

pendes from one country to another. I have no intention of asking for too much aid. I prefer slower but surer development. There is no substitute for our own efforts. If our own efforts bring results, the outside will be much more helpful, they will see that we are creditworthy. The banking sector is closer to Turkey than two years ago. They see our efforts and say, "This man is capable of doing such-and-such, he will repay a loan." This is the right way of doing it. Of course, I am not against aid.

Goldman: But no one has yet been willing to provide medium-term commercial development credits to Turkey yet.

Ozal: I believe this could happen as early as next year. Arab banks, European banks, American banks, are all following the developments in Turkey.

Goldman: Have the present high interest rates affected Turkey's debt position?

Ozal: The Turkish debt structure is not much related to the interest-rate problem. Only 25 percent of debt is interest variable, so there is not much effect in our case.

Goldman: Are you satisfied with the outcome of this year's IMF meeting?

Ozal: I am talking, again, only for my country. The program we are following today is very similar to what President Reagan pointed out. We started 20 months ago on that basis, that there is no substitute for our own efforts. Politically it has been extremely difficult. But inflation had risen to 130 percent—that is politically even more harmful than the measures we have to take.

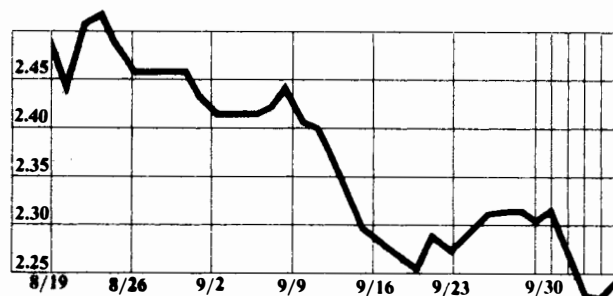
Goldman: What consequences do you see for your country's long-term objective to become an industrial nation?

Ozal: Industrialization follows a classic pattern. One starts with consumer products, and goes from that to capital goods. Even though Turkey was going into some heavy industry, we started with our own consumer market. I am not going to say that our industrial base was founded in the wrong way. But the capital goods market is much more competitive than the consumer goods market. Poland made the same mistake, to concentrate too much on capital goods—Turkey did not, but was on the way toward doing so. If you are going to industrialize in 15 to 20 years, there are two paths. One is to concentrate on capital goods, like the socialist countries, the second is the traditional pattern. I think by this route you will end up with better capital goods industry, and faster.

There is no other way but to follow the normal pattern of development. The Turkish population is now 50 million. I believe it will be 65 million 10 years from now, bigger than Italy or France. We have the natural resources, we have the nearby Mideast market—why should we not industrialize?

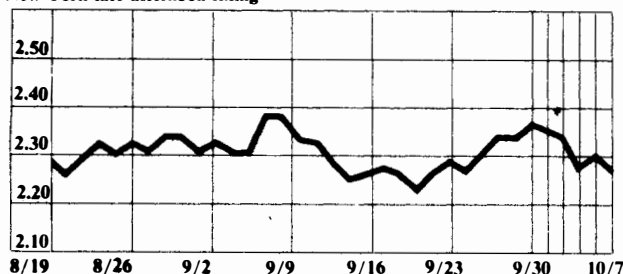
Currency Rates

The dollar in deutschmarks

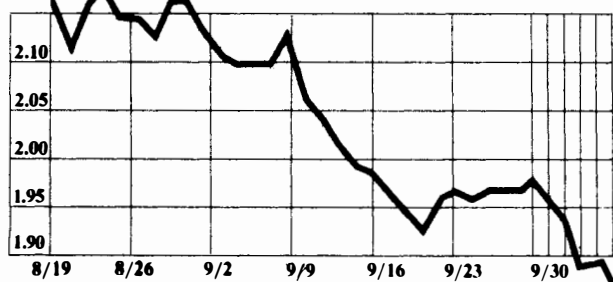


The dollar in yen

New York late afternoon fixing



The dollar in Swiss francs



The British pound in dollars

New York late afternoon fixing

