
U.S. ADVISORY AID TO TURKEY: THE HINES-KEMMERER MISSION, 1933-1934

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This paper offers an alternative understanding of the origins of the Turkish economic policy of etatism based on the understudied effects of the 1933-1934 American-led Hines-Kemmerer mission to Turkey. The mission's survey of the Turkish economy began at a time when debates over the appropriate role for the private sector were raging in Turkey. The authors of the report not only framed their conclusions with a view to influencing the issues being argued internally, but also found that their recommendations bolstered the arguments made by their detractors. The paper thus sheds new light on the sources of ideas for organizing the Turkish economy in the 1930s.

In the years preceding and following World War I, American technical missions¹ abroad provided a vehicle for U.S. capitalist penetration and an alternative venue for the conduct of U.S. diplomacy. Unlike the so-called “money doctor missions” of the 1920s, whose aims included a combination of stabilization of national currencies and banking systems, followed by the extension of American loans to ‘fiscally reformed’ governments, the 1933-1934 Hines-Kemmerer mission to Turkey was broader in purpose than financial intervention by private experts. Although the notion of obtaining capital from the U.S. was also of interest to the Turkish leadership,² the Hines-Kemmerer mission was invited to Turkey to advise the government on an industrialization program and to recommend a five year plan.

Although, the Hines-Kemmerer mission's charge was more far-reaching, it does resemble previous American technical missions in several ways. First, as with other missions, an essential function was to transmit economic knowledge and techniques to the host country. Second, despite the purported private character of the mission, the American team was in close contact with the State Department throughout, frequently using its diplomatic channels to route their correspondence—official American diplomacy was often cloaked in a private guise.³ Third, the mission's recommendations had the appearance of helping a backward country modernize

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while at the same time being conducive to American efforts to promote and maintain a stable international economic order, one which would permit U.S. economic penetration.⁴ Fourth, technical missions were often stymied in their hopes for accomplishments by domestic political forces.⁵ Such was the case with the Hines-Kemmerer mission which found itself contending with the twin issues of national economic development and state entrepreneurship in Turkey itself, both topics of heated debate during the depression years.

American advisory aid to Turkey is the least studied of the numerous U.S. technical missions overseas which took place in the interwar period. Nevertheless, Roger Trask, whose study on U.S.-Turkish relations is the most cited of American diplomatic histories covering the interwar period, regarded the report of the Hines-Kemmerer mission as having had “substantial influence” on economic planning and development in Turkey even though it was “not entirely implemented.”⁶ In addition, Trask attributes the success of the Hines-Kemmerer mission, along with the advisory work of several other American technical experts hired in the 1930s, to their lack of overt political motives. He concludes that the contribution made by U.S. technical advisors in the interwar period was regarded as valuable by the Turks, that their political disinterest demonstrated American accommodation to Turkish nationalism, and laid the groundwork for solid relations and ‘amicable’ Turkish-American cooperation in the postwar era.

Paradoxically, the story of the Hines-Kemmerer mission is rarely mentioned in Turkish historiographic accounts of external influences on economic policies. At best a footnote in Turkish economic history, the mission’s influence was deemed negligible by two prominent Turkish historians, Selim Ilkin and Ihan Tekeli, who were only able to locate a copy of the mission’s report with great difficulty.⁷ According to them, although numerous copies of the report were published and distributed, after Celal Bayar left the Ministry of the Economy, Prime Minister İnönü insisted that all copies be turned in and incinerated at the Izmit Paper Factory.⁸ Ilkin also dismisses a frequently quoted statement by Goldthwaite Dorr, an associate of Hines who took over the responsibility for seeing the report to its completion after Hines’ untimely death. Dorr claimed, upon revisiting Turkey in 1949-1950, that government officials told him that the “report had been their Bible,” and that both outgoing Prime Minister İnönü and incoming President Bayar praised its value. Ilkin, who met with both İnönü and Bayar later on, observed that the Turks deliberately flattered and misled Dorr in their desire to gain U.S. assistance in the postwar period.⁹

This paper aims to reinterpret the significance of the Hines-Kemmerer mission by integrating Turkish and American sources, something that previous scholars have failed to do. American historiography views the Hines-Kemmerer mission as having greatly influenced Turkish economic policy without specifying precisely how, whereas Turkish historiography dismisses the impact of the mission because its main recommendations were not implemented. Neither the Turkish nor American sources discuss how

much attention the team of experts Hines had assembled to write the report gave to the need to make their findings politically palatable in Turkey, nor how the mission's report, which affirms the acceptability of an expedient mix of individual and state-led initiatives promoting growth, affected the Turkish internal debate at precisely the juncture when the controversy over the limits to state expansionism was most heated.

The central argument of my presentation is that the Hines-Kemmerer report became an important element in Turkish domestic political discussions over the form etatism was to take. By recommending gradualism via small improvements in industry and agriculture, and reliance on the peasantry for modernization of agriculture, the Hines-Kemmerer mission unwittingly failed to give those with a more 'pro-liberal' outlook the ammunition they could have used to be more persuasive in their arguments. Ironically the report ended up strengthening the hand of the advocates of radical etatism who had the advantage of a ready alternative in the form of the First Five Year Plan, which elaborated a schema for industrial development. That formula, which gave priority to developing indigenous industries in order to strengthen the national economy, appealed to nationalist feelings of all political colorations and thus cut across the lines of difference between liberal and radical etatists.

BRIEF OVERVIEW OF THE ORIGINS OF ETATISM IN TURKEY

Etatism in Turkey began as a series of theoretical discussions among Turkish intellectuals including Ziya Gökalp, Ahmet Hamdi Başar, Ahmet Ağaolu, and the editors of *Kadro*, a periodical espousing etatism.¹⁰ Similar to the arguments of Rumanian economist Mihail Manoilescu, these writers denounced the prevailing international division of labor in which the terms of international trade privileged industrial metropolitan countries vis-a-vis semi-colonial agricultural countries. In other words free trade created a dependency relationship of unequal exchange between industrialized and agricultural states. Under these conditions, not only was political sovereignty compromised, but economic underdevelopment was perpetuated. Although these writers differed in their specifications of what etatism, as a policy, ought to consist, they expressed first, a shared political diagnosis of the origins of economic backwardness as being externally determined and perpetuated by an international division of labor between industrialized and agricultural countries, and, second, a common conviction that neither socialism (private ownership) nor liberalism (which encouraged relations of unequal exchange) would enable Turkey to extricate itself from its semi-colonial status. Their ideas and arguments influenced the Turkish leadership's goals with respect to the country's national development needs. Specifically, their priority was to create an independent economy and a unified internal market.

In 1932 the government led by Prime Minister İnönü declared etatism to be the official policy of the one-party regime. The new strategy

was to promote the state as the leading producer and investor in the economy, and engage it actively in import substitution industrialization. But although the battle for etatism was clearly won, since there were no defenders of the liberal model of minimal state intervention, the debate over the form of an etatist development model continued. In fact the persistent and unresolved debate turned not over whether a minimal state was preferable to an interventionist state, nor whether to prioritize industrialization over agriculture, but rather over how to delineate the degree of state participation in the economy. In particular, disagreements raged between those favoring greater reliance on state initiative, and those wishing the state to assist the private sector or at least to not hinder its nascent development. It is in this context that the Hines-Kemmerer mission to Turkey must be situated.

PRELUDE TO THE HINES-KEMMERER MISSION

During the 1920s Turkish economic development efforts had focussed on granting incentives to domestic entrepreneurs and state-financed construction of an internal transportation network. In this period many questions were raised as to the relative weakness of the Turkish national bourgeoisie and its ability to undertake national economic development.¹¹ The events of 1929 accelerated criticisms of the private sector in Turkey. In that year the foreign trade restrictions placed on Turkey under the terms of the Treaty of Lausanne were to be lifted and the first payment of the Ottoman debt was to be made. In anticipation of the government raising tariffs and exercising greater control over foreign exchange, businessmen engaged in speculative activities with respect to imports and currency—rational behavior from an economic perspective, but proof positive to a number of government functionaries who were already inclined to believe that the private sector should not be entrusted with responsibility for national economic development.

Over the next two years, reports on the Turkish economy prepared by European finance and banking specialists were harshly critical of the Turkish government's approach to the development of the national economy, which centered on enormous expenditures for railway construction and credit-based incentives to promote industrial enterprises. In 1929 Professor Charles Rist, an economics professor at the University of Paris and honorary vice governor of the Bank of France, was hired by the Turkish government to give advice on how to obtain foreign loans to alleviate the heavy burden of the Ottoman debt. Rist produced a report, intensely disliked by the Turks, that opposed expenditures on public works (railway construction in particular), and advocated the development of agricultural exports and agriculture-related industries as a solution to the economic plight brought about by the depression. Similarly the Müller

report on the Turkish banking system in 1930 prepared by Dr. Karl Müller, manager of the German Reichsbank, also criticized Turkey's investment in railroads, and insisted that the Turks concentrate on external trade in primary goods.

The effects of the world economic crisis began to manifest themselves quickly in Turkey after 1929 in terms of grave balance of payment problems as the prices of agricultural exports plummeted. In making a firm commitment to a balanced budget and a stable exchange rate, the Turkish government initially sought remedy in the promotion of exports, albeit with little success. The government was unwilling to abandon the railroad construction endeavor, but recognized—based on the Rist and Müller reports—that foreign financing would be hard to attain. They also believed that the private sector was reacting too slowly to the present crisis circumstances, and ultimately too weak to undertake the monumental task of reviving Turkey's lagging economic potential. Awareness of these external and internal constraints convinced the Turkish leadership that the state had to assume the initiative in directing the economy. Thus in 1932, with hopes of a faster track to economic development, Prime Minister İnönü officially adopted etatism as the republic's new development strategy.

That spring İnönü travelled to the Soviet Union to investigate its economic accomplishments. Highly impressed with Soviet achievements, İnönü issued an invitation to Soviet economist Orlov to study industrial potential in Turkey and suggest a plan for state investment. Professor Orlov and his team recommended first and foremost the development of the textile industry using Soviet equipment to be paid for by a \$8 million Soviet grant for technical machinery. Critical of those who would keep Turkey an agricultural country, bureaucrats in the Ministry of the Economy, with İnönü's backing, began to formulate a five year economic plan focussing on the development of Turkish industry.¹²

However, while the plan was being prepared, the Minister of the Economy, Mustafa Seref Özkan, resigned his office in September 1932.¹³ Özkan was replaced by Celal Bayar, founder of Turkey's first private development bank, İş Bankası.¹⁴ Bayar was associated with the so-called 'liberal' etatist camp. Among his views on etatism were first, the belief that the state should take a leading role in national economic development, second that industrialization was essential to Turkey's economic advancement, and third that private initiative should be permitted and even encouraged by the state. Although much is made of the apparent rivalry between İnönü and Bayar regarding their views on the role of the private sector, there was much on which the two actually agreed. Their differences were largely over the scope of state activity. İnönü, whose views reflected those of the 'radical' etatist camp, believed that the state should intervene in the economy wherever and whenever the general interest of the nation was at stake. Bayar, on the other hand, advocated restricting state intervention to those areas where private sector initiative was lacking (admittedly a significant and ill-defined realm).

Although Bayar was backed politically by the business community and President Atatürk, he was partly hostage to a ministry whose radical etatist-leaning staff was crafting a Five Year Plan informed by Soviet experts. His ambition was to specify the role of the Turkish state more clearly vis-a-vis private initiative in the economy. Convinced that the Soviet socialist model left no space for private entrepreneurship, Bayar sought a counter-plan and expert advice from the U.S. in the form of the Hines-Kemmerer mission.¹⁵

THE HINES-KEMMERER MISSION

By 1932 the effects of the depression were settling in upon Turkey and the country's search for economic remedies had turned outward through invitations issued to numerous foreign experts to study and recommend reforms in such fields as mining, monopolies, and railroads. In addition to the invitation to Professor Orlov, the Turkish Government had already hired several technical experts from the United States earlier in 1932, including Robert Vorfeld of the U.S. Tariff Commission as customs advisor, and Charles Bell, former transportation director of the U.S. Food Administration, to study the railroads.¹⁶ However, Bayar went beyond hiring experts to offer purely technical advice, since he aimed to produce an alternative plan.

At the end of 1932 he opened a search for six positions to be filled by Americans, four for technical experts in commerce and mining, and the two others for an Economic Specialist and a General Economic Advisor. The Economic Specialist was to supervise the preparation of a detailed economic survey report, and the General Economic Advisor would help implement the recommendations of this survey (this position was never filled). All would be under contract with the Ministry of Economy. It is relevant to quote the list of qualifications set out for the Economic Specialist: "A man of prominence and unquestioned ability, comparable to Mr. Rist or Dr. Schacht, to make a general economic survey of Turkey, studying in detail every phase of Turkish economic, commercial, industrial and financial life; to collect data and factual information; and to prepare a report embodying his conclusions and recommendations concerning a definite economic and industrial policy to be followed by the Government."¹⁷ There is no doubt that the Economic Specialist was expected to recommend an economic development plan for Turkey, nor that when Hines took the position he was not well aware that he was competing with a nearly completed Five Year Plan in Turkey.¹⁸

Early in 1933 the Turkish Government, via its Ambassador in Washington, Ahmet Muhtar, approached the U.S. Department of State for assistance in locating Americans to fill these posts. Walker D. Hines, partner in the New York-based law firm of Hines, Rearick, Dorr, Travis & Marshall and an experienced international arbiter on commercial disputes was selected to fill the Economic Specialist position and head the American mission to Turkey. The team that Hines chose to assist him included two

of his legal associates, Goldthwaite Dorr and H. Alexander Smith, who would remain in New York, Major Brehon B. Somervell on loan from the U.S. Army Corps of Engineers in the War Department, and O.F. Gardner, an agriculture and forestry expert, both of whom preceded Hines to Turkey and began the survey in April 1933.¹⁹ Hines arrived in June to supervise the findings; however, illness kept him in Europe for most of the fall and he died in Italy in January 1934.

Hines's New York associates feared losing the contract, and after much discussion decided to contact Princeton Professor Edwin W. Kemmerer, the noted "money doctor of Latin America," to assist in drafting the report. Dorr then took over the direction of the survey in Turkey in January 1934 and sent draft after draft of each of the various sections back to the U.S. during the spring. A Turkish 'brain trust' consisting principally of Edwin W. Kemmerer, H. Alexander Smith, and Vaso Trivanovitch of the National Industrial Conference Board, conferred on a weekly basis and sent commentaries on revisions back to the agents in the field.²⁰

SUMMARY OF THE HINES-KEMMERER MISSION AND ITS RECOMMENDATIONS

The Hines-Kemmerer report opens with a quotation from Atatürk, "We must not dwell on our military victories. Let us prepare for new triumphs in the fields of Science and Economics."²¹ The choice of quotation is quite deliberate and part of a psychological exercise which was much discussed at the 'brain trust' meetings; it was intended to signal the intent of the team's desire to persuade the Turks, based on objective, nonpolitical, scientific reasoning, of the rationality of its formula for modernization. Key in their formulation was the need for institutional development, particularly an institutional infrastructure of banks, schools, systems of transport and communication. Compared to the dogmatically liberal orientation of the post-World War II Point Four program, the team's approach reflected greater pragmatism as well as advocating a more active role for the state in stimulating development. Perhaps this was indicative of the changing tides in the U.S. as a response to the Depression and in the spirit of New Dealism.

The report urged the creation of autonomous state structures, like central statistical offices, and the organization of a variety of state-initiated frameworks for cooperative activity such as the local financing and building of roads, and the creation of cooperative marketing systems in villages. The recommended growth strategy, however, targeted the agricultural sector where most of the population lived and worked. The authors regarded large scale projects, especially industrial projects but also those in agriculture, as unsustainable. Instead, they insisted on the use of local resources, appropriate technology, and small scale projects, on the grounds that large scale expenditures would divert funds from projects more practical in nature, and that bureaucratic in-fighting and unwillingness to delegate

authority would impede the effectiveness of the state apparatus in organizing a “common national task”.

In volume 3 of the report where the section on industry appears, the authors begin with a series of three quotations, of which two are by İnönü.²² All the quotes refer to the importance of the state taking on the role of financier and producer in the national economy. Since İnönü was kept informed by Dorr of the team’s findings and progress in monthly meetings, this was yet another psychological maneuver designed to convince him using his own words that his ideas were valid while also suggesting to the Prime Minister that “objective economic principles” needed to be applied to the project of developing state economic enterprises. For example, the report specified that an important criterion for founding a state enterprise was “Whether or not production costs are being reduced to a basis comparable to those of the same industry as operated elsewhere under substantially similar conditions.”²³ Furthermore, the report repeatedly insisted that “The first thing for Turkey to do is to make the most of what it already has, to do better those things which it already does.”²⁴ The report thus endorsed the Turkish turn toward import substitution,²⁵ but disputed the economic value of intermediate industries, and in contradiction to Russian recommendations rejected proposals to develop the iron and chemical industries.

As Bayar wished, the authors engaged head on in the Turkish debate over the need for state interventionism. They agreed that while state entrepreneurship was necessary, it should not crush “the spirit of enterprise in the individual.” The report agreed that the “Government must kindle initiative—at present the business community is dispirited,” while insisting that it was important for the state to eliminate business uncertainty (in particular that it should cease making arbitrary changes in laws and decrees). Thus the state ought not to discourage private sector activities, but rather to provide direction by indicating the arenas in which the private sector should engage.²⁶ The team emphatically underscored the point that: “There is one thing, however, which stands out very definitely, and that is, that a clear-cut delimitation of the fields in which the Government intends to operate should be made and confidence established in its adherence to such a delimitation, if the country is to secure fuller activity of individual enterprise in the economic field.”²⁷ This is precisely the argument that Bayar wished to press. The report explicitly laid out Bayar’s view that the problem with radical etatism was the failure of its proponents to delineate the boundaries of the state sector and the areas remaining for private sector activity with sufficient clarity.

Nevertheless, the report’s emphasis on gradual rather than rapid growth, did not conform to the impatience and frustration Turkish policymakers were feeling in the face of the worsening world economic crisis. Nor was the report’s identification of the Turkish farmer as the country’s greatest economic asset compatible with a view that had already determined that industrialization was the best route out of underdevelopment.

The Turkish leadership was not interested in a broad-based grass roots approach to development that might in turn mobilize the independent peasantry in the Anatolian countryside against radical Kemalist westernization policies, nor were they persuaded by a model based on liberalism in which only private entrepreneurs would build and organize industry and agriculture. Rather, they were withbreking free of external dependencies, and repressing predatory domestic capitalists.

For the Turks, building a national economy meant state-led industrialization and development of the urban economy. Although the Hines-Kemmerer report made every effort to accept etatism, that is, the leading role for the state in the economy, and to provide 'objective' grounds for Bayar to defend a role for the private sector in the development process, it did not recommend any modification of Turkey's position in the international division of labor as an agricultural country providing primary products for Western industry or consumption. The report's main recommendations, which privileged agricultural over industrial development, were never implemented. Nonetheless, the mission played an important role in the internal Turkish struggle over the form etatism was to assume.

Although Bayar had hoped to produce a counterplan to the one framed by radical etatists in Turkey, the survey's conclusions, which argued for concentration on agricultural production, and the postponement of extensive industrialization, did not provide him with a politically acceptable alternative to the project of the radical etatists. The report went beyond the usual American emphasis on free enterprise and allowed a considerable role for state intervention in the economy, including state entrepreneurship, but its authors felt unable to endorse industrialization as the primary objective of state development policy. Ironically, industrialization was the one developmental issue on which both liberal and radical etatists concurred, but which the Hines-Kemmerer report rejected as a development priority. Consequently, the elements of the report that reinforced Bayar's views by emphatically insisting on the necessity for a clear definition and delimitation of the role of the private sector were eclipsed by its principal conclusions and recommendations favoring agricultural over industrial development. Thus, while the American expert advisors attempted to shape a plan that would carve a space for private initiative in Turkey, they actually managed to facilitate the implementation of the far more radical etatist experiment.

NOTES

¹Expansion abroad via the impetus of private commerce and investment was a characteristic feature of late nineteenth and early twentieth century American participation in the international economic order. U.S. foreign economic policy relied to a great extent, albeit not always with desired outcomes, on private banks, businesses, and financial experts to serve national interests. These private experts were frequently contracted to offer technical advice to foreign governments. They also kept in close contact with

the State Department. See Emily S. Rosenberg, *Spreading the American Dream* (New York: Hill and Wang, 1982).

²In 1931 the former Minister of Finance, Şükrü Saraçoğlu led an ultimately unsuccessful mission to the U.S. with the hope of securing private funding for several state projects. See the memoirs of the then U.S. Ambassador to Turkey, Joseph C. Grew, *Turbulent Era*, vol. 2 (Boston: Houghton Mifflin Company, 1952), as well as National Archives, State Department Records, M-973, "Visit of Turkish Financial Mission to the U.S.," File no. 867.51.

³Two obvious examples are the 1924 Dawes Commission involving the House of Morgan, and the 1926 private financial mission to Poland headed by Edwin W. Kemmerer and involving the Federal Reserve Bank of New York. See Rosenberg, 150-155.

⁴This aspect of private diplomacy in fact heralded post-World War II visits by foreign consultants and so-called development experts to promote U.S. approved models of development (first import substitution industrialization, then export-led growth) so as to incorporate ex-colonies and peripheral countries into the LIEO (Liberal International Economic Order). See Paul Kingston, *Britain and the Politics of Modernization in the Middle East 1945-1958* (Cambridge: Cambridge University Press, 1996) where U.S. and British attitudes to 'development' are compared, and Paul W. Drake, ed., *Money Doctors, Foreign Debts, and Economic reforms in Latin American from the 1980s to the Present* (Wilmington, Del: Scholarly Resources, Inc, 1994) in which the various forms as well as impacts of economic advising to Latin America are examined.

⁵See Merle Curti and Kendall Birr, *Prelude to Point Four* (Madison: The University of Wisconsin Press, 1954), 159-188 for a detailed discussion of the difficulties faced by American financial and economic missions between the two world wars. For a more sanguine account about the extent to which mission advice was followed, see Edwin W. Kemmerer, "Economic Advisory Work for Governments," *American Economic Review* 17, no. 1 (1927): 1-12.

⁶Roger R. Trask, *The United States Response to Turkish Nationalism and Reform, 1914-1939* (Minneapolis: University of Minnesota Press, 1970), 144.

⁷The report is comprised of seven volumes; the Turkish translation was bound into three books. The first six volumes were completed in May 1934 and presented to Minister of the Economy Celal Bayar. The final volume, a supplemental report on money and banking, was submitted by Kemmerer at the end of his only site visit in July 1934.

⁸Selim Ilkin, "Birinci Sanayi Planı Dömenide A.B.D.'Li Uzmanlara Hazırlatılan <<Türkiye'nin İktisadi Bakımdan Umumi Bir Tetkiki...>> Aldi Rapor," Printed in Atatürk Döneminde Türkiye Ekonomisi Semineri (Istanbul: Yapi ve Kredi Bankası, 1982), 238. 238

⁹Ibid., 232, footnote 151.

¹⁰On these intellectuals' views of etatism, see Dilek Barlas, *Etatism and Diplomacy in Turkey* (Leiden: Brill, 1998), 42-60.

¹¹See for example, Çalğar Keyder, *State and Class in Turkey* (New York: Verso, 1987).

¹²The plan was finished in 1933, and implemented in 1934.

¹³At issue was Özkan's splitting the Industry and Mining Bank (Türkiye Sanayii ve Maadin Bankasi) into two institutions, the Industrial Credit Bank (Türkiye Sanayi Kredi Bankasi) and the State Industrial Office (Devlet Sanayi Ofisi) with separate functions. The first would provide credit to industrial establishments and the latter would be charged with managing state economic enterprises. Özkan's formula for financing the Industrial Credit Bank involved the elimination of tariff exemptions on imported raw materials. The business community vehemently protested at what they perceived as the state's withdrawal of their privileges, and Özkan was compelled to step down. The motivations behind business outrage are convincingly explained by Ayşe Buğra: "... it was not interventionism nor protectionism per se which was instrumental in shaping the business attitude and outlook in the country. It was rather the uncertainty concerning the rights and privileges accorded to a given line of business which was the dominant factor in determining the nature of the business environment." *State and Business in Modern Turkey* (Albany: State University of New York Press, 1994), 106. In the ongoing process of defining an etatist policy, the main concern of the business community was for the state to clearly delineate the spheres of its activities, which suggests that they too accepted the need for state intervention at this juncture.

¹⁴Bayar especially opposed Özkan's methods for capitalizing the bank. As of June 1933 he had addressed business fears by unifying the Industrial Credit Bank and the State Industrial Office into a single state bank, Sümerbank, to be capitalized by the state at 42 million Turkish lira.

¹⁵Bayar's decision precipitated an extremely negative reaction from İnönü. See İlhan Tekeli and *Uygulamaya Geçerken Türkiye'de Devletçiliğin Oluşumu* (Ankara: Orta Dou Teknik Üniversitesi, 1982), 172-175.

¹⁶Trask, 141.

¹⁷National Archives, State Department Records, M-1224, "Letter from Wallace Murray, Chief, division of Near Eastern Affairs to Dr. Sumner Schlichter, Harvard School of Public Administration, dated February 25, 1933," File no. 867/50A/5C.

¹⁸See National Archives, State Department Records, M-1224, "Letter from Walker D. Hines to Ahmet Muhtar, Turkish Ambassador in Washington, D.C., dated February 4, 1933," File no. 867/50A/4b in which Hines' understanding of the nature of the work to be contracted is discussed. See also National Archives, State Department Records, M-1224, "Letter from William Phillips, Under Secretary of State to General MacArthur, Chief of Staff, Department of War, dated April 4, 1933, File no. 867.50A/16, wherein a six month leave is requested for Major Brehon B. Somervell so

that he may assist Hines “with a general economic survey of Turkey and to submit a report which shall constitute an economic program to be followed by that Government.”

¹⁹Dorr had been the U.S. Assistant Secretary of War during World War I. Gardner was on the faculty of Beirut University and had once been considered a candidate for Governor of Colorado based on his contributions to irrigation of agriculture in that state. Somervell had worked with Hines on the Danube River project following World War I, and was granted leave by General MacArthur to assist Hines “in view of the desire of the State Department that he do so” (National Archives, State Department Records, M-1224, “Letter from General MacArthur to Under Secretary of State, William Phillips, dated April 12, 1933,” File no. 867.50A/16).

²⁰When Kemmerer joined the mission he hired two experts from Princeton, Professor Walter Livingston Wright, Jr., an expert on Turkish History and Affairs, and Professor Whittlesey, an expert on Foreign and Domestic Commerce who joined Dorr in Turkey. Checks paid to Wright and Whittlesey, dated May 13 and May 14, 1934, respectively, Edwin Walter Kemmerer Papers, Box 285, File 4-1, Princeton University Library (hereafter cited as Kemmerer Papers). Kemmerer referred to the portion of the team meeting in the U.S. as the Turkish ‘brain trust’ (See for example letter from Kemmerer to Somervell, 21 May 1934, Kemmerer Papers, Box 285, File 4-1). This group met forty times between February 3 and May 20, 1934, generally at Kemmerer’s home in Princeton (Kemmerer diaries, Kemmerer Papers, Box 483, Folder for 1934).

²¹“Economic Survey of Turkey,” vol. 1, Kemmerer Papers, Box 289.

²²“Economic Survey of Turkey,” vol. 3, Kemmerer Papers, Box 289.

²³Ibid., Kemmerer Papers.

²⁴Ibid., Kemmerer Papers.

²⁵The report notes that because exports are likely to remain insufficient, “It is therefore important to consider what it is practicable to do to increase the supply of the commodities the country needs by production within the country” (Ibid., Kemmerer Papers).

²⁶If private industry is to show initiative, the fields of enterprise in which the Government is going to compete should be definitely marked out and the same confidence established as to its adherence to those politics as has been established with regard to its handling of the currency” (“Economic Survey of Turkey,” vol. 1, Kemmerer Papers, Box 289).

²⁷Ibid., Kemmerer Papers.