹⁰ That the policy remained the same once again reflected the lack of desire on the part of the United States to stretch Lend-Lease aid too thinly in spite of its continued worries about Turkey's policy.

In November war fortunes were starting to turn a positive direction for the Allies. Churchill had told Winant on November 9th that he was to put a new plan in action to get Turkey to send its divisions into the Balkans.⁴¹¹ The Soviet Union was making gains in Stalingrad and the British had won the eleven-day Second Battle of Al Alamein on November 4th. The Nazi war machine was in retreat. In spite of the positive developments that month regarding the Allied war effort Turkey communicated to Kelly in late November that it did not consider the German invasion threat 'eliminated' meaning, naturally, that sensitive diplomacy and trade with Germany would have to continue.⁴¹² Germany was still very much a force to be reckoned with and if Turkey were to suddenly join the allies there was near certainty that it would be invaded. As long as it kept its neutrality chance of such an event occurring was nearly nil. Turkey retaining its relationship with Germany was not what the United States and Britain wanted to hear.

That positive development aside, another concern for the United States in late 1942 was the Turkish government's imposition of the Varlık Vergisi (Wealth Tax). 1942 had been a particularly bad year for the Turkish economy and the government was trying to raise revenue to counter the effects of inflation and a substantial decline in industrial production

⁴⁰⁹ FRUS, 1942, *Volume 4*, pp. 724-725

⁴¹⁰ Laurence A. Steinhardt Papers, 1942: General Correspondence, Box 37 (October 26th)

⁴¹¹ Deringil, *Turkish Foreign Policy*, p. 142

⁴¹² FRUS, 1942, *Volume 4*, p. 776

and growth, owing to a wartime cutoff of imports and defense spending.⁴¹³ It was a heavy-handed and discriminating measure but it was a hefty revenue-raiser, bringing in 315 million lira, equivalent to 35% of the value of government revenue the previous year.⁴¹⁴ It was, however, seen as skewed against minority businessmen and Steinhardt was quick to express concern for the tax, noting that most American businesses in Turkey were represented by minority (this would be Jewish, Armenian, and Greek) firms.⁴¹⁵ While the tax may have been a lucrative tax source for the government it was unfairly collected from minority businessmen not so much from Turkish businessmen.⁴¹⁶ In fact, Turkey's most famous business tycoon made off very well during the war years despite the fact that he was considered a huge beneficiary of Jewish businessmen in setting up his enterprises and appointing a Jewish man to be his top executive late in the war. To show how well Vehbi Koç did during his war profiteering world war two days, he, an early business agent for Ford from all the way back to the 1920s, was to collect a 90% commission on all Ford military trucks imported into the country.⁴¹⁷ Steinhardt himself was Jewish and may have been sensitive to the development as well. That American business interests were such a source of concern for an American diplomat was no doubt driven by the belief that American businesses operating in Turkey could dissuade the Turkish government from trading with Germany.⁴¹⁸ However, the open door was also a priority, especially the establishing of an economic relationship with Turkey leading up to a post-war world where the opportunities for American businesses in Turkey would be more readily available, a la

⁴¹³ Singer, Morris, *The Economic Advance of Turkey, 1938-1960*, (Ankara: Ayyıldız Matbaası A.Ş., 1977), p. 19

⁴¹⁴ *Ibid.*, p. 13

⁴¹⁵ FRUS 1943, *The Near East, Volume 4*, p. 1078

⁴¹⁶ Hale, *The Political and Economic Development of Turkey*, (New York: St. Martin's Press, 1981), p. 71

⁴¹⁷ Buğra, Ayşe, *State and Business in Modern Turkey: A Comparative Study*, (Albany, NY: State University of New York Press, 1994), p. 78

⁴¹⁸ Steinhardt worked assiduously to get the tax on American businesses reduced to about one-tenth of the original assessment. Sacony-Vacuum Oil (Standard Oil of New Jersey) was among the victims of the tax and a beneficiary of Steinhardt's efforts. See Koçak, *Türkiye'de Milli Şef Dönemi*, p.504

its next door neighbor Iran.⁴¹⁹ Welles had already let be known that this was the U.S. intention for Turkey following the war. Steinhardt would not have to become overly-concerned, however, because about right at the time the Wealth Tax was imposed the momentum of the war was really starting to turn against Germany.

Despite Turkey not changing its policy vis-a-vis Germany, flirting with a German-inspired Pan-Turanism, and imposing a skewed Wealth Tax on minority and foreign businessmen, the tide of the war was turning against the Nazis and the allies had certainly not given up on trying to persuade Turkey to join the war. Turkey had not received a satisfactory level of Lend-Lease aid, felt unappreciated by both the United States and Britain, and now had to face the fact that Germany might very well not much longer be an available counterbalancing card to play against the U.S. and Britain much longer. The Wealth Tax was also quickly rescinded owing to the momentum in the war tilting toward the Allied side and it was now time to consider a new diplomatic strategy which would be much more heavily focused on the Allies. 1943 was to be a year full of conferences which dealt with war strategy on the part of the Allies and, where Turkey was concerned, putting pressure on it to join the Allied side.

Towards the end of 1942, with the tide of the war turning in favor of the allies, Churchill started his drive to try to coax Turkey into the war. As early as November 18th he wrote to the Chief of Staff Middle East that a 'supreme' effort had to be made to bring Turkey into the war by spring.⁴²⁰ On December 2nd Churchill, basking in the now positive developments of the war, sent a telegram to Roosevelt. He thought it was time for Britain and the United States to work together to bring Turkey over to the Allied side. After

⁴¹⁹ It is interesting to note that American businesses were being appropriated as part of the Wealth Tax. On August 29th Standard Oil was given the monopoly on petrol and benzine distribution in Turkey after the government decided to scrap the state-owned Turkish Petroleum Office. An exemption may have been made, as in 1926, because of logistical problems. However, the Wealth Tax should also be seen as a temporary expedient to tide over government finances under difficult economic wartime circumstances. See *Keesing's Contemporary Archives 1940-1943*, p. 5665

⁴²⁰ Deringil, *Turkish Foreign Policy*, p. 142

indicating that 200 tanks were on the way to Turkey he stated that munitions would be forthcoming throughout the winter so bringing them over would be quite feasible. The advantages he cited for doing so were that it would be much easier to bomb Nazi-occupied Romanian oilfields and more easily take offensive action in the Central Mediterranean.⁴²¹ Once again he was only thinking about Britain's immediate benefits which included countering the Soviet Union in the Balkans in the long term.

One strategy for convincing Turkey to enter the war on the Allied would be to exploit its fears of some kind of arrangement which could be worked out between Britain and the Soviet Union. That was agreed upon in December.⁴²² Eden, on the same day in the House of Commons, iterated that the four great powers of Great Britain, the United States, the Soviet Union, and China would be responsible for their respective regions politically. To the Turks this sounded like 'spheres of influence' talk with only the interests of powerful countries being considered. It was in March that its fears over such talk were confirmed. Churchill's speech and an editorial in the *Times* indicated that the Soviet Union, as an ally, deserved to police Eastern Europe. Turkey saw itself as being part of that region and its newspapers came out with harsh critiques of the British statement. Yalman wrote in *Vatan* that 'Britain had become Russia's mouthpiece and was demanding a feudal empire in its name.'⁴²³ Eden would meet with Roosevelt later in the month and continue along the same lines of thinking as regarded spheres of influence in post-war Europe. With this approach in mind January was to kick off the year of conferences for the United States. The issue of what policy the U.S. and Britain should adopt toward Turkey became an important one.

On January 5th, just nine days before the Casablanca Conference kicked off the Washington announced that it was finally going to initiate its pre-emptive buying program for Turkey. It was now stepping up its efforts to bring Turkey over to the Allied side short of overt political pressure.⁴²⁴ Washington would have been happy with Turkey entering the war but it was not going to push it to enter as the British were. The pre-emptive buying

⁴²¹ FRUS, *The Conferences at Washington 1941-1942 and Casablanca 1943*, p. 492

⁴²² Deringil, *Turkish Foreign Policy*, p. 143

⁴²³ Weisband, *Turkish Foreign Policy, 1943-1945*, pp. 148-149

⁴²⁴ FRUS 1943, *Volume 4*, pp. 1111-1113

program was as far as it was willing to go at that point. It did not want to overstretch itself in what it saw as an unnecessary Balkan campaign and was not willing to commit arms, equipment, and soldiers to assist any such campaign.

However, Turkey entering the war on the Allied side was desired. In fact, one week before the Casablanca Conference commenced, Roosevelt discussed the issue of Turkey with his Joint Chiefs of Staff in the White House. He stated that the Allies did not have enough shipping to conduct an operation in Turkey and said that the State Department was sure Turkey would not enter the war without 'sufficient forces' in neighboring Syria. The sufficient forces that were mentioned would be in the form of tanks and airplanes, which would have the effect of reassuring Turkey about the commitment of the Allies to supplying it with sufficient military aid.⁴²⁵ With the decline of Nazi Germany now setting in Britain, along with a more reluctant United States, would begin the long process of putting more pressure on Turkey to enter the war on the Allied side. It would get its first extensive opportunity to discuss that scenario at Casablanca while also hashing out their differences. Neither country was thinking about the well-being of Turkey. On that count, the two countries were on the same page. However, the United States and Britain did have their differences regarding policy toward Turkey as well. The Casablanca Conference would see those differences come out into the clear. This is the historical point that is not emphasized enough by scholars. These differences would last until the end of the war and see the United States make moves toward imposing its future Open Door vision on both Britain and Turkey.

⁴²⁵ FRUS 1943, *Washington and Casablanca*, p. 511

CHAPTER 6

The United States Slowly Separates Turkey from Germany, January 1943-August 1944

6.1. The Early Conferences Fail to Bring Turkey into the War

6.1.1. The Casablanca Conference

The Nazi war effort was faltering and the Allies now saw an opportunity to try to coax Turkey into the war on its side. 1943 would be full of conferences dedicated to that purpose. The first of them was the Casablanca Conference. It was held from January 14th to the 25th. During the eleven days the big issues of invasion plans and aid to the Soviet Union were discussed. At the Casablanca Conference, knowing that the United States and the allies now had the advantage in the war, Roosevelt said that Germany had to unconditionally surrender, perhaps his most controversial statement made during the war. That meant that serious negotiations with the Nazis to end the war were precluded and there would be a lot more fighting yet to be done. Only total victory, which meant occupation of Germany and Japan, would be the accepted result. German Foreign Minister Franz Von Papen would heavily criticize that approach in his memoirs. According to him, Roosevelt's words ensured that the war would destroy Europe rather than end in a 'just peace.'⁴²⁶

Roosevelt's stance made it even more difficult for Turkey to consider moving over into the Allied camp. Its physical survival as a nation-state was still at risk as Germany was by no means a defeated power yet and had the ability to wreak real havoc if it invaded Turkey. If Roosevelt had said at that juncture that negotiations would be possible with Germany then Turkey may have had a change of heart. All it could do at that stage, however, was engage in skilled diplomacy with Britain and the United States, delaying any drastic decision with regard to Germany. Moreover, German purchases of Turkish goods were still a key to

⁴²⁶ Von Papen, Franz, *The Franz Von Papen Memoirs/ translated by Brian Connell*, (London: Andre Deutsch, 1952), pp. 493-494

boosting the Turkish economy, especially in lieu of a lack of significant economic aid coming from the United States and Britain. Strategically and economically, then, there was no motivation for Turkey to make any significant alteration in its political position. Finally, Turkey knew it was not considered an equal partner by either Britain or the United States.

The meetings between Churchill, Roosevelt, and the Chiefs of Staff of the two nations focused on the details of global war strategy against Germany and Japan. On the first day of the conference the combined Chiefs of Staff (the U.S. and Britain) expressed a desire to bring Turkey into the war and that it could bring it in earlier if it were 'well-handled.' To handle it well it needed to provide it with equipment, technical personnel, and instructors. However, it was decided that it would not be a good idea to pressure Turkey to enter the Balkans. Rather, it concluded that Turkey should simply be helped in holding its position and allowing airbases for the Allies to bomb Romanian oil fields and allow it free passage to the Black Sea.⁴²⁷ Those two options in lieu of actually bringing Turkey into the war was considered the ideal alternative for the Allies.

There were other ideas concerning Turkey as well. Churchill and Roosevelt had dinner at Roosevelt's villa the first evening of the conference. Roosevelt told Churchill that whether Turkey came into the war or not a force should be assembled east of the Turkish border in the event that Turkey did become involved in the war. He stated that the British 8th army, which was already deployed in Syria, would be the likely candidate for the job.⁴²⁸ The United States was not against Turkey entering the war or having its position in the Middle East safeguarded with Allied troops as long as they were not American ones.

The next day the Chiefs of Staff, Roosevelt, and Churchill held another meeting. British general Alan Brooke stated that the British tenth army in Iran would be best suited for the task of providing backup for Turkey. He also said that the Turkish army was not ready for an offensive outside of Turkey and therefore it should just hold Turkey's position while the

⁴²⁷ FRUS, *Washington and Casablanca*, pp. 539-540

⁴²⁸ *Ibid.*, pp. 560-561

British utilized its bases.⁴²⁹ The utilization of Turkey's bases would be an acceptable alternative for the British as well.

On the 16th Roosevelt discussed yet other options for Turkey with his Chiefs of Staff. George Marshall again mentioned the option of having adequate troops in Turkey's rear (its Eastern border). Roosevelt stated that having troops there (British ones) would allow for greater 'flexibility' in case Turkey entered the war at some point. In addition to explaining why that military option was attractive to him he also considered another scenario. He asked about what would result in a situation where Turkey remained neutral but permitted America to transport munitions and bombs through its territory.⁴³⁰ That scenario would fulfill America's strategic needs without the need for the deployment of excessive manpower but was highly risky and quite inconsiderate of Turkey's strategic vulnerability.

On the 18th, Churchill, Roosevelt, and the Joint Chiefs of Staff met. Churchill again emphasized that he expected Turkey to enter the war and that if it did not it would be in a weakened position post-war. However, he also said that he would not pressure the United States to push for Turkish entry as he claimed to understand the weakness of its position. At the same time he outlined how Turkey might enter the war. He said that it might enter if the Russians were successful 'in the north' and the U.S. and U.K. were successful 'in the south.' He also offered a military division of labor where the British would 'play the Turkish Hand' as the United States was doing in China.⁴³¹

All of the ideas presented in Casablanca were ones to enhance the strategic advantage of the Allies vis-a-vis the Nazis without considering the enormous risks for Turkey. Allowing British troops into Turkey, Allied arms to be placed within its borders or allowing Allied

⁴²⁹ Ibid., p. 577. At the same time, Brooke's proposal to strengthen the Allies in the Eastern Mediterranean, weaken the Axis in the Balkans, push Italy out of the war, and get Turkey to enter the war in the Balkans remained as one of the six items on the Military Conclusion list of the Casablanca Conference. See Brown, Anthony Cave, *Bodyguard of Lies: The Extraordinary True Story Behind D-Day*, (Guilford, Connecticut: The Lyons Press, 2002), p. 247

⁴³⁰ FRUS, *Washington and Casablanca*, pp. 596,598

⁴³¹ Ibid., p. 634

bases on its territory would almost assuredly provoke a Nazi attack on it. The Allies had a very narrow focus; gain some strategic advantage from Turkey without promising it any kind of security.

6.1.2. The Adana Conference and its Aftermath

On the 27th, just three days before Churchill arrived in Adana, the American charge' in the UK Matthews communicated to Hull that the Turks were 'displaying a healthy anxiety' over being left out of Allied peace talks.⁴³² There was obvious pleasure among American and British government circles that Turkey was starting to feel pressure to join the war. Churchill would go to Adana for the meeting on the 30th and 31st. The meeting was held in Turkey because İnönü was constitutionally obliged to remain in Turkey at the time. What transpired during Churchill's discussions with the Turkish president were relayed back to Washington in a Steinhardt telegram two days after the completion of the talks. The following seven main points were brought up by Churchill in his talks with İnönü. They were reported back by Steinhardt, in summary, as follows:

- “1) Churchill did not ask for a Turkish commitment to enter the war
- 2) Germany had a need for oil and might attack Turkey out of desperation, necessitating that Turkey be militarily strong and prepared
- 3) Turkey may want to intervene in the Balkans to prevent any anarchy there in case of German weakening
- 4) Turkey may want follow the American example before it officially entered World War Two by adopting the policy of a 'departure from strict neutrality.' The ending of 'strict neutrality', in this case, meant that Turkish airfields could be used by the Allies to bomb Romanian oilfields, the German-occupied Dodecanese Islands and Crete.
- 5) The Soviet Union had renounced its territorial rights beyond what it had when Nazis invaded it, providing another incentive for Turkey to become a belligerent. If it did so it would 'receive the fullest aid, right to all guarantees for her territory and rights after war.

⁴³² FRUS 1943, *Volume 4*, p. 1059

6) Turkey had to be 'among the winners' to guarantee its security after the war as well.

7) The United States would be the strongest country after the war was over and would desire an international structure to prevent future wars and an association of nations that would help disarm aggressor countries.⁴³³

In other words, it was in Turkey's interest to at least assist the Allies if it was not going to join the war. Additionally, if it did join the war, it would be to ensure its security against possible German aggression and also be considered an equal member of the American-led international community post-war.

Two days after his two-day meeting with İnönü in Adana Churchill sent two 'Morning Thoughts' summaries of his talks. To Roosevelt he emphasized Turkey entering the war as belligerents and allying in separate north (the Balkans) and south theaters of war with the Soviets and British. To the Turkish government his 'Morning Thoughts' de-emphasized Turkish belligerency and just reiterated its important role as a bulwark against Nazi aggression.⁴³⁴ Although Churchill had not pushed Turkey to commit to war he was under the mistaken impression that progress had been made toward coaxing Turkey into joining the Allies. One of the reasons that Churchill may have so misunderstood the Turkish position was that Turkey feared an Anglo-Russian deal at its expense concerning the Straits, similar to their 1907 and 1941 carve-ups of Iran and the 1915 secret deal concerning the Ottoman Empire.⁴³⁵

In any event Saraçoğlu would communicate a rosier picture of what occurred during the two-day meeting with Churchill to Steinhardt the next day. He did say, in a positive light, that he thought that Churchill seemed to under Roosevelt's influence and that he was happy that Churchill did not ask for a definite commitment from Turkey. Churchill, it was simply pointed out, had implied that the situation might arise 'when the Turks, by the pulling one brick out of the wall, might cause the whole wall to collapse.' That apparently was fine from the Turkish standpoint but Saraçoğlu also let it be known that it wanted to have a voice in the affairs of the Balkans as a result of it joining the Allies at some future point in

⁴³³ Ibid., pp. 1060-1061

⁴³⁴ Deringil, *Turkish Foreign Policy*, p. 144

⁴³⁵ Ibid., p. 146,

the war. That kind of rhetoric was very encouraging to Steinhardt and he expressed that he felt optimistic that Turkey would, at some point, offer its airfields and ports to the Allies.⁴³⁶

Upon the conclusion of the Adana Conference there was a spirit of triumphalism in the American media, the thinking being that the conference had been the turning point in the war regarding Turkey's position vis-a-vis the Germans. This was slightly tempered by some recognition of Turkey's rising political stature. Ray Brock of the New York Times wrote that the highly successful Adana Conference was a culmination of a realization on the part of the Allies, following the Clodius agreement signed with Germany, that Turkey was a diplomatic force to be reckoned with. In the other words of a high-ranking diplomat in Ankara the Allies finally recognized that 'the Turks are not tweedldum third-rate people who will be fobbed off with the vague promises of diplomatic phrases; the Turkish Republic had long since shorn off the sicknesses and weaknesses of the Ottomans and was indeed implementing the hardest and shrewdest foreign policy, which almost incredibly was still weighed upon the side of the Allies.'" Brock wrote that this recognition was what led to Roosevelt to appoint Saraçoğlu's personal friend Steinhardt to the post of Ambassador in March 1942, one of the biggest factors creating the conditions for the Adana Conference to take place.⁴³⁷

In spite of the positive words spoken by Saraçoğlu and Steinhardt's hopes, as well as the reaction on the part of the New York Times, not much actually resulted from the Adana Conference. Turkey was not to receive the equipment it wanted on the 'Adana Lists'. There was praise of Churchill's diplomacy from various Turkish newspapers but, in reality, Turkey did not want to enter the war, especially without being armed sufficiently. That was the reality, in spite of Steinhardt's positive claim to Roosevelt on March 5th, more than a month after the conference, that Turkey had 'definitely' joined the American camp.⁴³⁸

⁴³⁶ FRUS, 1943, *Volume 4*, pp. 1063-1064

⁴³⁷ Ray Brock, "Adana Meeting Was A Coup For Both Turks And Allies: Renewal of Anglo-Turkish Pact a Climax to Long Campaign Against the Axis," *New York Times*, February 7, 1943

⁴³⁸ Alvarez, *Bureaucracy and Cold War Diplomacy*, p. 26

In March the United States actually started to become concerned by British actions damaging the image of the United States in the eyes of the Turkish government. A reevaluation of Lend-Lease was again brought up in government circles. A very long summary of the problem was presented by George V. Allen of the Division of Near Eastern Affairs on March 16th. He first pointed out that direct lend-lease to Turkey was first proposed in November 1941 and that the British had objected to the idea based on its claim that Turkey was in its military sphere. He stated that that in the summer of 1942 the British had agreed to a direct lend-lease arrangement to Turkey of a 'modified form.' However, at the Casablanca Conference in January 1943 it had stiffened in its position once again forcing the United States to concede to its demands. The problem for the United States, according to Allen, was that if Britain decided that everything that the United States furnished to Turkey through Lend-Lease should go through Britain Turkey would start think that the United States had lost interest in it. He also wanted to make it clear that, in spite of the Casablanca agreement, the Lend-Lease arrangement was only to relate to the carrying out of the war (the military aspect) and was not to give the mistaken impression that Turkey was to be considered within Britain's economic or political sphere. Moreover, it also meant that it did not mean a future 'handing over Turkey to the British.' The overall negative impression that Turkey had of the United States was further compounded by the fact that America was 'drastically' reducing its exports to Turkey because of the exigencies of the war. The specific case of the U.S. refusal to allow Turkey to buy or charter two of its merchant vessels while Britain immediately promised Turkey six cargo vessels was cited as further evidence of damage to America's credibility with the Turks. On a final note, Allen indicated a way the United States could improve its image. He reiterated a past Turkish claim that Britain was seeking to cut a deal with the Soviet Union which would be detrimental to Turkish interests. Because of such a belief on the Turkish side Turkey 'would be much encouraged if it were convinced that the U.S. was interested in its welfare.'⁴³⁹

The State Department did not seem to take Allen's advice to heart, at least not completely. Because of American restrictions of export merchant ships and because of the British offer of six cargo ships to Turkey the prospect of the two American merchant ships being sold to

⁴³⁹ FRUS 1943, *Volume 4*, pp. 1099-1100

Turkey were indeed scuttled at the end of March. A seemingly positive move toward Turkey came in the form of an offer of a Master Lend-Lease Agreement of the type that had been signed with Britain the previous February. However, after Menemencioglu read it he had some concerns. He commented that 'the provisions of the agreement which gave the Turkish government some concern were those dealing with postwar economic arrangements, particularly tariffs.'⁴⁴⁰ The United States was playing the same game with the Turks that it had played with the British and the Turkish government did not like it. A Master Lend-Lease Agreement, which would clarify the terms of the aid, was being used to strongarm Turkey into accepting a post-war open door world in which it would have to give up its economic sovereignty in order to please American exporters and investors. Turkey, which had just regained its tariff autonomy in 1929 and raised its import tariff to cultivate its domestic industry, was not surprisingly not very keen to have that status so quickly taken away from it again. The United States was simultaneously attempting to impose its Open Door Policy on both Britain and Turkey even with the war not yet won.

With the United States playing it both ways with Turkey relations were not about to improve. Washington was trying to burnish its image in front of the eyes of Turkey but, at the same time, it was making demands on it which had nothing to do with Turkey's security at that moment. There is no doubt that Turkey, although perhaps more diplomatic with the United States than with Britain, was starting to become irritated with U.S. policy.

At the beginning of April the 'Hardihood' military aid discussions, a follow-up to the Adana Conference, would begin with Britain within this context. These talks were to go nowhere. Since the United States and Britain were starting to step up diplomatic pressure on Turkey it was, simultaneously, starting to dig its heels in even more. It felt it had to start moving toward the Allies out of expedience but that meant, paradoxically, that it had to prove even more that it was a strong and independent country that would not yield to external pressure. In addition to the need to adopt the posture of a tough negotiator Turkey also feared an impending military entanglement which could bring disaster to it akin to what its alliance with Germany in World War One had done. As British General Henry Maitland Wilson, head of the Hardihood Mission, put it shortly after the beginning of the

⁴⁴⁰ Ibid., p. 1101

discussion, "Possibly with memories of Liman von Sanders and his mission to Turkey in 1913, missions were not welcome in Ankara."⁴⁴¹

6.2. American Attempts to Diverge From the Unpopular British Policy

The United States was trying to keep abreast of developments as it feared that Turkey's coldness toward Britain would adversely affect Turkey's attitude on the selling of chromium to Germany. On March 4th, Charge' Matthews in Britain wrote that there had been a meeting on February 24th concerning Turkey's Clodius Agreement with Germany. There was a fear concerning the agreement although it was set to expire March 31st. The biggest fear was that it would be renewed. Secondly, the signing of a recent Turco-German arms agreement meant that German arms could be sold for continued supplies of Turkish chromium in lieu of a renewed Clodius Agreement.⁴⁴² Matthews also stated that the preemptive program, while not sufficient to deny all Turkish exports to Germany, had had the effect of denying higher-quality products to Germany, most importantly in the case of chromium. He recommended that the United States make more demands on Turkey with regard to the American purchase of Turkish goods and the Turkish selling of goods to Germany. He suggested that America be allowed to buy the whole Turkish output of copper, mohair, opium, and skins. He also thought it wise to urge Turkey to prohibit the sales of olive oil and wool products.⁴⁴³ The United States was now targeting the whole range of Turkish exports to Germany.

Hopes were that Turkey would not sign a new agreement with Germany were high but it was not to be. Although 'reliable figures' showed that Germany had 'delivered only 35 to 40 percent in the primary categories of the 1941 Turco-German pact, and absolutely none of the promised war materials, Clodius's return to Ankara on March 21st would culminate in a renewed trade agreement between Germany and Turkey.⁴⁴⁴ It was signed on April 18th, to be in force until October 1944 and was essentially an extension of the previous

⁴⁴¹ Deringil, *Turkish Foreign Policy*, p. 148

⁴⁴² FRUS 1943, *Volume 4*, p. 1118

⁴⁴³ *Ibid.*, pp. 1119-1120

⁴⁴⁴ Ray Brock, "Reich Is Suppliant For Turkish Trade: Clodius, Who Used Threats to Get Chrome Deal in 1941, on Way to Ankara Again," *New York Times*, March 21, 1943

Clodius Agreement.⁴⁴⁵ Washington realized that Turkey was not going to embargo so-called 'strategic' goods to Germany so it decided that going ahead with the pre-emptive program was the only avenue left to minimize Turkish exports to Germany. In May, Hull did acknowledge that the pre-emptive program was contributing to the inflationary effect on the Turkish economy as the United States was buying Turkish goods at artificially high prices to keep them out of the hands of Germany. He added that the U.S. did, 'whenever possible', resell the purchased goods back to Turkey to both lessen the economic damage on Turkey and motivate Turkey to not consider deepening trade relations with Germany.⁴⁴⁶

By the second half of May there started to develop a disagreement between the United States and Britain concerning the pre-emptive purchasing program. A telegram came from Winant in Britain conveying the British wish to essentially scrap the program minus two exemptions. The British also cited an additional worry that the program was not in sterling, an indication that it did not feel comfortable with the idea of having its economic influence in Turkey diminished.⁴⁴⁷ The United States government did not agree with that approach, stating that, in fact, the program was probably having a beneficial effect on the Turkish economy and that it was also a useful 'political tool' to use against Turkey. In addition to economic concerns the United States may have also been affected by a growing Turkish resentment toward it. There was a growing right-wing Turkish nationalist movement in Turkey under the influence of Nazi thinking and it was having negative repercussions on the U.S.-Turkish relationship. In late June Steinhardt received a 'personal and strictly confidential' letter from 'George' in the State Department. It communicated two things. Firstly, it stated that İnönü thought that the U.S. had taken advantage of his presidency to fill Turkey with Jewish officials. Secondly, there was a feeling in Turkey, under the influence of German propaganda that the United States was planning to turn over the Middle East to Jews.⁴⁴⁸ The United States government now saw that it had to take a temporarily softer approach with the Turks.

⁴⁴⁵ FRUS 1943, *Volume 4*, pp. 1126-1127

⁴⁴⁶ *Ibid.*, p. 1129

⁴⁴⁷ *Ibid.*, pp. 1130-1131

⁴⁴⁸ Laurence A. Steinhardt Papers, 1943: General Correspondence, Box 41

By July, the British, obviously succumbing to American pressure, had come around to its point of view on the subject of pre-emptive purchasing of Turkish goods. However, the British government made it clear that it now saw the advantage in continuing the pre-emptive purchasing program in order to keep goods out of the hands of the Nazis it also insisted that the transactions be done in sterling rather than dollars.⁴⁴⁹

The United States and Britain may have come around to the same viewpoint on pre-emptive purchases from Turkey but the strategy was not to make a dent in Turkish trade with the Axis powers. On July 17th it was noted that Turkey had actually increased its exports to the Axis. However, that was to be explained away by Steinhardt in a separate telegram ten days as simply circumstantial, not an indication of strengthening relations between the two countries.⁴⁵⁰ There was also an attempt to understand why the Varlık Vergisi had been implemented. It was noted that the tax was 'replete with diplomatic and political repercussions' and understanding why it had been implemented, especially in light of the possible ill effects on Jews and Christians as well as post-war settlements, was important. Saraçoğlu explained that the tax was levied in order to not overly tax the peasants to collect revenue for the budget.⁴⁵¹

This gathering sensitivity toward Turkey on the part of the United States toward the Turkish economic and financial situation would continue. By October the United States started to consider the possible ill effects on the Turkish economy of losing both the German market and the insufficient pre-emptive purchasing market provided by the United States and Britain. Worry about Turkey's economy collapsing as a result of it not being able to sell its products was a new concern. The Allies were on the road to victory over the Nazis but if Turkey were to be lost in another fashion all the efforts to bring it over to its side would be lost. There was always the fear of political instability and a leftist movement growing out of economic discontent (such as in Italy) which could jeopardize the prospects of the application of the Open Door Policy in Turkey and, perhaps, the rest of the Middle

⁴⁴⁹ FRUS 1943, *Volume 4*, p. 1139

⁴⁵⁰ *Ibid.*, p. 1142

⁴⁵¹ C.L. Sulzberger, "Premier Defends New Turkish Tax: Saraçoğlu Denies Intention to Gouge Rich, but Insists on Protecting Peasants," *New York Times*, September 10, 1943

East. The United States, therefore, recognized that it would have to be part of an effort to find markets for Turkish goods and support the Turkish economy in the short-term by buying its goods.⁴⁵² There was also the factor that Turkey did go ahead with another chromium agreement with Germany in October in which Turkey would provide Germany with 135,000 tons of chromium for 1944.⁴⁵³

On the diplomatic front, Churchill seized on the opportunity to follow a more aggressive diplomacy with Turkey to get it to turn toward the Allies. The July 25th surrender of Italy did not lead to satisfactory change in Turkish policy for the British. The British Embassy in Turkey on September 13th reported, "The Italian events might just as well have happened in another world."⁴⁵⁴ Churchill, because he wanted a front in the Balkans to pre-empt the Soviet counteroffensive against the Nazis, was on a different page than the U.S. The United States, although no doubt concerned about a Soviet counter-offensive which would gain the Soviets a huge swath of territory in Eastern Europe and the Balkans, was focused on preserving its resources for the eventual Overlord invasion in France. Churchill also decided to divert troops for a campaign to take Rhodes without telling Roosevelt. As a result, he received no help from the U.S. and failed, damaging its credibility with Turkey and its prospects of getting Turkey to support it in its Balkan endeavors.⁴⁵⁵ It was coming off the heels of the Rhodes debacle that Britain, along with the United States, entered the Moscow Conference the following month.

While Washington was trying to figure out the extent of Turkish disillusionment with its lack of Lend-Lease aid it was also trying to determine whether Ankara would be willing to abandon its neutrality at some point and join the Allied side. In this endeavor, it was not as obsessed as Britain but it was curious under which conditions it would. The American Joint Chiefs of Staff, prior to the Roosevelt-Churchill Quebec meeting in August 1943, concluded this about the Turkish position: "Although well disposed toward Great Britain

⁴⁵² FRUS 1943, *Volume 4*, p. 1149

⁴⁵³ Hellenic Resources Network, "U.S. State Department Report on Allied Relations and Negotiations with Turkey"

⁴⁵⁴ Deringil, *Turkish Foreign Policy*, p. 150

⁴⁵⁵ *Ibid.*, pp. 150-151

and the United States, Turkey is not apt to make an early departure from her position of neutrality. Her fear of Soviet domination of the Balkans, however, will probably lead her to active participation in the war, when it can be done at minimum cost, in order to obtain a voice in the peace settlement."⁴⁵⁶ That assessment was quite an accurate one but it neglected to mention the German factor in Turkish foreign policy. Without offering a real alternative to Germany Turkish neutrality would be maintained indefinitely. To compound that negligence the Joint Chiefs of Staff made an even more fallacious conclusion with regard to what it should do with Turkey. As for whether economic and military assistance should be continued at present levels it summarized its policy as this:

"In view of the apparent inability of Turkish forces to properly assimilate, maintain, and train with such equipment as has been provided to them, it is questionable as to whether the political benefits that would accrue from furnishing any further equipment would outweigh the advisability of retaining such equipment for other purposes."⁴⁵⁷

To further reduce military and economic aid would only increase Turkish determination to stay out of the war. As the summer dragged into fall it was obvious that the United States and Britain were not in agreement concerning Turkey, with the United States confident that Turkey would one day enter the war on the Allied side but in no hurry to see it come about. It was very important, however, that Turkey not be so aware of that fact.

6.3. The Later Wartime Conferences Also Fail to Sway Turkey

6.3.1. The Moscow Conference

The Moscow Conference in October 1943 provided a forum in which more pressure could be put on Turkey to enter the war. The British as well as the Soviets were keen to do so but the American side was not interested. U.S. army planners stated the old argument that bringing Turkey into the war would be too burdensome for the allies. According to them, "Turkey did not want Soviet help and would probably demand British and American

⁴⁵⁶ Hellenic Resources Network, "U.S. State Department Report on Allied Relations and Negotiations with Turkey"

⁴⁵⁷ Ibid.

guarantees to protect it against the USSR...⁴⁵⁸ By November 4th, however, Roosevelt had agreed to bring Turkey in as long as no troops or ammunition were diverted to the Balkan theater of war.⁴⁵⁹ George Allen of the Office of the Near Eastern and African Affairs did his part by telling Menemencioglu that Turkey had an obligation to enter the war. He added that, if he did not, then it would find itself in a difficult position post-war.⁴⁶⁰ The message was now quite clear to Turkey where the United States and Britain stood but it was not yet ready to make such realignment.

6.3.2. The First Cairo Conference

The Cairo meeting in early November would provide yet another forum in which all sides could give their perspective on the war and what strategy should be pursued next. At the end of the three day meeting on November 6th, Emin Yalman wrote an editorial for Vatan newspaper explaining the position of the Turkish government:

"Since the beginning of the war, the outsiders, time to time, tried to channel our actions in this or that direction. We, on the other hand, pursued a line always in harmony with our opinions. The events have always proved that all our decisions have been most correct also from the point of view of common interests with our Allies. Those who have criticized us have later agreed with us."The same yardstick will applied in the future. Those interested in the Cairo talks and the decision we are to give in the future may be sure that each new decision and the new measures to be taken will not be an outcome of foreign preference or pressure, but will be deduced from our own wish, opinion and experience, and control over our own future will always be in our hands."⁴⁶¹

Because of the increasing Allied pressure to come into the war Turkish leaders had a meeting in mid-November to discuss what their next move should be. Şaraçoğlu and Field Marshall Fevzi Çakmak argued that Russia, not Germany, was Turkey's main enemy and advocated continued neutrality. İnönü favored cooperation with Britain. The third group,

⁴⁵⁸ Weisband, *Turkish Foreign Policy*, p. 171

⁴⁵⁹ *Ibid.*, p. 153

⁴⁶⁰ Alvarez, *Bureaucracy and Cold War Diplomacy*, p. 27

⁴⁶¹ Ataöv, *Turkish Foreign Policy*, p. 113

led by Menemencioğlu, believed that Turkey should cooperate with the Allies to the point of maintaining its goodwill. The result of the meeting was that Turkey would agree to join the war but would demand such a level of military assistance from the Allies that it knew would never be met, hence keeping it out of the war.⁴⁶²

On November 17th Turkey, finally declared that it would come into the war. However, Menemencioğlu also knew that the United States did not actually support a Balkan campaign. As he put it at Cairo, "Mr. Churchill's idea of a Balkan action did not have Mr. Roosevelt's ear".⁴⁶³ He conferred with Steinhardt and wanted to know what the Allies actual war plans were for the Balkans before committing Turkey to such an important decision.

The New York Times tried, however, to give the November 17th talks a much more positive glow than what they deserved as well as claiming that Turkey was now ready to jump over to the Allied side. It first wrote that that Turkey was giving 'sub-rosa (secretive) aid to the Allied armed forces that closely approximate that which the United States gave to Britain in the months before Pearl Harbor.' It then noted that the details could not be revealed, rendering its claims rather dubious. The article then determined that Turkey would 'become a full-fledged fighting member of the United Nations, probably by spring.'⁴⁶⁴ That claim turned out to be false. Although the United States would not support a Balkan campaign it was clear by then that it would not mind Turkey joining the war unilaterally without receiving any kind of assistance from it.

6.3.3. The Tehran Conference

The Tehran Conference started on November 28th. Roosevelt had decided to come on side with Britain in trying to get Turkey into the war but he stated that if he were in Turkey's

⁴⁶² Alvarez, *Bureaucracy and Cold War Diplomacy*, p. 28

⁴⁶³ Deringil, *Turkish Foreign Policy*, p. 155

⁴⁶⁴ "Turkey, Giving Secret Aid to Allies, Is Said to Be Near Entry Into War," The New York Times, November 19, 1943

place he would demand an unfeasible amount of weapons for the effort.⁴⁶⁵ By putting himself in Turkey's shoes he was showing that he was still only lukewarm to the idea.

On November 29th Churchill started to flirt with the Straits issue. In fact, he was responsible for emboldening the Soviet Union to request a change in the Straits regime. That was Churchill's latest ploy for putting pressure on Turkey to get it to enter the war.⁴⁶⁶

6.3.4. The Second Cairo Conference

On December 4th the Cairo Summit started. Here, for the first time, Turkish government officials started to notice a rather vigorous competition between the British and the Americans concerning Turkey. It was not just about war strategy anymore. Since America entered the war after Pearl Harbor, but most certainly at the beginning of 1943, it had started to indicate to the British that it was no longer conceding Turkey to it on the economic and political fronts. Additionally, it was very concerned about its image as it was planning to be the leader post-war and did not want unnecessary difficulties with Turkey resulting from bad blood developed during the war. In the end it could try to get what it wanted from Turkey through pressure but that strategy was not without risks. Turkey had shown that it was a shrewd diplomatic partner and quite resistant to unreasonable demands on it.

The Turkish government, though recognizing a split between the two countries, was not keen to show it and neither was its media. It referred glowingly to the meeting of Roosevelt, Churchill, and İnönü and reaffirmed its friendship and alliance with Britain.⁴⁶⁷ Perhaps to exacerbate that split, and following up on its November decision to demand a heavily inflated amount of military assistance, it requested, at the end of the year, 500 tanks, 7,000 trucks, 2,000 tractors, 2,000 artillery and anti-aircraft pieces, and 300 planes.⁴⁶⁸

After the Second Cairo Conference, the New York Times offered a more level-headed analysis of the Turkish situation than it had shown just three weeks earlier. In a much more

⁴⁶⁵ Deringil, *Turkish Foreign Policy*, p. 157

⁴⁶⁶ *Ibid.*, pp. 157-158

⁴⁶⁷ Ataöv, *Turkish Foreign Policy*, p. 117

⁴⁶⁸ Alvarez, *Bureaucracy and Cold War Diplomacy*, p. 28

conciliatory tone, it started off the article by writing, "Too much must not be expected of Turkey too soon. By her rigid insistence upon neutral rights she has contributed much already to the frustration of German aims in the Middle East." After that gesture of appreciation it expressed a second reason why Turkish neutrality was actual a preference in strategic terms. It wrote that 'precipitate and ill-timed action on the part of Turkey might serve the Allied cause badly.'⁴⁶⁹ In other words, there could still be an attack by Germany on Turkey, a development which would be extremely detrimental to the Allies, considering that Germany was now well on its way to losing.

On December 8th Menemcioğlu cleared up Turkish foreign policy for the time being. He announced that 'our foreign policy remains unchanged.'⁴⁷⁰ It was waiting for more positive developments to occur before it would think about any further moves in the direction of the Allies. For example, it was still awaiting reassuring moves from the Soviet Union. Days after Memencioğlu's announcement it was noted that Turkey was very satisfied with the Tehran Conference, considering it more important than the Cairo meetings. Particularly important to Turkey was Stalin had signing a document which would require Soviet troops to leave Iran after the war. That led Menemencioğlu to declare that 'the relations between Turkey and and Russia are now almost as strong as those with Britain.' The signing by Stalin also signaled that the United States and Britain were to respect the territorial integrity of countries in the Middle East. An additional pleasing development for Turkey resulting from the Iran agreement was that Bulgaria and Romania, two very important Balkan countries were now encouraged that the alliance between the United States, Britain, and the Soviet Union was solid.⁴⁷¹ In that way, Turkey would pick up more allies in the Balkans and see its strategic position strengthened even further. However, Turkey's cautious foreign policy would continue, especially in light of growing differences between the United States over policy vis-a-vis Turkey.

⁴⁶⁹ "Turkey's Position," New York Times, December 8, 1943

⁴⁷⁰ Joseph Levy, "Turks Stand Firm On Foreign Policy," New York Times, December 10, 1943

⁴⁷¹ Joseph Levy, "Iran Declaration Pleases Turkey: Pledge of Independence Goes Far to Destroy Fears of Allies' Post-War Plans," The New York Times, December 12, 1943

Whether the United States was aware that Turkey saw a growing competition between it and Britain it did recognize that it and Britain were now perceived differently by the Turkish government. On January 8th Hull sent a memo to Roosevelt communicating concerns from the British government regarding Turkey. The British government, according to Hull, had learned from a 'secret source' that the Turkish government saw the United States as much less insistent on Turkey entering the war than the British. It wanted that notion to be 'dispeled.' Hull asked Roosevelt if the U.S. should show that it was as enthusiastic as Britain in wanting Turkey to enter the war.⁴⁷² It did not take long for an answer to come from Ankara in reponse to that question. Less than a week later, January 14th, Steinhardt relayed to Hull that he had talked to Turkish authorities and 'disabused them of that notion.'⁴⁷³

Although that was positive news for Washington it was still not able to move Turkey with regard to its wartime policy of neutrality. Additionally, its tensions with Britain were continuing to grow and the U.S. government did not like it. It realized that a strong American-British front was not enough to get Turkey to reduce its demands. Steinhardt communicated to Hull on January 18th that Menemencioğlu wanted war material of 180,000 tons, exclusive of gasoline. He also added that Menemencioğlu said that the date of Turkish entry into the war would be contingent on the successful delivery of those supplies. Moreover, the latter was concerned that Britain, for some reason, wanted to keep Turkey 'on the defensive' even after entering the war by virtue of not attempting to guarantee a sufficient amount of war material for Turkey. That did not stop Menemencioğlu, in most diplomatic fashion, from telling Steinhardt: "Don't worry. We'll eventually reach an agreement."⁴⁷⁴ On February 4th the British military mission left Turkey without an agreement. Turkey was proving to be a difficult negotiator following the important war conferences in late 1943 to determine the post-war order. Quite clearly, Turkey was still quite dissatisfied with the level of military supplies provided to it. A question posed by a Turkish radio broadcast asked, "Have war materials so far sent to Turkey come up to the amount promised by the Allies, and have such materials come up to

⁴⁷² FRUS 1944, *The Near East, South Asia, and Africa, the Far East, Volume 5*, p. 814

⁴⁷³ Ibid., p. 815

⁴⁷⁴ Ibid., pp. 816-817

the renewed promises of the Adana Conference?"⁴⁷⁵ After the British military mission left Turkey empty-handed even that insufficient supply of military materials would come to an end, as Britain immediately ended military supplies to Turkey followed promptly by the United States. The United States up to that point had provided 43 million dollars worth of Lend-Lease military assistance.⁴⁷⁶

6.4. The United States Toughens Its Policy toward Turkey

Turkey's tough policy was about to be challenged by the United States. By the second half of February it was starting to consider alternative policies regarding Turkey and what effect they would have. The temporary concern with the weakness of the Turkish economy was put on the back burner as Nazi losses mounted. There was now a very good opportunity to put the economic squeeze on Germany. The first sign of the new American approach was that it was becoming more hardline in its attitude toward Turkey following the failure of the British military mission. It was disappointed that Turkey had not reopened negotiations with the British and was also miffed that Turkey had actually increased its chromium exports to Germany in the previous three months. As a result, on February 18th Steinhardt brought up the idea of a disruption of Turkish railroads in a telegram. He wanted to break the rail link between Turkey and the Axis, specifically the leg between Sofia and Istanbul.⁴⁷⁷ The main reason for that proposal was that Steinhardt and the British Ambassador had concluded that 85 percent of the chromium deliveries to Germany could be stopped if the Maritza Bridge on the Turkish-Bulgarian border were bombed.⁴⁷⁸ That Steinhardt was considering such a proposal happened in spite of the fact that the United States government had experienced success in getting Turkey to divert some of its chromium exports to it. From January 8th to February 20th, 1944, the United

⁴⁷⁵ "Turks Imply Allies Are Behind In Pledge: Newspaper Questions Whether Promise of Arms Is Fulfilled," *The New York Times*, February 14, 1944

⁴⁷⁶ Hellenic Resources Network, "U.S. State Department Report on Allied Relations and Negotiations with Turkey"

⁴⁷⁷ FRUS 1944, *Volume 5*, p. 819

⁴⁷⁸ Hellenic Resources Network, "U.S. State Department Report on Allied Relations and Negotiations with Turkey"

States and Britain received 9,221 tons of chromium from Turkey while Germany only received 905 tons, roughly ten times more.⁴⁷⁹ That still was not good enough for the United States. On the 24th, in another tough move, the Division of Near Eastern and African Affairs even suggested billing Turkey for material received from the Allies rather than continue the Lend-Lease arrangement of providing it free of charge until the conclusion of the war.⁴⁸⁰ That aspect of Lend-Lease aid was obviously economic aid rather than military as the latter had now been cut off.

The idea of a general economic blockade came up as well. As time wore on, however, it was realized that Turkey was not so vulnerable to any actions taken by the Allies against it simply by virtue of the fact that its aid to Turkey was so parsimonious to begin with. By the end of March, Steinhardt outlined why it would not do much good to try some kind of economic blockade against Turkey. He wrote that outside of a military aid cutoff there was not much that could be done regarding economic sanctions, that Turkey could still get its oil from Romania, and that enacting such a policy without approval from the Soviet Union would provide a 'wedge' for Turkey to exploit as it would perceive a crack in the wartime alliance.⁴⁸¹ The United States did see a limit to its increasingly tough policy toward Turkey.

Roosevelt, however, also saw that it was time to take a tough stance with the Turkish government. On March 10th he authorized the delivery of a very undiplomatic letter (which was never actually delivered and had a flattering side as well) to İnönü, strongly urging him to end chromium shipments to Germany. Roosevelt asked Hull not to deliver the letter as Churchill and Eden thought, interestingly, that was too friendly in tone and

⁴⁷⁹ Koçak, *Milli Şef Dönemi*, volume 2, p. 209. This figure, however, is disputed by the United States State Department Statistics on Turkish chromium shipments to Germany. According to its statistics Turkey supplied Germany with 8,000 tons of chromium in January 1944 alone, making the total almost as much as that supplied to the Allies for the same period. See *Hellenic Resources Network*, "U.S. State Department Report on Allied Relations and Negotiations with Turkey"

⁴⁸⁰ Alvarez, *Bureaucracy and Cold War Diplomacy*, p. 28

⁴⁸¹ FRUS 1944, *Volume 5*, p. 821

likely to be seen as a sign of weakness. The British were still taking a harder line with Turkey than the United States, which did not give as much importance to the Balkan front as Britain. The undelivered letter was written as follows:

"As you know, the Russians by the capture of Nikopol (in today's Ukraine), have succeeded in denying an important source of manganese to the Germans. This, therefore, multiplies the importance to the German war machine of Turkish chrome ore, which for many purposes can be substituted for manganese. You will readily see that the continuation of large supplies of chrome ore from Turkey to Germany has now become a matter of grave concern to the United Nations. You will know best how the Germans can be denied further access to Turkish chrome ore. You have inventive genius and I hope you will find some method! I am confident that you will recognize this opportunity for Turkey to make a unique contribution to what really is the welfare of the world."⁴⁸²

It was left up to Steinhardt to finally take a very tough stance with the Turkish government, politely threatening it with economic sanctions. His official letter to Foreign Minister Menemencioglu read:

"Excellency: On Instructions from my Government I have the honor to make to your excellency the following communication. The Government of the United States and the Government of Great Britain have been seriously perturbed by the economic assistance which Turkish trade relations with Europe have given to the enemy. Hitherto however they have acquiesced in this situation on the informal understanding that Turkish exports were limited to what was required to purchase essential Turkish requirements which could not be obtained from the United Nations. The rapidly approaching crisis in the war situation, when it is essential that the enemy should be deprived of all means of resistance, compels the two Governments to revise their attitude even though they realize that this may cause some temporary inconvenience to Turkish economy. Accordingly, they feel bound to warn the Turkish Government that the Government of the United States and the Government of Great Britain view with serious disfavor as prejudicial to their vital interests the Turkish agreements with Germany and her satellites whereby Turkey undertakes to supply commodities to

⁴⁸² Hellenic Resources Network, "U.S. State Department Report on Allied Relations and Negotiations with Turkey"

those countries which are essential to the conduct of the war. Any renewal of agreements or the conclusion of fresh agreements on the same lines will entail the application to Turkey of blockade measures such as the two Governments have throughout the war applied for (to) neutral countries."⁴⁸³

The United States and Britain were on the same diplomatic page this time and had now delivered their ultimatum to Turkey. Steinhardt's message was rather blunt and made it clear that Washington thought it worthwhile to allow Turkey's economy to suffer in the cause of advancing U.S. war interests.

The Turkish government finally announced that it was cutting off chromium exports to Germany on April 23rd. It had taken a risk for the Allies as it received a threat from Ribbentrop upon cutting off chromium sales and less than a week earlier, was under the impression that it would be bombed by Germany, with the latter in full knowledge of the impending cutoff. A few weeks later, on May 6th, *Ulus* wrote "We must all attend to our work as calmly as though we would never enter the war, but, at the same time, be vigilant and prepared to wake one morning to find ourselves involved in a war."⁴⁸⁴ Turkey's move was clearly a victory for the Allies and the State Department sent a congratulatory letter to Steinhardt. The aforementioned 'George' in the department wrote to Steinhardt the following: "I am absolutely positive that the Turkish embargo on chrome shipments to Germany would never have been announced if it had not been for the friendly relations you have been able to maintain in Ankara... despite the "sulking" policy (since the British military mission left Ankara empty-handed in February),..."⁴⁸⁵ The reasons for the chromium embargo on exports to Germany could have been for different reasons. Steinhardt either coaxed Turkey into applying the embargo with his 'soft threat', through the good relations he had supposedly maintained, a combination of both of those things, or perhaps simply because Turkey saw the writing on the wall with regard to Germany's rapidly deteriorating strategic situation. Paul Alling at the State Department wrote a later letter to Steinhardt on May 5th. He stated that Menemencioğlu's chromium embargo speech 'came as a surprise' and that there were two schools of thought at the department.

⁴⁸³ FRUS 1944, *Volume 5*, p. 828

⁴⁸⁴ Ataöv, *Turkish Foreign Policy*, p. 121

⁴⁸⁵ Laurence A. Steinhardt Papers, 1944: General Correspondence, Box 44, A-C

One was that the move was genuine and the other was that Menemenciöglu realized 'that military operations would shortly make trade with Germany impossible.'⁴⁸⁶ In any event, the embargo was in place and the United States had accomplished its first main objective regarding Turkey.

After Turkey cut off chromium exports to Germany Steinhardt struck a temporarily conciliatory tone. By late April he thought that Turkey had more than satisfied its demands and now wanted to solidify a general trade agreement rather than ones only dealing with single commodities like chrome. Steinhardt wanted to reassure Turkey that the Allies would be able to buy any strategic commodities that Nazi Germany had been buying from it previously. He was also sensitive to the fact that the Allies had not done enough in the past to buy Turkish products and thought an agreement should be reached with it. The agreement, he thought, should indicate to Turkey that it was not just a convenient and temporary measure for the Allies. He therefore preferred the name "agreement for mutual assistance" rather than "war trade agreement."⁴⁸⁷ It would essentially be a continuation of the preclusive purchasing agreement.

Steinhardt, in the same telegram, emphasized the fact that Turkey, now that it had complied with Allied demands to end chrome shipments to Germany, should be given reassurances about war supplies and help in military preparation. While not envisaging a Turkish entry into the war that summer he was aware that the Turkish government would be very wary of assisting the Allies in any fashion in the future if it was not adequately supplied and if it thought that it would have to go it alone.⁴⁸⁸ Hull would respond positively to Steinhardt on May 5th but also let it be known that if it was practical, dealing with individual commodities would be a prudent policy. He also informed Steinhardt that Turkey's hopes should not be raised too high as the military supply requirements of the United States and Britain still took priority, shipping was still restricted, and Turkish ports were unequipped to handle a lot of goods.⁴⁸⁹ To further drive home that point Churchill,

⁴⁸⁶ Ibid.

⁴⁸⁷ FRUS 1944, *Volume 5*, p. 834

⁴⁸⁸ Ibid., pp. 834-836

⁴⁸⁹ Ibid., p. 836

speaking to the House of Commons on May 24th, criticized the Turkish government, claiming that it had 'overrated their dangers' and demanded an excessive amount of supplies which would take far too long to reach them. Moreover, he stated that Britain was stopping the arming of Turkey because Britain would most likely be 'able to win the war in the Balkans and generally throughout South Eastern Europe without Turkey being involved at all.'⁴⁹⁰ To follow up on Churchill's speech and drive home the point to Turkey that it was now facing a firm American-British front, Under Secretary of State Edward Stettinius said the next day that Lend-Lease military aid to Turkey had been stopped for 'some time.' He did say, however, that Turkey could still obtain American civilian goods for cash.⁴⁹¹

More negative messages were conveyed to Turkey. While Steinhardt was slightly more conciliatory than Hull, further demands were to be made of it. The United States government wanted Turkey to not only cut off trade with Germany but with lesser Axis partners Romania and Hungary. The message was conveyed to Turkey that it would not be acceptable to maintain the levels of trade with those countries that it had to date. The negotiations with those countries of new trade agreements were also looked upon with a disapproving eye. There was also an implied threat that Turkey would be cut off from all exports if it did not comply with Allied demands.⁴⁹²

Menemencioğlu did concede to most of the Allied demands. Turkey was now in a much weakened diplomatic position and could not put up a lot of resistance. He finally agreed that Turkish chromium exports should be cut off to all Axis countries. He also agreed to reduce exports of strategic materials by 40% to Axis countries but expected the Allies to compensate Turkey for the lost exports. When Steinhardt tried to pressure him into reducing it by 50% he stated that that would look too 'political' rather than economic and would not do it. In other words, Germany would react negatively to the development. He also decided to cite the example of another neutral country to defend his stance. He stated

⁴⁹⁰ Ataöv, *Turkish Foreign Policy*, p. 119

⁴⁹¹ "Turks' Lend-Lease On Arms Shut Off: Stettinius Says Flow Ceased Some Time Ago-Silent on Polish Settlement," *New York Times*, May 25, 1944

⁴⁹² FRUS 1944, *Volume 5*, p. 839

that neutral Spain, under similar pressure from the Allies, only had to reduce its exports of Wolfram to Germany by 20%.⁴⁹³

As D-day (June 6th) approached the United States and Britain stepped up pressure on Turkey to conclude a new economic agreement which would reduce Turkish exports of strategic materials by half. The ultimate goal was for Turkey to completely cut off exports to the Axis but that was not attainable at the time because of Turkish insistence that it would not only terribly weaken its economy but that Germany would show a negative reaction. It still had a need to strike a balance in its negotiations with the the Allies and the Axis as Germany was not completely defeated yet. Steinhardt was anxious to keep the pressure on for an agreement because he saw that if one could not be worked out with Turkey then the positive war momentum that the Allies had achieved against the Axis could be lost.⁴⁹⁴ Steinhardt stepped up pressure on Menemcioğlu on the 19th of May for a 50% reduction of strategic materials and the next day Menemencioğlu did agree to that, even adding five percent more than the demanded amount, according to 1943 trade levels.⁴⁹⁵ However, he changed his tone just three days later. He mentioned that he was being pressured by Von Papen and, to show his deference to the Allies, he had put off seeing him for two days. In addition to German pressure he also had to be careful not to allow any provisions into an agreement which would appear to the Turkish parliament to violate Turkey's sovereignty. Lastly, in light of Von Papen's pressure, he wanted very much to keep the pending agreement low profile as any 'premature publicity' might provoke a negative reaction from the Germans.⁴⁹⁶

Steinhardt was to convey Menemencioğlu's concerns to Hull. He pointed out that the wording of the agreement was a delicate matter for the Turkish side. It did not want the 50% reduction provision to be spelled out in the agreement as it would then have trouble getting from Germany the goods that it needed. It still depended on it for imports as the United States and Britain were obviously not reliable trade partners. The issue of

⁴⁹³ Ibid., p. 841

⁴⁹⁴ Ibid., p. 842

⁴⁹⁵ Ibid., p. 845

⁴⁹⁶ Ibid., p. 848

sovereignty also weighed heavily. Menemenciöglü made it clear to Steinhardt that the 'essentiality' of goods imported by Turkey could not be determined by foreign governments. Additionally, the issue of whether the British and United States could unilaterally press Turkey for further reductions of exports to the Axis at anytime following the passage of the agreement was deemed unacceptable. Menemenciöglü again and again reinforced the point that he would never accept the principle that foreign governments had the right or the competence to 'determine the course of Turkey's economic life.'⁴⁹⁷

The final agreement of May 26th was sent out in a document from the Turkish Foreign Ministry, a compromise which satisfied the Allies for the most part while allowing Turkey to maintain its sovereignty. It was an important turning point for Turkey as it now allowed it to move closer to the Allied side without officially abandoning its neutrality. In summary the draft agreement stipulated the following: Turkey would maintain the chromium export embargo against the Axis countries for the rest of the war, it would be able to continue to export products other than chromium to Axis countries at 50% of the 1943 rate from June 1st, it agreed to give preference to Allied products over Axis ones in order to reduce the amount it imported from the Axis countries, the Allies would 'enter into negotiations' to make up for the Turkish reduction in imports from and exports to the Axis, Turkey would supply the Allies with statistics concerning its trade with the Axis, and the Allies would have the right to 'enter new conversations' regarding the current agreement.⁴⁹⁸ It was an agreement in which Turkey gave up a lot, considering the most unreliable record of the United States and Britain in assisting the Turkish economy since the beginning of the war.

In spite of the new agreement the United States and Britain were looking for even more obedience on the part of the Turkish government. It was at this juncture that the British started to increase pressure on Turkey and tried its utmost to try to bring the United States over to its side. Not only did the British see an opportunity with an agreement in tow and the Normandy landing approaching but it did not like the fact that Turkey was still making independent decisions regarding the Bosphorus Strait. British policy was taking a very cynical turn. The American policy was also quite cynical and self-serving but was to show

⁴⁹⁷ Ibid., pp. 849-850

⁴⁹⁸ Ibid., pp. 851-852

temporary divergence with the British one. The United States was much more interested in the Western Front in Europe rather than the Southeastern one at that moment. It was treating Turkey as a singular nation at that moment rather than a regional one, as the British were now doing. The whole Eastern Mediterranean was the key to maintaining its trade routes to India and the Far East. The United States, on the other hand, although it saw the possibility of a Soviet drive into the region as a threat to its plans for post-war global economic empire, still held out hope for the possibility of working with the Soviet Union post-war and was not interested in the British maintaining its empire. It, in fact, wanted a post-war open door world and the maintenance of British trade preferences in the Commonwealth was antithetical to American economic interests as well as sterling dominance in non-Commonwealth countries like Turkey. Steinhardt, in fact, was quite upset at the British policy of pressuring Turkey to enter the war, thinking that it would simply backfire and weaken the effort against the Germans. For Steinhardt, now that the economic agreement with Turkey was finalized efforts should be made to improve relations between the Allies and Turkey and every effort should be made to meet Turkey's 'essential' economic requirements in order to ward off possible economic and political instability. His thinking was that three benefits would accrue from such a policy: it would lead Turkey to voluntarily reduce its trade with the Axis, it would serve as a positive model for other neutral countries to follow, and it would also better situate America's post-war commercial position in Turkey.⁴⁹⁹ The United States and Britain, therefore, had different opinions on strategy as well as a difference in post-war goals.

Despite those differences the two countries were on the same page regarding German ships passing through the Bosphorus Strait. The British first brought it to the attention of the Americans when German 'auxiliary' (neither exclusively civilian nor military) ships were allowed by the Turkish government to pass through the Straits at the end of May (the timing of the event may have meant that it was a German tactic to undermine the economic agreement with Turkey). The British were furious and its ambassador in Ankara quickly informed Steinhardt. He let it be known that the British would not honor the just concluded economic agreement with Turkey unless it could guarantee it that it would no longer allow

⁴⁹⁹ Ibid., p. 856

German ships to pass through the Straits.⁵⁰⁰ Hugessen even lodged a protest with Menemencioğlu. He not only expressed his displeasure with the act of allowing the ships through but accused the Turkish government of completely kowtowing to German wishes. His protest stated that, "Everything was done to facilitate their passage according to a timetable desired by the Germans."⁵⁰¹

It was that event and Menemencioğlu's reaction to it that was clearly the straw that broke the camel's back for Britain. A swift campaign to remove Menemencioğlu was accompanied by heated rhetoric from the British side. On June 8th Hugessen told Saraçoğlu that 'one day Turkey seemed to favor us and the next the Germans.' By the following week Menemencioğlu was removed. Immediately upon hearing of his removal the British Foreign Office offered this blunt assessment of the man: "There is evidence from 1940 that Numan, then Secretary General, was widely considered to be in German pay and completely in the German pocket." Two days later G L Clutton of the British Foreign Office stated that the British government had been looking for ways to remove Menemencioğlu by 'direct action' when the announcement was made.⁵⁰² Turkish Prime Minister Saraçoğlu struck the new tone in Turkish foreign policy following Menemencioğlu's removal by rather cryptically stating that Turkey would not use its 'might and right against its allies Great Britain, the United States, and Russia.'⁵⁰³

The day after Menemencioğlu's removal on June 15th the British quickly wrote an Aide-Memoire to the State Department happily stating that it had now solved both the chromium and Straits issues.⁵⁰⁴ While the British got what it wanted from the Turks on those two counts it clearly was not enough. Rather than try to honor its new trade agreement with the Turkish government it now sought to get Turkey to completely break its separate trade agreement with Germany. It had just complained about Turkey letting German ships

⁵⁰⁰ Ibid., p. 859

⁵⁰¹ Deringil, *Turkish Foreign Policy*, p. 170

⁵⁰² Ibid., p. 171

⁵⁰³ "Turkish Foreign Minister Quits; Policy on Reich Ships Tightened," *New York Times*, June 16, 1944

⁵⁰⁴ FRUS 1944, *Volume 5*, p. 860

through the Straits but now it was about to renege on its newly-agreed upon economic agreement with the Turks. Moreover, the pressure was now increased on Turkey to get it to break not only its economic but also its diplomatic relations with Germany. On June 30th Hugessen visited Saraçoğlu urging Turkey to do just that. However, Saraçoğlu told Hugessen that do so would be 'dishonorable' as approval of such a move would need the sanction of the party, parliament, and the people. The British government was taken aback completely.⁵⁰⁵ The Turkish government was not going to do a complete turnaround on its German policy just because Menemencioğlu had been replaced. It is also obvious that Saraçoğlu was simply engaging in stalling tactics, making sure that Turkey would have assurances that it would receive full support from the Allies and be treated as an equal partner if it chose sides against the Germans.⁵⁰⁶

The following day Steinhardt met with Saraçoğlu and was able to get an even blunter assessment as to why Turkey had yet to come on board with the Allies against Germany. He expressed a high level of frustration and anger with the British and let Steinhardt know it. At one point he said,

"If the British continue to treat us as slaves, inferiors, or colonials nothing can be accomplished but if they treat us as full Allies, for example accord us the same treatment shown the refugee Governments in London (e.g. the Polish one- my note) which rule no countries, we are ready to go to the end of the road with the Allies."⁵⁰⁷

The fact that Saraçoğlu made these comments rather than Menemencioğlu underscores the fact that he was not the real obstacle to closer relations between Turkey and the Allies but, rather, the attitude of the Allies, in particular Britain, was.

The fact was that Turkey was quite ready to not only break economic and political relations with Germany but also enter the war against it. This was what the late 1943 conferences between the United States, Britain, and the Soviet Union had called for. However, since the opening of the western front against Germany in June and the removal of Menemencioğlu, Britain had suddenly started to waver in its support for Turkey entering

⁵⁰⁵ Ibid., p. 866

⁵⁰⁶ Ibid., p. 867

⁵⁰⁷ Ibid., p. 868

the war. The danger of that development was addressed by Hull in a July 11th telegram to Ambassador Winant in Britain. He warned that a delay by the United States and Britain in accepting Turkey entering the war against Germany as an ally 'might lead to the Turks breaking relations and entering the war on their own, thus pushing their alliance with Britain into the background and turning their eyes eastward.'⁵⁰⁸ We can assume that would mean the Soviet Union.

The United States preferred the British wording that Turkey breaking off economic and political relations with Germany was only a 'first step' toward entering the war. The Soviets wanted immediate entry as that would benefit it in the Balkans while it battled the Germans. However, the British were reticent to supply Turkey with the large amounts of weaponry that might be needed if Turkey were to fight the Germans in the Balkans.⁵⁰⁹ That lack of eagerness to supply Turkey with military supplies was matched by the United States, which did not want to divert any resources toward the Balkan front, considered of secondary importance by it. The overall political stances taken by the United States and Britain were very similar; the only difference being that the latter did give more importance to the Balkans but not enough to assist Turkey militarily in any significant fashion.

This joint stance, however, caused worry in Turkey until its actual breaking off of economic and political relations with Germany. On July 31st Kelley telegraphed Hull, writing that the Turkish Secretary-General of Foreign Affairs asked him whether the decision by the United States and Britain to not feel obligated to provide Turkey with assistance meant that they would not help it in case it were attacked by Germany following the breaking off of relations. Kelley informed him that he would discuss the subject with Washington.⁵¹⁰ That was obviously not enough to alleviate the fears of the Turkish government regarding American assistance to it in case it got involved in a Balkans military campaign with Germany. The following day Kelley received a memorandum from the Secretary-General which indicated that it well understood that the American

⁵⁰⁸ Ibid., pp. 878-79

⁵⁰⁹ Ibid., pp. 884-85

⁵¹⁰ Ibid., pp. 895-96

government felt that it had no obligation to help Turkey in the event that it ended up fighting Germany. However, he made it clear that it expected assistance from it in exchange for Turkey breaking off economic and political relations with Germany. The rather blunt ending to the message in the memorandum to the United States was that 'not only would the American reservation (of not assisting Turkey) in such a contingency serve no logical purpose but the American Government should hasten to furnish Turkey all the assistance in its power.'⁵¹¹ The Turkish government, despite its own reservations about the move considering the American and British position, felt it had no choice and finally broke economic and political relations with Germany on August 2nd. With the Germans now out of Turkey's way economically and politically, the opportunity was now available for the United States to fully work toward getting Turkey to liberalize its economy in line with the new economic order it was planning.

⁵¹¹ Ibid., pp. 896-97

CHAPTER 7

Integrating Turkey into the Post-War Liberal Economic Order, August 1944-March 1946

7.1. Turkey Completes Its Forced Accession into the 'United Nations'

Turkey finally broke diplomatic relations with Germany in spite of not having an American or British guarantee of assistance in case it had to fight it subsequent to the rupture in relations. For the Allies it had been a long time in coming but for Turkey it still felt vulnerable. A New York Times article in response to Turkey finally breaking relations with Nazi Germany, revealed quite clearly that U.S. strategic interests, not concerns over Turkey's still potentially vulnerable position, was the focus of American diplomats. The article first noted happily that Turkey breaking relations with Germany, while immediately weakening the latter's position in Southeastern Europe, might also encourage Balkan countries to follow suit and break relations with Nazi Germany as well. It went on to express concern about Germany's next move with Britain convinced that the odds were 'ten to one' against Germany declaring war against Turkey. This, in spite of the this declaration from the German government following the break: "Heedless of the warnings of the Reich, the Turkish government yielding to the pressure of England, America and the Soviet Union, has entered a path that robs her of freedom and independence of action." The article also devalued the Turkish move, stating that Turkey had already stopped selling chrome to Germany and it could no longer have much bearing on the outcome on the war. Finally, in an indication of what concerns the United States had for the future of Turkey and its region, it noted that sources in Turkey were fairly optimistic that Turkey would not strike a trade deal with the Soviet Union in lieu of its loss of trade with Germany and the uncomfortable prospect of becoming overly dependent economically on the Allies.⁵¹² That last item was of particular concern for the United States which, although temporarily allied with the Soviet Union, was still ever watchful of any attempt by the Soviet Union and Turkey to grow closer again politically and economically following the war. There was

⁵¹² "An Example to Satellites," New York Times, August 2, 1944

also now no longer as much need for Turkey and the Soviet Union to maintain a close relationship now that the Nazi threat was nearly vanquished. A true Turkish-Soviet rapprochement had the potential to threaten the American position, not only with regard to the Bosphorus as an economic trade conduit, but its dominance in the oil-rich Middle East.

There was, however, an early attempt on the part of the United States following the break in relations to try to reassure Turkey. Under-Secretary of State Edward Stettinius sent a memorandum to Hull stating that the Joint Chiefs of Staff, which had made the final decision regarding the reservation concerning military assistance to Turkey in case of a military campaign against Germany, wanted to convey its willingness to consider such assistance.⁵¹³ The Turkish government, after breaking diplomatic relations with Germany, immediately laid down the condition that some kind of assistance would be required of the Allies if Turkey were to go one step further and declare war on Germany. Its immediate demand was that the Allies set aside an air force to protect Turkish territory from a possible German bombing, especially Istanbul. Unfortunately for Ankara, the Allies did not see Turkish airfields as being of sufficient quality to service American and British aircraft. While the prospect of using Turkish air space and having freedom of maneuver in Turkish territorial waters was attractive to the Allies (the latter option making it more likely that the Germans would immediately clear out of the Greek Islands), it was concluded that Turkey was seen as entering the war too late. Therefore, it would not have a serious affect on the outcome of the war at that point. It was also noted, with some irritation, that Turkey was hoping that there would not be complete destruction of Germany in order that it could still serve as a counterbalance to the Soviet Union following the war. The following frequently repeated refrain from the Turkish press (a near facsimile of Von Papen's earlier one) was noted to reinforce that point: "If the Allied nations want to shorten the war, why do they cling to the unintelligent policy adopted in the Casablanca conference the policy of unconditional surrender?"⁵¹⁴

⁵¹³ FRUS 1944, *Volume 5*, p. 897

⁵¹⁴ Pertinax North American Newspaper Alliance, "Turkey to Demand Air Help of Allies: Pertinax Says Protection From Nazi Planes is Precondition for War Declaration," *New York Times*, August 4, 1944

With that mentality on the part of the Allies, Turkey could not expect any meaningful military support. The Joint Chiefs offer was a token gesture and would not be enough to calm Turkish fears about its lack of Allied support following its break with Germany. Another troubling factor for Turkey was the Soviet Union. Despite the fact that Roosevelt sent İnönü a letter in August thanking him for breaking relations with Germany and 'aligning with the United Nations' Turkey was now starting to get negative diplomatic communication from the Soviet Union. The latter stated toward the end of August that it was no longer interested in Turkey coming into the war and that it was not interested in renegotiating established treaties, as requested by Turkey.⁵¹⁵ The Soviet Union was still quite angry at Turkey for its non-aggression pact with Germany, trade relationship, and allowing of Nazi warships through the Bosphorus during the war. It was also now in a much stronger position in the face of the Nazi retreat and its forward troop movements in Eastern Europe and the Balkans. According to diplomats in Ankara the Soviet government transmitted this message concerning Turkey following its break with Germany: "We are not ready to extend to Turkey the treatment of a full-fledged ally.... The German-Turkish pact of friendship concluded on June 18, 1941, within three days of the Hitlerian attack on Russian territory, cannot be easily forgiven."⁵¹⁶

Although the Soviet Union was now starting to harden diplomatically with Turkey it was British policy most of all that was irritating and worrying Turkey. In September it decided to inform the American government of its feelings. Saraçoğlu, in a conversation with Steinhardt, enumerated a series of Turkish grievances and worries. He first told Steinhardt that he could not understand the behavior of the British government since Turkey broke diplomatic relations with Germany. Steinhardt asked him if that had to do with the fact that Turkey had not declared war on Germany. Saraçoğlu replied that Britain did not want Turkey to enter the war and that he had been informed by Hugessen after Turkey's break with Germany that it was no longer of any value to do so. Additionally, he said that Britain would not approve if Turkey were to declare war unilaterally. That was Britain's stance in spite of the fact that Turkey was ready to provide it with bases, allow its troops transit through Turkey, and willing to declare war against Germany. Steinhardt was convinced at

⁵¹⁵ FRUS 1944, *Volume 5*, pp. 898-899

⁵¹⁶ *Pertinax North American Newspaper Alliance*, "Turkey to Demand Air Help of Allies"

the end of the conversation that Turkey was ready to do all those things but that it was unwilling to do so unless it really had to.⁵¹⁷ It was obvious that Turkey was not ready for its next move unless it could feel confident that it would be supported by America and Britain militarily.

Turkey was also far from completely satisfied with the Dumbarton Oaks Conference, which was a two-month conference beginning on August 21st to decide the post-war economic order and the make-up and power configuration of the United Nations following the war. Turkish journalist Nuri Eren defended the idea of the Security Council as a body which could approve a military protection force but fellow Turkish journalist Hüseyin Yalçın charged that the conference draft did not provide security for small states.⁵¹⁸ The feeling of being isolated and neglected was taking over government circles in Ankara.

Turkey was very concerned, therefore, after it broke relations with Germany. It had lost its strategic value in the eyes of the Allies and its post-war need for security was not a priority of the proposed United Nations. Not only that, it was becoming even warier of a British-American deal with the Soviet Union at its expense. Churchill's meeting with the Soviet leader Stalin at the October 9th-20th meeting did not help matters any. Churchill agreed with the Soviet Union at that particular moment that revising the Montreux Convention was a good idea after some coaxing. Stalin defended the Soviet position by comparing the Bosphorus Strait situation to the legal status of other important global waterways and canals. After complaining that geographically distant Japan had as many rights concerning the Bosphorus as the Soviet Union, he asked, "What would Britain do if Spain or Egypt were to gain the right to close the Suez Canal, or what would the United States say if some South American Republic had the right to close the Panama Canal? Russia was in a worse situation." Churchill was seemingly persuaded by Stalin's argument but suggested that Stalin take up the issue of the Montreux Convention with Roosevelt.⁵¹⁹ However,

⁵¹⁷ FRUS 1944, *Volume 5*, pp. 899-900

⁵¹⁸ Weisband, *Turkish Foreign Policy*, p. 296

⁵¹⁹ Ahmad, Feroz, *The Historical Background of Turkey's Foreign Policy*, in Martin, Lenore and Kendis, Dimitris, *The Future of Turkish Foreign Policy*, (Cambridge, Massachusetts: The MIT Press, 2004), pp. 23-24

Roosevelt's absence prevented a final decision from being taken on that issue.⁵²⁰ Additionally, the British Foreign Office was displeased with Churchill's rhetoric: Eden told Churchill that he had made a mistake in encouraging Soviet demands regarding the Straits.⁵²¹ Britain also had a long-term interest in Turkey and had to be a bit careful how it treated Turkey. Moreover, it had to take U.S. opinion into consideration from there on in. The Turkish government, however, was getting mixed messages on where it stood with Britain and the United States was still non-committal, with its focus being on the western front of the war in France.

Although Turkey still had not declared war on Germany there was virtually no fear left on the side of the Allies that it would be invaded by Germany. The Soviet Union was in the process of liberating Eastern Europe from the Nazis and Overlord, and the Allied invasion of Normandy, France, had been staged back in June. Germany was being closed in on both sides. Within that context the United States started to take an aggressive economic approach toward both Britain and Turkey. In August 1944 the Bretton Woods Conference was held in the United States. It was a very significant meeting in that it produced the twin pillars of post-war American economic dominance, the International Monetary Fund and the World Bank. These were to be sources of permanent funds to be lent out in dollars, not pounds, thereby creating a situation where the United States could control economies around the globe. In 1934 the United States Congress had passed a law to ban loans to credit unworthy countries but now it was changing tact just as it had given up on keeping global markets open through mere diplomacy and national economic might. International financial institutions controlled by it would give it extra sources of funds from other nation-states and also provide it a veneer of legitimacy in its heavy-handed dealings with individual countries. It is worth noting that the United States started at roughly the time of the Bretton Woods Conference to pressure Turkey to pay back its Lend-Lease aid. With the ending of chromium sales to Germany in April and the increasing successful war drive in Western Europe the United States was once again starting to take a hardline stance with Turkey on arrears, reverting to its political posture toward Turkey in 1939 and 1940.

⁵²⁰ Ataöv, *Turkish Foreign Policy*, p. 124

⁵²¹ Deringil, *Turkish Foreign Policy*, pp. 176-177

Following the Bretton Woods Conference the U.S. government sent William S. Culbertson to North Africa and the Middle East to solidify its desire to open up the region to American trade and investment. From September 23rd to October 1st Culbertson was in Ankara. During that time he was able to meet with the Turkish Commerce Minister, Celal Sait Siren. The Turkish government expressed 'the desire that trade between Turkey and the United States be returned to normal channels as soon as possible.' At the conclusion of the visit Culbertson wrote a 16-page report called "Observations on Trade with Turkey." The report covered aspects of the potential American-Turkish economic relationship such as Turkey's import procedures, export arrangements, barriers to common trade, and British attempts to monopolize Turkish trade.⁵²² The United States was once again showing that it was ready to push British economic influence out of Turkey post-war and become Turkey's dominant trading partner. This was a seemingly positive step forward for relations between the United States and Turkey if Washington was truly serious about free and fair trade with Turkey.

However, tensions had grown between the United States and Turkey over that very push to open up Turkey for trade. After Turkey broke relations with Germany the United States not only did not provide clear support to Turkey but it started to follow a more aggressive policy toward it. There was no longer any chance of a German invasion of Turkey and it now saw the opportunity to start pressuring Turkey to open up its economy, without the offers of significant economic aid. Turkey was not happy with this development. It had finally been forced by wartime conditions to break with Germany but it continued to guard its hard-won economic sovereignty. The United States wanted Turkey to settle accounts from past Lend-Lease aid in the form of a mutual aid agreement starting from the end of September but that it also wanted to exchange notes with it regarding food aid. Turkey stated that all of its previous Lend-Lease aid was of military necessity and benefited the Allies, and did not now want to have to accept food aid from the United States. By the end

⁵²² DeNovo, John, "The Culbertson Economic Mission and Anglo-American Tensions in the Middle East, 1944-1945," *The Journal of American History*, Vol. 63, No. 4 (Mar., 1977), pp.919-920

of the year it expressed its irritation with what it called 'unwarranted interference by the United States' with its trade, commerce, and foreign exchange.⁵²³

An additional problem for Turkey was that it was not just supposed to open up its economy to the United States but that it was going to have to play a particular role in the global economy as assigned by Washington. It was slated to help rebuild Europe after the war and the United States saw it as a potentially problematic country in so far as it might try to rebuild its economy in a somewhat independent manner. It had wanted to impose immediate food aid on Turkey as a starting point for reducing its economic and political independence and was on a parallel track regarding the imposition of its overall economic policy on Turkey. A report dated December 8th, 1944 titled *United States Proposal for Allied Economic Policy toward Neutral Countries* made a list of neutral countries that constituted 'a special problem for Allied economic foreign policy beyond the close of hostilities in Europe'.⁵²⁴ Turkey, as a neutral, was on the list with Spain, Switzerland, Sweden, Portugal, Ireland, Argentina, and Tangier (Morocco). It minced no words when describing the economic role that was intended for these countries following the war. It stated, "The neutrals should not be permitted to expand their commercial exports at the expense of a reduction in supplies for liberated areas". In other words, these countries were to provide needed raw materials for the recovery of Western Europe at the expense of them exporting more value-added products either in Europe or elsewhere in the world, which could spur their own economic recoveries. The wish was that countries like Turkey would not have the right to export to any country it saw fit, a further attack on their economic sovereignty. In the case of Turkey we know that it became a breadbasket for Western Europe as part of the Marshall Plan.

Turkey was not pleased by its position as an ex-Lend Lease country and beneficial neutral which was now being pressured by the United States to open up its economy, thus putting at risk the minimal industrialization it had undertaken so far. The United States was trying to integrate it into a global economy based on its Open Door Policy. It was not concerned about pouring a lot of aid into Turkey at the moment as it felt it could achieve its goals of

⁵²³ FRUS 1944, *Volume 5*, pp. 905-914

⁵²⁴ FRUS 1944, *General: Economic and Social Matters, Vol. 2*, p. 147

integrating Turkey into its desired post-war global economic order without doing that. Turkey remained neutral in the war under the conditions of limited economic and military aid and there was no reason to think that it would not submit to a new American-imposed economic order in the face of an even more meager amount of economic aid. Additionally, Turkey had lost its 'balancing card' in Nazi Germany. It could try to play the Soviet Union and the United States off against each other but the Soviet Union was going to be even more exhausted after militarily stretching itself by occupying Eastern Europe. Moreover, relations between the two countries were not what they were because of the Molotov-Ribbentrop Treaty and the events of the war years. The only realistic possible sources of finance, trade, and investment were going to be Britain and, most of all, the United States.

However, Turkey put up a tough fight with regard to U.S. pressure on it to sign a mutual aid agreement to settle its receipt of Lend-Lease deliveries. The United States not only sought a mutual aid agreement but it also wanted Turkey to exchange notes regarding American delivery of foodstuffs and supplies to the Turkish civilian population. The problem was that it was tying the two items together, which was even more irritating to the Turkish government. From September the United States had been pressuring the Turkish government to do so unsuccessfully. On December 30th, Hasan Sakan, speaking for İnönü, made it clear that Turkey would not sign the exchange of notes, stating that the signing of them 'might open the door to an unwarranted interference by the U.S. with Turkey's trade, commerce and foreign exchange, and that he could find no justifiable relationship between the proposed notes and mutual aid agreement covering past (Lend-Lease) deliveries.'⁵²⁵ It had repeated its concern regarding 'unwarranted interference' with its economy, drawing a line there once again.

Although it had yet to cave in regarding its economic sovereignty it continued to make economic and diplomatic moves pleasing to the United States and the Allies. By December the Turkish government had closed Turkey's six German insurance companies and had started proceedings to close the two German banks operating in Turkey.⁵²⁶ By the end of

⁵²⁵ FRUS 1944, *Volume 5*, p. 914

⁵²⁶ Hellenic Resources Network, "U.S. State Department Report on Allied Relations and Negotiations with Turkey"

December Turkey broke diplomatic relations with Japan, a move not affecting the European theater of war per se but representing a final diplomatic break with the last Axis power. It also meant that the last Axis espionage point was broken as well. Secretary of State Stettinius made the following statement to that effect:

"The action of the National Assembly of the Republic of Turkey in voting unanimously to sever diplomatic and economic relations with Japan is welcomed by this Government as a further step toward limiting the activities of the Axis in foreign countries and as a concrete contribution by Turkey to the victory of the Allies over the Axis. The severance of relations will prevent Japanese officials and agents from using Turkey as an observation point from which to report on Allied movements to the detriment of the United Nations' war effort."⁵²⁷

Turkey was finally and completely in the Allied camp diplomatically, with the only move left for it to actually declare war on the two remaining Axis countries. The United States was now in a position to dictate terms to Turkey even further.

With relations now broken with both Germany and Japan Turkey was clearly no longer a neutral country in any meaningful sense. Notwithstanding that, the issue of whether Turkey was even going to get the level of aid it had received under Lend-Lease was seriously in doubt. Firstly there was the issue of a new aid agreement for Turkey. On January 1st, the issue of the nature of the agreement continued to be a contentious one. The Turkish position was that it had no responsibility to pay for previously provided Lend-Lease supplies, something the United States insisted upon. The dispute was to drag out and Laurence Steinhardt was only able to pen a new Lend-Lease agreement just prior to leaving his position as Ambassador to Turkey in March.⁵²⁸

In the interval between the new year and the final Turkish declaration of war against Germany and Japan in the last week of February there were two conferences held in Malta and Yalta, both of which dealt with issues concerning Turkey, especially the Turkish Straits. At the Malta Conference, which only lasted from January 30th to February 2nd, the issue of the Straits was first touched upon by U.S. Secretary of State Edward Stettinius and

⁵²⁷ "Turkey-Japan Break Hailed By President," New York Times, January 5, 1945

⁵²⁸ See Appendix D for the full details of the agreement

British Foreign Minister Anthony Eden. Stettinius mentioned to Eden that Russia wanted a 'warm water port' and asked him what exactly it wanted. Eden replied that it certainly wanted a revision of the Montreaux Convention which to him meant that Russia wanted a similar agreement to what then prevailed regarding Suez. That is, it wanted to be able to send its warships from the Black Sea to the Mediterranean through the Straits in wartime.⁵²⁹

At the subsequent Yalta Conference, which lasted from February 4th to the 11th, Roosevelt, Churchill, and Stalin were able to meet to discuss winding up the war against Germany and Japan and also address post-war desires. The issue of the Straits was more deeply discussed and the United States and Britain were able to get a clear explanation from the Soviet side of what it wanted in a revision of the Montreaux Convention and why. Stalin declared on the second to last day of the conference that the Montreaux Convention was 'outmoded' and that Turkey could not only close the Straits but that it could do so even if it felt threatened by war. His attitude was still somewhat conciliatory; however, as he was careful to mention that any revision of the Convention 'should not harm the legitimate interests of Turkey.'⁵³⁰

With relations now broken with Japan and Germany Turkey the path was now clear for Turkey to proceed to join the United Nations. In order to do that it had to declare war on Japan and Germany before March 1st. It still had unsettled business with the United States regarding Lend-Lease write-offs but it was in no position to bargain that until it had officially been accorded equal legal status with the Allies. Turkey declared war on February 23rd, 'when the Red Army was just 50 kilometers away from Berlin and when Allied powers were in Cologne.'⁵³¹ The declaration was just in time for automatic membership in the United Nations, effective at the beginning of March. It was a safe move made at the last minute but the Turkish government obviously felt it owed itself a last bit of opportunism. In addition to becoming eligible for United Nations membership there were other benefits resulting from the war declaration as well. Firstly, it gave Turkey a

⁵²⁹ FRUS 1945, Conferences at Malta and Yalta, p. 501

⁵³⁰ Ibid., p. 903

⁵³¹ Dinçşahin, *The Making of a Kemalist Intellectual*, p. 89

chance to pander to an irritated Soviet Union. In the Assembly debate preceding the the war vote Assembly Vice President Günaltay stated: "In the earliest days of the Turkish struggle for independence Soviet Russia was a staunch friend." Secondly, just before signing the war note Foreign Minister Hasan Saka signed a formal Lend-Lease agreement with outgoing American Ambassador Laurence Steinhardt, allowing for increased aid to Turkey if it were to move toward 'positive military action.' Among the possible positive military actions was for Turkey to participate in a campaign to eject the German and Italian troops from the Aegean Islands.⁵³² Once again, any increase in American aid was to have conditions attached to it. The emphasis on Turkey allowing nearly unfettered American exports in as part of a 'free trade' regime between the two countries was unmistakable.⁵³³

7.2. U.S.-Soviet Tensions and Turkey

Turkey declared war on Germany in time to join the United Nations but it was not happy with what it saw as the undemocratic nature of how decisions would be made by it. The Big Five in the Allied camp, the United States, Britain, the Soviet Union, China, and France, would be permanent members of the Security Council and have veto power. The feeling of being left to fend for itself was felt across the Turkish political spectrum. Recep Peker was worried that veto power only among the Big Five would not be used in case of an invasion of Turkey. Hüseyin Yalçın summed up the feeling of disappointment in Turkey in June, a very short time after the Nazis had surrendered:

"The reason was not far to seek: none of the ends for which the war had been fought had been achieved. It was true that Nazism and Fascism had been defeated; but had the fear of aggression been dissipated? Had freedom and independence been assured to small nations? Whenever they raised their voices they were reprimanded and silenced. They were told: "You are too weak to protect yourselves. It is the responsibility of the Great Powers to see that the nations live at peace." The war had

⁵³² Joseph M. Levy, "Turkey Declares War on the Axis To Get San Francisco Parley Seat," New York Times, February 24, 1945

⁵³³ See Appendix E for the full details of the agreement

been fought in vain. The sword of Damocles still hung over the heads of the small nations. Power continued to dominate the world."⁵³⁴

That Turkey's security was again not being considered post-war struck a sour note but overall Turkish disillusionment was deep and was well-expressed by Secretary-General of the Foreign Ministry, Cevat Açıkalın, during the last years of the war. Rather than accept blame for remaining neutral during the war, as most western academics would have them do, Turkey obviously saw that it had benefited the Allies by remaining neutral, enabling them to win the war. It felt its role in the war was being completely ignored in the interest of great powers politics and wanted some appreciation. In a 1947 speech at the Royal Institute of International Affairs in London, Açıkalın spoke of Turkey's heroic role in the war:

"Today, it can be said that, thanks to this imperturbable firm attitude of Turkey, the Germans were prevented from reaching Syria, Iraq and its port of Basra, and thus from joining, in the Indian Ocean, the Japanese who were already operating in that region. At the same time, the threat to the flow of supplies which the British and Americans were sending to Russia through Basra and Persia was eliminated. The Italians were prevented from sending their fleet to the Black Sea through the Straits to attack the Soviet fleet moored there, and the Germans from attacking the Caucasus from the south."⁵³⁵

It is obvious that Peker and Yalçın had the Soviet Union in mind when they voiced their concerns regarding the possibility of a foreign invasion. However, the chances of such an invasion by the Soviet Union was by no means unanimously agreed to within Turkey. Yalçın was very anti-Soviet and would get into a debate with Zekeriya Sertel over the seriousness of a Soviet threat. Sertel wrote that it was 'inconceivable' that the Soviet Union would violate the UN principle of sovereignty 'before the very ink of its signature on the UN Charter was dry.' Yalçın was in complete disagreement. He wrote in alarmist and hyperbolic fashion: "Promises and signatures are meaningless for the Red Fascists. For them there is only opportunity and the taking of advantage... If there is no resistance, they

⁵³⁴ Weisband, *Turkish Foreign Policy*, pp. 313-314

⁵³⁵ Açıkalın, Cevat, "Turkey's International Relations," *International Affairs (Royal Institute of International Affairs 1944-)*, Vol. 23, No. 4, (Oct. 1947), pp. 484-485

will conquer Iran, then India, China, and finally the sun and moon."⁵³⁶ No matter the level of domestic disagreement over the issue of the Soviets, Turks of all sides of the ideological spectrum felt that its concerns were not going to be addressed by the great-power-dominated United Nations.

Throughout 1945 and well into 1946 the legal status of the Bosphorus Straits, another important issue for Turkey, would also be debated. It was considered one of the vital waterways for global trade like the Suez and Panama Canals as well as the nearby Danube River. The continued validity of the Montreaux Convention of 1936 was now called into question by both Britain and the United States in addition to the Soviet Union. Turkish restrictions on warships during the war continued to rankle, especially with Britain. For the Soviets the problem was lack of enforcement of the Convention. With regard to the issue of the Straits the Soviet Union started to forcefully put forth its argument for the revision of the agreement. It had had a negative experience with Nazi ships able to pass through the Straits during the war. At Yalta Stalin had famously said that the situation was no longer acceptable. The visit of the Turkish ambassador to Soviet Foreign Minister Molotov on June 7 was to further exacerbate the situation. He asked a series of questions regarding the Straits as well as Kars and Ardahan and asked Turkish Foreign Minister Selim Sarper to 'reorient' its policy toward the Soviet Union.⁵³⁷ The Turkish government was starting to become annoyed by how it was being treated by the Soviet government but it still was not receiving the support from Washington that it thought it should be receiving.

Even though the United States was to change its position regarding Turkey and the Straits in due time, it was not overly concerned about Turkish warnings regarding the Soviet Union following the Molotov-Sarper meeting. In fact, it recognized the need for a changed Montreaux Convention which would accommodate the needs of the Soviet Union. In that vein, The Office of Near Eastern and African Affairs even wrote up a revised Montreaux

⁵³⁶ Weisband, *Turkish Foreign Policy*, p. 317

⁵³⁷ Kuniholm, Bruce, *The Origins of the Cold War in the Near East: Great Power Conflict and Diplomacy in Iran, Turkey, and Greece*, (Princeton, NJ: Princeton University Press, 1994), p. 258

regime which allowed for Soviet bases in the Straits with the permission of Turkey.⁵³⁸ The clear message from the State Department office was that the open door could be maintained with regard to the Straits even with a Soviet military presence. Cold War saber-rattling was not yet in vogue. On July 7th Joseph Grew even told the Turkish Ambassador to the United States that no 'concrete threats had been made' by the Soviets regarding the Straits.⁵³⁹ As late as the fall of 1945, even the staunchly anti-Soviet Averill Harriman noticed that the 'U.S.S.R. remained remarkably inactive with regard to Turkey.'⁵⁴⁰ Harry Truman, who began his presidency after Roosevelt's death on April 12th, was taking a hard line on Japan and Germany but was not yet ready to ratchet up tensions with the Soviet Union over Turkey.

The role of the State Department in trying to make an early push for the United States government to start to provide economic aid to Turkey should be noted briefly. Under the influence of Loy Henderson, who had just served as U.S. Ambassador to Iraq, Turkey's strategic importance was emphasized. As a result, the Office of Near Eastern and African Affairs, by the summer of 1945, was calling for weakening the links between Middle Eastern countries and European ones. However, the division was unable to sway the State Department as a whole and a 500 million dollar loan request from Turkey in September 1945 was turned down.⁵⁴¹ The Turkish government had informed the United States government that it needed that credit in order to industrialize but it was turned down because it was considered too costly.⁵⁴² It was not until the summer of 1946 that the Division of Near Eastern and African Affairs took up the idea of 'soft' (easy interest and repayment terms) loans to the Middle East, which included Turkey, but at a total of 120 million dollars. It also wanted to upgrade its 1929 trade agreement with Turkey because of the opportunity it would provide to increase imports of the strategically important

⁵³⁸ Alvarez, *Bureaucracy and Cold War Diplomacy*, pp. 58-59

⁵³⁹ Kolko, Gabriel, *The Politics of War: The World and United States Foreign Policy, 1943-1945*, (New York: Pantheon Books, 1990), p. 586

⁵⁴⁰ Paterson, *Soviet-American Confrontation*, p. 191

⁵⁴¹ Alvarez, *Bureaucracy and Cold War Diplomacy*, pp. 78-79

⁵⁴² Athanassopoulou, Evaki, *Turkey-Anglo-American Security Interests 1945-1952: The First Enlargement of NATO*, (London: Frank Cass, 1999), p. 59

chromium.⁵⁴³ The State Department, however, was still not ready to provide large-scale economic aid for Turkey in spite of the desire to weaken Soviet, British, and French influence in the Middle East. As during the war, the U.S. government thought it could get what it wanted from Turkey without the promise of large amounts of aid.

However, after the Potsdam Conference and the explosion of the atomic bombs at Hiroshima and Nagasaki, the United States was to find itself in a much stronger military and diplomatic position than before, especially considering the fact that the abrupt end of the Pacific War and Japanese surrender meant that the Soviet Union was to play no role there. Truman, not needing Soviet war support anymore, started to take a more hardline approach toward the Soviets overall, and on the issue of Turkey as well. In an October 13th letter to the hawkishly anti-Soviet Secretary of State James Byrnes, he outlined his rationale for the internationalization of the Dardanelles:

"I think it is the waterway link with the Black Sea, the Rhine, and the Danube as the Kiel Canal is an outlet to the Baltic Sea, which must eventually be internationalized. I am of the opinion if some means isn't found to prevent it, Russia will undoubtedly take steps by direct action to obtain control of the Black Sea straits."⁵⁴⁴

Truman's top aide and ex-American Ambassador to the Soviet Union Joseph E. Davies, did manage to change Truman's stance, however. He had written a memo on U.S.-Soviet relations just prior to Truman's letter, stating that,

"As to the Dardanelles, Soviet security requires that there should be no question but that they have such control as to make certain their access, either in our out, of the Black Sea. They do not trust Turkey to have that control. Neither would we permit the Argentine or Chile to have control of the Panama Canal. If airpower has made such control ineffective, well and good. Why then make an issue of it, and arouse suspicion that we are hostile to their security and to their legitimate desire for a warm-water port. It is a water highway of the world and should not be closed to them."⁵⁴⁵

⁵⁴³ Ibid., pp. 87-88

⁵⁴⁴ Ibid., p. 70

⁵⁴⁵ Ibid.

Davies' position was much akin to the American position following World War One. Davies and like-minded policymakers allowed for American Ambassador to Turkey Edwin Wilson's November 2nd note to the Turkish Foreign Minister. The Turkish response of November 12th from Secretary General of the Foreign Ministry was one of acceptance but one with reservations, specifically the concession to the Soviet Union over the Straits regarding its navy. However, a base for the Soviets was not conceded in the note and the Soviet government was not satisfied either.⁵⁴⁶ There were disagreements between the Americans and the Soviets but tensions between the two were still reasonably mild.

In spite of the inability of the State Department to push forward a policy of economic aid for Turkey there was some overall progress on strengthening economic relations with Turkey. Just months after the end of World War Two the United States had started to engage Turkey economically. It extended a small Export-Import Bank loan (only 3 million dollars) to Turkey for airport equipment. It also replaced Germany as Turkey's number one trade partner by the following year. In 1946 it took 20 percent of Turkey's exports and supplied Turkey with 31 percent of its imports.⁵⁴⁷ Those figures are fairly impressive but it should also be borne in mind that Germany was now an economic basketcase and Britain's economy was severely strained by the war and the cost of trying to maintain its empire as well as maintaining its role as gendarme in the Balkans and Middle East.

It was a strange twist on the concept of the open door idea of getting rid of economic surplus that led to the wedding of American economic and military interests in Turkey at the beginning of 1946. That union would increase tensions with the Soviet Union and culminate in the introduction of the Marshall Plan the following year, which would provide significant economic aid for Turkey for the first time. The new approach toward Turkey would ratchet up tensions with Moscow all throughout 1946 in spite of the fact that the Soviet Union was retreating from its military presence in Iran. The situation at the beginning of 1946 was that Turkey was in need of vehicles, spare parts, and railway equipment having been cut off like every other Lend-Lease aid recipient the previous May 8th, the day of surrender for the Germans. The United States still had a glut of those type

⁵⁴⁶ Ibid., pp. 72-73

⁵⁴⁷ Paterson, *Soviet-American Confrontation*, p. 191

of items stored in Cairo and Basra and there was a fear that bringing them back to the United States would cause oversupply in the economy and lead to a depression. Turkey would receive a 10 million dollar credit to buy these items in January and by March the State Department had been persuaded to go along with the Army and Navy on the unrestricted sale of military items, which were among the items that Turkey bought. This stoked tensions with the Soviet Union, as Soviet Ambassador to Turkey, Sergei Vinogradov questioned American Ambassador Wilson about whether the 10 million dollars worth of goods were actually just an outright form of military aid.⁵⁴⁸ This was the event that would set off the beginning of the downward slope in U.S. relations with the Soviet Union and also see an intensification of American interest in Turkey. For a formalized Open Door Policy to be applied to Turkey would require a collapse of U.S. compromise with the Soviet Union and the onset of the Cold War.

⁵⁴⁸ Alvarez, *Bureaucracy and Cold War Diplomacy*, pp. 88-91

Chapter 8

Post-Script: The Open Door Policy of Aid Vis-à-vis Turkey, 1946-1948

8.1. The Cold War and the Marshall Plan

World War Two was a transition period in relations between the United States and Turkey. The exceptional circumstances of the war years meant that the relationship between the two countries was nothing unique. China, if not for its continued civil war and Communist Revolution of 1949 would have been immediately included (an agreement was outlined in 1946) in the American post-war search for markets. Because of that situation the United States focused on giving economic and military aid to countries which did not intend to become part of the Communist bloc, like Turkey. In French Indochina the United States was content to work with France to defeat the Communists and in Turkey the United States was content to have Britain give the bulk of military and economic aid to Turkey.⁵⁴⁹ Since Britain could not maintain its duties in this international division of labor the United States had to take over economic and military aid responsibilities for Turkey. America started to

⁵⁴⁹ It should be noted that the United States established a new economic relationship with Turkey in 1946, following its show of force by sending naval warships to Turkish territorial waters in March and delivering the deceased Ambassador Munir Erteğün's body back to Turkey the following month. Not only did American trade with Turkey increase in 1946 but it made a positive economic gesture toward Turkey. On May 7th, as part of an economic agreement, it cancelled 100 million dollars of Lend-Lease debt owed by Turkey, finally putting to rest that disputatious issue. With the war over the United States was obviously in better position to dispense with aid money more generously to further its open door policy. See Robinson, Richard D., *The First Turkish Republic*, (Cambridge, Massachusetts: Harvard University, 1963), p. 309. The only thing Turkey had to pay was 4.5 million dollars worth of Lend-Lease items such as tools, machinery, and vehicles. See Uzunoğlu, Nurettin, *American Foreign Aid to Turkey: 1947-1963*, (Masters' Thesis, University of Nebraska: Lincoln, Nebraska, 1965), p. 33

change its economic, military and political policy regarding Turkey starting in 1946. The Military-Industrial complex, its role in keeping the global market open to the United States and a hawkish policy toward the Soviets would now become the policy norm. The only missing piece regarding Turkey was that the U.S. government was still dealing with it on an ad hoc basis. There were no permanent economic and military agreements between the two countries. That was now about to change.

For the first half of 1945 U.S. policymakers had shown no alarm toward Soviet desires to rewrite the Montreaux Convention in order to give it more future security. War planners in Washington in late 1945 were, however, starting to think about future war scenarios and were thinking that Turkey would be a valuable strategic ally in any future war. The thinking was that the ability to cripple oil-producing centers like the Caucasus and industrial centers in the Ural Mountains and the Ukraine would be enhanced by a more militarily-prepared Turkey and the use of the country to strike at those targets through the air.⁵⁵⁰

The changed military doctrine coupled with an emphasis on military aid to Turkey would change the nature of the U.S. relationship with the Soviet Union. As a result, throughout 1946 tensions with the Soviet Union would be stoked. Following the negative aforementioned developments at the beginning of 1946, The United States sent back the late Turkish Ambassador to the United States Munir Ertegün's casket back to Istanbul in March and conducted a show of force with the USS Missouri on April 6th, 1946. This was in spite of the fact that the Soviets had pulled out of Iranian Azerbaijan in March. In late May İnönü paid a visit to newly-installed British Ambassador to Turkey David Kelly in order to learn more about this newly aggressive attitude on the part of America. Kelly told İnönü that America's character could be subject to change but he thought it had now taken a very decisive stand.⁵⁵¹ By August it had decided to further toughen its stance against the

⁵⁵⁰ Leffler, Melvyn, "Strategy, Diplomacy, and the Cold War: The United States, Turkey, and NATO, 1945-1952," *The Journal of American History*, Vol. 71, No. 4 (Mar., 1985), p. 811

⁵⁵¹ Sever, Ayşegül, *Soğuk Savaş Kutşatmasında: Türkiye, Batı ve Orta Doğu. 1945-1958*, (Istanbul: Boyut Kitapları, 1997), pp. 41-42

Soviets. On the 15th, Acting Secretary of State Dean Acheson, Secretary of War James Forrestal, and Truman met in the oval office to discuss the hardening of U.S. policy. Acheson invoked the Open Door policy, saying,

"In our opinion, the establishment by the Soviet Union of bases in the Dardanelles or the introduction of Soviet armed forces into Turkey on some other pretext would result in Greece and the whole Near East, including the eastern Mediterranean, falling under Soviet control and in those areas being cut off from the Western World."

He added that the only way to deter the Soviets was by showing it that it was willing to use force if necessary.⁵⁵² Washington now saw it in its interest to flex its power even though the Soviet Union was not a threat to the region. Its desire to change Montreaux and co-defend the Turkish Straits was something it desired but it was not something it would continue to pursue steadfastly. After the Soviet Union sent its notes of August 17th requesting the changes to the Montreaux Convention, the United States announced that the following month that it would maintain a permanent naval presence in the Mediterranean leading the Soviets to finally drop the Straits matter in October.⁵⁵³ It was also that month that Loy Henderson at the State Department, under pressure from the War and Navy Departments to clarify policy toward Turkey, laid out American policy. On October 21st, he stated that America should continue to oppose a Soviet presence at the Bosphorus, that military aid should be supplied, and that it should supplement the earlier 25 million dollar credit from the Import-Export Bank.⁵⁵⁴ Policy toward Turkey was now crystal clear and there was no turning back for American policymakers. The Soviet Union was deterred, as Acheson had desired, and was no longer a threat to complete American economic and political dominance in Turkey and the Middle East.

⁵⁵² Isaacson, Walter, and Thomas, Evan, *The Wise Men: Six Friends and the World they Made: Acheson, Bohlen, Harriman, Kennan, Lovett, McCloy*, (London and Boston: Faber and Faber, 1986), pp. 370-371

⁵⁵³ Aydin, Mustafa, "Turkish Foreign Policy Framework and Analysis," *Center for Strategic Research*, SAM PAPERS No. 1/2004, Ankara, December 2004, p. 51

⁵⁵⁴ Alvarez, *Bureaucracy and Cold War Diplomacy*, p. 106

British inability to maintain its status as gendarme in Greece and Turkey would lead the United States to ramp up its economic and military involvement in Turkey and Greece the following year. On March 12th, 1947, less than three weeks after the British informed Washington that it could no longer handle Turkey and Greece as its area of responsibility, Harry Truman announced the Truman Doctrine, whose aim was to aid Greece, which was vulnerable to falling to communism because of its ongoing civil war and Turkey, because of grave economic problems and the potential for political instability accompanied by a growing leftist movement. While couched in political terms the speech, if it had been left unedited, would have revealed the overriding economic motivation underlying the doctrine. Dean Acheson, two days before Truman gave his speech, deleted part of it to cover up American interest in Middle Eastern oil and other mineral resources. The excerpt concerning that read:

"If, by default, we permit free enterprise to disappear in the other nations of the world, the very existence of our own economy and our own democracy will be gravely threatened... This is an area of great natural resources which must be accessible to all nations and must not be under the exclusive control or domination of any single nation. The weakening of Turkey, or the further weakening of Greece, would invite such control."⁵⁵⁵

Turkey had to be propped up and loyal to the United States so the possibility that Middle Eastern oil supplies could be threatened would be circumvented.

As a side note, it should be stated that the Turkish government was once again interested in foreign investment to boost its economy as it had been after World War One. Its economy was once again in shambles following World War Two although not as badly as following the First World War. It was exacerbated by the the August 7th, 1946 economic measures following the Republican People's Party's tainted victory in the July 1946 general elections. Strangely enough, statist and economic nationalist Recep Peker would preside over the decisions to devalue the lira, ease imports, and allow banks to sell off gold, allowing the

⁵⁵⁵ Paterson, *Soviet-American Confrontation*, p. 198

further increase of inflation.⁵⁵⁶ He almost assuredly did so under U.S. pressure and this liberalization of its economy would be the price it had to pay to get any amount of economic aid from the United States. The measures, while detrimental to the Turkish economy, were IMF-type measures that were sure to please American investors. Though İnönü had allowed multi-party elections for the first time in 1946, he was more interested in integrating Turkey into the global economy, of which the August 7th measures were just the first step. The growing interest shown by the United States toward Turkey was reflected by the fact that Max Thornburg was chosen by the Twentieth Century Fund to conduct a complete economic survey of the country even before the Truman Doctrine was declared. Thornburg had been Petroleum Adviser for the State Department from 1941 until the end of the war. Previous to that he had been chairman of the Board of Engineers of Standard Oil of California (today's Chevron) and vice-president of its Middle Eastern subsidiaries during the war.⁵⁵⁷ Going back to Charles Evans Hughes as Secretary of State following World War One, there was a very intimate connection between the various Standard Oil companies resulting from the 1911 breakup of the Rockefeller oil giant and the State Department.

İnönü was leading Turkey down the path to economic integration in an American-led global economy but it was still rather unclear whether the United States was more concerned about a country's political situation or its moves toward economic liberalization. After the United States announced on March 12th that Turkey would be the recipient of aid İnönü learned that the United States was not all that concerned about democracy in Turkey as long as there was political stability. To ensure that he made his famous July 12th statement which was to lead to Peker's resignation within two months, clearing out the statist branch of the Republican People's Party and opening the door for permanent receipt of American aid.⁵⁵⁸ İnönü was clearly making the domestic political moves which Washington favored.

⁵⁵⁶ Ahmad, Feroz, *The Turkish Experiment in Democracy: 1950-1975*, (London, Hurst, for Royal Institute of International Affairs, 1977), pp. 19-20

⁵⁵⁷ Thornburg, *Turkey: An Economic Appraisal*, Foreword v-vi

⁵⁵⁸ Ahmad, Feroz, *The Turkish Experiment in Democracy*, p. 24

In any event, the March 12th Truman Doctrine speech would pave the way for both Turkey and Greece being included in the European-wide economic assistance program called the Marshall Plan. That would be the second aid package for Turkey following the initial dispensation of the bilateral one in July 1947, part of the Truman Doctrine announcement four months earlier. The Marshall Plan, actually first announced in June 1947, was a 13-billion dollar program to rebuild the Western European market, along with Greece and Turkey, to help ensure the success of the Open Door Policy in Europe and its periphery.⁵⁵⁹ Although Turkey was only seventh on the list of Marshall Plan recipients, it also received more money than any of the other neutral countries during the Second World War.⁵⁶⁰ One of the persons responsible for tilting Truman to include Greece and Turkey in the plan was Frank Lindsay, an OSS operative during World War Two. Lindsay was from the "determined interventionist" camp in the OSS, a group that did not want the United States to go back to its "isolationist" period of the interwar years.⁵⁶¹ With his camp winning out economic aid would now be used as a permanent weapon to integrate countries into U.S.-dominated global economy. In addition to being a strategic pawn in the newly-developing

⁵⁵⁹That the success of the Open Door Policy as applied toward Turkey was conflated with the need to ensure economic stability and ward off the threat of Communism there can be no doubt. In November, the halfway point of American bilateral aid package of 300 million and 100 million dollars for Greece and Turkey, it was noted that the amounts were insufficient. In Turkey's case, a main goal was that the military aid would increase the efficiency of its military, allowing it to demobilize a bit and return a portion of soldiers back to the civilian economy. With the Greek government fighting Communist guerillas it was feared that Turkey could go the same route if its economy were to deteriorate any further. See Dana Adams Schmidt, "Aid To Greece and Turkey Still Far Short of Needs: Military and Political Conditions Reveal That Little Headway Has Been Made," New York Times, November 16, 1947

⁵⁶⁰ Turkey received 349 million dollars of Marshall Plan aid, 2.6% of the total aid dispensed. See Keskin-Kozat, Burçak, *Reinterpreting Turkey's Marshall Plan*, in Criss, Nur Bilge, *American Turkish Encounters: Politics and Culture, 1830-1989*, p. 184

⁵⁶¹ Pisani, Sally, *The CIA and the Marshall Plan*, (Lawrence, Kansas: The University of Kansas, 1991), pp. 2, 44

Cold War Turkey itself was finally being swept up into the concomitant postwar international economic order.

Whether sufficient aid or credit was given to it even then is a point of debate but the economy of Turkey was about to be steered toward its role as a high-growth agricultural goods provider for Europe and market for American goods, especially agricultural machinery. That would also be a very cheap way for the United States to integrate the Turkish economy into the global economy. As the Marshall Plan was heavy on military aid and the Turkish military was still in a bloated state, new foreign minister Necmettin Sadak, had pushed for more economic aid from the United States. Even before he took office, he stated that American capital was seen as key to creating new industries in Turkey. In September 1947, after he had taken office and very soon after the Marshall Plan aid had been announced, he requested 100 million more dollars, part of which he confessed would go for non-military purposes. He was refused.⁵⁶²

Economic aid was in limited amounts but military geo-strategy to protect trading lanes in was a big concern for Washington. There was also the factor that Turkey sat astride important oil producers Iran and Iraq, the latter of which bordered the biggest producer of all: Saudi Arabia. A concern during World War Two had been Nazi Germany overrunning Turkey and taking control of Middle Eastern oil sources. Nazi Germany was defeated but the same concerns were already in place regarding the the disruption of Middle Eastern oil coming to Europe and the United States. United States Secretary of the Navy James Forrestal wrote two months after the Truman Doctrine that 'Middle East oil was going to be necessary in both peacetime and wartime' in the future and that he believed that a Soviet presence in the Mediterranean meant the possibility of a cutoff of oil to the west which could depress America's economy thereby straining Europe's economy during its rebuilding. That scenario, according to Forrestal, could lead Europe to collapse and turn it toward communism.⁵⁶³ Ideological fear-mongering was the latest twist to the deleted portion of the Truman Doctrine document: a cutoff of oil could lead to communism

⁵⁶² Athanassopoulou, *Turkey-Anglo-American Security Interests 1945-1952*, pp. 69-70

⁵⁶³ *Ibid.*, p. 61

overtaking Europe and then possibly other parts of the world, blocking American economic access to the region.

The Truman Doctrine eventually led to the Marshall Plan aid being dispensed to Turkey and Greece a little more than a year later. That the Marshall Plan was essential to the maintenance of the open door is unquestionable. The makeup of the European Cooperation Agency(ECA), established in 1948 and given responsibility for implementing the technical and managerial aspects of the program, reflects the significant American business interests behind the project. The director from 1948 to 1950 was Paul G. Hoffman, chief executive of Studebaker Automobile Company. The Mission Chief for Turkey was Russell H. Dorr, an international banker, and the Deputy Mission Chief, Orren R. McJunkins, an investor for Continental Can Company.⁵⁶⁴ There was a small minority in the American Congress which opposed the Marshall Plan. Through the words of these outspoken critics we get a summary of what the United States was trying to do in Europe through the plan. Senator Glen H. Taylor of Idaho, in an a classical open door explanation of American policy, claimed that the plan was being implemented simply to "find ways and means of dumping excess production abroad in the hope that by so doing get foreign nations accustomed to American products, and... find markets for the day when home consumption could no longer take up the slack."⁵⁶⁵ Representative Vitto MarcAntonio of New York was even

⁵⁶⁴ Pisani, *The CIA and the Marshall Plan*, p. 193. Dorr would continue to be an important part of the post-war global liberal economic order following his work in Turkey. He had also been an OSS member during the war for North Africa and Europe, another reflection of how deeply interlocked Roosevelt's wartime intelligence creation and the political forces forming the post-war economic order were. The CIA would work hand in hand with Corporate America and Wall Street to keep overseas markets open to the United States, not just through covert political action but by taking high positions in the banking world. Dorr would become a senior staff member of the World Bank from 1953 to 1958 and vice-president of the foreign lending arm of Chase Manhattan Bank in 1958. See The New York Times on the Web, "Russell H. Dorr, 89, International Banker," <http://www.nytimes.com/1996/07/20/world/russell-h-dorr-89-international-banker.html>, July 20, 1996, (retrieved 18/4/12)

⁵⁶⁵ Keskin-Kozat in Criss, p. 194

more strident in his criticism, accusing the program of being a large subsidy for the further concentration of capital among large American corporations. In 1956, four years after the program had ended, he said,

"It is the State Department's intention to foist for all time upon... (European) people the system of so-called free enterprise. In Europe, free enterprise, as in this country, does not any longer mean the freedom of the small businessman to operate; it means the freedom of the big trusts to monopolize Europe. ... (The Marshall Plan) is a program in defense of Wall Street. ... Wall Street is now dominating America and is seeking to dominate other countries. ... (I)t is a program for expansion, ...it is a program to keep in power governments that will do the bidding of Wall Street interests."⁵⁶⁶

Turkey was not only to be a bulwark against the Soviet Union in the Middle East along with Greece and Iran but it was to be a fairly important market for American exports, an investment platform, and supplier of raw materials and agricultural products as well. By 1949, for example, Turkey was the largest supplier of chromium to the United States, a status that the latter had so eagerly sought during the World War Two years for then-strategic reasons.⁵⁶⁷ The United States would also continue to be the major aid supplier for Turkey until into the early 50's. That aid, however, was geared toward making Turkey an agricultural powerhouse, not an industrial power. When the United States gave Turkey a very small loan of 10 million dollars in early 1948 (prior to the Marshall Plan aid dispensation) the Turkish government used the money for non-agricultural purposes such as the development of the fish and meat industries, and the erection of hydroelectric works.⁵⁶⁸ Such improvements were looked down upon by Washington. A State Department policy statement in 1949 summed up the American government's attitude toward even minor Turkish efforts to promote industrialization: the Turkish government was to be discouraged from 'further ostentatious adventures in production for which the country was not ready.'⁵⁶⁹

⁵⁶⁶ Ibid., p. 213

⁵⁶⁷ Paterson, *Soviet-American Confrontation*, p. 206

⁵⁶⁸ Hershlag, *Turkey: The Challenge of Growth*, p. 150

⁵⁶⁹ FRUS 1949, *The Near East, South Asia, and Africa, Vol.6*, p. 1666

On paper it looked like the United States was very generous to Turkey aid-wise. From 1948 to 1950 its economic assistance under the Marshall Plan totalled 183 million dollars, which accounted for 40 percent of total investment in the country.⁵⁷⁰ However, so much U.S. aid was geared toward having Turkey buy its products, especially agricultural items like tractors and harvesters, which were imported in hugely increasing numbers until 1957, only to slow after that because of reaching saturation point.⁵⁷¹ From 1948-1955 Turkey received over 400 million dollars in American aid but that was not enough to prevent its economy from slowing down and succumbing to inflation in the second half of the 1950's after the agricultural boom ran out of steam.⁵⁷²

The fact that the United States was Turkey's biggest economic aid provider was true despite it not being as potentially economically significant as it could have been much earlier in the century with the attempted Chester Concessions. Nonetheless, it was not to become part of the Iron Curtain and would be an important country in the Middle East as part of America's Open Door Policy, which meant being the most important foreign economic power in the region outside of the Arab and Iranian oil producers. The opening up of the Turkish economy to the United States meant a further delay for Turkish industrialization on any serious scale but it was now, more importantly from the viewpoint of policymakers in Washington, firmly in America's economic grip.

8.2. Conclusion: The Permanent Economic Incorporation of Turkey into the American Global Empire

⁵⁷⁰ Hale, *The Political and Economic Development of Turkey*, p. 75

⁵⁷¹ Ahmad, *The Turkish Experiment in Democracy 1950-1975*, p. 135

⁵⁷² Garrett, James Madison, *Assistance to Turkey as an Instrument of United States Foreign Policy, with Emphasis on Military Assistance: 1947-1955*, pp. 220-221. That The United States giving aid to Turkey was only intended for it to sell Turkey its products had not changed since 1939, which was the year of the beginning of World War Two. From 1939 to 1947 it gave 139 million dollars in assistance to Turkey in the form of various loans, credits, and the Lend-Lease program, all geared toward having Turkey buy its goods, especially ships in the case of the non-Lend Lease loans and credits. See Garrett, James Madison, *Assistance to Turkey*, pp. 63-64

With the end of World War Two Turkey's long and winding journey toward joining the west had finally been realized although not under the conditions it desired. It had been forced into doing so although it ultimately may have felt that it had no choice but to do so. Without a doubt it would have preferred to join the western camp on its terms and without coercion. Even in that event, it would have liked a situation where there was at least a significant country that could still act as a counterbalance to the west. That country was obviously the Soviet Union but western diplomacy and lingering problems with the Soviet Union would ensure that Turkey would not have an alternative option to allow it to play its traditional balancing game in Europe. Instead, it would have to look inside the western camp to find a new kind of counterbalancer and that was the United States. Even counterbalancing allies was better than having nothing available to it. It was a new kind of situation for Turkey but it was also a new world. There was to follow a contrived 45-year Cold War with the U.S.-Soviet bipolar relationship dominating the world. Turkey, in fact, would not be able to partially shake itself from the straitjacket of belonging to the west and NATO until the crisis over Cyprus in 1964 and the tensions created with the United States following the Johnson Letter. At that point, cultivating closer relations with the Soviet Union and the Developing World became more important in its foreign policy calculations. Playing off the European Community and the United States would also figure more prominently in its policy as well. In many ways these two policies have continued unabated until this day. As Turkey does not see itself as an equal partner in NATO and has been repeatedly shunned by the European Union and used by the United States it feels that it has to fall back on its centuries-old game of playing off powerful countries against each other. In this regard, the United States has missed a golden opportunity since the 1920's to keep an important country in the Middle East and Balkans consistently on its side.

It had missed opportunities many times before history, especially in the post-World War One period. It had not differentiated its policy enough from Britain and France's during the Paris Peace Talks, the Turkish War of Liberation, and the Lausanne Conference. The Open Door Policy, although striving for unfettered market access across the globe, allowed for continued British political dominance in Turkey after the failure of the second Chester Concession in 1923 and the awarding of Mosul to Britain in 1926. It may not have been ideal but it was ultimately acceptable to the United States. It did not cultivate close economic and political relations with Turkey after Mosul was awarded to Britain in 1926

despite the establishment of full diplomatic relations in 1927. U.S. allegiance transferred to Iraqi and Gulf Arab oil. It did not show enough attention to Turkey's concerns regarding Italy in the Mediterranean as well as Germany in the 1930s. It accepted the Montreaux Agreement of 1936 but had been lukewarm in supporting Turkey prior to that. It had left responsibility for Turkey during the early part of World War Two to Britain and had not shown a willingness to aid or arm Turkey sufficiently throughout the war in spite of employing rhetoric to the contrary. At the end of the war Turkey had chosen the so-called United Nations but had hesitations even then. The United States simply wanted Turkey to turn away from the Soviet Union without rewarding it in any significant way. That was the same mistaken policy it had followed during World War Two when it wanted Turkey to turn away from Nazi Germany without giving it much in return. Turkey would receive some unilateral American and Marshall Plan aid following the war but it was not even seriously considered for NATO until Celal Bayar threatened the U.S. with neutrality.⁵⁷³ Becoming an official member of the Western Security architecture was difficult enough, let alone being welcomed in an emotional sense.

It is necessary now to resummarize American-Turkish relations during the war years to understand why it took the path it did. At the start of the war the two countries had a trade agreement in place but very little trade. Turkey was the only country in the Middle East to have most-favored-nation economic status with the United States but it amounted to very little economically at the beginning of the war. The does not mean that the United States was ever intending to abandon the Open Door Policy vis-a-vis Turkey; it was simply a temporary setback to trade relations between the two countries but did not mean a change in America's long-term goals there. With resolution of the dispute over Turkish arrears on American trade in September 1940 and the U.S. desire to divert Turkish chromium away from Germany starting three months earlier the United States started to pay more attention to Turkey in its diplomacy. It was simply temporarily de-prioritizing trade (although that increased steadily after Lend-Lease as we have seen) and aid with certain less important

⁵⁷³Leffler, Melvyn, *A Preponderance of Power: National Security, the Truman Administration, and the Cold War*, (Stanford, California: Stanford University Press, 1992), p. 420

markets like Turkey during the war years while it focused on countries directly engaged in war with the Nazis.

The Lend-Lease program would allow for indirect economic and military aid to go to Turkey through Britain until it was shut down in February 1944 but it was always insufficient as far as Turkey was concerned. The United States, after it entered the war, did indicate that even such a small amount of aid came at a price and it was Turkey's economic sovereignty. Turkey was to trade heavy dependence on German economic power during the war for extremely heavy dependence on American economic power following it. Lend-Lease provided the prelude for that situation to eventually be realized. Especially following the Turkish break in diplomatic relations with Germany in August 1944, the United States made it clear to Turkey that it wanted it to provide an unfettered market for American business. The end of the war, with the crushing of the Nazis and the debilitated state of the Soviet Union, meant that the open door would now be applied in fuller fashion toward Turkey than before. It was still not a major market for the United States but investment, trade, and aid would pick up even immediately after the war. The years from 1946-1948 saw the intensification of the economic and political relationship between the two countries and Turkish integration into America's global economic imperium.

In retrospect, the missed opportunity of the first Chester Concession early in the century as well as the collapse of the second one in the early 20's meant that the Ottoman Empire or early Republic would, much earlier on, have been a large player in America's open door world outside of the Western Hemisphere. The period from 1908-1939 can be labeled, 'The period of missed opportunities for the American Open Door Policy in the Ottoman Empire and Turkey.' The World War Two period was a very exceptional transitional period which did not allow for a normal economic relationship but that was the case for America and the rest of the world as well. Prioritization of economic aid according to power and strategic importance simply meant that Turkey would be given short shrift aidwise for the duration of the war. However, the American demand to have an open Turkish market was enunciated explicitly to Turkey as early as 1942, a little more than a year after the onset of the Lend-Lease program and roughly four months after Pearl Harbor and the official entry of the United States into the war. It was a program heavily geared toward not only winning the war but keeping a good part of the world open to U.S. trade until the war

ended and then beyond that. The inadequate amount of Lend-Lease aid given to Turkey simply meant that it was low on the totem poll with a limited pool of money available that had to be given to more important countries like Britain, China, and the Soviet Union. It did not mean that the United States did not have in mind the integration of Turkey into the American-controlled global economy. Political pressure, more than a generous amount of economic and military aid, is what is required to impose demands on another country

With the war over Turkey was now a member of the American-contrived 'United Nations.' It was torn over whether to re-establish a normal relationship with the Soviet Union or turn completely toward the United States and the west. The United States started to offer aid to Turkey in 1945 in order to incorporate it into a new global economic order under its authority. As it hardened its diplomatic approach toward the Soviet Union and started thinking in terms of military strategy it drew closer to Turkey and deepened its economic relationship with it even more. The clincher in the relationship was Britain, under post-war economic strain, abandoning its gendarme duties in Greece and Turkey, the former country in the throes of a civil war pitting communist guerillas against the government. The Truman Doctrine was announced soon after, promising significant economic aid for both Greece and Turkey and putting the two countries firmly in the American camp. The much more grandiose Marshall Plan was to follow that, further tightening America's grip over Turkey via increased economic and military aid. There was also to be a flurry of investment and, by 1948 at the latest, we can safely say that the United States had fully implemented its Open Door Policy vis-a-vis Turkey, with trade and investment steadily growing between the two countries. The policy was also driven, for the first time, by significant American aid, the final twist. Turkey was not yet a NATO member in 1948 but the sheer economic and political power of the United States had finalized whether Turkey would become a member of an American-driven global economy.

The continuous political and economic relationship between the United States and Turkey has now lasted over sixty years. While American investment and aid would steadily decrease in the 60's there was never any thought of forsaking a relationship such as theirs in the middle of the Cold War. The last twenty years of the Cold War would, however, especially reflect the perpetually fraught and problematic pattern of the American-Turkish relationship. Turkey finally invaded Cyprus in 1974 which led to a subsequent American

arms embargo placed on it the following year only to be lifted in 1978. That estrangement would not last long. The Soviet Invasion of Afghanistan and the anti-American Iranian Revolution in 1979, would bring the two countries closer together once again. The 1980 military coup in Turkey signalled the full integration of Turkey into the global economy on the heels of the 1979 Washington Consensus, which required an opening up of national economies around the world in exchange for IMF loans. The 1980s in Turkey would be underscored by its steady integration into the American-dominated global economy.

Even the twenty years since the end of the Cold War have not shown a significant difference in the American approach toward Turkey. The only difference now is that Turkey has become a more developed country in terms of economy and has branched out as far as its exports are concerned. The United States is only Turkey's fourth-largest trading partner but the trade takes place within a global economic system shaped by it. Turkey rejecting the traversing of American soldiers across its territory in 2003 during the Iraq War can be seen as the modern-day equivalent of Turkey's neutrality policy during World War Two. It will not have a foreign country's military physically inside its country under wartime conditions. That led to the lowest point in relations between the two countries since the Cyprus fallout and arms embargo but the relationship has survived. Especially on the economic front, Turkey will continue to be a hugely important country as a transit zone for oil and natural gas coming to Europe from the Middle East, the Caucasus and Central Asia. That is America's desire, for it wants oil and gas pipelines coming out of Central Asia and the Middle East to bypass Russia and Iran as well as keep Turkey in its economic and political sphere of influence. While China is now on a path to becoming a global player politically and economically and may provide Turkey with another 'balancing' country as the Soviet Union did in the interwar period and Germany did during the Second World War, it will not be able to displace the United States in Turkey's economic and political life anytime soon, if ever. Until the U.S. dollar is replaced and the United States no longer has an imperium of bases flung across the globe Turkey's economy will not be able to achieve even a modicum of independence.

APPENDIX A

A Chronology of American-Turkish Relations

1831-1906: The United States is represented in the Ottoman Empire at the level of charge d'affaires and obtains and maintains capitulations. It is not an overly significant trade partner.

1906: The United States raises its level of diplomatic representation to Ambassador as part of the strategy to promote the Open Door Policy in the Ottoman Empire.

1908-1911: United States business interests, with the lukewarm assistance of the State Department, first attempt to obtain the so-called Chester Concession but it is resisted by European interests. The State Department is not closely enough involved while the Ottoman-Italian war over Libya war breaks out in 1911, thereby scuttling the project.

1911: The United States remains neutral during the Ottoman Empire's war with Italy to maintain possession of Libya.

1914-1917: The United States remains neutral during the first three years of World War One and maintains diplomatic relations with the Ottoman Empire. The Pasha brothers' triumvirate makes positive sounds about future American investment and does not declare a jihad against it.

1917: The United States declares war on Germany April 6th, to which the Ottoman Empire is allied with. Two weeks later the Ottoman Empire, under pressure from Germany, cuts diplomatic relations with the United States

1919: During the Versailles Conference U.S. President Woodrow Wilson dispatches the King-Crane Commission and the Harbord Mission to make recommendations on what to do with the territory of the Ottoman Empire. Mandates are rejected by the United States Senate.

1919: The United States officially re-establishes commercial relations, not diplomatic relations, with the moribund Ottoman Empire.

1919-1922: The United States remains neutral during the Turkish War of Liberation against the French, British, Italians, and Greeks. As a result, it is Turkey's number one trade partner until 1921.

1920: The United States does not officially join the San Remo Conference in April nor the Sevres Conference in August, which decides on the parcelization of Middle Eastern oil and the territorial division of Turkey. It starts to become concerned about the open door being shut in the Middle East, especially with regard to oil.

1920-1923: Discussion concerning American investment in Turkey is held regularly between Ankara and Washington. The second attempt at the Chester Concession with 'official' help from the United States government falls through again. Standard Oil's interests in Mosul take precedence and it does not fund the concession. Oil extraction is more important than railroads and other infrastructural projects at that point.

1922-1923: The Lausanne Conference is held from November to July but the United States does not sign a treaty with the still-officially Ottoman government although the Chester Concession is agreed to as part of the strategy to lure in 'non-political' American investment.

1923: On August 6th the United States government signs a separate agreement with Turkey after the Lausanne Conference called the *Friendship and Trade Agreement*, which finally abolishes its capitulations for good. The Chester Concession falls through in December for lack of funding from the American side and its overly-exploitative conditions.

1923-1927: The United States Senate debates and ultimately rejects the U.S.-Turkish Friendship and Trade Agreement agreed to after the Lausanne Conference.

1927: On February 17th, American-Turkish diplomatic relations are finally established following the rejection of the Friendship and Trade Agreement by the United States Senate. It is only established following an exchange of notes between the two governments. Joseph Grew begins his post as first American Ambassador to Turkey on October 12th.

1927-1929: Trade between the United States and Turkey is carried out under annually-renewed Modus Vivendi Agreements.

1929: The first American-Turkish Convention of Trade is signed, which normalizes trade relations between the two countries.

1929: Turkey is finally able to raise its tariffs according to the provisions of the Lausanne Agreement.

1930: Ford builds a plant in Turkey, an American loan is approved, and the same company that extends the loan obtains the match monopoly in Turkey.

1934: The United States sends two economists to advise Turkey on its first state-managed capitalist five-year plan.

1936: The Montreaux Convention is revised, allowing Turkey to assert its sovereignty and militarize the Straits. Following the ratification of the agreement, the U.S. government is satisfied that its Open Door Policy with regard to the Straits is still intact and that Turkey's relations with Britain are satisfactory.

1936-1939: The United States shows nervousness with Turkey's aggressive campaign to recapture Hatay Province. Its peaceful resolution brings relief to Washington as it does not want the region to be destabilized in the face of Italian irredentist claims in the Eastern Mediterranean region.

1939- In April the Turkish-American Convention of Trade is signed, replacing the previous ten-year trade agreement. Although it is the first free trade agreement between the United States and a Middle Eastern country its intent is to anchor Turkey to the United States politically in the face of the imminent Italian invasion of Albania and the growing Nazi threat.

1941: On March 11th the Lend-Lease Aid Program is passed by the United States Congress. Although Turkey is included as a neutral, it receives limited military aid throughout the war. Turkey signs a nonaggression pact with Nazi Germany on June 18th,

four days before the German invasion of the Soviet Union. Turkey declares its continued neutrality on the day of the invasion. The United States government grants Turkey status as a strategic partner on November 17th.

1942: The Turkish Position is strong throughout most of the year until Germany starts to falter in November. U.S. policy diverges from the British one toward Turkey in that it attempts to send Lend-Lease directly to Turkey. Britain disagrees. The United States also makes clear to both Britain and Turkey that it will expect to have unfettered access to global markets post-war. This marks the beginning of the American attempt to lay the basis for America's permanent economic relationship with Turkey and its post-war economic imperium. The second half of 1942 causes worry for the United States because of growing German influence in the Turkish economy. German retreat in both the Soviet Union and North Africa allows the United States to start putting more overall diplomatic pressure on Turkey.

1943: The United States and Britain try to bring Turkey into the war as the tide turns against the Germans. The United States does so less wholeheartedly and is content for Turkish neutrality to continue as long as it can assist the Allies in other ways and the British supply the troops and equipment. It also starts to make clear that it has the post-war aim of an Open Door Policy vis-a-vis Turkey and does not care about Britain's concerns regarding the protection of its empire. The Sterling zone is, in fact, an obstacle to the open door and the United States wants purchases in Turkey to become 'dollarized.'

1944: In February the United States and Britain stop sending Lend-Lease military aid to Turkey although Turkey is still allowed to receive Lend-Lease economic aid. Turkey ends chromium shipments to Germany in April. Menemencioğlu resigns in June. Turkey cuts diplomatic relations with Germany in August. Turkey now has to find a way to join the United Nations without completely compromising its political and economic independence in the face of increased American pressure.

1945: Turkey continues its drive to join the United Nations following the war. It declares war on Germany and Japan in February under pressure from the Allies. Soviet toughening over the Straits and the nonrenewal of its Friendship Treaty with Turkey does not alarm the

United States very much until the Potsdam Conference in August. It simply wants the Straits to remain open for trade and for Turkey to open up its economy. It also settles Lend-Lease aid disputes and tries to regularize its policy of aid and trade with Turkey.

1946: The United States intensifies its economic relations with Turkey, becoming its number one trade partner, and starts to get tough with the Soviet Union.

1947: On March 12th the Truman Doctrine is announced and the United States government agrees to give 100 million dollars in aid to Turkey. On July 12th the Aid to Turkey agreement is approved.

1948: On July 4th Turkey joins the Marshall Plan and the Turkish-Economic Cooperation Agreement (ECA) is also signed. Turkey will receive generous amounts of aid in the next four years as part of the plan to open Turkey to American products and corporate investment. Turkey, because of American preference, invests in agriculture and raw material production. The Open Door Policy is finally realized with regard to Turkey. The United States is the biggest aid provider and investor in Turkey until the end of the 1950's.

APPENDIX B

American-Turkish Trade Statistics

A. Annual Value of American Exports to and Imports from Turkey, 1919-1927 (In Dollars)

Year	Exports to Turkey	Imports, Turkey	Total Trade
1919	25, 231, 722	37, 003, 002	62, 234, 724
1920	44, 247, 798	39, 766, 936	82, 014, 734
1921	23, 947, 110	3, 246, 638	37, 193, 748
1922	15, 980, 548	21, 682, 492	37, 663, 040
1923	3, 464, 034	2, 888, 639	16, 352, 673
1924	3, 314, 951	14, 615, 544	17, 930, 786
1925	3, 351, 286	14, 648, 177	17, 390, 786
1926	2, 917, 577	16, 832, 224	19, 749, 801
1927	3, 941, 084	20, 069, 551	24, 010, 635

Source: Gordon, Leland, *American Relations with Turkey, 1830-1930*, (Philadelphia: University of Pennsylvania Press, 1932), p. 60, Table 7

B. American Exports to Turkey by Decades, 1912-1928 (In Dollars)

Year	1912	1920	1922	1928
Automobiles and Parts	15, 530	1, 294, 371	104, 976	1, 270, 306
Leather, Leather Manufacturers	149, 068	2, 710, 780	380, 210	660, 923
Grain	1, 150	8, 164, 061	6, 415, 618	474, 712
Agricultural	146, 033	423, 324	48, 463	298, 160

Manufactures	173, 557	1, 809, 547	107, 052	259, 337
Machinery	145, 584	129, 259	74, 315	187, 860
Mineral Oils	598, 644	2, 740, 642	504, 869	92, 878
Cotton, Wool	489, 558	7, 664, 837	2, 089, 595	91, 032
Chemicals	5, 284	428, 818	133, 529	49, 782
Oleo Oil	618, 956	2, 069, 185	1, 000, 815	-----
Sugar	402	2, 449, 526	2, 904, 206	55
Coal	-----	1, 541, 674	-----	-----
Others	410, 986	7, 287, 998	1, 901, 154	750, 895

Source: Gordon, Leland, *American Relations with Turkey, 1830-1930*, Philadelphia: University of Pennsylvania Press, 1932), p. 66, Table 9

C. American Imports from Turkey by Decades, 1912-1928 (In Dollars)

Year	1912	1920	1922	1928
Tobacco	8, 596, 619	19, 616, 147	12, 380, 439	7, 664, 564
Fruits	1, 374, 734	5, 970, 747	2, 149, 610	2, 697, 034
Rugs	1, 764, 664	2, 061, 649	1, 624, 347	2, 454, 873
Furs	5, 699	1, 690, 275	492, 521	1, 053, 889
Mohair	544, 292	514, 552	985, 167	-----
Skins	963, 239	2, 051, 183	94, 224	845, 421
Chemicals	1, 658, 185	1, 822, 846	194, 153	629, 480
Ores	311, 657	524, 439	480, 212	55, 986
Others	2, 119, 219	2, 771, 593	1, 553, 033	320, 904

Source: Gordon, Leland, *American Relations with Turkey, 1830-1930*, (Philadelphia: University of Pennsylvania Press, 1932), p. 65, Table 8

APPENDIX C

Agreement for the Regularization of Relations between the United States and Turkey⁵⁷⁴

11 Bevans 1109

TURKEY n1

n1 See also agreements between the United States and the Ottoman Empire, ante, vol. 10, p. 619,

OTTOMAN EMPIRE.

RELATIONS

[NO NUMBER IN ORIGINAL]

11 Bevans 1109

February 17, 1927, Date-Signed

February 17, 1927, Date-In-Force

STATUS:

[*1] Exchange of notes at Ankara February 17, 1927

Entered into force February 17, 1927

Expired April 22, 1930 n1

n1 Date of entry into force of treaty of Oct. 1, 1929 (TS 813, post, p. 1122).

[NO LONG-TITLE IN ORIGINAL]

TEXT:

⁵⁷⁴ Retrieved from <http://turkey.usembassy.gov/11be1109/>, (April 26, 2013)

The American High Commissioner to the Minister of Foreign Affairs

[TRANSLATION]

ANGORA, *February 17, 1927*

EXCELLENCY: I have the honor to make the following statement of the agreement which has resulted from the conversations that have been held at Angora on behalf of the Government of the United States of America and the Government of Turkey with reference to the regularization of relations between the United States of America and Turkey.

1. The United States of America and Turkey are agreed to establish between themselves diplomatic and consular relations, based upon the principles of international law, and to proceed to the appointment of Ambassadors as soon as possible. They are further agreed that their diplomatic and consular representatives shall enjoy, on the basis of reciprocity in the territory of the other, the treatment recognized by the general principles of public international law.

2 (a). The United States of America and Turkey are agreed [*2] to regulate, by treaties or special conventions, on the basis of the general principles of public international law and of complete reciprocity, the commercial and consular relations, as well as the conditions of establishment and residence, of the nationals of the other party, in their respective territories.

(b) In the event that the treaty signed at Lausanne August 6, 1923, n2 by the United States of America and Turkey should be ratified on or before June 1, 1928, the provisions of that treaty, together with its annexes, shall be considered as meeting the requirements specified in subparagraph (a) of this paragraph, as regards the regularization of commercial and consular relations, and conditions of establishment and residence. It is understood that in the event the Turkish-American treaty should be ratified on or before June 1, 1928, article 31, thereof, shall be modified at the time of its ratification in the following sense: the articles of the said treaty which have a temporary character shall expire on the same date as the corresponding provisions of the treaties and conventions signed by Turkey and the Allies at Lausanne, July 24, 1923.

-----Footnotes-----

n2 Unperfected; for text, see 1923 For. Rel. (II) 1153.

-----End Footnotes----- [*3]

(c) The United States of America and Turkey are agreed that the treaty of extradition signed at Lausanne, August 6, 1923, n3 shall, at a time mutually convenient to them, be submitted to the competent authorities of their respective Governments for ratification. Further, that negotiations for a naturalization convention shall be undertaken within six months after the coming into effect of the consular convention and the convention of establishment and residence referred to in subparagraph (a) of this paragraph, n4 or the coming into effect of the Turkish-American treaty mentioned in subparagraph (b). The question of claims shall be dealt with in accordance with the provisions of the notes exchanged between the American and Turkish Governments at Constantinople on December 24, 1923; n5 it being understood that the provisions of those notes will come into force six months after the exchange of ratifications of the commercial convention and the convention of establishment and residence referred to in subparagraph (a), in the event that the Turkish-American treaty, mentioned in subparagraph (b), is not ratified.

-----Footnotes-----

n3 TS 872, *ante*, p. 1099. [*4]

n4 See TS 813 and 859, *post*, pp. 1122 and 1127.

n5 *Ante*, p. 1105.

-----End Footnotes-----

3. Pending the coming into effect of the consular convention and the convention of establishment and residence referred to in subparagraph (a) of paragraph (2), or the coming into effect of the Turkish-American treaty mentioned in subparagraph (b), the principles enumerated in paragraph (1) and (2) of this note, together with the essential provisions of

the Turkish-American treaty signed at Lausanne August 6, 1923, and its annexes, shall constitute the basis for the treatment, which, on condition of reciprocity, shall be accorded the nationals of the United States of America in the territory of Turkey and the nationals of Turkey in the territory of the United States of America.

4. The present agreement shall become effective on the day of signature.

I should be glad to have your confirmation of the accord thus reached.

Accept [etc.]

The Minister of Foreign Affairs to the American High Commissioner

[TRANSLATION]

ANGORA, *February 17, 1927*

MR. REPRESENTATIVE: I have the honor to make the following statement [*5] of the agreement which has resulted from the conversations that have been held at Angora on behalf of the Government of Turkey and the Government of the United States of America with reference to the regularization of relations between Turkey and the United States of America.

1. Turkey and the United States of America are agreed to establish between themselves diplomatic and consular relations, based upon the principles of international law, and to proceed to the appointment of Ambassadors as soon as possible. They are further agreed that their diplomatic and consular representatives shall enjoy, on the basis of reciprocity in the territory of the other, the treatment recognized by the general principles of public international law.

2 (a). Turkey and the United States of America are agreed to regulate, by treaties or special conventions, on the basis of the general principles of public international law and of complete reciprocity, the commercial and consular relations, as well as the conditions of establishment and residence, of the nationals of the other party, in their respective territories.

(b) In the event the treaty signed at Lausanne August 6, 1923, by Turkey and the [*6] United States of America should be ratified on or before June 1, 1928, the provisions of that treaty, together with its annexes, shall be considered as meeting the requirements specified in subparagraph (a) of this paragraph, as regards the regularization of commercial and consular relations, and conditions of establishment and residence. It is understood that in the event the Turkish-American treaty should be ratified on or before June 1, 1928, article 31, thereof, shall be modified at the time of its ratification in the following sense: the articles of the said treaty which have a temporary character shall expire on the same date as the corresponding provisions of the treaties and conventions signed by Turkey and the Allies at Lausanne, July 24, 1923.

(c) Turkey and the United States of America are agreed that the treaty of extradition signed at Lausanne, August 6, 1923, shall, at a time mutually convenient to them, be submitted to the competent authorities of their respective Governments for ratification. Further, that negotiations for a naturalization convention shall be undertaken within six months after the coming into effect of the consular convention and the convention [*7] of establishment and residence referred to in subparagraph (a) of this paragraph, or the coming into effect of the Turkish-American treaty mentioned in subparagraph (b). The question of claims shall be dealt with in accordance with the provisions of the notes exchanged between the Turkish and American Governments at Constantinople on December 24, 1923; it being understood that the provisions of those notes will come into force six months after the exchange of ratifications of the commercial convention and the convention of establishment and residence referred to in subparagraph (a), in the event that the Turkish-American treaty, mentioned in subparagraph (b), is not ratified.

3. Pending the coming into effect of the consular convention and the convention of establishment and residence referred to in subparagraph (a) of paragraph (2), or the coming into effect of the Turkish-American treaty mentioned in subparagraph (b), the principles enumerated in paragraphs (1) and (2) of this note, together with the essential provisions of the Turkish-American treaty signed at Lausanne August 6, 1923, and its annexes, shall

constitute the basis for the treatment, which, [*8] on condition of reciprocity, shall be accorded the nationals of Turkey in the territory of the United States of America and the nationals of the United States of America in the territory of Turkey.

4. The present agreement shall become effective on the day of signature. I should be glad to have your confirmation of the accord thus reached. Accept [etc.]

SIGNATORIES:

MARK L. BRISTOL

Dr. T. ROUSCHDY

APPENDIX D

Treaty of Commerce and Navigation⁵⁷⁵

11 Bevans 1122

TURKEY n1

n1 See also agreements between the United States and the Ottoman Empire, ante, vol. 10, p. 619,

OTTOMAN EMPIRE.

COMMERCE AND NAVIGATION

Treaty Series 813

11 Bevans 1122

October 1, 1929, Date-Signed

April 22, 1930, Date-In-Force

STATUS:

[*1] Treaty signed at Ankara October 1, 1929, with text of understandings

Senate advice and consent to ratification February 17, 1930

Ratified by the President of the United States March 3, 1930

Ratified by Turkey April 21, 1930

Ratifications exchanged at Ankara April 22, 1930

Entered into force April 22, 1930

Proclaimed by the President of the United States April 25, 1930

⁵⁷⁵ Retrieved from <http://turkey.usembassy.gov/11be1122/>, (April 26, 2013)

TREATY OF COMMERCE AND NAVIGATION BETWEEN THE UNITED STATES
OF AMERICA AND

THE TURKISH REPUBLIC

TEXT:

The United States of America and the Turkish Republic, desirous of maintaining and furthering their commercial relations and of defining the treatment which shall be accorded in their respective territories to the commerce and shipping of the other, have resolved to conclude a treaty of commerce and navigation and for that purpose have appointed their plenipotentiaries.

The President of the United States of America: Joseph C. Grew, Ambassador
Extraordinary and Plenipotentiary of the United States of America to the Turkish Republic.

The President of the Turkish Republic:

Zekai Bey, Deputy of Diarbekir, former Minister, Ambassador.

Menemenli Numan Bey, Minister Plenipotentiary, Undersecretary of State at the Ministry
of Foreign [*2] Affairs.

Who, having communicated to each other their full powers, found to be in due form, have
agreed upon the following articles:

ARTICLE I n1

-----Footnotes-----

n1 For an understanding relating to art. I, see p. 1125.

-----End Footnotes-----

In respect of import and export duties, including surtaxes and coefficients of increase, and
other duties and charges affecting commerce, as well as in respect of transit, warehousing

and customs formalities, and the treatment of commercial travelers' samples, the United States will accord to Turkey and Turkey will accord to the United States, its territories and possessions, unconditional most-favored-nation treatment.

Therefore, no higher or other duties shall be imposed on the importation into or the disposition in the United States, its territories or possessions, of any articles the produce or manufacture of Turkey than are or shall be payable on like articles the produce or manufacture of any other foreign country;

Similarly, no higher or other duties shall be imposed on the importation into or the disposition [*3] in Turkey of any articles the produce or manufacture of the United States, its territories or possessions, than are or shall be payable on like articles the produce or manufacture of any other foreign country;

Similarly, no higher or other duties shall be imposed in the United States, its territories or possessions, or in Turkey, on the exportation of any articles to the other or to any territory or possession of the other, than are payable on the exportation of like articles to any other foreign country;

Any advantage, of whatsoever kind, which either High Contracting Party may extend to any article, the growth, produce or manufacture of any other foreign country shall simultaneously and unconditionally, without request and without compensation, be extended to the like article the growth, produce or manufacture of the other High Contracting Party.

The stipulations of this article do not apply:

(a) To the treatment which the United States accords or may hereafter accord in the matter of the customs tariff to the commerce of Cuba or of any of the territories or possessions of the United States; or to the commerce of the Panama Canal Zone; or to the treatment which is or may hereafter [*4] be accorded to the commerce of the United States with any of its territories or possessions; or to the commerce of its territories or possessions with one another or with the Panama Canal Zone;

(b) To such special advantages and favors which Turkey accords or may hereafter accord

in the matter of the customs tariff affecting products originating within the countries detached in 1923 from the former Ottoman Empire; or to the treatment which Turkey may accord to purely border traffic within a zone not exceeding fifteen kilometers wide on either side of the Turkish customs frontier.

ARTICLE II n2

-----Footnotes-----

n2 For an understanding relating to a proposed third paragraph of art. II, see p. 1125.

-----End Footnotes-----

In all that concerns matters of prohibitions or restrictions on importations and exportations each of the two countries will accord, whenever they may have recourse to the said prohibitions or restrictions, to the commerce of the other country treatment equally favorable to that which is accorded to any other country.

The same treatment [*5] will apply in the case of granting licenses in so far as concerns commodities, their valuations and quantities.

ARTICLE III n3

-----Footnotes-----

n3 For understandings relating to art. III, para. (b), see p. 1125.

-----End Footnotes-----

(a) Vessels of the United States of America will enjoy in Turkey and Turkish vessels will enjoy in the United States of America the same treatment as national vessels.

(b) The stipulations of Article III paragraph (a) do not apply:

(1) To coastwise traffic (cabotage) governed by the laws which are or shall be in force within the territories of each of the High Contracting Parties;

(2) To the support in the form of bounties or subsidies of any kind which is or may be accorded to the national merchant marine;

(3) To fishing in the territorial waters of the High Contracting Parties; nor to special privileges which have been or may be recognized, in one or the other country, to products of national fishing;

(4) To the exercise of the maritime service of ports, roadsteads or seacoasts; nor to pilotage and towage; [*6] nor to diving; nor of maritime assistance and salvage; so long as such operations are carried out in the respective territorial waters, and for Turkey in the Sea of Marmara.

(c) All other exceptions not included in those mentioned above shall be subject to most-favored-nation treatment.

ARTICLE IV

Nothing in this treaty shall be construed to restrict the right of either High Contracting Party to impose prohibitions or restrictions of a sanitary character designed to protect human, animal or plant life, or regulations for the enforcement of police or revenue laws.

ARTICLE V

The present Treaty shall be ratified and the ratifications thereof shall be exchanged at Ankara as soon as possible. It shall take effect at the instant of the exchange of ratifications and shall remain in effect for a period of three years and thereafter until one year from the date when either of the High Contracting Parties shall have notified the other of an intention to terminate it; with the reservation, however, that the obligations concerning national treatment contained in paragraph (a) Article III hereof may, after one year from the date of the exchange of ratifications, be terminated by either [*7] party on ninety days' written notice and shall cease sixty days after the enactment of legislation inconsistent with the above-mentioned national treatment obligations by either of the High Contracting Parties.

IN WITNESS WHEREOF the respective plenipotentiaries have signed the same and have affixed their seals thereto.

DONE at Ankara in duplicate in the English and Turkish languages which have the same value and will have equal force this first day of October nineteen hundred and twenty-nine.

UNDERSTANDINGS n4

-----Footnotes-----

n4 Contained in minutes of meeting of Oct. 1, 1929

-----End Footnotes-----

[TRANSLATION]

1. With regard to Article I, the President of the Turkish Delegation, His Excellency Zekai Bey, declares that by the words: "other duties and charges affecting commerce", contained in the first paragraph of the Article, he understands the duties pertaining to importation and exportation, to consumption taxes, etc. and not to internal taxes levied on incomes and to taxes on profits. The President of the American Delegation, Mr. Grew, declares that [*8] his Government is entirely in accord with the Turkish Delegation with respect to the interpretation given by the Turkish Delegation to the phrase: "other duties and charges affecting commerce". The American Government is of the opinion, he says, that it is clear from the words as well as from the text that the sense of the phrase in question does not include taxes on incomes and taxes on profits.

2. For the third paragraph of Article II reading as follows: "It is understood that the High Contracting Parties shall have the right to apply these prohibitions or restrictions to products favored by premiums or subsidies, either openly or secretly", the President of the American Delegation declares that his Government desires to suppress this paragraph since it is not the practice of the United States to accord premiums or subsidies and that no provision on this subject has been inserted hitherto in any American treaties. The President of the Turkish Delegation declares that he will consent to omit this paragraph of the text of the Treaty in view of the declaration of the President of the American Delegation.

3. The President of the American Delegation declares that by Article III, paragraph [*9] (b), section 1, he understands that in all cases American and Turkish ships shall be permitted to pass from one port of the territories of one of the Parties into one or several

ports of the territories of the same Party, either in order to unload there the whole or a part of their cargo or of their passengers coming from abroad, or to make up or complete there their cargo or to take on passengers for a foreign destination. The President of the Turkish Delegation declares that the Turkish Government gives the same interpretation to this provision.

4. The President of the American Delegation requests His Excellency the President of the Turkish Delegation to be so kind as to inform him whether it is understood that the exceptions enumerated in paragraph (*b*) of Article III will be applied to vessels of the United States in Turkey and to Turkish vessels in the United States without distinction in favor of any third country.

The President of the Turkish Delegation replies in the affirmative saying that such is his understanding.

Thereupon the President of the American Delegation declares that they are in accord on this subject.

SIGNATORIES:

JOSEPH C. GREW

[SEAL]

ZEKAI

[SEAL]

M. NUMAN

[SEAL]

APPENDIX E

Agreement on Lend-Lease and Principles of Aid⁵⁷⁶

11 Bevans 1147

TURKEY n1

n1 See also agreements between the United States and the Ottoman Empire, ante, vol. 10, p. 619,

OTTOMAN EMPIRE.

LEND-LEASE n1

n1 See also lend-lease settlement agreement of May 7, 1946 (TIAS 1541, post, p. 1158).

Executive Agreement Series 465

11 Bevans 1147

February 23, 1945, Date-Signed

February 23, 1945, Date-In-Force

STATUS:

[*1] Agreement and exchanges of notes signed at Ankara February 23, 1945

Entered into force February 23, 1945

AGREEMENT BETWEEN THE GOVERNMENT OF THE UNITED STATES OF
AMERICA AND THE

GOVERNMENT OF THE REPUBLIC OF TURKEY ON THE PRINCIPLES APPLYING
TO AID UNDER

THE ACT OF MARCH 11, 1941

⁵⁷⁶ Retrieved from <http://turkey.usembassy.gov/11be1147/>, (April 26, 2013)

TEXT:

Whereas the Government of the Republic of Turkey is desirous of strengthening its national defenses in order that it may be in a position to protect its territorial integrity and sovereign rights in a world at war;

And whereas the President of the United States of America on November 7, 1941 n2 determined, pursuant to the Act of Congress of March 11, 1941, n3 that the defense of the Republic of Turkey is vital to the defense of the United States of America;

-----Footnotes-----

n2 1941 For. Rel. (III) 922.

n3 55 Stat. 31.

-----End Footnotes-----

And whereas the United States of America has extended and is continuing to extend to the Republic of Turkey aid in the development of its means of defense;

And whereas it is expedient that the final determination of the terms and conditions upon [*2] which the Government of the Republic of Turkey receives such aid and of the benefits to be received by the United States of America in return therefor should be deferred until the extent of the aid is known and until the progress of events makes clearer the final terms and conditions and benefits which will be in the mutual interests of the United States of America and the Republic of Turkey and will promote the establishment and maintenance of world peace;

And whereas the Government of the United States of America and the Government of the Republic of Turkey are mutually desirous of concluding now a preliminary agreement in regard to the provision of such aid and in regard to certain considerations which shall be taken into account in determining such terms and conditions; and the making of such an agreement has been in all respects duly authorized, and all acts, conditions and formalities

which it may have been necessary to perform, fulfill or execute prior to the making of such an agreement in conformity with the laws either of the United States of America or of the Republic of Turkey have been performed, fulfilled or executed as required;

The undersigned, being duly authorized [*3] by their respective Governments for that purpose, have agreed as follows:

ARTICLE I

The Government of the United States of America will continue to supply the Government of the Republic of Turkey with such defense articles, defense services, and defense information as the President of the United States of America shall authorize to be transferred or provided.

ARTICLE II

The Government of the Republic of Turkey will provide to the United States of America such articles, services, facilities or information as it may be in a position to supply, and may authorize.

ARTICLE III

The Government of the Republic of Turkey will not without the consent of the President of the United States of America transfer title to, or possession of, any defense article or defense information transferred to it under the Act of March 11, 1941 of the Congress of the United States of America, or under that Act as amended, or permit the use thereof by anyone not an officer, employee, or agent of the Government of the Republic of Turkey.

ARTICLE IV

If, as a result of the transfer to the Government of the Republic of Turkey of any defense article or defense information, it becomes necessary for that Government to [*4] take any action or make any payment in order fully to protect any of the rights of a citizen of the United States of America who has patent rights in and to any such defense article or information, the Government of the Republic of Turkey will take such action or make such payment when requested to do so by the President of the United States of America.

ARTICLE V

The Government of the Republic of Turkey will return to the United States of America at the end of the present emergency, as determined by the President of the United States of America, such defense articles transferred under this Agreement as shall not have been destroyed, lost or consumed and as shall be determined by the President of the United States of America to be useful in the defense of the United States of America or of the Western Hemisphere or to be otherwise of use to the United States of America.

ARTICLE VI

In the final determination of the benefits to be provided to the United States of America by the Government of the Republic of Turkey full cognizance shall be taken of all property, services, information, facilities, or other benefits or considerations provided by the Government of the Republic of Turkey [*5] subsequent to March 11, 1941, and accepted or acknowledged by the President of the United States of America on behalf of the United States of America.

ARTICLE VII

In the final determination of the benefits to be provided to the United States of America by the Government of the Republic of Turkey in return for aid furnished under the Act of Congress of March 11, 1941 and under that Act as amended, the terms and conditions thereof shall be such as not to burden commerce between the two countries, but to promote mutually advantageous economic relations between them and the betterment of world-wide economic relations. To that end, they shall include provision for agreed action by the United States of America and the Republic of Turkey, open to participation by all other countries of like mind, directed to the expansion, by appropriate international and domestic measures, of production, employment, and the exchange and consumption of goods, which are the material foundations of the liberty and welfare of all peoples; to the elimination of all forms of discriminatory treatment in international commerce; to the reduction of tariffs and other trade barriers; and, in general, to the attainment [*6] of all the economic objectives set forth in the Joint Declaration made on August 14, 1941, n4 by the President of the United States of America and the Prime Minister of the United Kingdom.

-----Footnotes-----

n4 EAS 236, *ante*, vol. 3, 686.

-----End Footnotes-----

At an early convenient date, conversations shall be begun between the two Governments with a view to determining, in the light of governing economic conditions, the best means of attaining the abovestated objectives by their own agreed action and of seeking the agreed action of other like-minded Governments.

ARTICLE VIII

It is understood that in the implementation of the provisions of the agreement each Government will act in accordance with its own constitutional procedures.

ARTICLE IX

This Agreement shall take effect as from this day's date. It shall continue in force until a date to be agreed upon by the two Governments.

Done in duplicate in the English and Turkish languages, both authentic, at Ankara, this 23 day of February, 1945.

EXCHANGES OF NOTES

*The American Ambassador to the Minister [*7] of Foreign Affairs*

EMBASSY OF THE UNITED STATES OF AMERICA

ANKARA, *February 23, 1945*

EXCELLENCY:

Confirming the Aide Memoire which I handed to Your Excellency on October 21, 1944, I have the honor to inform Your Excellency as follows:

"1. Since the Government of the United States cannot foresee its own future needs for

material which it has transferred to other Governments under the provisions of the Lend-Lease Act, it would not want to bind itself at this time to relinquishing the right to request the return of such materials as it might find desirable to have returned to the United States for the reasons set forth in Article V. However, the Government of the United States would, at a mutually convenient time after the signing of the agreement, provide the Turkish Government every opportunity to discuss with the Government of the United States the retention of such materials as the Turkish Government might desire to purchase.

"2. In Article VII, the signatories agree to collaborate with all other countries of like mind for the economic objectives described in that article. Since it is recognized, for example, that the reduction of trade barriers is a matter for action by [*8] each country in accordance with its own constitutional procedures, provision is made for conversations to determine the best means of attaining the stated objectives of each Government by their own 'agreed' action.

"3. With respect to the inquiry of the Turkish Government as to whether the signature of the agreement would be availed of by Washington to terminate Lend-Lease aid to Turkey, the response is made that it is not the intention of the Government of the United States to use the signing of the agreement as a basis for terminating Lend-Lease aid to Turkey. The amount of aid in the future will naturally depend on the material available and upon the course of the war."

Accept, Excellency, the renewed assurances of my highest consideration.

The Minister of Foreign Affairs to the American Ambassador

[TRANSLATION]

REPUBLIC OF TURKEY MINISTRY OF FOREIGN AFFAIRS

ANKARA, *February 23, 1945*

MR. AMBASSADOR:

I have the honor to acknowledge receipt from Your Excellency of the note which you have had the kindness to deliver to me on February 23, 1945 and reading as follows:

[For text of U.S. note, see above.]

I have the honor to inform Your Excellency that the Government of the Republic [*9] having found in the contents of the said Aide-Memoire the meaning which it intends to give to the agreement concerning aid furnished under the act of March 11, 1941, declares itself ready to proceed to the signature of the said agreement.

Accept, Mr. Ambassador, the assurances of my very high consideration.

The Turkish Minister of Foreign Affairs to the American Ambassador

[TRANSLATION]

REPUBLIC OF TURKEY MINISTRY OF FOREIGN AFFAIRS

ANKARA, *February 23, 1945*

MR. AMBASSADOR:

In connection with the signature today of the agreement between the Government of the Republic of Turkey and the Government of the United States of America on the principles applying to aid under the Act of March 11, 1941, I consider it helpful to point out to Your Excellency that the extent of the deliveries made by virtue of the Lend-Lease Law of March 11, 1941, before the date of the signature of the said agreement is to be the subject of consideration at the time of the final determination of the aid furnished by virtue of the said Lend-Lease Law.

Accept, Mr. Ambassador, the assurances of my very high consideration.

The American Ambassador to the Turkish Minister of Foreign Affairs

EMBASSY OF [*10] THE UNITED STATES OF AMERICA

ANKARA, *February 23, 1945*

EXCELLENCY,

I have the honor to acknowledge receipt of Your Excellency's letter of February 23, 1945, reading as follows:

[For text of Turkish note, see above.]

Please accept, Excellency, the renewed assurances of my highest consideration.

SIGNATORIES:

For the Government of the United States of America:

LAURENCE A. STEINHARDT

[SEAL]

Ambassador Extraordinary and Plenipotentiary of the United States of America at Ankara

For the Government of the Republic of Turkey:

HASAN SAKA

[SEAL]

Minister of Foreign Affairs

LAURENCE A. STEINHARDT

His Excellency

HASAN SAKA

Minister for Foreign Affairs

Ankara

HASAN SAKA

His Excellency

Mr. LAURENCE STEINHARDT

Embassy of the United States of America

Ankara

HASAN SAKA

His Excellency

Mr. A. LAURENCE STEINHARDT

Ambassador of the United States of America

Ankara

APPENDIX F

Agreement on Lend-Lease and Claims⁵⁷⁷

11 Bevans 1158

TURKEY n1

n1 See also agreements between the United States and the Ottoman Empire, ante, vol. 10, p. 619,

OTTOMAN EMPIRE.

LEND-LEASE SETTLEMENT

TIAS 1541

11 Bevans 1158

May 7, 1946, Date-Signed

May 25, 1946, Date-In-Force

STATUS:

[*1] Agreement signed at Ankara May 7, 1946; exchange of notes at Ankara May 25, 1946

Entered into force May 25, 1946

AGREEMENT ON LEND-LEASE AND CLAIMS BETWEEN THE GOVERNMENTS
OF THE UNITED

STATES OF AMERICA AND OF THE REPUBLIC OF TURKEY

TEXT:

⁵⁷⁷ Retrieved from <http://turkey.usembassy.gov/11be1158/>, (April 26, 2013)

The Government of the United States of America and the Government of the Republic of Turkey, Animated by the desire to arrive at a final settlement of lend-lease and of financial claims of each government against the other arising out of World War II,

Considering the benefits which they have already received by the defeat of the common enemy, and affirming their intention to seek no further benefits as consideration for lend-lease or for the settlement of claims or other obligations arising out of the war, except as specifically provided in the present

Agreement,

Declaring that this settlement is complete and final,

Reaffirming, pursuant to the general obligations assumed by them in Article VII of the Agreement of February 23, 1945 n1 on the "Principles applying to Aid under the Act of March 11, 1941 n2", their agreement to confer together and with other governments in the near future in the interest of

-----Footnotes-----

n1 EAS 465, *ante*, p. 1147. [*2]

n2 55 Stat. 31.

-----End Footnotes-----

(a) the expansion, by appropriate international and domestic measures, of production, employment and the exchange and consumption of goods, which are the material foundations of the liberty and welfare of all peoples,

(b) the elimination of all forms of discriminatory treatment in international commerce, and

(c) the reduction of tariffs and other trade barriers,

Declaring it to be their policy

(a) to avoid the adoption of new measures affecting international trade, payments or investments which would prejudice the objectives of such a conference and,

(b) to afford to each other adequate opportunity for mutual consultation regarding the aforementioned measures,

Declaring that the recent Agreement between the two governments covering civil aviationⁿ³ and the application of the Government of the Republic of Turkey for membership in the International Bank for Reconstruction and Development and the International Monetary Fund are consonant with the spirit of the principles mentioned above,

-----Footnotes-----

ⁿ³ Agreement of Feb. 12, 1946 (TIAS 1538, *ante*, p. 1153).

-----End Footnotes----- [*3]

Are agreed as follows:

ARTICLE I

The term "lend-lease article" as used in this Agreement means any article transferred by the Government of the United States under the Act of March 11, 1941:

- (a) to the Government of the Republic of Turkey, or
- (b) to any other government and retransferred to the Government of the Republic of Turkey.

ARTICLE II

The Government of the Republic of Turkey will pay to the Government of the United States a net sum of 4,500,000 United States dollars within thirty (30) days after this Agreement has been executed. This amount is in payment for

- (a) all lend-lease articles in the categories of machine tools and other productive machinery, locomotives and other railroad rolling stock, and load-carrying trucks of 1 1/2 ton and greater capacity.
- (i) for which the Government of the United States has not received any payment; and

(ii) which were in the possession or control of the Government of the Republic of Turkey, its agents or distributees at midnight on September 1, 1945, or thereafter passed into the possession or control of the Government of the Republic of Turkey, its agents or distributees.

(b) All lend-lease articles (other than those covered by requisitions [*4] calling for cash payment) transferred to the Government of the Republic of Turkey after March 11, 1941, for which the Government of the United States has not been reimbursed but for which it has been the policy of the Government of the United States to seek cash reimbursement from the Government of the Republic of Turkey.

(c) The net amount of claims due from one Government to the other arising out of World War II, excluding amounts still payable for lend-lease articles covered by cash reimbursement lend-lease requisitions heretofore filed by the Government of the Republic of Turkey.

ARTICLE III

The Government of the Republic of Turkey hereby acquires, without qualification as to disposition or use, full title to all articles described in paragraphs (a) and (b) of Article II hereof, and to all lend-lease articles now in the possession or control of the Government of the Republic of Turkey, its agents or distributees, for which the Government of the United States has been fully reimbursed.

ARTICLE IV

(a) Under Article V of the Agreement dated February 23, 1945, on the Principles applying to Mutual Aid

Between the Governments of the United States and of the Republic of Turkey, the Government [*5] of the United States has the right to recover at the end of the present emergency, as determined by the President of the United States, such defense articles transferred under that Agreement as have not been destroyed, lost or consumed, and as shall be determined by the President to be useful in the defense of the United States or of

the Western Hemisphere, or to be otherwise of use to the United States. Although the Government of the United States does not intend to exercise generally this right of recapture, the Government of the United States may exercise this right, under procedures to be mutually agreed, at any time after September 1, 1945, with respect to lend-lease articles, other than those described in paragraphs (a) and (b) of Article II hereof, which, as of the date upon which notice requesting return is communicated to the Government of the Republic of Turkey, are not destroyed, lost or consumed.

(b) The Government of the Republic of Turkey will not transfer or dispose of lend-lease articles, other than those described in paragraphs (a) and (b) of Article II hereof, to any third country.

ARTICLE V

Financial claims between the two governments arising out of existing arrangements [*6] (such as the agreements on the disposal of chrome stocks recently concluded and the sale of United States surplus property located both inside and outside of Turkey) where the liability for payment has heretofore been acknowledged and the method of computation mutually agreed are not covered by this settlement as they will be settled in accordance with such arrangements. In consideration of the undertakings in this Agreement, and with the objective of arriving at as comprehensive a settlement as possible and of obviating protracted negotiations between the two governments, all other financial claims whatsoever of one government, its agencies and instrumentalities, against the other government, its agencies and instrumentalities, which (a) arose out of lend-lease, or (b) otherwise arose on or after March 11, 1941 and prior to September 2, 1945 out of or incidental to the conduct of World War II, and which are not otherwise dealt with in this Agreement, are hereby waived, and neither government will hereafter raise or pursue any such claims against the other.

ARTICLE VI

The effective date of this Agreement shall be established through an exchange of notes

which shall take place at Ankara [*7] as soon as possible. Done at Ankara, in duplicate, in the English and Turkish languages each of which shall be of equal authenticity, this 7th day of May, 1946.

EXCHANGE OF NOTES

The Minister of Foreign Affairs to the American Ambassador

[TRANSLATION]

No. 45554/109 ANKARA, *May 25, 1946*

Mr. Ambassador:

With reference to Article VI of the Agreement relating to Lend-Lease and claims between the Government of the Turkish Republic and the Government of the United States of America signed at Ankara on May 7, 1946, I have the honor to propose to Your Excellency on behalf of my Government that the date of entry into effect of the above-mentioned Agreement be May 25, 1946.

I request, Mr. Ambassador, that you give me confirmation of your Government's agreement with the foregoing.

Please accept, Mr. Ambassador, the assurances of my highest consideration.

The American Ambassador to the Minister of Foreign Affairs

EMBASSY OF THE UNITED STATES OF AMERICA

ANKARA, *May 25, 1946*

No. 751

EXCELLENCY:

I have the honor to acknowledge the receipt of Your Excellency's note No. 45554/109 dated May 25,

1946, reading as follows:

[For text of Turkish note, see p. 1161.]

I take pleasure [*8] in informing your Excellency that my Government is in agreement with the foregoing.

Please accept, Excellency, the assurances of my highest consideration.

SIGNATORIES:

For the Government of the United States of America:

EDWIN C. WILSON

[SEAL]

For the Government of the Republic of Turkey

HASAN SAKA

[SEAL]

HASAN SAKA

His Excellency

Mr. EDWIN C. WILSON

Ambassador of the United States of America

Ankara

EDWIN C. WILSON

His Excellency

M. HASAN SAKA

Minister of Foreign Affairs

Ankara

APPENDIX G

Agreement on Aid to Turkey⁵⁷⁸

11 Bevans 1163

TURKEY n1

n1 See also agreements between the United States and the Ottoman Empire, ante, vol. 10, p. 619,

OTTOMAN EMPIRE.

AID TO TURKEY

TIAS 1629

11 Bevans 1163

July 12, 1947, Date-Signed

July 12, 1947, Date-In-Force

STATUS:

[*1] Agreement signed at Ankara July 12, 1947

Entered into force July 12, 1947

AGREEMENT ON AID TO TURKEY

TEXT:

The Government of Turkey having requested the Government of the United States for assistance which will enable Turkey to strengthen the security forces which Turkey requires for the protection of her freedom and independence and at the same time to continue to maintain the stability of her economy; and The Congress of the United States, in the Act approved May 22, 1947, n1 having authorized the President of the United States

⁵⁷⁸ Retrieved from <http://turkey.usembassy.gov/11be1163>, (April 26, 2013)

to furnish such assistance to Turkey, on terms consonant with the sovereign independence and security of the two countries; and

-----Footnotes-----

n1 61 Stat. 103.

-----End Footnotes-----

The Government of the United States and the Government of Turkey believing that the furnishing of such assistance will help to achieve the basic objectives of the Charter of the United Nations and by inaugurating an auspicious chapter in their relations will further strengthen the ties of friendship between the American and Turkish peoples;

The undersigned, [*2] being duly authorized by their respective governments for that purpose, have agreed as follows:

Article I

The Government of the United States will furnish the Government of Turkey such assistance as the President of the United States may authorize to be provided in accordance with the Act of Congress approved May 22, 1947, and any acts amendatory or supplementary thereto. The Government of Turkey will make effective use of any such assistance in accordance with the provisions of this agreement.

Article II

The Chief of Mission to Turkey designated by the President of the United States for the purpose will represent the Government of the United States on matters relating to the assistance furnished under this agreement. The Chief of Mission will determine, in consultation with representatives of the Government of Turkey, the terms and conditions upon which specified assistance shall from time to time be furnished under this agreement, except that the financial terms upon which specified assistance shall be furnished shall be determined from time to time in advance by agreement of the two governments. The Chief of Mission will furnish the Government of Turkey such information [*3] and technical

assistance as may be appropriate to help in achieving the objectives of the assistance furnished under this agreement.

The Government of Turkey will make use of the assistance furnished for the purposes for which it has been accorded. In order to permit the Chief of Mission to fulfill freely his functions in the exercise of his responsibilities, it will furnish him as well as his representatives every facility and every assistance which he may request in the way of reports, information and observation concerning the utilization and progress of assistance furnished.

Article III

The Government of Turkey and the Government of the United States will cooperate in assuring the peoples of the United States and Turkey full information concerning the assistance furnished pursuant to this agreement. To this end, in so far as may be consistent with the security of the two countries:

- (1) Representatives of the Press and Radio of the United States will be permitted to observe freely and to report fully regarding the utilization of such assistance; and
- (2) The Government of Turkey will give full and continuous publicity within Turkey as to the purpose, source, character, scope, [*4] amounts, and progress of such assistance.

Article IV

Determined and equally interested to assure the security of any article, service, or information received by the Government of Turkey pursuant to this agreement, the Governments of the United States and

Turkey will respectively take after consultation, such measures as the other government may judge necessary for this purpose. The Government of Turkey will not transfer, without the consent of the Government of the United States, title to or possession of any such article or information nor permit, without such consent, the use of any such article or the

use or disclosure of any such information by or to anyone not an officer, employee, or agent of the Government of Turkey or for any purpose other than that for which the article or information is furnished.

Article V

The Government of Turkey will not use any part of the proceeds of any loan, credit, grant, or other form of aid rendered pursuant to this agreement for the making of any payment on account of the principal or interest on any loan made to it by any other foreign government.

Article VI

Any or all assistance authorized to be provided pursuant to this agreement [*5] will be withdrawn:

(1) If requested by the Government of Turkey;

(2) If the Security Council of the United Nations finds (with respect to which finding the United States waives the exercise of any veto) or the General Assembly of the United Nations finds that action taken or assistance furnished by the United Nations makes the continuance of assistance by the Government of the United States pursuant to this agreement unnecessary or undesirable; and

(3) Under any of the other circumstances specified in section 5 of the aforesaid Act of Congress or if the President of the United States determines that such withdrawal is in the interest of the United States.

Article VII

This agreement shall take effect as from this day's date. It shall continue in force until a date to be agreed upon by the two governments.

Article VIII

This agreement shall be registered with the United Nations.

Done in duplicate, in the English and Turkish languages, at Ankara, this 12th day of July, 1947.

SIGNATORIES:

For the Government of the United States

EDWIN C. WILSON

[SEAL]

For the Government of the Republic of Turkey

HASAN SAKA

[SEAL]

APPENDIX H

Economic Cooperation Agreement⁵⁷⁹

11 Bevans 1166

TURKEY n1

n1 See also agreements between the United States and the Ottoman Empire, ante, vol. 10, p. 619,

OTTOMAN EMPIRE.

ECONOMIC COOPERATION

TIAS 1794

11 Bevans 1166

July 4, 1948, Date-Signed

July 13, 1948, Date-In-Force

STATUS:

[*1] Agreement signed at Ankara July 4, 1948, with annex

Notice of Turkish ratification given July 13, 1948

Entered into force July 13, 1948

Amended by agreements of January 31, 1950; n1 August 16, 1951; n2 and December 30, 1952 n3

n1 1 UST 188; TIAS 2037.

n2 3 UST 54; TIAS 2392.

⁵⁷⁹ Retrieved from <http://turkey.usembassy.gov/11be1166/>, (April 26, 2013)

n3 3 UST 5348; TIAS 2742.

ECONOMIC COOPERATION AGREEMENT BETWEEN THE UNITED STATES OF
AMERICA AND

THE REPUBLIC OF TURKEY

TEXT:

The Government of the United States of America and the Government of the Republic of Turkey:

Recognizing that the restoration or maintenance in European countries of principles of individual liberty, free institutions, and genuine independence rests largely upon the establishment of sound economic conditions, stable international economic relationships, and the achievement by the countries of Europe of a healthy economy independent of extraordinary outside assistance;

Recognizing that a strong and prosperous European economy is essential for the attainment of the purposes of the United Nations;

Considering that the achievement of such conditions calls for a European recovery plan of self-help and mutual cooperation, open to all nations which cooperate in such a plan, based upon [*2] a strong production effort, the expansion of foreign trade, the creation or maintenance of internal financial stability and the development of economic cooperation, including all possible steps to establish and maintain valid rates of exchange and to reduce trade barriers;

Considering that in furtherance of these principles the Government of the Republic of Turkey has joined with other like-minded nations in a Convention for European Economic Cooperation signed at Paris on April 16, 1948 under which the signatories of that Convention agreed to undertake as their immediate task the elaboration and execution of a joint recovery program, and that the Government of the Republic of Turkey is a member of the Organization for European Economic Cooperation created pursuant to the provisions of that Convention;

Considering also that, in furtherance of these principles, the Government of the United States of America has enacted the Economic Cooperation Act of 1948, n4 providing for the furnishing of assistance by the United States of America to nations participating in a joint program for European recovery, in order to enable such nations through their own individual and concerted efforts to [*3] become independent of extraordinary outside economic assistance;

-----Footnotes-----

n4 62 Stat. 137.

-----End Footnotes-----

Taking note that the Government of the Republic of Turkey has already expressed its adherence to the purposes and policies of the Economic Cooperation Act of 1948;

Desiring to set forth the understandings which govern the furnishing of assistance by the Government of the United States of America under the Economic Cooperation Act of 1948, the receipt of such assistance by the Republic of Turkey, and the measures which the two Governments will take individually and together in furthering the recovery of the Republic of Turkey as an integral part of the joint program for European recovery;

Have agreed as follows:

ARTICLE I

1. The Government of the United States of America undertakes to assist the Republic of Turkey, by making available to the Government of the Republic of Turkey or to any person, agency or organization designated by the latter Government such assistance as may be requested by it and approved by the Government of the United [*4] States of America. The Government of the United States of America will furnish this assistance under the provisions, and subject to all the terms, conditions and termination provisions, of the Economic Cooperation Act of 1948, acts amendatory and supplementary thereto and appropriation acts thereunder, and will make available to the Government of the Republic of Turkey only such commodities, services and other assistance as are authorized to be made available by such acts.

2. The Government of the Republic of Turkey, acting individually and through the Organization for

European Economic Cooperation, consistently with the Convention for European Economic Cooperation signed at Paris on April 16, 1948 will exert sustained efforts in common with other participating countries speedily to achieve through a joint recovery program economic conditions in Europe essential to lasting peace and prosperity and to enable the countries of Europe participating in such a joint recovery program to become independent of extraordinary outside economic assistance within the period of this Agreement. The Government of the Republic of Turkey reaffirms its intention to take action to carry out the provisions [*5] of the General Obligations of the Convention for European Economic Cooperation, to continue to participate actively in the work of the Organization for European Economic Cooperation, and to continue to adhere to the purposes and policies of the Economic Cooperation Act of 1948.

3. With respect to assistance furnished by the Government of the United States of America to the Republic of Turkey and procured from areas outside the United States of America, its territories and possessions, the Government of the Republic of Turkey will cooperate with the Government of the United States of America in ensuring that procurement will be effected at reasonable prices and on reasonable terms and so as to arrange that the dollars thereby made available to the country from which the assistance is procured are used in a manner consistent with any arrangements made by the Government of the United States of America with such country.

ARTICLE II

1. In order to achieve the maximum recovery through the employment of assistance received from the Government of the United States of America, the Government of the Republic of Turkey will use its best endeavors:

a) to adopt or maintain the measures necessary [*6] to ensure efficient and practical use of all the resources available to it, including

(i) such measures as may be necessary to ensure that the commodities and services

obtained with assistance furnished under this Agreement are used for purposes consistent with this Agreement and, as far as practicable, with the general purposes outlined in the schedules furnished by the Government of the Republic of Turkey in support of the requirements of assistance to be furnished by the Government of the United States of America;

(ii) the observation and review of the use of such resources through an effective followup system approved by the Organization for European Economic Cooperation; and

(iii) to the extent practicable, measures to locate, identify and put into appropriate use in furtherance of the joint program for European recovery, assets, and earnings therefrom, which belong to nationals of the Republic of Turkey and which are situated within the United States of America, its territories or possessions. Nothing in this clause imposes any obligation on the Government of the United States of America to assist in carrying out such measures or on the Government of the Republic of Turkey [*7] to dispose of such assets;

b) to promote the development of industrial and agricultural production on a sound economic basis; to achieve such production targets as may be established through the Organization for European Economic Cooperation; and when desired by the Government of the United States of America, to communicate to that Government detailed proposals for specific projects contemplated by the Government of the Republic of Turkey to be undertaken in substantial part with assistance made available pursuant to this Agreement, including whenever practicable projects for increased production of coal and food;

c) to stabilize its currency, establish or maintain a valid rate of exchange, balance its governmental budget, create or maintain internal financial stability, and generally restore or maintain confidence in its monetary system; and

d) to cooperate with other participating countries in facilitating and stimulating an increasing interchange of goods and services among the participating countries and with other countries and in reducing public and private barriers to trade among themselves and with other countries.

2. Taking into account Article 8 of the Convention for European [*8] Economic Cooperation looking toward the full and effective use of manpower available in the participating countries, the Government of the Republic of Turkey will accord sympathetic consideration to proposals made in conjunction with the International Refugee Organization directed to the largest practicable utilization of manpower available in any of the participating countries in furtherance of the accomplishment of the purposes of this Agreement.

3. The Government of the Republic of Turkey will take the measures which it deems appropriate, and will cooperate with other participating countries, to prevent, on the part of private or public commercial enterprises, business practices or business arrangements affecting international trade which restrain competition, limit access to markets or foster monopolistic control whenever such practices or arrangements have the effect of interfering with the achievement of the joint program of European recovery.

ARTICLE III

1. The Governments of the United States of America and of the Republic of Turkey will, upon the request of either Government, consult respecting projects in the Republic of Turkey proposed by nationals of the United States [*9] of America and with regard to which the Government of the United States of America may appropriately make guaranties of currency transfer under section 111 (b) (3) of the Economic Cooperation Act of 1948.

2. The Government of the Republic of Turkey agrees that if the Government of the United States of America makes payment in United States dollars to any person under such a guaranty, any liras, or credits in liras, assigned or transferred to the Government of the United States of America pursuant to that section shall be recognized as property of the Government of the United States of America.

ARTICLE IV

1. The Government of the Republic of Turkey will facilitate the transfer to the United States of America,

for stock piling or other purposes, of materials originating in the Republic of Turkey which are required by the United States of America as a result of deficiencies or potential deficiencies in its own resources, upon such reasonable terms of sale, exchange, barter or otherwise, and in such quantities, and for such period of time, as may be agreed to between the Governments of the United States of America and the Republic of Turkey, after due regard for the reasonable requirements [*10] of the Republic of Turkey for domestic use and commercial export of such materials. The Government of the Republic of Turkey will take such specific measures as may be necessary to carry out the provisions of this paragraph, including the promotion of the increased production of such materials within the Republic of Turkey, and the removal of any hindrances to the transfer of such materials to the United States of America. The Government of the Republic of Turkey will, when so requested by the Government of the United States of America, enter into negotiations for detailed arrangements necessary to carry out the provisions of this paragraph.

2. The Government of the Republic of Turkey will, when so requested by the Government of the United States of America, negotiate such arrangements as are appropriate to carry out the provisions of paragraph (9) of sub-Section 115 (b) of the Economic Cooperation Act of 1948, which relates to the development and transfer of materials required by the United States of America.

3. The Government of the Republic of Turkey, when so requested by the Government of the United States of America, will cooperate, wherever appropriate, to further the objectives [*11] of paragraphs 1 and 2 of this Article in respect of materials originating outside of the Republic of Turkey.

ARTICLE V

1. The Government of the Republic of Turkey will cooperate with the Government of the United States of America in facilitating and encouraging the promotion and development of travel by citizens of the United States of America to and within participating countries.

ARTICLE VI

1. The two Governments will, upon the request of either of them, consult regarding any matter relating to the application of this Agreement or to operations or arrangements carried out pursuant to this Agreement.

2. The Government of the Republic of Turkey will communicate to the Government of the United States of America in a form and at intervals to be indicated by the latter after consultation with the Government of the Republic of Turkey:

(a) detailed information of projects, programs and measures proposed or adopted by the Government of the Republic of Turkey to carry out the provisions of this Agreement and the General Obligations of the Convention for European Economic Cooperation;

(b) full statements of operations under this Agreement, including a statement on the use of funds, commodities [*12] and services received thereunder, such statements to be made in each calendar quarter;

(c) information regarding its economy and any other relevant information, necessary to supplement that obtained by the Government of the United States of America from the Organization for European Economic Cooperation, which the Government of the United States of America may need to determine the nature and scope of operations under the Economic Cooperation Act of 1948, and to evaluate the effectiveness of assistance furnished or contemplated under this Agreement and generally the progress of the joint recovery program.

3. The Government of the Republic of Turkey will assist the Government of the United States of America to obtain information relating to the materials originating in Turkey referred to in Article IV which is necessary to the formulation and execution of the arrangements provided for in that Article.

ARTICLE VII

1. The Governments of the United States of America and the Republic of Turkey recognize that it is in their mutual interest that full publicity be given to the objectives and progress of the joint program for European recovery and of the actions taken in furtherance of that

[*13] program. It is recognized that wide dissemination of information on the progress of the program is desirable in order to develop the sense of common effort and mutual aid which are essential to the accomplishment of the objectives of the program.

2. The Government of the United States of America will encourage the dissemination of such information and will make it available to the media of public information.

3. The Government of the Republic of Turkey will encourage the dissemination of such information both directly and in cooperation with the Organization for European Economic Cooperation. It will make such information available to the media of public information and take all practicable steps to ensure that appropriate facilities are provided for such dissemination. It will further provide other participating countries and the Organization for European Economic Cooperation with full information on the progress of the program for economic recovery.

4. The Government of the Republic of Turkey will make public in Turkey in each calendar quarter, full statements of operations under this Agreement, including information as to the use of funds, commodities and services received.

ARTICLE [*14] VIII

1. The Government of the Republic of Turkey agrees to receive a Special Mission for Economic Cooperation which will discharge the responsibilities of the Government of the United States of America in the Republic of Turkey under this Agreement.

2. The Government of the Republic of Turkey will, upon appropriate notification from the Ambassador of the United States of America in the Republic of Turkey, consider the Special Mission and its personnel, and the United States Special Representative in Europe, as part of the Embassy of the United States of America in the Republic of Turkey for the purpose of enjoying the privileges and immunities accorded to that Embassy and its personnel of comparable rank. The Government of the Republic of Turkey will further accord appropriate courtesies to the members and staff of the Joint Committee on Foreign Economic Cooperation of the Congress of the United States of America, and grant them the facilities and assistance necessary to the effective performance of their responsibilities.

3. The Government of the Republic of Turkey, directly and through its representatives on the Organization for European Economic Cooperation, will extend full cooperation [*15] to the Special Mission, to the United States Special Representative in Europe and his staff, and to the members and staff of the Joint Committee. Such cooperation shall include the provision of all information and facilities necessary to the observation and review of the carrying out of this Agreement, including the use of assistance furnished under it.

ARTICLE IX

1. The Governments of the United States of America and the Republic of Turkey agree to submit to the decision of the International Court of Justice any claim espoused by either Government on behalf of one of its nationals against the other Government for compensation for damage arising as a consequence of governmental measures (other than measures concerning enemy property or interests) taken after April 3, 1948, by the other Government and affecting property or interest of such national, including contracts with or concessions granted by duly authorized authorities of such other Government. It is understood that the undertaking of each Government in respect of claims espoused by the other Government pursuant to this paragraph is made in the case of each Government under the authority of and is limited by the terms and conditions [*16] of such effective recognition as it has heretofore given to the compulsory jurisdiction of the International Court of Justice under Article 36 of the Statute of the Court. n5 The provisions of this paragraph shall be in all respects without prejudice to other rights of access, if any, of either Government to the International Court of Justice or to the espousal and presentation of claims based upon alleged violations by either Government of rights and duties arising under treaties, agreements or principles of international law.

-----Footnotes-----

n5 TS 993, *ante*, vol. 3, p. 1186.

-----End Footnotes-----

2. The Governments of the United States of America and of the Republic of Turkey further agree that such claims may be referred, in lieu of the Court, to any arbitral tribunal mutually agreed upon.

3. It is further understood that neither Government will espouse a claim pursuant to this Article until its national has exhausted the remedies available to him in the administrative and judicial tribunals of the country in which the claim arose.

ARTICLE X

As used [*17] in this Agreement the term "participating country" means

(i) any country which signed the Report of the Committee of European Economic Cooperation at Paris on September 22, 1947, and territories for which it has international responsibility and to which the Economic Cooperation Agreement concluded between that country and the Government of the United States of America has been applied, and

(ii) any other country (including any of the zones of occupation of Germany, and areas under international administration or control, and the Free Territory of Trieste or either of its zones) wholly or partly in Europe, together with dependent areas under its administration; for so long as such country is a party to the Convention for European Economic Cooperation and adheres to a joint program for European recovery designed to accomplish the purposes of this Agreement.

ARTICLE XI

1. This Agreement shall be subject to ratification by the Grand National Assembly of Turkey. It shall become effective on the day on which notice of such ratification is given to the Government of the United States of America. Subject to the provisions of paragraphs 2 and 3 of this Article, it shall remain in force until [*18] June 30, 1953, and, unless at least six months before June 30, 1953, either Government shall have given notice in writing to the other of intention to terminate the Agreement on that date, it shall remain in force thereafter until the expiration of six months from the date on which such notice shall have been given.

2. If, during the life of this Agreement, either Government should consider there has been a fundamental change in the basic assumptions underlying this Agreement, it shall so notify the other Government in writing and the two Governments will thereupon consult with a

view to agreeing upon the amendment, modification or termination of this Agreement. If, after three months from such notification, the two Governments have not agreed upon the action to be taken in the circumstances, either Government may give notice in writing to the other of intention to terminate this Agreement.

Then, subject to the provisions of paragraph 3 of this Article, this Agreement shall terminate either:

(a) six months after the date of such notice of intention to terminate, or

(b) after such shorter period as may be agreed to be sufficient to ensure that the obligations of the Government of the [*19] Republic of Turkey are performed in respect of any assistance which may continue to be furnished by the Government of the United States of America after the date of such notice; provided, however, that Article IV and paragraph 3 of Article VI shall remain in effect until two years after the date of such notice of intention to terminate, but not later than June 30, 1953.

3. Subsidiary agreements and arrangements negotiated pursuant to this Agreement may remain in force beyond the date of termination of this Agreement and the period of effectiveness of such subsidiary agreements and arrangements shall be governed by their own terms. Paragraph 2 of Article III shall remain in effect for so long as the guaranty payments referred to in that Article may be made by the Government of the United States of America.

4. This Agreement may be amended at any time by agreement between the two Governments.

5. The Annex to this Agreement forms an integral part thereof.

6. This Agreement shall be registered with the Secretary-General of the United Nations.

IN WITNESS WHEREOF the respective representatives, duly authorized for the purpose, have signed the present Agreement.

Done at Ankara, Turkey, [*20] in duplicate, in the English and Turkish languages, both texts authentic, this fourth day of July, 1948.

SIGNATORIES:

For the Government of the United States of America:

EDWIN C. WILSON

[SEAL]

For the Government of the Republic of Turkey:

N. SADAK

[SEAL]

APPENDICES:

ANNEX

1. It is understood that the requirements of paragraph 1 (a) of Article II, relating to the adoption of measures for the efficient use of resources, would include, with respect to commodities furnished under the Agreement, effective measures for safeguarding such commodities and for preventing their diversion to illegal or irregular markets or channels of trade.

2. It is understood that the obligation under paragraph 1 (c) of Article II to balance the budget would not preclude deficits over a short period but would mean a budgetary policy involving the balancing of the budget in the long run.

3. It is understood that the business practices and business arrangements referred to in paragraph 3 of Article II mean:

(a) fixing prices, terms or conditions to be observed in dealing with others in the purchase, sale or lease of any product;

(b) excluding enterprises from, or allocating or dividing, any territorial market or field of business activity, [*21] or allocating customers, or fixing sales quotas or purchase quotas;

(c) discriminating against particular enterprises;

(d) limiting production or fixing production quotas;

(e) preventing by agreement the development or application of technology or invention whether patented or unpatented;

(f) extending the use of rights under patents, trademarks or copyrights granted by either country to matters which, according to its laws and regulations, are not within the scope of such grants, or to products or conditions of production, use or sale which are likewise not the subjects of such grants; and

(g) such other practices as the two Governments may agree to include.

4. It is understood that the Government of the Republic of Turkey is obligated to take action in particular instances in accordance with paragraph 3 of Article II only after appropriate investigation or examination.

5. It is understood that the projects referred to in paragraph 1 of Article III are those approved by the two Governments, in accordance with section 111 (b) (3) of the Economic Cooperation Act of 1948.

6. It is understood that the phrase in Article IV "after due regard for the reasonable requirements of the Republic [*22] of Turkey for domestic use" would include the maintenance of reasonable stocks of the materials concerned and that the phrase "commercial export" might include barter transactions. It is also understood that arrangements negotiated under Article IV might appropriately include provision for consultation, in accordance with the principles of Article 32 of the Havana Charter for an International Trade Organization, n6 in the event that stockpiles are liquidated.

-----Footnotes-----

n6 Unperfected. Art. 32(3) of the Havana Charter reads as follows:

"Such Member shall, at the request of any Member which considers itself substantially interested, consult as to the best means of avoiding substantial injury to the economic interests of producers and consumers of the primary commodity in question. In cases

where the interests of several Members might be substantially affected, the Organization may participate in the consultations, and the Member holding the stocks shall give due consideration to its recommendations."

-----End Footnotes-----

7. It is understood that the [*23] Government of the Republic of Turkey will not be requested, under paragraph 2(a) of Article VI to furnish detailed information about minor projects or confidential commercial or technical information the disclosure of which would injure legitimate commercial interests.

8. It is understood that the Government of the United States of America in making the notifications referred to in paragraph 3 of Article VIII would bear in mind the desirability of restricting, so far as practicable, the number of officials for whom full diplomatic privileges would be requested. It is also understood that the detailed application of Article VIII would, when necessary, be the subject of intergovernmental discussion.

9. It is understood that any agreements which might be arrived at pursuant to paragraph 2 of Article IX would be subject to ratification by the Senate of the United States of America.

10. It is understood that in the event it is proposed to make assistance available to Turkey on a grant basis the two Governments will consult with a view to amending the Agreement so as to take adequate provision for the deposit of local currency in accordance with the requirements of the Economic Cooperation [*24] Act of 1948, acts amendatory and supplementary thereto, and appropriation acts thereunder.

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