Turkey bows to the IMF

The government of Prime Minister Bülent Ecevit of Turkey, after months of resistance, has accepted the International Monetary Fund's conditions for "aid." Under the IMF terms, the Turkish lira will be devalued by a whopping 78 percent, with more such devaluations likely, since the government has also agreed to bypass the cabinet in their implementation. In the future, devaluation of the currency will require only a unilateral decision by the Finance Ministry.

The acceptance of these austerity measures is almost certain to bring down Ecevit. Commodity shortages, 70 percent inflation, and 25 percent unemployment have turned much of his constituency, including whole sections of his Republican People's Party, against him. Combined with new price hikes which range from 25 to 65 percent for gasoline, iron, steel and alcoholic beverages, the devaluations strengthen the position of opposition leader Süleyman Demirel, a conservative, and his neo-Nazi collaborator Alpaslan Türkes of the Nationalist Action Party, who are seeking to overthrow Ecevit.

Should a Demirel-Türkes coalition be installed, the country's submission to the IMF would be ensured. As well, Turkey, a strategically critical country, would almost certainly be returned to the status of a NATO bastion against the Soviet Union. With its economy in ruins as a result of the International Monetary Fund's austerity package, Turkey will be subjected to the same Muslim Brotherhood chaos that is destroying Iran.

How the IMF blackmailed Turkey

For more than a year, Ecevit refused to accommodate the fund, hoping that West Germany or France would provide an alternative to the International Monetary Fund via the new European Monetary System. Germany did force through a resolution proffering large-scale aid to Turkey in January, but the package was subsequently blocked by the Organization for Economic Cooperation and Development. Ecevit's government conceded to IMF rule at a time his country's reserves were depleted and the needed credits were not forthcoming due to the IMF's pressure on West Germany and France. Without an international campaign of support for Ecevit's efforts to withstand IMF blackmail, the Turkish economy was effectively cut off from foreign credits since Ecevit assumed power 18 months ago.

Now that an agreement with the IMF has been reached in principle, commercial bank lending as well as credits from the IMF, World Bank, and the Organization of Economic Cooperation and Development are expected to open up. Early this month, the OECD had linked an offer of $1.5 billion in aid to Turkey's compliance with the IMF austerity demands.

IMF not satisfied

Well aware that Ecevit does not have the clout to fully implement austerity, the IMF is behind the Demirel option to topple Ecevit. Ecevit has not gone far enough, the British press trumpeted last week, pointing out that Turkey's new austerity measures do not contain a wage and price policy, credit ceilings, and restrictions on the public sector enterprises. "Doubts are growing ... as to whether the new devaluation of the currency, under pressure from the West, will be enough to rescue the country from its economic plight," the *Financial Times* of London wrote last week.

Will government survive?

The Ecevit government is hanging in power by a thread with conjectures that it will be overthrown within days circulating widely. Within the past month, three ministers have quit his cabinet to join the opposition and half a dozen deputies have defected from his party, leaving him with less than a majority in parliament.

Opposition leader Demirel is maneuvering to pull off a vote of no confidence in Ecevit. So far, the Prime Minister has managed to block Demirel's designs by having the Republican Peoples Party boycott parliament, thereby preventing a quorum and blocking any debates or votes from taking place. With parliament scheduled to recess on July 3, Demirel is reportedly intensifying his efforts to oust Ecevit by that date in an attempt to prevent Ecevit from reinforcing his position during the four-month recess and to open the way for new elections—elections that Demirel would most likely win.

The June 14 *Financial Times* editorial diabolically queried whether the Ecevit government can be saved. "The question remains," the editorial states, "whether the 'emergency aid' and other funds will arrive in time to save the Government of Mr. Bülent Ecevit...."

"It is a dangerous situation. So far the army has made it clear that it does not want a repeat of its involvement in politics in the martial law period of 1971-73—though some commanders, particularly in Istanbul, have been pushing a harder line recently. The main apparent gainer is the Nationalist Action Party. ... It is not in a position to seize power, though Mr. Demirel makes it clear he would be prepared to form a fresh coalition with the NAP."

—*Nancy Parsons*