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Political Economy of Industrialization in Turkey

by Şevket Pamuk

Since the mid-1970s Turkey has been going through its most severe economic and political crisis in the last half century. The economy, which had exhibited rates of growth exceeding 7 percent per annum and rates of industrial growth over 10 percent per annum during the 1960s and early 1970s, has come to a virtual halt in the midst of one of the deepest foreign exchange crises anywhere in the third world today. The rate of unemployment is estimated to be around 20 percent of the labor force of 17 million people. In 1980, for the second year in a row, the rate of inflation is expected to exceed 100 percent.

In the meantime the struggle between various fractions of capital, and the inability of any single fraction to establish its hegemony, continues. Until recently the growing strength of the fascist movement and the inability of the left to unify and lead the opposition forces (workers, poor peasants, and some segments of the urban petty bourgeoisie) had been accompanied by an intensification of political violence. The economic and political dimensions of the crisis are closely related to the development of import substitution industrialization in Turkey. This article analyzes and interprets that industrialization process in order to identify some of the underlying causes of the current crisis.¹

The Great Depression and the Beginnings of Industrialization

The process of capitalist penetration that integrated the Anatolian provinces of the Ottoman Empire into the world economy during the nineteenth century was greatly facilitated by the 1838-1841 free trade treaties between the Ottoman central bureaucracy and the European powers. With

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the aid of railways built by foreign capital, Anatolian provinces turned to agricultural commodity production for export. At the same time, all traditional forms of industrial activity were destroyed by competition with mass produced European manufactures, primarily textiles. This process played a crucial role in determining the nature of the subsequent industrialization and Turkey's ties with the core. After the destruction of traditional manufacturing, modern industry could only be transplanted by the wholesale importation of plant and technology from abroad.

It is during periods of crisis of a given mode of accumulation that the potential for a shift to another mode emerges. With the collapse of the world market demand for foodstuffs and raw materials and the shift in the terms of trade in favor of manufacturers; the great depression of the 1930s brought about the end, in many peripheral countries, of a mode of accumulation based on complete specialization in agricultural.

In Turkey, the state in the hands of the bureaucracy initiated industrialization policies called *etatism*, whereby the state assumed the role of prime mover of capital accumulation. The collapse of the prices of agricultural commodities had changed the intersectoral terms of trade in favor of industry, and the state did not have to revert to explicit taxation of the peasantry in order to facilitate industrial accumulation. Five-year industrialization plans were drawn up to coordinate the investment programs of the state economic enterprises. The emphasis of state industries was on consumer goods such as textiles, sugar and other food processing, and on some intermediate goods such as steel, paper, glass and simple chemical products. These industrialization policies were complemented by an *etatist* ideology which stressed two themes: nationalism, and a view of the state above and outside the social classes of civil society. Both of these themes were entirely consistent with state-led import substitution industrialization, as later experiences of other peripheral social formations confirmed.

Hence *etatism* emerged during a period of weakening ties between the core and the periphery of the capitalist world economy to promote industrialization in Turkey. Industrialization certainly altered the nature of Turkey's relations with the core; however, it did not end the dependent character of those relations. On the contrary, *etatism* facilitated capital accumulation in the hands of a bourgeoisie which reproduced these relations in subsequent periods.

During the 1930s the nascent bourgeoisie benefited from *etatism* by obtaining marketing monopolies through the state economic enterprises, exclusive import licenses, credit from state controlled banks under very favorable terms and lucrative contracts from state firms to undertake major construction projects. The final impetus to private capital accumulation under *etatism* came during World War II, when the state reverted to deficit financing and taxation of the peasantry and non-Muslim bourgeoisie. Private fortunes were amassed, primarily in the hands of the Muslim bourgeoisie in an environment of high inflation, scarcity, hoarding and black markets. The workers' lot, on the other hand, did not improve. Real wages remained constant during the 1930s, and actually declined by about 30 percent during the highly inflationary war

Turkey's International Debt

In August 1979, some 254 international banks restructured \$2.6 billion in Turkish debt—the largest private debt rescheduling in history. At the same time, they awarded \$400 million in new credits to the country, for a total package of \$3 billion. As Turkey's financial crisis continued, new credits were needed. In June 1980, the IMF stepped in with a loan of \$1.65 billion, in its first-ever use of more expansive lending policies. In July Western governments allowed Turkey to reschedule \$3 billion in debts owed to them. By the end of the summer, Turkey's immense foreign debt reached more than \$16 billion, of which \$4.8 billion was owed to private banks, \$8.2 billion to governments, and \$4 billion to supranational financial institutions including the IMF. But with the government paralyzed and economic problems worsening, there was little possibility that such sums could be paid back.

The military *coup* restored some measure of banking confidence, signified by announcements of new loans: \$95 million from five US banks on October 5, and \$87 million from the World Bank on November 21. For all of 1980, commercial banks will provide an estimated \$588 million in short-term trade credits. But the private banks are reluctant to make any more substantial long



Demirel stepping on peasant, worker, bureaucrat, retiree and widow to reach IMF Funds.

Credit: Bedri Koraman, *Milliyet*, January 31, 1980.

term loans. The new government has attempted to re-schedule again its private debt. Meantime, IMF credits are being used to service the private debt, rather than paying for investments in the economy. In spite of the *coup*, bankers are wary of Turkey and hesitant to sink any more money into such an uncertain credit risk. According to *Business Week*, one private international banker claimed that "supranational agencies such as the IMF, as well as Western governments, showed little interest in Ankara's financial difficulties until Turkish real estate suddenly became more valuable to NATO."

Source: *Business Week*, December 15, 1980; *World Business*, September 29, 1980.

years. They did not return to their prewar levels until 1948.²

The Bourgeoisie Take the Helm

Etatism clearly promoted capital accumulation by the Turkish bourgeoisie. By the late 1940s the process was well advanced and the bureaucracy had become an increasingly expendable partner. Large landlords were unhappy about the ruling Republican People's Party flirtation with land reform. The broad interests of the bourgeoisie would be best served under their more direct political rule.

As American hegemony over the capitalist world system was established after World War II, external pressures mounted for direct rule by the bourgeoisie. The preferences of the US would dismantle the etatist, protectionist industrial structure in favor of encouraging foreign capital, specializing in the export of agricultural commodities and importing manufacturers. These were spelled out by Max Thornburg, who led an American economic mission to Turkey in 1948. His report recommended nothing less than a complete restructuring of Turkey's relations with the core countries, primarily with the United States.³

After the introduction of the multiparty system, the Democrat Party came to power in 1950 with the support of all fractions of the bourgeoisie. The discontent of large landlords and some segments of the middle and small peasantry with the rural policies of the single party state was significant in the electoral outcome. The platform of the Democrats called for transfer of the ownership of state economic enterprises to private capital, and reliance on

agriculture. Agricultural exports, it was hoped, would meet the bill for imports of manufactured consumer goods. Further economic integration with the capitalist world system was complemented by closer political and military ties with the United States.

Opening up of new land, good weather conditions and expansion of demand for primary products created by the Korean War facilitated large volumes of exports of wheat and chrome. This sustained Democrat Party policies for three to four years. But by the mid-1950s the decline in world market demand for raw materials and the decline in agricultural production in Turkey produced a foreign exchange crisis. It became clear that at this particular juncture a mode of accumulation with a strong emphasis on agriculture could not be maintained in Turkey. Under the circumstances, import substitution industrialization led by the bourgeoisie represented the only means of resuming the accumulation process. The interests of the middle and large landowners were not seriously threatened at this stage, especially since many of the emerging consumer goods industries such as textiles and food processing created an additional market for agricultural commodities. Large landowners and big merchants were among the first to shift their capital to industry to take advantage of the opportunities import substitution offered.

Import substitution industrialization, now led by private capital, did not emerge as the result of a shift of power between different fractions of capital and a redefining of priorities by the Democrat Party administration. Rather it was a piecemeal response to the constraints and pressures imposed by the foreign exchange crisis of the mid-1950s.

The 1958 "stabilization program" imposed by the Western creditor countries, and the military coup of 1960, delayed the full resumption of accumulation until 1962.

The 1962-1977 period represents a decade and a half of uninterrupted capital accumulation under import substitution industrialization. The rates of growth of manufacturing industry averaged over 10 percent per year, while the gross national product grew at average annual rates exceeding 7 percent.⁴ These relatively high rates of industrial growth were achieved with an industrial structure oriented overwhelmingly towards the production of consumer goods. Textiles and food processing industries, which dominated the manufacturing sector in the 1950s, gave way in the late 1960s and 1970s to an emphasis on consumer durables, including household goods and an automotive industry.

The Domestic Market and the Foreign Exchange Crises

The 1962-1977 period in Turkey represents a spurt typical of the accumulation process in the periphery. As the experiences of other such peripheral countries indicate, the consumer non-durables and consumer durables phase of import substitution industrialization provides favorable conditions for accumulation. Behind protectionist barriers erected by the state, the emerging industrial bourgeoisie enjoyed a captive market, primarily in the urban areas. State intervention on behalf of the industrial bourgeoisie was not limited to protectionism but included overvalued exchange rates, cheap credit and tax exemptions. The state economic enterprises, which had been denounced in the late 1940s both by Thornburg and by Democrat Party spokesmen, also made critical contributions to the accumulation process. Adjusting their role to the ascendance of the bourgeoisie, the state economic enterprises provided infrastructure investment and key intermediate goods such as steel, aluminum and petrochemicals at prices below costs of production. The scale of these investments, essential for sustaining import substitution industrialization, would have been beyond the strength of the nascent industrial bourgeoisie themselves.⁵

But no matter how far-reaching the support of the state may be, it does not avoid the contradictions of import substitution industrialization for extended periods. These contradictions manifest themselves in two different forms, depending upon the characteristics of the peripheral social formation and the nature of its ties to the capitalist world: either as a market crisis or as a foreign exchange crisis. The former occurs when the domestic market becomes saturated during the consumer durables stage. The more unequal the income distribution, the narrower the domestic market and the sooner the crisis will emerge in this form.

At this juncture, there are usually two alternatives. State policies can bring about more equal income distribution in order to incorporate the urban petty bourgeoisie and some segments of the industrial workers into the consumer durables market. Alternatively, state policies may be directed towards accentuating unequal income distribution. Then industrial accumulation can be renewed primarily

through multinational firms producing highly diversified durable consumer goods for the very high income groups. The outcome will depend on the balance of internal class forces, the nature of the ties to the international capitalist system and the world conjuncture. Brazil in the early 1960s is an example of the latter outcome.⁶

In Turkey the contradictions of import substitution never took the form of a full-blown market crisis. True, many firms are currently operating at levels well below full capacity. This is in part due to the difficulty of importing the necessary inputs for industrial production, and in part due to the recent "stabilization" measures adopted under pressure from the International Monetary Fund aimed at reducing rates of inflation by creating further unemployment. But the domestic market in Turkey has been a major force behind the industrial accumulation and the contradictions of import substitution industrialization have manifested themselves in the second form, through periodic foreign exchange crises. By far the most severe of these began in 1977 and has only grown more severe through the present. The reasons lie in the specific character of the social formation of Turkey.

First, despite military interventions in 1960 and 1971, the political regime in Turkey had been a restrictive parliamentary democracy which outlawed communist parties. In a country where the peasantry still constitutes more than half of the population, the rural vote has been very important for political parties in power. State agricultural price support policies have been used to increase the incomes of middle and rich peasants and capitalist farmers, thereby incorporating them to some extent into the national market for manufactures. Contrary to trends in other countries in the process of industrializing, terms of trade between agriculture and industry have moved in favor of agriculture in Turkey since early 1950s, with particularly sharp movements in election years.⁷

Second, under the 1961 Constitution, the labor union movement has been successful in increasing and maintaining relatively high levels of wages for unionized workers. Real wages declined during the military regime of 1971-1973, and more recently since 1977 as rates of inflation exceeding 100 percent per annum have brought about a dramatic shift in the distribution income against the working classes in general. Nonetheless, the relatively high level of wages that characterized industrialization in Turkey served to expand the domestic market for consumer goods.

Third, during the 1960s and early 1970s over one million workers from Turkey emigrated to Germany and elsewhere in Europe. This mass movement helped ease the pressure of domestic unemployment, and the remittances sent by the workers to their families in Turkey created substantial amounts of purchasing power for domestically produced consumer durables. In 1971 remittances exceeded one billion dollars for the first time, representing additional purchasing power equivalent to 8 or 9 percent of Turkey's GNP.⁸

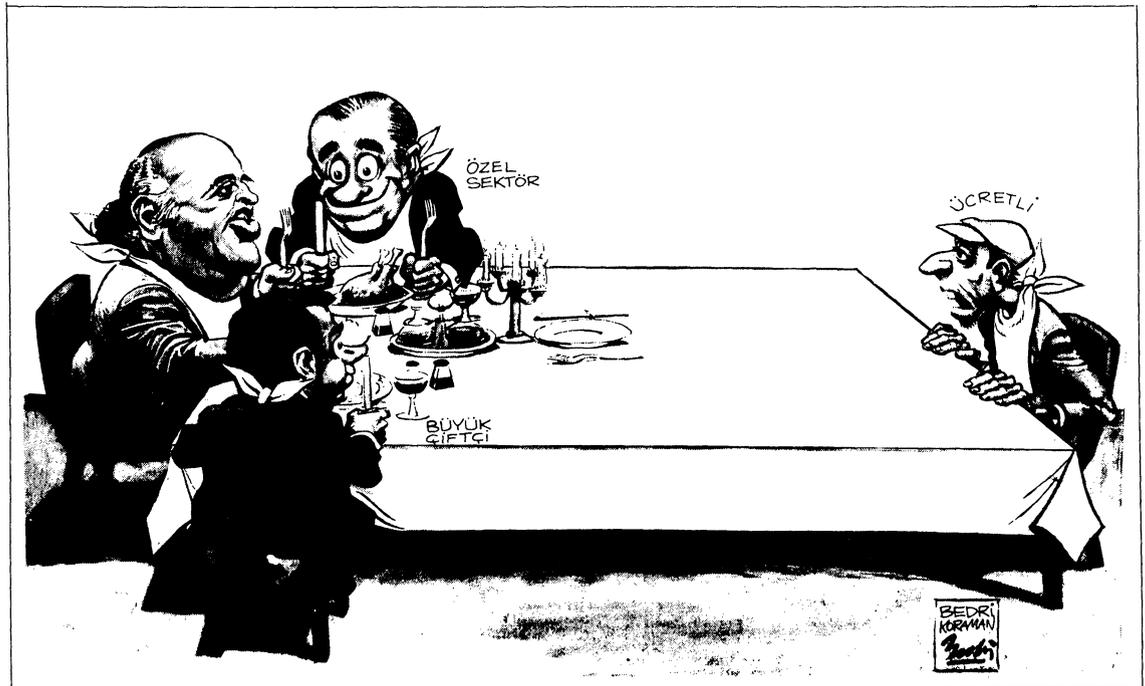
The size of the domestic market for consumer goods may have prevented the manifestation of the contradictions of import substitution industrialization in the form of a market crisis. This has meant that the foreign exchange crisis was the dominant form in which these contradictions

appeared in Turkey. Three tendencies specifically brought forth the foreign exchange crisis. First, in the absence of substantial intermediate and capital goods industries, increases in the production of consumer goods necessitated increased imports of intermediate and capital goods. Second, as import substitution industrialization proceeded through consumer durables towards establishing intermediate goods industries, its technologically dependent nature became increasingly transparent. Intermediate goods industries could be established only by importing plants and technology developed in the core countries. This im-

emphasis on consumer durables did not abate. Foreign exchange reserves quickly disappeared, but the right wing coalition government in power in 1975 chose to delay the crisis at all costs. The consumer durables mania was continued by short-term borrowing in the international markets under extremely unfavorable terms.

The Current Crisis

A severe foreign exchange crisis, with its full complement of economic and political ramifications, has intensified in



Demirel's austerity package: private sector and large landowners enjoy the feast while the wage earner looks on.

Credit: Bedri Koraman, *Milliyet*, March 5, 1980

plied that establishing intermediate and heavy industries exchange, if not on foreign capital.

Finally, the large domestic market, high tariff protection, the oligopolistic industrial structure and various forms of state intervention on behalf of the bourgeoisie had led to rates of profit in the domestic market much higher than those that could be obtained in the international markets. Given the easy profits at home, the industrial bourgeoisie made only feeble attempts to export in order to obtain the foreign exchange necessary for further industrial accumulation. Import substitution in Turkey could proceed only as far as export earnings from traditional agricultural commodities allowed. Remittances from workers in Europe came to constitute a very significant source of foreign exchange for the industrial bourgeoisie and prevented a foreign exchange crisis at the end of the 1960s. During 1971-1972, foreign exchange inflows from remittances exceeded those from exports by 50 percent.⁹ The brief appearance of an overabundance of foreign exchange during the early 1970s led to the abandonment of attempts to establish intermediate goods industries. Instead the remittances were used by the industrial bourgeoisie for another round of accumulation by fueling the production of consumer durables.

Even with the four-fold rise in oil prices in 1973, the

Turkey since 1977. The GNP is expected to decline in 1980 and the output of manufactures is expected to decrease by more than 12 percent. With every passing month, industrial layoffs add thousands to the ranks of the unemployed and push the rates of unemployment to new highs.

The "easy" stage of import substitution industrialization is now over. Industrialization allowed for periods of rapid accumulation and the emergence of a new class structure, including a proletariat, but it did not break the relations of dependence. Within the framework of the capitalist world system, the high rates of industrialization and accumulation of the 1960s and early 1970s cannot be resumed without profound political and structural changes. It is in this context that an analysis of the internal class structure, the nature of Turkey's ties to international capital and the present conjuncture of the world economy becomes so essential.

One important characteristic of the internal class structure is the segmentation of different fractions of capital which underlies the current political crisis. In Turkey, even though industrialization has proceeded for a relatively long period, the industrial bourgeoisie has not been able to establish its hegemony over financial capital, merchant capital and agricultural capital. This bourgeoisie is technologically, and financially dependent upon foreign capital

and upon the interventions of the state for redistribution of surplus value in its favor and for protection from imported manufactures. Due to these weaknesses, the industrial bourgeoisie rarely attempts to break from its broad alliance with other fractions of capital to establish its hegemony.

In Turkey, the industrial bourgeoisie has never been strong enough for such a move. In 1970, the Justice Party, successor to the Democrat Party of the 1950s as the representative of the broad interests of big capital, attempted to resolve some of the contradictions in favor of the industrial bourgeoisie. This stimulated strong opposition from within the party. In a short time a large group of deputies broke away to form the Democratic Party. After this, no further attempt was made by the Justice Party to resolve this deadlock among the different fractions of capital, which contributed greatly to the growth of the fascist movement.

The existence of contradictions with other fractions of capital does not mean that the industrial bourgeoisie is necessarily committed to the continuation of import substitution industrialization. The merchant bourgeoisie, large landlords and those who benefited from etatism for their early accumulation led import substitution after the crisis of the mid-1950s. The present day industrial bourgeoisie, particularly big capital, appears ready to abandon domestic market-oriented industrialization, rearrange its relationship with international capital and reaffirm its role as local but junior partner to resume accumulation.

Currently the most important link in Turkey's relations with the capitalist world economy is the large international debt resulting from import substitution industrialization. Revenues from exports are currently so low that they cannot pay for Turkey's imported oil, which became a major energy source in the 1960s. The governments in Turkey depend on the goodwill of the IMF for postponing debt payments and securing further credit for oil and other imported intermediate goods. This dependence is critical in determining the future of import substitution and the nature of Turkey's ties to international capital.

The increased political influence of Western Europe and especially if the US is already apparent. The preferences of the IMF and the international banks for tight credit, dismantling all domestic subsidies, frequent devaluations and opening up to foreign capital have exacerbated the deep industrial slump and widespread unemployment. Over the longer term, these policies aim at reducing real wages, making exports of manufactures and agricultural commodities more competitive in the international markets. This would pull Turkey's economy towards further integration with the world economy and further specialization within the international division of labor. But the current global economic depression and strong protectionist tendencies in Europe make the expansion of exports to core countries very unlikely for years to come.

In the periphery as in the core, it is during periods of crisis that the possibilities of a long-term shift towards a new mode of accumulation emerges. Old alliances within the new ruling classes might fall apart, giving way to new coalitions and new relationships with international capital. The logic of the emerging mode of accumulation may be inconsistent with high wages, strong labor unions, and even a restrictive form of parliamentary democracy.

The military *coup* of September 1980 took place at such

a juncture. It was not a coincidence that the new regime immediately stressed its intention to provide "determined leadership in order to resolve the economic and political crisis to save the State." The experiences of other peripheral social formations suggests that the crisis at the end of this relatively easy stage of import substitution-industrialization, if and when it is resolved, might give way to one of several possible modes of accumulation in Turkey.

- Substantial opening of the economy to foreign capital. Although the importance of multinational firms increased during the 1970s, industrialization in Turkey has been characterized by the relatively small magnitude of foreign investment. This does not mean the hegemony of a strong "national" bourgeoisie whose interests conflict with those of international capital. On the contrary, the bourgeoisie has always been ready to enter partnerships with international capital in the past. Now that import substitution industrialization has run into crisis, the bourgeoisie is only too eager to expand upon the existing relationship. This could involve foreign capital producing in Turkey both for the domestic market ("internationalization of the domestic market"¹¹) and, with local partners, for export. This alternative appears attractive to some segments of big capital in Turkey, but the relatively autonomous bureaucracy which has made Turkey unattractive to foreign capital in the past is still a factor today. The current political "instability" acts as a further deterrent to a large influx of foreign capital.

- Expansion of exports of manufactures in sectors where industry might be able to compete in the international markets. Given the current industrial structure and the level of wages these are not necessarily going to be labor-intensive branches of industry. If there is any logic to the IMF-inspired economic policies of the current military regime and the right-wing Justice Party government it overthrew, it is to expand exports by depressing real wages and by lowering the value of the exchange rate through frequent devaluations. The current slump of the world economy and protectionist tendencies in the core countries, however, make the emergence of this mode of accumulation unlikely.

- Further import substitution into the stage of intermediate and capital goods industries, with large investment programs undertaken by state economic enterprises. This outcome would be facilitated by but would not necessarily require large amounts of foreign exchange for the initial investment. A selective investment policy might reduce dependence on foreign exchange for some time. This is clearly not the choice of the IMF and other international institutions, which have always pushed the free trade line and which play such a critical role at this juncture because of Turkey's heavy international indebtedness. Given the current opposition of big capital in Turkey to the expansion of the domain of the state economic enterprises, it is unlikely that this outcome will emerge in the immediate future. The military regime will continue with the stabilization policies. Levels of unemployment will rise even further. The regime may claim victory in lowering the rate of inflation, but these policies cannot resolve the crisis in the absence of substantial amounts of foreign exchange and access to the markets of core countries. The Western pow-

See *The Current Crisis*, page 32

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ers have been willing to postpone debt payments primarily for geopolitical reasons. Recent changes in Turkey's foreign policy, towards even closer alignment with the West, and particularly with the United States, indicate these dollars were well invested. Yet despite Turkey's increased political and military importance, large amounts of credit—on the order of \$3 million a year—are not likely to arrive during the current slump.

As popular discontent with the recessionary economic policies rises it will only be met by increasing repression. In the longer term, as the military regime's hopes to secure large amounts of foreign exchange dim, there may well be more reliance on agriculture and on the existing industrial structure to reduce the impact of the crisis. An eventual return to selective import substitution (the third outcome outlined above) in order to minimize dependence on foreign exchange should not be ruled out. It is under these circumstances that struggle by the oppositional forces in Turkey will play such a critical role in determining the nature of the new mode of accumulation and the future political framework in Turkey.

FOOTNOTES

¹For a broader perspective on the history and political economy of Turkey for the period discussed in this article, see C. Keyder, "The Political Economy of Turkish Democracy," *New Left Review*, 115, 1979 and F. Ahmad, *The Turkish Experiment in Democracy*. (Boulder, Colorado, 1977). For the political economy of import substitution industrialization, two works whose perspectives differ, in varying degrees, from that of the present article are: A. Hirschman, "The Political Economy of Import-Substituting Industrialization in Latin America," *Quarterly Journal of Economics*, Vol. 82 (1968) and F. H. Cardoso and E. Faletto *Dependency and Development in Latin America* (Berkeley and Los Angeles, 1979), Chapters 5 and 6.

²S. Yerasimos, *Azgelismislik Surecinde Turkiye*, Vol. 3 (Istanbul, 1976), pp. 1311-1325.

³M. W. Thornburg, et. al., *Turkey: An Economic Appraisal*, (New York, 1949).

⁴Turkey, State Institute of Statistics, *Statistical Yearbook of Turkey* for the years 1971 and 1977.

⁵For a recent study of the state manufacturing enterprises which became available after this article was completed, see B. Walstedt, *State Manufacturing in a Mixed Economy. the Turkish Case* (Baltimore, 1980).

⁶C. Furtado, "The Post-1964 Brazilian 'Model' of Development," *Studies in Comparative International Development*, Vol. 9 (1973).

⁷O. Varlier, *Turkiye'de Ic Ticaret Hadleri* (Ankara, 1978).

⁸*Statistical Yearbook of Turkey*, op. cit.

⁹*Ibid.*

¹⁰*Cumhuriyet* (Istanbul), Nov. 11, 1980.

¹¹F. H. Cardoso and E. Faletto, op. cit.

Footnotes, from page 24

²²*Yeni Forum*, September 1, 1980, p. 5.

²³*Ibid.*

²⁴*Cumhuriyet*, June 25, 1977.

²⁵*Milliyet*, April 23, 1977.

²⁶*Ibid.*, May 2, 1977.

²⁷BBC World Service "The World Today," May 16, 1978, taped and transcribed by the author.

²⁸*Hurriyet*, June 30, 1978.

²⁹*Ibid.*, November 18, 1978.

³⁰*Turkish Daily News* (Ankara), December 7, 1978.

³¹The Turkish press, January 25, 1980.

³²*Yanki*, February 11-17, 1980, cover story ("What Will the People Do?").

³³Speech by Murteza Celikel, member of the Istanbul Chamber of Industry board, in *Cumhuriyet*, August 22, 1980.

³⁴*Yanki*, February 4-10, 1980, p. 5; and *The Times* (London), July 22, 1980: "Will Turkey's Economic Gamble Pay Off?"

³⁵*Yanki*, February 11-17, 1980, p. 14.

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discussions with NATO officials. On their agenda was what support the apartheid regime could expect from the new administration in its stalling against free elections and self-determination for Namibia.

Reagan associates were also conspicuous in New York on November 11 celebrating extreme anti-Palestinian policies of the Begin government at the Jabotinsky Centennial Dinner honoring the founder of Revisionist Zionism. Richard Allen, William Casey and William Simon joined Begin at the dias while a choir sang "Two Banks of the Jordan," the Revisionist anthem, and Jabotinsky Medals were awarded to such luminaries as Jerry Falwell, head of the "Moral Majority." Three other medal recipients subsequently petitioned Begin to release from detention in Israel Meir Kahane, hailing the racist rabbi as "a Jewish patriot, a man of our flesh, our blood and our spirit . . ."

Here in the US one sign of increasing intimidation and repression is a renewed campaign of FBI harassment of Arab Americans and other citizens involved in support of Palestinian causes. The Campaign for Political Rights listed a number of such incidents in their November-December newsletter. For further information, or to report additional incidents, contact Abdeen Jabara, chairperson of the civil liberties committee of the Arab American University Graduates, at 925 Ford Building, Detroit MI 48226; (313) 962-2767. Reagan "transition team" recommendations for increased intelligence activities, covert action, and centralized files shared by the FBI and the CIA suggest that more serious violations of political rights lie ahead.

Immediately there is a pressing need to confront continuing efforts by immigration authorities to deport Elias Ayoub, a Palestinian with Israeli citizenship now living in the US. He is falsely charged with belonging to the Popular Front for the Liberation of Palestine, and with "failing to establish an educational goal." Elias finished Ohio State University in three years with a high average and is now a PhD candidate at the New School in New York. His "crime" is being an outspoken advocate of Palestinian rights. Elias' sister Antionette is now also facing deportation proceedings on the basis of her brother's political activity. Contributions to finance a civil rights lawsuit are urgently requested by the Elias Ayoub Defense Committee, Graduate Faculty-Dept. of Economics, New School for Social Research, 66 West 12 St., New York, NY 10011. Send letters and telegrams to Director of INS, Washington DC 20536, and the White House, Washington, DC 20500.