



MOSQUE OF SELIM I 1570-1574
(From G. Migeon, *Les Arts Musulmans*)

TEN YEARS OF THE NEW TURKEY— AN ECONOMIC RETROSPECT

BY LOUIS E. VAN NORMAN
Washington, D.C.

ONE of the most picturesque and impressive chapters in the history of the modern world was opened on November 1, 1922. On that day the Grand National Assembly of Turkey, in session at Angora, soon to be the capital of the Turkish Republic, adopted the following resolution:

After having struggled for centuries against the heavy calamities incurred through the ignorance and dissipation of the Palace and the Porte, the Empire had almost disappeared from history, when the Turkish Nation, its real founder and possessor, rose against both its foreign enemies and the Palace and the Porte which had joined them, and formed the Grand National Assembly. Its armies entered into actual armed conflict with its foreign enemies and the Palace and the Porte under known conditions of difficulty and privation, and has this day attained freedom.

This Declaration of Independence of the new Turkey was followed by the completion of the organization of a Republic under the Presidency of Ghazi Mustapha Kemal Pasha, one of the most forceful characters of our times. Now, almost exactly ten years

after this declaration of independence, what has been accomplished by the new Turkey?

The new nation was set up at a very difficult period in the life of its people. The country had been weakened by decades of war. The treasury was depleted. Foreigners held control over part of the finances. Agriculture was depressed. Business and commerce were almost entirely in the hands of non-Turks, many of whom had been forced to leave the country, carrying with them the skill, the intelligence, the capital, and the initiative which was so much needed for reconstruction. Finally, the Republican leaders themselves were mostly soldiers, untrained in the business of statesmanship and unschooled in economics. It is not to be wondered at that they made many mistakes. Inexperience in fiscal affairs, which had been largely under the control of foreigners, resulted in some serious blunders in handling the revenue system. Then perhaps almost equally serious was the attempt at an extreme policy of "going it alone," without foreign advice or foreign loans. This latter policy, however, was soon modified, especially as regards technical advice in construction work.

Turkey's territorial shrinkage may be realized when one remembers that, up to the beginning of the World War, the Ottoman Empire (as it was then called), included a territory in Europe and Asia of more than 700,000 square miles, with more than 21,000,000 population. Turkey in Europe is now only slightly larger than the State of Massachusetts, and the entire Republic just about the size of California and New Mexico combined, with a population of perhaps 14,000,000.

It looked for a time as if Kemal, who carried the burden of the transformation largely on his own shoulders, would share the fate of the last Sultan. The obstacles he faced were almost without number and the situation seemed hopeless. Kemal, however, had courage, patience and the capacity to "say nothing" in four or five languages.

It was a revolution in every sense of the word that he had staged, a moral as well as a political and economical one and, thanks to his high qualities and the backing of his people, he has been able to triumph.

The Western world has been surprised at the young Republic. It has almost been astonished at itself. What it has accomplished in the past decade in outward appearance is only equalled

by the inward change in its citizens. This is not merely a question of putting on new garments. It has evidently been a real change of heart.

The disappearance of the fez and the veil have only been symptomatic of what has been going on slowly in the minds and habits of the people. The adoption of the Western garb for their bodies and of the Latin alphabet for their words has gone deep psychologically. Not even the thoroughness of the system of education carried on by Moscow to make Communists out of all young Russians can exceed the thoroughness with which the new system of education in Turkey will make over the coming generations in accordance with the new ideals.

The seat of an ancient despotism, for many years the home of the Caliph, the head of the Moslem faith, Turkey for long centuries was typically Oriental in customs, traditions, and outlook. She is now resolutely shaking off the encumbrances of a worn-out social and economic order. Kemal insists that this is not with the intent to imitate other lands. It is consciously to expedite broad-gauge, constructive measures, necessary to the economic readjustment and advance of a vigorous, progressive modern State, old politically but new economically.

Volumes have been written on the rebirth of Turkey. The story can be put in a phrase: The Turk is now looking Westward, no longer towards the Orient.

With the fez gone from the heads of the men and the veil slowly but surely leaving the faces of the women, even down to the peasants, with universal suffrage (without distinction of sex), and the Latin alphabet, the Western calendar and the 24 hour clock, reformation of the school system and a public works program for the construction of railways, ports and breakwaters, as well as irrigation, reclamation and highway construction, the new Turkey is already on the road from Asia toward Europe—economically and politically, if not geographically.

Like other countries, with damp coastal plains and dry uplands, the new Turkey (Anatolia) has a variety of climate to offer to human life and agriculture. While the entire coast, along the Mediterranean and Black Seas, is mild and rather too humid for comfort, in the interior there are extremes of heat and cold. On the whole the uplands are favorable to agriculture and certain special crops—such as fruits and tobacco—do very well, especially in the



A RUSSIAN REAPER NEAR ANKARA

west. With irrigation, the new nation will be enabled to assume an almost enviable position. It is true that the water supply in Turkey has always been imperfectly utilized, but the arid lands present conditions not very different from those found in our western States and the solution of the problem is no doubt the same. This means that with a greater supply of water a larger population can be supported and sustained on a higher plane of living and culture. Due to war and backward political conditions as well as changes in water supply and lack of rain, there has been an apparent decrease in agricultural fertility. Under the blessed influence of irrigation, however, tobacco, wheat, fruit, wine, silk and livestock flourish in Anatolia and cotton does rather well.

In ancient times, extraordinary civilizations flourished in these valleys of the Near East. Later, climatic shifts buried empires under feet of sand. Who knows in what nearby future, however, extensive irrigation projects (some of them already under way) may bring into being modern replicas of Chaldea, Babylonia and Assyria.

The Turk is preëminently a farmer and a fighter. He came out of the East a thousand years ago as a fierce conquering warrior, but



OLD BURNT TOWER OF ANKARA

when he settled in Europe and in Asia at the gates of Europe, he became a tiller of the soil. He produces excellent tobacco and cereals. In 1930, cotton of a kind quite unlike our American varieties, was grown to a total of more than 75,000,000 pounds.

Numerous agricultural reforms are under way, many of them dependent on irrigation. So is diversification of crops. Even more pressingly important is a rather elaborate scheme for the expansion of credit to agriculture. At Angora, President Mustafa Kemal is developing a model farm incorporating many new American ideas. An excellent

quality of wheat is produced, more than 100,000,000 bushels representing the 1930 harvest.

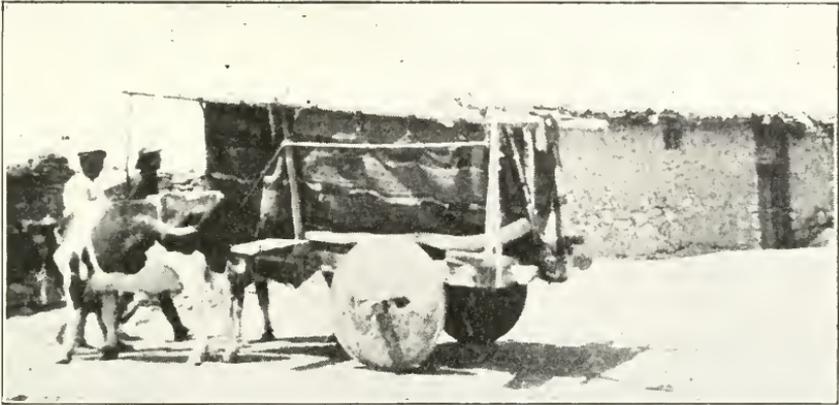
The Turk is more of a farmer than anything else. His country has mineral resources not yet developed—zinc, manganese, copper, asphalt, salt, gold, silver, and petroleum are to be found. But he is preëminently a cultivator of the soil.

Although he still has troubles with his subject peoples—including particularly the turbulent Kurds—even this problem he is facing courageously. There has been an attempt to lighten taxes on the peasants so long and so ruthlessly exploited under the Ottoman Empire. The old, crude legal system of the Moslems has been entirely discarded and a new system has been established on the basis of advanced European practice. Church and State have been completely separated. There is an ambitious and energetic Child Welfare Association; clinics for children have been opened; American experts have been employed.

Another far-reaching social "reform" has been the abolition of polygamy. It is true that having plural wives was never so general

a practice as believed in the Western world. But the Koran permitted it and many Turks who could afford to maintain several households did so. The prohibition against polygamy has had an important effect on the social situation.

Industrially, the new Turkey is as yet very young. The rug business, which, up to a few years ago, represented its chief contribution to modern manufactures, was practically destroyed by the Greeks during the "war" of 1923. Textiles now are the foremost industry. Today there are a few textile mills in Anatolia, some sugar factories, leather tanneries, fruit canneries, oil presses, cotton



AN ANATOLIAN OXCART

gins and some fig and raisin packing establishments. In 1927 (the latest figures available) there were some 65,000 manufacturing establishments with perhaps 250,000 workers in the country.

Obviously, Turkey needs development of her transportation system not only for the movement of men and goods, but as a necessity for the exploitation of her natural resources such as petroleum and other minerals, and cotton. In transportation facilities, however, she is as yet very poorly equipped. At the end of 1930, there were just short of 4,200 miles of railway in the country, of which some 2,000 were operated by the government and the remainder by concessionary companies. Some 800 more are now under construction, planned to tap the economically profitable sections. Angora, the new capital, is now rather well served by rail connection with Istanbul. Considerable impetus has been given to industrial expansion by the new law "for the encouragement of industry" and, more

recently, by import quotas which restrict foreign purchases. Electrification projects are being carried out, and we are now told that today 96 towns and villages are equipped with electric power. This is in a very dramatic contrast to old-time conditions in the days when Sultan Abdul Hamid was almost fanatically opposed to electricity for his people. He had got in his head the notion that "dynamos" and "dynamite" were, somehow, related and that electricity meant the end of his reign.

The new Turkey is trying hard to reform its finances in every way. Several exchange control measures in 1931 have been helpful in keeping capital at home and permitting its utilization in important business enterprises. Imports have been restricted in the interest of maintaining the currency. In 1930, Turkey realized a loan of \$10,000,000 at $6\frac{1}{2}$ per cent from the Swedish Match Company in exchange for a match monopoly for a period of twenty-five years.

As to foreign financial relations there is still the hangover from the days of the Sultans. It would be tedious to go into a restatement of the always complicated and much discussed question of the "Ottoman Debt." The Turkish Republic, by treaty agreement with the foreign bondholders, has resumed the service of this debt. Beginning with 1929, the full installment stipulated was paid. Last year, 1931, owing to general business and financial conditions, only about one-third of the installment was met. Further settlement negotiations are pending and the bondholders have not lost faith in their ultimate satisfaction on this score.

In other respects, the foreign relations of the new Republic are on a better footing. This is particularly true of relations with the Balkan countries, including Greece, so recently an enemy. Now that the "Capitulations" have been abolished (by the Treaty of Lausanne) foreigners in Turkey are for the first time subject to Turkish laws. For many years a non-Turk believed it impossible to reside or do business in Turkey unless special safeguards were accorded him. Now he is finding the same protection (and it is an increasingly satisfactory one) as the Turk himself. Closely allied to this position is the opposition to the old regulations concerning education under foreign auspices. We now hear that Turkey may become a member of the League of Nations.

Reform of government administration is also progressing. Only last December two new ministries were created by law, one of

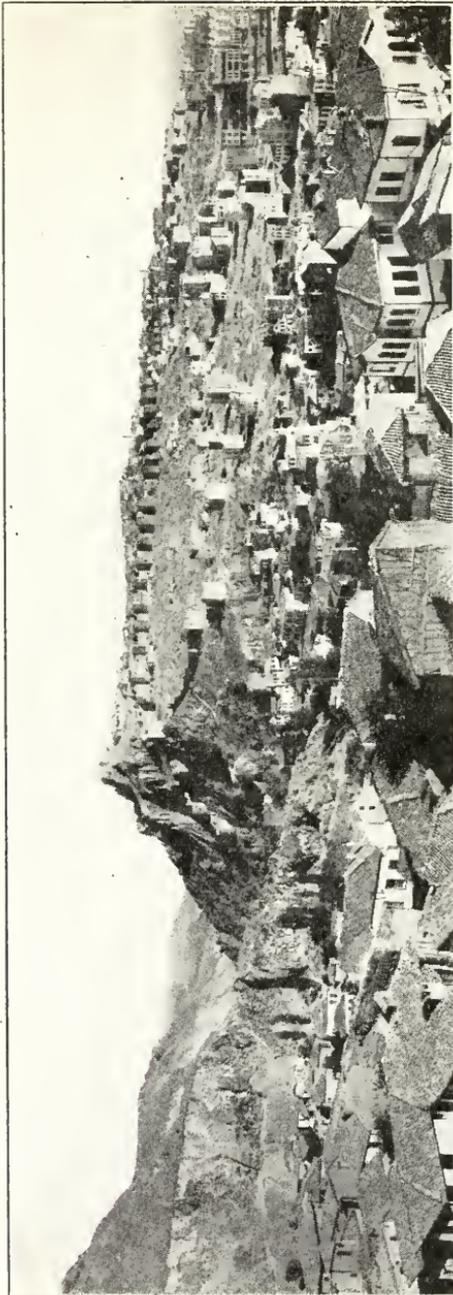
Agriculture and one of Customs and Monopolies. The former is self-explanatory. The latter will have charge of all government monopolies, excepting the postoffice, telegraph and telephone. Radio broadcasting is now a State monopoly.

As yet, the new Turkey has only a comparatively small foreign trade. In 1930, this was represented by a total of about \$140,000,000 both ways. Most of the imports in that year came from Germany, with the United States considerably behind. We sent to Turkey some \$2,900,000 worth of leather and manufactures, clothing, motor vehicles, rubber and rubber goods and agricultural machinery. We bought tobacco, rugs, furs and skins, opium, wool, certain fruits and gums valued at somewhat over \$8,000,000. Although there has been a decline in Turkish-American trade (at least from our standpoint) since 1922, when we sent them \$16,000,000 worth and bought \$21,000,000 worth from Turkish merchants, we may probably expect to have an increasing business with Turkey in the near future, especially in the form of motor cars, farm machinery and leather goods.

As a matter of fact, we have been doing business with Turkey for a long time, at least a century. Commercially, we have always been good friends with the Turks, largely, perhaps, because of the fact, acknowledged on both sides, that we are known to be interested only in business as business, with no ulterior political motives.

Since the Republic has been a going concern, we have sold goods to the Turks we never expected to sell before. Take, for example, the fact that the American typewriter manufacturers could never sell their machines in Turkey. The Turks had always used the ancient Arabic script, enormously difficult to work out on a machine because it needed more than 480 letter combinations. When Kemal ordered the abandonment of this Arabic script and the Latin alphabet substituted for it, he did so, of course, in the interest of a higher standard of literacy in his country. But he also had in mind to facilitate business dealings with the rest of the world and to make it easier for modern ideas to soak into Turkish popular consciousness.

This change was even more revolutionary than the disappearance of the fez and the veil. It went deeper into the habits of the people. But it has worked. The Western alphabet is now in the schools all over Turkey. It is also in the press, the "ads" and the



A VIEW OF OLD ANKARA

Courtesy of The Oriental Institute

signs all over the cities. As a result of this "reform" the demand for American typewriting machines is steadily increasing.

The abolition of the fez, the national head-gear, has been another item in the Westernization program. For ages the bright red head-gear, known in Turkey as the fez and in Egypt as the tarboosh, was distinctive of the Near East, at least of the Turkish part. The new régime at Angora, however, looked upon the fez as a symbol of the old order, even associating it with the Moslem hierarchy, the union of church and state. This union had to go and the fez went with it. This created a big demand for ordinary hats and caps. Some of the orders went to continental Europe, but many came to the United States.

The veil (both the picturesque yashmak and charshaff) which had concealed the faces of the Turkish women from time immemorial was also

disapproved. Mustapha Kemal is said to have diplomatically suggested to the local authorities that they intimate that the beauty of the Turkish women should no longer be concealed from the world. This helped to get rid of the veil—and incidentally, is gradually opening a market for cosmetics and other beautifiers, so-called, from the Western world.

Exports during recent years have suffered decline because of diminished foreign demand. Several years ago there was a very healthy trade out of the Straits and Mediterranean. The writer himself has seen enormous cargoes of rugs, tobacco and figs, which the Turks were then calling the tripod upon which their prosperity rests, come out of Smyrna and be carried on American and French ships to Europe and the United States.

An almost equally revolutionary change was the abandonment of Constantinople as the capital. Constantinople (now Istanbul) was built as the capital of the Byzantine Empire. On one Christmas Day fourteen centuries ago, it saw the dedication of Saint Sophia, a splendid temple. With the coming of the Turks, this became a Mohammedan mosque. Its beauty still commands our admiration. Its glorious domes are now actually covered with patent American roofing.

Kemal chose Angora (Ankara, the Turks call it) as capital, primarily, in order to get his countrymen away from the dangerous seductive influences of European diplomacy. Trade and industry have probably suffered financially, but also psychologically by the removal. For centuries Constantinople was to the commerce of Turkey what London is to that of Great Britain and New York to that of the United States. It was more. Because of its geographical position, it has been even more a trade center, favored by nature, than either of these other great cities. It has also been a center of political, religious and historic importance. However, because it had royalist and reactionary tendencies, it was abandoned by the young Republican government.

Politically justifiable, perhaps, the choice of Angora as the capital of the new Turkey is nevertheless not beyond question. It is aloof from the commercial life of the country and will have to be quite made over before it can realize its mission. With the exception of the rail connection with Constantinople, it is badly isolated. However, perhaps this very isolation will enable the new leaders

to maintain, untainted, their ideals of independence. Moreover, Angora is progressing along the road of modern nations with seven league boots.

Angora, the capital of the new Turkey, is in the racial heart of the Turkish nation. In a recent address, Dr. Julius Klein, assistant Secretary of Commerce, thus describes the city as he saw it in the year 1930:

A curiously arresting, fascinating town, of 75,000 people, this Angora—full of fantastic contrasts, an embodiment of violent ancient epics and of surging modern aspirations. . . . Angora today is the seat of a government which has its eyes riveted on the future and which "means business" in every conceivable sense of that term. When I was there last winter, I was struck by the enormously varying aspects of the place. The old town, rather dingy, with narrow streets and houses of sun-dried mud-bricks, clusters about the base of a towering rocky citadel or acropolis crowned with mementos of every conqueror whose hordes have swept over that Anatolian plain. How utterly different this is from the new Angora that has been rising only a short distance away—a town laid out with much of the simplicity and precision and broad vision that we find in Washington, a city with splendidly planned boulevards, pleasant parks, broad spaces, and fine new government buildings.

While the new Turkey has still a long way to go before she can take her rightful place among modern nations, she is on the way.

The rapid economic progress in the new Turkey during the decade is especially notable when it is remembered that most of the reconstruction work has been carried out by means of the country's own limited funds, and with scarcely any aid of foreign capital. If it is difficult for Westerners to understand why the Turks should have permitted their extremely—almost fanatically—nationalistic policy to extend even to foreign investments for economic development, it must be recalled that, in the days of the Sultans—particularly the late ones—foreigners controlled practically everything in the Ottoman Empire. The new Republic does not intend to repeat this mistake.

"It is a tremendous undertaking to awake a sleeping people," said Mustapha Kemal recently to a friend from the West. "But," he continued, "we are determined to awaken ourselves and remain awake. Modern science is international. We shall use it to the full. But we shall take good care to remain Turkish."