The World War Two Allied Economic Warfare:
The Case of Turkish Chrome Sales

Inaugural-Dissertation
in der Philosophischen Fakultät und Fachbereich Theologie
der Friedrich-Alexander-Universität
Erlangen Nürnberg

Vorgelegt von

Murat Önsoy

Aus der Türkei

D29
Tag der mündlichen Prüfung: 15 April 2009

Dekan: Universitätsprofessor Dr. Jens Kulenkampff.
Erstgutachter: Universitätsprofessor Dr. Thomas Philipp
Zweitgutachter: Universitätsprofessor Dr. Şefik Alp Bahadır
ACKNOWLEDGMENTS

An interesting coincidence took place in the first year of my PhD study. I would like to share it here. Soon after I moved to Erlangen, I started thinking over my PhD thesis topic. I was searching for an appropriate subject. Turkish Chrome Sales was one of the few topics that I had in my mind. One day, I went to my Doktorvater Prof. Thomas Philipp’s office and discussed the topics with him. We decided to postpone the decision a few days while I wanted to consider the topics one last time and do the final elimination. Afterwards I went to the cafeteria of the Friedrich Alexander University to have lunch. After the lunch, just before I left the cafeteria building, I recognized somebody speaking Turkish and reflexively turned around. He was a Turkish guest worker with a large thick moustache; I paid attention to his name tag for a second. His name was Krom, the Turkish word for chrome, since, for the first time in my life I was meeting someone with the name Krom I asked him about his name. Perhaps he is the only person with this name in Turkey. He told me that, this name was given by his father, who was a worker of a chrome mine in Central Anatolia and that day, when Mr. Krom, was born; his father had a shift and could not accompany his wife. That night when he went back to home from work, he holds his child for the first time and decides to give him the name Krom, while the time Mr. Krom was born he was working in the chrome mine. A week after this interesting coincidence, I went to Prof. Philipp and told him that I decided to study Turkish Chrome Sales as my PhD thesis. Life is full of coincidences but I still don’t know to what extend this coincidence influenced my decision to study World War II Turkish Chrome Sales.

I would like to express my deepest gratitude for my Doktorvater Herr Prof. Dr. Thomas Philipp for his patience, generosity and support throughout this study. Having the chance to be the PhD student of such an eminent Professor was a great privilege for me. By attaching priority to detailed research and giving utmost support, he paved the way for a better dissertation.

My thanks go as well to Prof. Dr. Dr. he Şefik Alp Bahadir. Without his guidance and moral support, I could not have written my PhD thesis in such a short period. Thanks to his helpfulness I easily overcame the burdens of being a foreign student in Germany. Besides that I feel myself lucky to be acquainted with such a personality. I would like to say thank you to the lovely secretary of our institute, Karin Rohde and Heiko Schuß.
I would like to say thank you to all my family members one by one. First of all, I would like to remember my dear dad Prof. Dr. Rifat Önsoy with gratitude. I know how much he wanted me to chose this profession and how halfheartedly I started my career, but now I have started to love it. My mom Gülsen, and my three aunts, Mimi, Türkan and Nono, who are nothing less than my mom, I owe each of you a lot, you tolerated every mental state of a PhD candidate from beginning to end. My cousin (sister) Dilek, her husband Chris and lovely Kyra, thanks for opening your house to me in Washington DC and giving the opportunity to live with you a wonderful year and organic indeed. Without you I could not have the chance to conduct research in US. The last person I would like to say thank you from family is my grandma Emine, whom I will always remember with gratitude.

I also want to say thank you to my colloquies and professors from the Hacettepe University Department of International Relations and my MA supervisor Hasan Ünal and his precious wife Evgenia.

My special thanks go to Tuğba Özden, my love and best friend. She didn’t withhold his support for any single moment despite my mental instability throughout the thesis.

Last but not least I would like to say thank you to all my friends, Ozan, Orkun, Sinem and Arcan for all the entertaining and sportive moments they shared with me, all the ‘Konutkent Tayfa’; Barış, Batu, Erdem, Ertan, Hakan, Koray and Türker. My school and later roommate, Önder, and Tolga. Ramajana Jasarspahic her brother Kenan and their lovely family, Görkem Uludüz and his wife Pınar, Emrah Safa Gürkan and his fiancé Elif and Lara Panis and her family.
# TABLE OF CONTENTS

ACKNOWLEDGMENTS.............................................................................................................i

TABLE OF CONTENTS...........................................................................................................iii

INTRODUCTION.....................................................................................................................1

CHAPTER I: THEORETICAL APPROACHES AND DEFINITIONS OF ECONOMIC WARFARE AND NEUTRALITY.................................................................5

1.1. Economic Warfare........................................................................................................5
   1.1.1. Definitions of Economic Warfare...........................................................................5
   1.1.2. History of Economic Warfare..............................................................................6
       1.1.2.1. From Blockade to ‘Economic Warfare’, a Brief History.................................6
       1.1.2.2. Pre-War Planning of Economic Warfare in Germany.................................8
       1.1.2.3. Pre-War Planning of Economic Warfare in Great Britain..........................11
       1.1.2.4. Pre-War Planning of Economic Warfare in the USA.................................15
   1.1.3 Economic Warfare Measures..................................................................................16
       1.1.3.1. Choosing Economic Warfare Methods........................................................17
   1.1.4. Cost of the Economic Warfare.............................................................................18
   1.1.5. Effectiveness of the Economic Warfare.............................................................18

1.2. Neutrality.......................................................................................................................19
   1.2.1. Definitions..........................................................................................................19
   1.2.2. Types of Neutrality............................................................................................22
   1.2.3. Factors Determining the Cost to a Neutral of Severing its Trade with a
          Belligerent..............................................................................................................24
       1.2.3.1. A Deterring Factor: The Fear of Military Intervention.................................25
   1.2.4. The Economic Rights and Obligations of Neutrals............................................25
   1.2.5. Ways of Controlling Neutral Trade/Economic Warfare Methods.....................26
       1.2.5.1. Shipping Control..........................................................................................26
           1.2.5.1.1. Diverting the Ships in the Sea.................................................................27
       1.2.5.2. Blacklisting of Foreign Firms.......................................................................28
       1.2.5.3. Measures for Controlling Re-exports from Neutral Territories...............28
           1.2.5.3.1. Blockade...............................................................................................29
           1.2.5.3.2. Guarantees for the Final Destination.....................................................29
CHAPTER 1 NEUTRALITY..................................................................................................................27
1.2.5.3.3 Embargo .................................................................................................................................29
1.2.5.3.4 Diverting Neutral Trade .........................................................................................................30
1.2.5.3.5 Pre-Emptive Buying and Economic Cooperation in the Allocation of Critical Materials .................................................................................................................................31
1.2.6 Neutrals in the Eye of Belligerents ...............................................................................................31

CHAPTER 2 NEUTRALITY AND TURKEY .........................................................................................34
2.1. Roots of Turkish Foreign Policy of Neutrality .................................................................................34
2.1.1 Turkish State Elite and Their Contribution to the Neutrality .......................................................36
2.1.1.1 Atatürk and His Foreign Policy of Neutrality ...........................................................................36
2.1.1.2 İnönü and His Foreign Policy of Neutrality .............................................................................40
2.1.2 Guiding Principles of the Turkish Foreign Policy .........................................................................43
2.1.2.1 The Impact of Kemalism on the Turkish Foreign Policy of Neutrality: The Priority of Peace, Sovereignty and National Development Over Expansionist Revisionism:44
2.1.2.2. Russia as the Primary Threat to the Security of the Republic ..................................................47
2.2. Relations with the Major Powers Prior to World War II .................................................................49
2.2.1 Germany: Ever Increasing Dependence .........................................................................................50
2.2.2 Italy and the New Enemy ...............................................................................................................54
2.2.3 The Soviet Union: the Archenemy .................................................................................................56
2.2.4 Great Britain: the Remittent Partner ............................................................................................58
2.2.5 The United States of America: Nothing but Diplomatic Cordiality .................................................62
2.3. Military Weakness as the main reason for Neutrality ....................................................................63
2.4. Turkish Neutrality in World War II .................................................................................................64

CHAPTER 3 ECONOMIC WARFARE in TURKEY REGARDING CHROME.................................74
3.1 Germany’s Dependency on Chrome from Abroad ...........................................................................77
3.1.1 Balkans and Germany’s Chrome Situation .....................................................................................81
3.2 Turkey and Chrome ..........................................................................................................................83
3.2.1 Turkish Suppliers Value to Germany .............................................................................................85
3.2.2 Chrome ore Pre-emption in the Second World War .....................................................................86
3.2.3 Allied Economic Warfare and the Turkish Chrome in the Second World War .........................87
4.1.6. The British side Blackmailing Turkey to Agree Upon the Chrome Price

4.1.7. The Failure of Inter-Allied Cooperation

4.1.7.1. Negotiations by the Allies for Different Prices Disagreement Between Great Britain and France

4.1.8. Ineffectiveness of the U.S.-British Cooperation

4.1.8.1. British and the U.S. Policy Differences

4.1.9. Allied Manner (Misbehavior)

4.1.9.1. Attempts to Bribe the Turkish Authorities

4.1.10. Turkish Elite Being Against the Defeat of Germany

4.1.11. Internal Conflicts in British Bureaucracy

4.1.12. The Misinterpretation of the Turkish Foreign Policy by the Allies

4.1.13. Political Considerations Limiting the Possibilities of Economic Pressure

CONCLUSION

SELECTED BIBLIOGRAPHY

GERMAN SUMMARY

WAHRHEITGEMAESSE ERKLAERUNG
INTRODUCTION

War is supposed to be a choice in the last resort, and diplomacy, the art of dealing with conflicts supposed to hinder wars. Nevertheless, history of the mankind is written in blood, and throughout the history, human beings were less successful, in hindering wars than finding ways to improve their methods to destroy the war capacity of the other side. According to Hannah Arendt, "The chief reason warfare is still with us is neither a secret death-wish of the human species, nor an irrepressible instinct of aggression, nor, finally and more plausibly, the serious economic and social dangers inherent in disarmament, but the simple fact that no substitute for this final arbiter in international affairs has yet appeared on the political scene."

Wars, as a method for solving the conflicts became more and more sophisticated with the centuries passing and finally in the 20th century reached to a point in which worldwide, there were over 45 million deaths among military personnel. During the twentieth century annual military death rate was 183 deaths per 1 million population. This rate was sixteen times greater than the reported rate for the nineteenth century.

Finally destructiveness of the wars reached to such a point that it became the matter of life or death not only for the states & soldiers but also for the whole population. In the conducting of Warfare, the economic power became more and more important besides the military power. The term War is replaced with the term Total Warfare, as the means of defeating an enemy varied with the involvement of the total population in the war. Therewith the Economic side of war, in which the main purpose was not to strengthen your own power but to decrease the enemy’s, became more important. Economic Warfare became an indispensable part of the war for the belligerents. This thesis is about the Economic Warfare or in other words, the competition for a strategic material in the most destructive of the Wars ever, and the story of a young state doing its best to survive without being involved in any armed conflict, aware of the fact that she would hoist with her own petard like her predecessor Ottoman Empire if she repeats the mistakes that her predecessor did in the First World War. The young Turkish state was almost 20 years old when the World War II began and as Baudouin once mentioned; "It takes twenty years or more of peace to make a man; it takes only twenty seconds of war to destroy him."
Like every other people in the world, people in Turkey learn their history from the school books. The first thing pupils learn in the school is the Turkish history being as old as the history of the mankind. It is thought in the school that the long journey of the Turkish race, started in the steppes of the Central Asia by the establishment of the very first Turkish State in the history, ‘The Great Hun Empire’, and came up to the present with the establishment of the Modern Turkish State in the Asia Minor, from the ashes of the Ottoman Empire. The history of modern Turkey is thought under the title ‘History of Turkish Revolution’ and embraces a time period from the late Ottoman period to the end of the World War Two. Although an average high school graduate knows the Turkish History very detailed, from the names of the old emperors, to the various military tactics used to bring the enemy to the knees, the last thing students learn is Atatürk’s death in 1938, and annexation of Hatay to the motherland in 1939. In the national education system of Turkey the socially intransigent history of the post World War II it is never taught, and people learn it half way and prejudiced from their family which contribute to the carryover of the hatred to the next generation. Likewise they do not learn the critical crossroads of the 20th century like the fall of the Berlin Wall or the Cold War, unless they have private interest or study Politics in the university. They often know very little about the World War II period or in general the 20th century European history. The reason for this, I believe, is the World War II having no direct or disastrous affect on Turkey. The period of the Second World War is often skipped as the exams are already over and this last chapter of the Turkish History coincides with the last few hours of the history class in which usually the teacher prefers to chat with the students rather than lecturing. For this reason, only thing students know, regarding the World War II period before they finish the school is Turkey’s non involvement in the War and the symbolic declaration of war to Germany just before the war ends in 1945. I experienced it personally, when I talk with people about history, I realize that people do not give me a chance to talk about the pre-World War II history, or do not hesitate to challenge my knowledge about a fact in this period, meanwhile the same people listen to me silently and look at me amazed when I tell them about the chrome sales of Turkey during the War.

This officially neglected period of Turkish history fortunately arouse academic interest both Turkish and international. Although, the works on the field is very limited compared to the literature written on the Atatürk Period, the work done by these scholars I must confess are very comprehensive. It was my highest priority to make the best contribution to the field. Therefore I did my best to bring a different and new viewpoint to the field. After conducting a
long and detailed research on the subject, I convinced myself of the idea that I could add something new to the field.

The research process of this dissertation is completed in one and a half year time and during this time, archive materials are collected from six different archives, ‘Auswaertiges Amt in Berlin Mitte, and Bundesarchiv in Berlin Lichterfelde, National Archives in Kew Gardens, London and College Park National Archives and Georgetown Library Archives in Washington DC.’ I should confess that neither other works written so far on the subject of Turkish Foreign Policy nor my work is complete, and it seems to me that nobody is going to able to write a complete work until ‘The Archives of the Turkish Ministry of Foreign Affairs Archives’ are one day opened to the researchers. Despite all the attempts to conduct research in the Foreign Ministry Archives, I received a simple ‘No’ each time as an answer, and an unsatisfying excuse that a law, as old as the hills, was hindering the access of non-governmental researchers to the crypto files. Hereby I would like to request the opening of the Turkish Ministry of Foreign Affairs Archives, just like the counterparts in Europe and United States, it would be necessary not only for the researchers but also for the image of the Modern Transparent Turkish State.

Besides the archive materials, memoirs of the important contemporaries and published official documents and works of various scholars are used. I should say that Memoirs never substitute for the Archive materials as they are usually serving for the exculpation of the writer and they are not impartial.

This doctoral dissertation aims at explaining the Allied Economic Warfare in the Second World War regarding the Turkish Chrome and tries to find an explanation to the question of: ‘Why the Allied Economic Warfare regarding Turkish Chrome was ineffective and what were the reasons for the failure?’

This dissertation is composed of four chapters. In the first chapter, the terms Economic Warfare and Neutrality are discussed within a theoretical framework. Second chapter discusses the Turkish Neutrality in general and tries to make the reader familiar with the Turkish conception of Neutrality, and explain what sort of experiences, Turkish state went through and as a result ‘the Turkish conception of Neutrality’ came into existence. As for the third chapter, ‘The story of Turkish Chrome Sales’ is explained with reference to the archival material and the importance of the chrome material for the belligerents is shown with figures. After the long and elaborative research done on the subject of Allied Economic Warfare, by the fourth and the last chapter, the doctoral candidate, by being profoundly convinced of ‘the
Failure of Allied Economic Warfare regarding Turkish Chrome Sales’, gives answers to the question of ‘What were the reasons for the failure of the Economic Warfare regarding Turkish Chrome sales.’
CHAPTER 1. Theoretical Approaches and Definitions of Economic Warfare and Neutrality

1.1 Economic Warfare

1.1.1 Definitions

Economic character of ‘modern warfare’ is too important to be underestimated. The economic front should be as equally well fought as the military in order to be successful in war. On the economic front, it is highly important to accomplish the diversion of national economy in funding military, and to increase the capacity of the state. What is significant for a belligerent in order to win a war is to have the resisting power to overcome the tensions likely to rise as a result of such diversion.

‘Economic warfare’ is a military operation; its function is to deprive the enemy of the material means of resistance. But, unlike the operations of the Armed Forces, its results are secured not only by direct attack upon the enemy, but also by asserting pressure upon those neutral countries from which the enemy draws his supplies. It must be distinguished from coercive measures appropriate for adoption in peace to settle international disputes without having recourse to war, e.g. sanctions, pacific blockade, economic reprisals, etc.; Unlike such measures; the economic warfare involves as an ultimate sanction, the use of belligerent rights.

According to Culbertson, there are three major fronts in a modern war. These are: first the front of the military, naval and air conflict; second the psychological front, which includes morale and propaganda; and third the economic front. Success can be more easily achieved when these three are in conformity.¹ Shubik defines ‘economic warfare’ as the use of economic weapons for strategic purposes.² And Lane refers to the term in his description, as a tool aims at performing operations straight to the hearth of enemy’s economic activities so that the enemy stumbles in the supply of raw materials, food, money etc. for its warfare.³

According to Wu, ‘economic warfare’ is a term not referring to measures such as financing war expenditure, mobilizing domestic production, control of prices, rationing, directing of labor, and so on, rather international economic measures which can be taken to bring the victory closer by directly or indirectly reducing the economic strength of the enemy.\(^4\) She states, ‘war is the negation of normal diplomatic relations and ‘economic warfare’ is the negation of normal economic relations. The practice of ‘economic warfare’ consequently involves necessary adjustments both from normal conditions before the war and back to normal after the war.’\(^5\)

Gordon and Dangerfield’s definition of ‘economic warfare’\(^6\) covers in its broadest sense all stages of war in which economic tools are used or economic consequences are attained. Accordingly, economic warfare can be offensive or defensive, can mobilize men and industrial infrastructure or can mean bombing of strategically important enemy points or the rupture of the enemy’s supply lines by blockade.

Pumphrey mentions that ‘economic warfare’ is the sum of economic measures implemented to win the war. ‘modern warfare’ is intensely economic. It is generally recognized by all states and experts that in warfare one should be ready for a protracted economic and military effort ready to compete that of the enemy’s. A state must have the necessary institutions diverting various resources of the state to military purposes and an economic system that is able to stand up to the strains for a prolonged period even longer than that of the enemy’s. The sum of all the efforts exerted and all the economic measures taken in such a condition constitutes total ‘economic warfare’.

1.1.2. History of Economic Warfare

1.1.2.1. From Blockade to ‘Economic Warfare’, a Brief History

The concepts of ‘blockade’, ‘contraband’ and ‘economic warfare’ have been studied by the scholars of law, history, and international relations disciplines since the 17th century. However, the conflict between the belligerents, in which on the one hand a belligerent efforts

---


\(^5\) Ibid. p.20.


to cut off enemy’s trade, meanwhile neutrals resist the demands of the blockader belligerent to cut off its profitable trade with the enemy is much more older than that. In the ancient Greece, Sisyphean, king of Corinth, worked for establishing lasting rules to ease the relations between the belligerents and neutrals.  

Great Britain was the country that used the technique of blockade often throughout the eighteenth and nineteenth centuries. British superiority in the seas gave her the opportunity to blockade the enemy ports and disrupt the enemy trade by capturing the enemy merchants on the high seas. A proclamation issued in 1601 by Queen Elizabeth after reciting the disloyalty of Philip II of Spain and pointing out his dependence upon supplies from overseas for continuing the war stated:

‘The stopping, hindrance and impeaching of all commerce and traffic with him in his territories of Spain and Portugal will quickly in likelyhood give an end to these bloudie unnatural warres which disturb the generall peace and quiet of all these parts of christendome’.

Continental countries faced with this problem, employed the neutrals to carry their goods. During the Seven Years War, British naval power was so dominant that they established the Rule of War of 1756 stating that ‘a neutral has no right to deliver a belligerent from the pressure of his enemy’s hostilities, by trading with his colonies in time of war in a way that was prohibited in time of peace’. Later on the Doctrine of Continuous Voyage was added against the French practice of shipping her goods directly from the French West Indies to the West Indian ports controlled by the neutral Dutch. Hundred years after the Rule of 1756, during the Crimean War, the fear of privateers (the pirate ships that are hired by a country to attack enemy ships) induced the countries (Great Britain, France, Russia, Austria, Prussia, Sardinia and The Ottoman Empire) to sign the declaration of Paris abolishing privateering and accepting the neutral ships to be immune from being captured in high seas. The declaration of London 1909, did not change the declaration of Paris much but opened the discussion of ‘distinguishing between the needs of the military and the civilians’ ‘The Declaration of London’ was a code governing blockade and warfare at sea, in which there was a distinction between these two. According to the code, the commodity trade during war was divided into three categories which were subject to totally different treatments. The goods that fell into the first category were the goods used for military purposes, were absolutely

---

9 Gordon & Dangerfield,(1947) p.16.
10 In Forland (1993) p.152, quoted in Heckscher, 1922, p.36.
contraband and should be seized if the ultimate destination proved to be the enemy. The second group of goods fit into the category of both civilian and military, such as food, fuel and lubricants. These goods could be shipped even to the enemy ports as long as they were for civilian use. The third category of goods was the ones which were presumed primarily required by the civilians and under no circumstance were they subject to seizure. The Declaration of London seemed to find a solution to the conflict between the Neutrals and the belligerents until February 1915 when Germany declared the North Sea and the area around the British Isles and Ireland as a war zone in which neutral ships would be attacked.

One can see that during the pre-World War II period, British general view of the ‘Germany’s possible deficiencies’ makes no clear distinction between the civilian and military needs. The German deficiency report published by the British authorities aiming at provisioning German deficiencies on certain fields, expected, lack of food items such as cereals, fruits, fishery and dairy products, oil and fat, coffee, cacao, etc.; as well as the minerals and metals such as aluminum, asbestos, chrome, copper, iron, lead, manganese, nickel, petroleum and other products, like phosphates, tin, zinc, certain ferro-alloys.

During World War I, Great Britain justified her seizure of food exported to Germany due to the fact that the distinction between civilian and military was no more possible with the concept of ‘total warfare’. The First World War experience urged countries to understand the importance of economic durability as they were faced with disasters when it was time to rebuild their home countries. Even this experience was not enough to push the states to make the necessary organizational adjustments to ease the shift from peace time economy to an effective war economy. In Great Britain, and United States, in the Post World War I period, the potential of ‘economic warfare’ was not used most effectively compared to Germany who has come to a better understanding of the relationship between ‘economics’ and ‘modern warfare’.

1.1.2.2. Pre-War Planning of Economic Warfare in Germany

At the end of World War I, Germany was comparatively smaller than in 1914. The disastrous experience of World War I, forced the Germans to deal with the weaknesses of

---

14 Ibid. p. 7.
their ‘economic warfare’. British blockade pushed Germany to the edge of starvation by 1918, inside, economic problems caused massive demonstrations among the industrial workers and a communist revolution was about to arise. The bitter experience of World War I made the Germans to see the seriousness of their weaknesses in this field and the necessity of finding solutions. The Germans also recognized that the real reason behind the German defeat was the ability of the American economy to immediately control and direct its resources to the use of military while limited German potential was exhausting. During the post war period, Germans tried to find a way to increase the limited resources which were seen as the reason for the military collapse of Germany in World War I. They realized the importance of ‘total warfare’ and first of all in Reichswehr, German military commanders, officer-economists were recruited and trained with a professional understanding of economics in every rank of the military.

The German material demands were increasing by the 1930’s and Germany had to turn her attention to the supplying and stockpiling of the war critical raw materials that she was not self sufficient. The problem of supplying Germany with war critical raw materials to carry out a healthy rearmament process shaped the route of German trade negotiations in 1930’s. After 1933, The Germans were primarily preoccupied with providing a firm economic base for rearmament and guaranteeing Germany’s access to essential raw materials. The ‘Drang nach osten’ policy was the term introduced in the 19th century to designate German expansion into Slavic lands. This approach was later adopted by the Nazi government as a part of their economic plans as soon as they came to the power in the 1930’s.

The German inadequacy of critical raw material supply was the primary reason for the increased allied focus in this field. Non-German and German many scholars living in the pre-World War II period were believing that Germany’s war potential could be nullified by a detailed economic plan against her supplies of war critical materials.  

Within the German military formation, the main economic planning organization of Germany was called “Wehrwirtschaftsstab” -The War Economy Staff of the High Command-which was a legacy of Reichswehr and was established in 1935 in order to conduct the planning of the entire German economy with reference to basic military needs. It was independent but also worked as the economic intelligence branch of the General Staff.

In contrast with the decentralized American powers, The Germans had a centralized power which controlled all the German economic efforts. Economic decisions were brought to

\[15\] Lane,(1983) p.296.
a supreme command of armed forces called *Wehrmachtsamt* which was commanded by General Wilhelm Keitel. This committee was composed of high commanders of the Army, Navy and Air Force, and they worked as an advisory committee to Adolf Hitler. In Germany, the *Wehrwirtschaft* was administered by the civilian departments which were established just before the outbreak of the war by Field Marshal Göring. These civilian departments were the Four-Year Plan Bureaus, the *Wehrwirtschaftstab* of the High Command, the departmental chiefs of the Ministers of Agriculture, Economic Affairs, Labor, Transport, Armament and Munitions, and Interior, the Price Commissar, and one representative of the Nazi Party.

The trained military officers with economic skills brought the advantage of enabling the extension of the ‘economic warfare’ activities of the *Wehrmacht* into the tactical sphere. For instance, the *Wehrwirtschaftstab* created special troops which were commanded by officers with economic knowledge. They were effectively used in the French Campaign of 1940 in which their function was to prevent the regular army forces from mishandling the economic material of conquered territories. These officers advised the armies on how to conduct their operations to minimize unnecessary destruction of key economic resources in the overrun territories.¹⁶

Germany was not self sufficient in any of the strategic goods except coal which was also very well known by the German rulers. Therefore German economic warfare was generally based on the supply of necessary materials for the Germanys war needs; however, miscalculations during the war led to the decline of German War potential. According to Naylor, although German war preparations were so effective, the incorrect evaluation of the ending of the war because of the immediate success in the war field, caused the Germans to underestimate the importance of stockpiling, and therefore Germany was not well prepared for the ‘economic warfare’.¹⁷

On the other hand, some World War II scholars discuss that ‘economic warfare’ played a secondary role in the ‘total warfare’ of Germany. The strategic blockade of German U-Boots to the merchant ships of Great Britain was an armed activity more than an economic one against the Allies.¹⁸

---

¹⁶ Pumphrey (Autumn, 1941), p. 147-151.
¹⁸ Pumphrey (1941), p. 147.
1.1.2.3. Pre-War Planning of Economic Warfare in Great Britain

British Empire had been dominating the seas since the late 17th century and his dominant position in a war against a land force such as Germany could be most effectively used if her naval power is used for the Blockade of German trade as Germany was very much dependent on the raw material coming from overseas. In the prewar rearmament, aware of this fact, Great Britain gave priority to the improvement of her navy and air force and later on US combined her naval force with Great Britain and they practiced the blockade measures at sea without making much change in the strategy of World War I. The British were impressed from the success of the blockade during the First World War and planned a similar but more complicated plan for the circling of German economy at the beginning of World War II.

The term Economic Warfare was first defined by the committee of ‘Industrial Intelligence Centre’ in the 1936 instead of the term ‘blockade’, which was out of date due to the inadequacy of the term to define the action.

There is a clear distinction in the description of the British government between the actions taken for the weakening of the Enemy by economic measures and Great Britain’s own means to wage war on the field, it is in the definition clear that the ministry is established for the fulfillment of the former. Although the latter nearby the former handicapped the economic activities of the enemy too didn’t take place in the official definition of British ‘economic warfare.’ Economic warfare was, in other words, concerned with measures aimed at directly against the enemy’s economic resources, and not with measures directed against his force in the field.21

According to Medlicott, The plans for an ‘economic warfare’ against Germany were made by the British long before the outbreak of the war.22 After World War I, British Government formed the ‘Advisory Committee on Trade Questions in Time of War’, as a subcommittee of the ‘Committee of Imperial Defense’; this committee was on academic bases as the probability of another war in the near future according to them, was very low. The main

---

issue occupying the minds of the English was the question of “What will happen to the rights that Great Britain in peace time, which she acquired during the World War I.” Was she going to renounce them? She was willing to keep the control of the trade routes. British were having severe diplomatic and economic problems with the United States because of the implementation of the war time belligerent rights of Great Britain still in the mid twenties. If Great Britain wanted to improve the Anglo-American relations, the Belligerent rights had to be restricted, but the British decided in favor of maintaining the rights. 23

In 1929, ‘the Committee on Trade Questions in Time of War’ proposed to the Committee of Imperial Defense to form the ‘Ministry of Blockade’ under the ‘Foreign Office’. This proposal was approved by the committee in 1929 but there was no action until the Nazi party came to the legislation in Germany in 1933.

Another important step for the preparation of the ‘economic warfare’ was the establishment of a new group in 1929-1930 to study and report on the industrial mobilization of the countries, which was employed for the monitoring of the capacities of the foreign countries to make war by looking at their level of industrial and economic preparedness. This was the time when the German industry was giving the signals of a developing Wehrwirtschaft. Meanwhile another committee was set up by Sir Desmond Norton in 1931 under the Foreign Office called ‘Industrial Intelligence Service’. Later on this committee merged with the ‘Department of Overseas Trade’ as a result, different committees became connected and they came out with new ideas based on the research done and these ideas became the base of the ‘economic warfare’ of the World War II.

A sub-committee of the Advisory Committee on Trade Questions in time of War produced in October 1933 and January 1934 reports on the prospect of applying economic pressure on Germany; assuming Russian non-participation. After Russian entry into the League of Nations, an additional paper on economic pressure on Germany was written to include Russia. These papers were proposing exercise of pressure under the backing of the League, in conditions where there was no resort to war. After this paper the ‘Advisory Committee on Trade Questions’ was mainly concerned for about a year with the problem of economic pressure on Italy during the Abyssinian crisis. On the 9th March 1936 the sub-committee of economic-pressure was instructed by the cabinet to prepare a report on the possibilities of exerting economic pressure on Germany. This was the result of a statement in the French press that the French Government contemplated a proposal at Geneva to apply

economic sanctions to Germany in Reply to the latter’s reoccupation of the demilitarized zone.\textsuperscript{24}

In 1936 began the more detailed planning of ‘economic warfare’, British economic warfare cadre gained a lot of experience during the Abyssinia crisis and besides that the old contraband lists were renewed. In 1937, increased the tension in the relations between Great Britain and Germany and the Chief of Staff wrote a report on ‘Planning War With Germany’ in which he mentioned the necessity of undertaking serious war plans for a possible war with Germany including alternative alliances against Germany with France, Belgium, Holland, Czechoslovakia, Poland and Russia and the League of Nations. ‘The Defense Plan Subcommittee’, under the chairmanship of the Prime Minister, agreed in April 1937 with the plan. ‘The Subcommittee on Economic Pressure’ was reorganized as the ‘Economic Pressure on Germany Committee’, and held its first meeting on 29\textsuperscript{th} July 1937. The work of the committee was interrupted by the necessity of building the plan of exercising economic pressure on Japan but resumed its task in March 1938. The plan was ready for the precautionary mobilization of the ministry of ‘economic warfare’ which took place during the Munich period. There were subsequent revisions to keep the plan up to date, the last being that of 9\textsuperscript{th} August 1939. Although these changes showed a progressively more cautious attitude towards estimates of German stocks and the reaction of ‘neutrals’, the broad conclusions of the first report remained unaltered.

Plans were discussed for the establishment of a department that will carry on the ‘economic warfare’. The discussions beforehand were concentrated on the question of how to establish this entity. Either as a separate government department responsible for ‘economic warfare’ questions, or a committee that works under the responsible departments and with coordination. It was agreed beforehand that an individual minister should be responsible, and blockade measures could not be taken by a committee; on the other hand the Board of Trade was the protagonist of the view that the ministry’s powers should be exercised only through existing departments. The problem was first discussed seriously at a meeting of the ‘Advisory Committee on Trade Questions in Time of War’, with Mr. Walter Elliot in the chair, on the 11\textsuperscript{th} June 1937. It was determined that the entity which would carry out the ‘economic warfare’ could not be a committee and should be a separate department. In this decision the ineffective departmental coordination of World War I was effective. During World War I, it was attempted to carry out the blockade by departmental coordination but the inefficiency of

the system led to the appointment of Lord Robert Cecil as the Minister of Blockade with direct control over all the sections. A report proposed the setting of a ‘Ministry of Economic Warfare’, under a cabinet minister, “with an adequate staff, directly responsible for negotiations and correspondence with neutrals on all Blockade questions, together with a prize department to deal with questions concerning enemy exports and imports”.

In 1939, Sir Ronald Cross a parliament member established the ministry of ‘economic warfare’ just after the outbreak of the war in September 3.

This Ministry was equipped with information concerning the detailed analysis of the German economic weaknesses and problems. The Ministry of Economic Warfare was in some extent the successor of the ministry of Blockade of the World War I with some innovative tactics such as air attacks behind the enemy lines which was not widely used in the First World War. The aim of the ministry and its value addition to the war was officially described as:

The aim of the economic warfare is so to disorganize the enemy’s economy as to prevent him from carrying on the war. Its effectiveness in any war in which this country may be engaged will vary inversely with the degree of self-sufficiency which the enemy has attained, and/or the facilities he has, and can maintain, for securing supplies from neighbouring countries, and directly with the extent to which his imports must be transported across seas which can be controlled by his majesty’s ships, his industry and centres of storage, production, manufacture and distribution are vulnerable to attack from the air, and opportunities arise for interfering with exports originating from his territories.

The British side envisioned means of ‘economic warfare’ in three groups. These were ‘Legislative action’, ‘diplomatic action’ and ‘military action’ in the broader sense.

Legislative action was defined as the control of commerce and finance within one’s own territory, Legislative action aimed at controlling the commercial activity in the neutral territories and military action in broader sense was the military means used to cease supply to enemies’ from overseas whether through neutral states or direct.

---

25 Ibid, (1952), p.15
Among the responsibilities of legislative action was the supervising of British firms and persons by legislative and administrative action both for preventing them from assisting the enemy, and also for bringing pressure on neutrals known or believed to be assisting the enemy. A ‘trading with the enemy’ act banning any relation with the enemy was ready to put into action as soon as possible after the outbreak of the war. There were some other actions prepared and waiting to come into force as soon as the war starts. Among these actions were the preparation of the list of persons who were thought to be helping the enemy, called ‘Statutory List’ and also system of certificates of ‘origin of interest’ was going to be introduced by British consular officers in neutral countries certifying the origins of goods to be exported to the United Kingdom; without such certificates goods were going to be seized. Declarations of ‘ultimate destination’ would be necessary for the exports from the United Kingdom to certain neutral countries. Some other arrangements would also be made to control exports from the country; the main objects of this would be to converse supplies and prevent such exports from reaching the enemy, directly or indirectly. Other actions would be introduced such as the bringing of pressure on neutral governments and firms.

There was a disagreement between the Board of Trade and the Treasury, both were working for the maintenance of export trade as much as possible for exchange reasons, and Ministry of ‘economic warfare’, was trying to prevent all trade with the neutrals while the final destination of the freights were suspected to be an enemy harbour.28

1.1.2.4. Pre-War Planning of Economic Warfare in the USA

In the United States a similar bureau called, “The Board of Economic Warfare” was established just before the United States’ declaration of belligerency. This board later on united with the “US Foreign Economic Administration” and carried on a similar purpose with her counterpart “Great Britain Ministry of Economic Warfare.”

Although, United States joined Great Britain’s ‘economic warfare’ system in December 1941, American control on strategic goods such as chrome, nickel and manganese and on the purchase of strategic materials for stockpiling, as economic defense measures, began, under the supervision of the Board of Economic Warfare before the Pearl Harbor attack. The United States was carrying out the preemptive buying of the strategically

important commodities and supplying the Allied demands meanwhile preventing the flow of goods to the Germans. ‘The Board of Economic Warfare’ and ‘The British Ministry of Economic Warfare’ were working very closely for the defined mission of ruining the German economy.

1.1.3. Economic Warfare Measures

The applications of various economic warfare methods start long before the beginning of the actual warfare. Wars are not improbable for the States. Governments generally know an approaching war and to what extent they are preventable through their institutions and intelligence so that they take necessary measures both for avoiding a war and encountering it preparedly. Various ‘economic warfare’ methods are put into practice by the governments of the adversaries long before the beginning of the actual warfare. This way they enhance their own relative strength by decreasing the strength of the enemy.29

‘Economic warfare’ can be interpreted in two different ways. From a narrow perception refers to international economic measures taken during a military conflict in order to improve a country’s relative strength meanwhile the broader perception refers to all long-run economic policies that a country may have, to enlarge a country’s sphere of economic influence. For instance the policy of denying Germany to access Turkish Chrome is one perspective, and trying to increase the chrome reserves on the long-run is another. The short and long-run objectives may be contrary to each other. Some action serving the long-run interests may be contrary to the short-run purposes and vice-versa. Supply of credit to a country to support its development of infrastructure by thinking the long-run gains may be a good policy but in the short run it may be better to use the resources to stockpile the necessary raw materials. In the short-term compelling a country with some immediate sanctions threats for getting a specific benefit from them may work but in the long-term such a policy may lead to an escape to the other side. Before the implementation of Long-run policies it is important to decide whether a country is the right one or not. The strategic calculations should be done with great carefulness and the steps should be taken according to the possibility of pulling a country into one’s own orbit and influence. 30

At the outbreak of Second World War, British, French and Turkish Diplomats agreed on military, political, financial and economic bases for the support of Turkey. Although Turkish demands on economic and financial fields were high, the Foreign Office thought that they were not too high a price to pay for the political and military agreement which would lead to a rapprochement between Turkey and the Allies further turning into a war time alliance and the guarantee of valuable Turkish raw materials.  

One not clear and often discussed part of the ‘economic warfare’ is whether it is enough preventing the supply of the strategic materials and allowing the rest to be supplied or should one prevent the supply of every kind of materials as the distinction between soldiers and civilians disappeared with the concept of ‘total warfare’. Besides that Britain justified the restriction of German food imports, due to the fact that German food rationing for the civilian population was integrated with her military requirements, it was not possible to make a distinction between civilian and military needs. Wu mentions an exception in his book saying: ‘The only economic justification of allowing imports to reach the enemy, whether they are strategic materials or not, would be that the goods or other means of payment exacted from him are of even greater value to him from a military point of view than the imports. Unless the enemy does not control his external trade during wartime or is especially inept in control, such a possibility appears rather remote.’

1.1.3.1. Choosing Economic Warfare Methods

There are some major factors decisive at the choosing of ‘economic warfare’ methods to be used against the enemy. One should decide whether the long run or short-term methods will be used and also the economic development level of the enemy is another key factor for choosing the ‘economic warfare’ methods. Two other important factors affecting the efficacy of the methods used in an ‘economic warfare’ are ‘the scope of a shooting war’, and ‘the extent and the numbers of neutrals’ and their economic and political importance. The more intense the actual fighting is, the more willing the countries to employ ‘economic warfare’ methods and number of the neutral countries begin to decline once the actual fighting begins as it becomes almost impossible to stay neutral. The belligerent countries increase pressure on the neutral states to pull them in to the war on their side. The competition among to enemies

to pull the neutral to their sides turns out to be so intense that it would be almost impossible to stay neutral. Various Economic warfare methods used by the belligerents are going to be discussed under the ‘Neutrality’ title.

1.1.4. Cost of the Economic Warfare

The immediate effects of the ‘economic warfare’ appear prompt meanwhile the long-run effects takes time to be realized. Cutting enemies supply of materials from outside means to cut one’s own benefit of the enemy production. Certainly the loss is mutual and there is a two sided sacrifice. More important than that, the Country conducting an ‘economic warfare’ puts itself under various costly expenditures and its treasury may undergo financial losses. For instance the pre-emptive buying of an important material at very high costs or other non-profitable operations brings extra spending to the budget. Belligerent conducting an ‘economic warfare’ usually neglect the high costs of the ‘economic warfare’ because some inescapable financial losses bring the victory closer. Nevertheless, as Wu mentions ‘For no nation, not even the richest, can afford to act blindly in a struggle for survival’.33

1.1.5. Effectiveness of Economic Warfare

Even today, ‘economic warfare’ composes a very important part of the ‘total warfare’. People are still trying to find an answer to the question of ‘Does Economic Warfare Work’ and strategists try to answer the question of ‘Will it work’ for the future wars. Historians contribute to this subject by answering the question of ‘Did it work in the past’. One sees the difference between the interpretations of the Historians on the case of the effectiveness of the ‘economic warfare’ in two big wars, World War I and World War II. Historians and analysts of Interwar period Parmelee and Jack34 are optimistic about the effectiveness of the ‘economic warfare’ and Guichard35 saying that ‘the enfeeblement of Germany by reason of her encirclement was one of the main factors of victory’ on the other hand there were others mentioning the decreasing faith to ‘economic warfare’ after World War II, David Gordon and Royden Dangerfield, from the Blockade Division of the US Foreign Economic

---

Administration, in 1947 defined ‘economic warfare’ as a valuable auxiliary\textsuperscript{36}. Medlicott in the 50’s mention that while cutting the German overseas supplies after 1942, ‘economic warfare’, did never lead to a clear cut weakening of German war mechanism.\textsuperscript{37}

According to Medlicott, geographical situation of the blockaded power is decisive for the effectiveness of the economic warfare. Island powers with limited resources such as Japan and Great Britain are easier to blockade whereas vast continental powers such as Soviet Union and USA are not very much vulnerable to the blockades as they are in most of the cases self sufficient. Germany whereas is neither like Great Britain and Japan, nor like USA and Soviet Union, but her situation is closer to USA and Soviet Union\textsuperscript{38}

1.2. Neutrality

1.2.1. Definitions:

Neutrality is as old as the history of war. In Thucydides the Corcyreans say that it is the duty of the Athenians, if they wish to be impartial, either to prevent the Corinthians from hiring troops on Attic soil, or to allow them the same privilege. Philip, king of Macedonia, was charged by the Romans with having violated his treaty in two ways, by causing injury to the allies of the Roman people, and by aiding the enemy with soldiers and money.\textsuperscript{39} Machiavelli, famous Italian fifteenth century philosopher in his masterpiece, The Prince, in which he sets out rules for government of a principality, mentions that: ‘the conqueror does not want doubtful friends’ who will not aid him in the time of trial… and the loser will not harbor you, because you did not willingly, sword in hand, risk his fate.’\textsuperscript{40} Neutrals are seen most of the time as ‘doubtful friends’ and often behaved harshly by the winners and those who are defeated accuse the neutrals of doing something immoral by escaping from fighting.

Ogley defines neutrality as ‘not taking part in others’ quarrels: that is for state, keeping out of other states’ wars.’\textsuperscript{41} Neutrality gives an option to individuals, groups or states not to involve in the conflicts of others for the sake of self-preservation or to avoid the hardship and

\textsuperscript{37} Medlicott, (1952), p.154.
\textsuperscript{38} Ibid,1952, p.154.
\textsuperscript{39} Ogley, Roderick, \textit{The Theory and Practice of Neutrality in the Twentieth Century}, Barnes & Noble Inc, Newyork, 1970, p.34
\textsuperscript{40} Machiavelli, Nicolo, \textit{The Prince}, p. 38.
disaster that a war may cause. In the history of human, war is the most common fact, even today, although being less preferable, war is still seen as a natural option in international relations for the states seeking their interests and could not be totally outlawed. In these circumstances, seeking neutrality is as justified and legitimate as going into war.

The impact of neutrality to the modern history is very profound. Neutrals played a very significant role in the shaping of the world since 1790 until the last conflicts in Middle East. Within the World War II history, neutrals were depicted as ‘immoral free riders’, ready to benefit from the successes of one side or another but unwilling to contribute actively themselves. One of the cruelest depiction of a neutral was done by Chateaubriand about Swiss: ‘neutral in the grand revolutions of the states that surrounded them, they enrich themselves by the misfortunes of others and found a bank on human calamities’ on the other hand there have been also some cases where neutrals were depicted as naive simpletons, who mistakenly assumed that by reiterating the mantra of neutrality they might lull the warring factions into respecting their wishes’.

The Hague Conventions of 1899 and 1907 were the outcome of First and Second Peace Conferences at the Hague, Netherland. Together with the Geneva Convention of 1865, Hague Convention is one of the first formal statements of the laws of war and war crimes in the newly developing international law in which the rights and obligations of the neutral states are defined. Two of the Hague conventions were important for the Neutrals as they define the rights and duties of them during Land and Naval War. Fifth section of the 1907 Convention defines the rights and duties of neutral powers and persons in case of war on land. Section begins by referring to the necessity of defining the rights and duties of Neutral Powers. ‘With a view to laying down more clearly the rights and duties of neutral Powers in case of war on land and regulating the position of the belligerents who have taken refuge in neutral territory;’ moreover it emphasizes the necessity of defining the term 'neutrality’ and clarifying the relations of neutrals with the belligerents within a war: ‘Being likewise desirous of defining the meaning of the term "neutral," pending the possibility of settling, in its entirety, the position of neutral individuals in their relations with the belligerents;’ There are ten articles in the convention defining the neutral rights and duties in a Land war. Almost all are violated in the two world wars and as a result nullified the convention defacto. These ten articles were:

Article 1: The territory of neutral Powers is inviolable, Article 2: Belligerents are forbidden to move troops or convoys of either munitions of war or supplies across the territory of a neutral Power..., Article 4. Corps of combatants cannot be formed nor did recruiting agencies open on the territory of a neutral Power to assist the belligerents..., Article 6. The responsibility of a neutral Power is not engaged by the fact of persons crossing the frontier separately to offer their services to one of the belligerents, Article 7. A neutral Power is not called upon to prevent the export or transport, on behalf of one or other of the belligerents, of arms, munitions of war, or in general, of anything which can be use to an army or a fleet... Article 9. Every measure of restriction or prohibition taken by a neutral Power in regard to the matters referred to in Articles 7 and 8 must be impartially applied by it to both belligerents. Article 10. The fact of a neutral Power resisting, even by force, attempts to violate its neutrality cannot be regarded as a hostile act...

Hague conventions were written at the end of the 19. Century and early 20th Century in which the international environment was still dominated by multiple Great Powers. The traditional Great Power struggle of the 19th century was slowly turning into a two Bloc structure. In contrast with the new order of the 20th century, 19th century international environment was more suitable for the states willing to stay away from war. The great power structure consisted of five great powers and the alliances between them were changing frequently. Today’s ally were tomorrow’s enemy and vice versa. There were always at least two other great powers to hide behind, on the other hand the two bloc structure of the 20th century did not provide this maneuver freedom to the small states.

With the World War I, the Hague convention became defacto void. One reason for this, was the destructiveness of the 20th century wars. War became a matter life or death not only for the states but for the majority of the population as the destructive power of the war machine came to a climax with the industrialization.

The civilian populations are involved in wars since the French Revolution in a programmatic and ideological way, since then wars are not fought out by the nobility and the professionals but by the whole nation”. For instance in the Thirty Years War, the civil population was to a great extend involved in the conflict and as far as economic warfare is concerned, Napoleons “Continental Blockade” imposed on Great Britain, was a measure taken both against the British military and the citizens of Great Britain. However, industrialization of the warfare in the 20th century increased the destructiveness of the War.

43 http://www.univie.ac.at/RI/KONTERM/intlaw/konterm/vrkon_en/html/doku/hague-13.htm#5.0
The more damaging 20th century wars became the less respect neutrals got from the belligerents for their rights. The World War I began with the violation of the neutral rights of Belgium, which were guaranteed by all the powers of Europe, it was the first but not the last instance in World War I, in which the rights of a neutral state is. Regarding the neutral rights, the situation was lot worse than World War I n World War II.\(^{44}\) In World War II, there was an overall neglect of neutrals and their rights by the belligerents; this behavior of the belligerents is most of the time appreciated by the World War II historians. For the majority of them, neutrality was immoral. Wylie emphasizes this trend: *To these men writing shortly after the war, the great issues had all been decided on the battlefield or in the allied conference halls. Victory had not turned on their success in playing to the neutral gallery in Europe.* \(^{45}\)

Besides the diplomatic and military complexities of staying Neutral in the 20th century wars, there was also the philosophical debate of the ethic of being neutral. During World War I, in USA neutrality was thought to be a betrayal of the common interest, neutrals were seen as unconcerned to the destructive dangers in which others were placed, too reluctant to fight for the cause of world order, careless of threats to themselves, and also as benefiting from the situation by selling anything to the belligerents.\(^{46}\)

In conflicts, where the international society is divided between two great powers, neutrals can work as mediator or as a nonaligned but in most of the cases; Neutrals are seen as the traitors of the common cause of an alliance. The belligerents inevitably ask the Neutral countries to do some favor for them. When the neutral, for the sake of her neutrality, refuses to do it, her refusal is interpreted as a betrayal to the common cause, although it is the duty of the neutral to have equidistance to all the belligerents.

### 1.2.2. Types of Neutralities

There is a slight difference between being an ally of a belligerent and being neutral. It is difficult to differentiate between a non-belligerent ally who is not involved in active warfare but supporting one of the belligerents and a neutral who is equidistant to all the belligerents. For instance World War II scholars could not agree upon the stance of Turkey in

---

World War II. Some consider Turkey as a non-belligerent ally of the Allies, meanwhile others describe her as an evasive neutral. For this reason, some scholars argue that the ‘economic warfare methods’ which are adopted against the neutrals should also be applied to the non-belligerent allies whose allegiance is doubted. Other than that, no single neutral can be shown who is totally equidistant to the belligerents due to some inescapable geographical, economical or political reasons. Every neutral has an affiliation towards one of the belligerents; therefore the party conducting the ‘economic warfare’ should classify the neutrals according to their closeness to itself, and to the enemy. Therefore it is important to ensure that, regardless of her stance, every country cooperates with the country conducting economic warfare.

According to Ogley, one can distinguish four kinds of neutrality. These are: ‘neutralization’ in which, neutrality is imposed to a state by the international agreements. Belgium became a ‘perpetually neutral state’ and charged with observing and defending its neutrality at all times by the treaty of 1839 signed by Great Britain, Austria, France, Prussia and Russia. Luxembourg in 1867, Austria in 1955 and Laos in 1962 were also imposed neutrality by the international agreements. The most important characteristic of states falling into this category is their neutrality not being by choice and not having legal rights to abandon neutrality anytime. On the other hand there are some states although not ‘neutralized’ by law are recognized as ‘traditional neutral’ such as Switzerland and Sweden. Although, Switzerland is said to be ‘neutralized’ by the ‘Treaty of Vienna’ in 1815, later on it turned into a tradition and Switzerland itself chose to stay neutral regardless of the conflict. The traditional neutrals are reliable states in the eyes of belligerent, therefore they are usually commissioned with the inspection of prisoner camps and the peace conferences are held most of the time within the territories of these states as they are not suspected for being sided but once they enter a war (except occupation by other states) they lose their reliability in the eyes of the belligerents and they can no longer benefit from the advantages of being a neutral. Despite the recognition of their neutrality, both neutralized and traditional neutrals might be insecure in war.

The third type of ‘neutrality’ is the ‘ad hoc neutrality’. States listed in this category, aim at keeping out of a war, or wish to establish their own tradition of neutrality. It is always easy for the great powers, to establish their neutrality within a war as their power of retaliation is a major deterrence factor for the belligerents who may wish to attack the strong ad-hoc
neutrals. This is not the case for the relatively small or weaker ad hoc neutrals who might wish to stay neutral in case of an armed conflict, as they do not have the power to deter the belligerents who might occupy their territory.

The fourth and last type of neutrality is based on ‘non-alignment’. It is a recent concept, a response to the Cold War situation in which two great powers existed with totally different world views and they demanded from the rest of the world to follow their patterns. Some countries such as India under its first Prime Minister, Pandit Nehru, followed a foreign policy mainly aiming at averting a major war which would destruct not only the belligerents but the whole world as a result of the possession of the atomic bomb. A non aligned state unlike a neutral can fight its own war like India once fought against Pakistan.

1.2.3. Factors Determining the Cost to a Neutral of Severing its Trade with a Belligerent

One of the most determining factors for a neutral, in the case of deciding whether or not severing her relations with a belligerent, to a great extend depends on the economic ties between belligerent and the neutral. If the neutral is a debtor or creditor of the belligerent it makes the situation harder for the neutral to shift from one belligerent to the other.

In a situation where the neutral is indebted to a belligerent, it is normal that the neutral pays her debts to the belligerent through her exports and if the neutral could not pay back her debts through another export agreement with another belligerent or a third party country she can hardly break up her ties with the belligerent and the neutral is in most of the cases condemned to go to war on the side of her creditor. If the situation is different than the one explained above and if the neutral is dependent on the earnings coming from the belligerent, and if all or most of its earnings are used for the payment of the debts, in this case it’s likely that stopping the exports to the enemy entails stopping trade in reverse, and the enemy may take retaliatory action and try to hinder the flow of goods to the neutral.

In the case of breaking the ties with a belligerent, neutral should find new markets for both her imports and exports. Although, alternative markets for his goods exist, they usually belong to another currency blog; in this case the solution is a triangular trade. If new markets are hard to find, the material and human resources used for the export industry, is shifted to other branches to make the country self sufficient until the end of the military conflict. 48

Whether it is possible to become self sufficient or not, depends on the goods that a neutral is requires. If the neutral is importing coal from the belligerent, and has no coal stocks or resources, self sufficiency does not work, and the neutral is obliged to find new supplier of coal. On the other hand, the neutral may possess low grade coal which was not exploited during the peace time due to the convenience of coal exported from the belligerent, but after the cessation of trade, neutrals own resources turn into an alternative resource. Even existence of coal resources may not always lead to a decision to shift to the exploitation of the resources as the shifting and transfer of labor may be costly than finding new trade partners. The long term effects of shifting from export industries to domestic production must be clearly discussed and the neutral should be careful not to become dependent to any country as a result of ceasing its relations with one belligerent.40

There are some other factors which a neutral has to keep in mind while ceasing its relationship with a belligerent. First of all it is important to observe and take into consideration that, in the case of a competitive market, the neutral may lose her advantageous position if she cuts her supplies and another neutral immediately take her place.

1.2.3.1. A Deterring Factor: The Fear of Military Intervention

The fear of military intervention or being actively involved in active warfare is decisive factors, influential in the decision of the neutral to break the ties with one of the belligerents. If the neutral is small or militarily weak, she is relatively free in choice when there is no active war. If there is no declared war or large scale shooting, it is not always necessary to declare neutrality even if there is hostility between two opposing groups.

As soon as the actual fighting begins, depending on her geographical situation, a country should declare her neutrality in order to avoid any attack. It is the duty of the neutral, not to provoke the belligerents.

1.2.4. The Economic Rights and Obligations of Neutrals

When a country declares itself neutral, it is obliged not to discriminate any of the belligerents.50 Economically speaking the neutral should avoid giving any privilege to any of the belligerents such as credits for the purchase of its exports, or deprive one party from its

49 Ibid, pp.33-34.
products by embargo or other means and should not do any activity which helps one belligerent to take advantage over the other.

President Wilson expressed the impartiality of his country in his speech when he declared American neutrality; he expressed the need of being impartial in thought as well as in action and added that no business transaction should be allowed that might be interpreted as a preference for one party. ‘The Prohibition of Loans to Belligerents Act’ written into the 1935 and 1937 ‘Neutrality Acts’ conformed to the same principle.\textsuperscript{51}

Although neutrality prevents the casualties, being neutral does not prevent being the victim of the war in economic sense. Although by being neutral, a country tends to preserve its rights to trade with whom they like and whatever form they like, in reality this right is not respected by the belligerent as they also go after their belligerent rights. Some businessman of a neutral country might prefer to go into long-run agreements with one of the belligerents as they think long term agreements provide a guarantee for the rest of the war. Their goods confront with the blockade measures while the final destinations of their goods are suspected to be an enemy port. They might keep insisting that their freights are destined for other neutral ports. These kinds of questions are hard to deal and the solution lies on the answer to the question ‘To what extent the belligerent respects the rights of the neutrals.’

Sometimes even the strong neutrals may become the victim of the decisions of the belligerents. During World War II, the British sea blockade affected the American exports to Europe negatively. Great Britain ceased buying certain American products such as the Virginia Tobacco in favor of Turkish Tobacco to promote the good will of Turkey.\textsuperscript{52}

1.2.5. Ways of Controlling Neutral Trade/ Economic Warfare Methods and the Neutrals

1.2.5.1. Shipping Control

There are several ways of hindering neutrals trade with the enemy, most of them involve coercion. The Neutrals can be coerced to cease their trade with the enemy and forced to follow a defined course of action. To do this, belligerents block all the possible alternative ways and leave the neutrals with nothing but canalizing her trade to the desired direction or one other way of influencing the neutrals’ trade is to put trade control measures into action such as shipping control and blacklisting of foreign firms doing business with the enemy.

\textsuperscript{51} Wu, (1952), pp.33-34.
\textsuperscript{52} Ibid, (1952), p.37.
The belligerents who tend to be stronger in Sea are also more likely to control the sea routes and may create a monopoly of shipping. Creating a shipping monopoly therefore requires the supervision of the neutral shipping in the way of limiting coaling stations, shelter and repair facilities to the Neutral ships while controlling the alternative methods of transportation. Supposing that the belligerent enjoys a full control over its own ships that are registered under its own flag, in this case the belligerent may discourage the uncontrolled spread of shipping licenses to a wide variety of countries. As a long term economic policy, the domestic shipping could be encouraged by subsidizing them such as the British Navigation Acts designed to encourage national shipping.\(^\text{53}\)

The shipping controls alone are not an effective control mechanism that supplementary measures such as blockade and contraband control, has to be taken for controlling the enemy trade. Certificates are granted to the ships which are involved in the safe list, this way, they pass through the blockade. This procedure was called the navicert system. These passes were given to the ships within a shipping pool and to the traders of the neutral countries who accepts the re-export restrictions of the Allied forces. Germans, likewise the Allied used Geleitscheine system for the regulation of the neutral trade during World War II as a land transportation version of the navicert system.

1.2.5.1.1. Diverting the Ships in Sea:

The existence of neutrals or non-belligerents makes it possible for the belligerents to benefit from the goods which are under enemy control. Belligerents divert shipments of the enemy goods to the natural ports and then these goods are shipped to the ports of the other belligerent.

One other method of ‘economic warfare’ commonly used for preventing the trade of the enemy with the neutral is to divert ships which in appearance goes to a neutral port but that’s final destination is identified to be an enemy port. This method works if the goods being shipped are not subject to the exporting country’s jurisdiction or indirect control.\(^\text{54}\)

---

\(^{53}\) Ibid, p.47.
1.2.5.2. Blacklisting of Foreign Firms

Blacklisting is the method used by the belligerents to force the neutrals for cooperation that are unwilling to cooperate. ‘Blacklisting’ as a measure is usually imposed with the direct economic pressure in government level. In World War II, South American, Spanish, Swiss and other firms were put on Blacklists. The firms, doing business with Axis in this way serving the interests of them were punished this way and were deprived of all commercial facilities. The firms doing business with the blacklisted firms were also under the threat of being blacklisted. Allies declared two kinds of lists which were called ‘black’ and ‘grey’. These lists were distributed to the firms all around, any firm, willing to do business in any part of the world whether in USA or Africa, had to check the lists and see whether their trade partners were in the list or not.\textsuperscript{55} The lists were created according to certain criteria. The firms formerly worked for the enemy interests were put on the list, the firms that were under suspicion or due to some strong reasons presumed that they would do business with the enemy in the future, were also put in to the list. Enemy firms working in the neutral countries were directly put into the list. One other method used for classifying the neutral firms was the percentage of ownership. The firms in a neutral country with 25 percent or higher German partnership were directly put into the list. Among the sanctions exercised to the blacklisted countries were suspension of credit facilities and contracts, restriction on shipping space, on disposal of funds and on raw material supplies.

1.2.5.3. Measures for Controlling Re-exports from Neutral Territories

Control of the enemy’s trade via neutrals was not an easy task, while the next destination of the goods reaching to the neutral ports were far from controlling. It was difficult to differentiate between the goods staying in the neutral country and those re-exported to the enemy. What was done by the allies in the pre-World War II period was to limit certain exports to the neutrals to the amount which was equal to their imports minus their re-exports to other countries. The efficiency of this practice was dubious while, the domestic consumption in neutral states was not every year the same, other than that, if it was desired by the neutrals, the consumption of a certain good could be decreased by an increase in price and the demand decreases automatically. The created surplus can be sent to the other

\textsuperscript{55} Ibid, pp.49-50
belligerent. Other than that, it is most likely that belligerents stockpile in the neutral countries which are later on used for ensuring the war time consumption. There is another possibility that pre-war imports of the neutrals are enough both for inland consumption and re-export. Apart from all, the re-exported good may be a commodity that is produced by the neutrals using the exported raw material.\textsuperscript{56}

1.2.5.3.1. Blockade

It is possible to prevent the re-export to the enemy of the goods exported to the neutrals through a blockade if only there is no accessible land frontier between the neutral and the enemy and if the country conducting ‘economic warfare’ is controlling the sea routes. During World War II, although the sea routes were mostly under the control of the allied powers, Germany’s alliance with the Soviet Union and her access to the Eastern Europe and Turkey made the control impossible.

1.2.5.3.2. Guarantees for the Final Destination

The exporting country may ask for a guarantee from the neutrals that the imported goods will not be allowed to go to the enemy and noncompliance will be punished by putting them on a black list resulting in great financial losses. ‘Netherlands Overseas Trust’, ‘The Danish Merchants Guild’ and ‘The Swiss Company for Economic Supervision’ were some of the many supervisory organizations established as a response to the requests of Great Britain during World War I. The efficiency of such organizations was doubtful as the goods are sometimes re-exported again and again and even the producer had no idea of the final destination of his produce.

1.2.5.3.3. Embargo

The most effective protection against the re-export of the goods to the enemy by the neutrals was the implementation of a direct embargo to the neutrals that are under suspect of re-exporting goods to the enemy.\textsuperscript{57}

\begin{flushleft}
\textsuperscript{56} Ibid, p.21.  \\
\textsuperscript{57} Ibid, p.23-24.
\end{flushleft}
In a situation where there are more than one neutral, a belligerent has to implement certain things for a working re-export embargo. First of all, all the neutrals should be forced to implement the re-export ban. If not, the role as the mid-port would be carried from one to the other neutral. Second, the neutrals imposed re-export embargo, should collectively provide a water-tight control system.

1.2.5.3.4. Diverting Neutral Trade

While some neutrals are contributing to the war efforts of a belligerent by letting their land to be used as a transit route for the re-export of goods, others contribute to it by selling certain commodities that are important in the war to one of the belligerents.

As it is mentioned previously, in an ‘economic warfare’, belligerents try to induce the neutral to cease its trade with the other belligerent. If any of the belligerents achieve this, not only the exports to the other belligerent by the neutrals diminish but also the imports to the neutrals from the belligerent diminish or cease totally. Similarly, the other belligerent might demand from the belligerent to cease the economic relations with the enemy. The neutral normally seeks the minimization of her costs of reorienting its trade from one belligerent to the other. At this stage the belligerent tries her best to prove that such an act does not involve great expenses, the belligerent demonstrates to the neutral that she can buy from her for a cheaper price and sell her for a price that is favorable than what the enemy was giving. Moreover, the belligerent might offer the neutral other advantages in the form of long-term loans, or short-term credit, technical assistance, long term contracts, while showing the stick by mentioning with discriminatory or restrictive practices in trade. Neutral, within the borders of its power might do the same by threatening the belligerent with re-orienting its trade with the enemy, as well as other neutrals.

If the neutral is tied any of the with some very deep economic ties, that majority of its trade is with the enemy country, it will be very challenging for the belligerent to detach the neutral from the enemy, and the neutral might be reluctant to impose an embargo to the enemy due to the fact that the implication of an export embargo would lead to the cut of all the imports coming from that country and in this case the belligerent is entitled to take the role of the enemy as the trade partner or at least find her new trade partners. It might be even harder if the enemy is a provider of the industrial and military equipments that can be operated, repaired or the spare parts can only be provided from that country. Under these
circumstances the neutral may only accept to implement a total embargo only under extreme pressure as in the case of Turkey in World War II, in which Germany, as the biggest trade partner of Turkey, was providing all the infrastructure for her industry and modernizing her military so that a total export embargo would be a disaster for the Turkish side due to the fact that German war equipments were not working with the munitions of other countries.

1.2.5.3.5. Pre-Emptive Buying and Economic Cooperation in the Allocation of Critical Materials

Pre-emptive buying is an economic warfare strategy of purchasing materials in order to deprive the enemy of their use. The other advantage of pre-emptive buying is that the critical war materials are allocated among the friendly belligerents so that they don’t face any shortages in the case of an expanded rearmament and when necessary a correlated stockpiling policy is done that no unnecessary stockpiling is done. Success in cooperative allocation of critical resources can be achieved through the exercise of some regulations. First, the critical material may be allocated to the friendly belligerents by the exporter country according to a ratio based on the ratio of former imports. Second, exporter country may agree to behave at an equal base to all demands including its own after supplying for its own minimum essential needs. Third, exporter countries may agree upon an export ratio according to which for all the exporters the order of priority is the same and besides that the importer countries may agree upon a proportional base to allocate the critical resources.58

The establishment of fixed ratios for the importers by the exporter countries was first used by the United States in 1942 on the inter-American economic cooperation and later embodied in all the wartime reciprocal aid programs. Allied Powers established various committees and boards such as: Combined Raw Materials Board and the current International Materials Committees to deal with the problem of allocation of resources among the allied powers.

1.2.6. Neutrals in the Eye of Belligerents

In order to remain neutral, a country needs to acquire the consent of both belligerents, there aren’t many reasons for the belligerents to respect the neutrals within the war. As the wars after the end of the 19th century were more destructive than ever, the belligerents cared
less for the rights of the neutrals and did infringe the rights of the neutrals in many occasions to take advantage. The most extreme form of taking advantage from the neutrals is to attack them directly. The belligerents might decide to put under pressure a neutral for strategic reasons, such as preventing an outflank by the enemy or impeding a military operation of the enemy. As Germany did in Belgium in World War I and, in Norway and Denmark in World War II. This way Germany eliminated the threat of being outflanked by the enemy.

Why do neutrals decide to enter the war? There are different explanations to this question. The neutral may be very sure that its contribution to the belligerent will bring victory. Or the neutral may see its contribution to the war not militarily but diplomatically crucial.

Belligerents can exercise pressure to the neutrals, if the neutrals are the producer of some important materials. The belligerent might decide to attack a neutral to capture their valuable resources unless it is possible to secure them by trade. Great Britain’s ‘economic warfare’ against Germany was on the one hand curtailing the trade between neutrals and Germany but on the other hand giving Germany more incentive to occupy them. In contrast to this, in some cases, a neutrals possession of some valuable materials may cause the belligerent to hesitate attacking the neutral. If the belligerent is buying most of the neutrals resources, the occupation of the neutral may destroy its usefulness to the belligerent as in the case of Germany not occupying Sweden in World War II. Sweden was entirely surrounded by the axis and was a major iron source for Germany. Germans did not occupy Sweden while Swedes were ready to destroy the power stations without which the mines could not run. 59

Reliability of the neutrals neutrality is often questioned by the belligerents and they are often seen as yielded to the enemy pressure and may be even ready to enter the war on the side of the enemy. Strong neutrals are attacked because their neutrality is doubted and the weak neutrals are attacked because they are seen as not being capable of defending their neutrality.

As every assault has a cost, attacking a neutral has also its own cost such as sabotage, guerilla war and terrorist attacks, against the belligerent within the occupied territory, being labeled as not respectful to the international laws or the deterioration of the post-war relations with the neutral. 60 The neutral may be invaded as a result of the hostility of its public opinion.

60 Ibid, p.10.
The belligerent may be anxious about the spread of anti-propaganda to its territories and have a negative affect over their own propaganda to their own people.

Other than attacking directly to the neutral territory, belligerents may force the neutrals to do such things that it will damage their neutrality. A belligerent might demand from a neutral to let the passage of her armies from the territory of the neutral. Germany, in World War II, forced Sweden to let the passage of her army through Swedish territory to help the Finns against the Russians or like the British did during World War II by laying down mines within the Norwegian national waters although Norway was neutral, to prevent the Swedish Iron ore be shipped to Germany from Narvik. But this did not cause Norway to abandon her neutrality overall.

Whether strong or weak, all neutrals face with the propaganda of the belligerents. Neutrals are seen by the belligerents as both potential enemies and potential allies. There is always an overall competition between the belligerents to take the neutral under one’s own influence. For doing this, the belligerent foreign services and agents work within the neutral territories for spreading their own propaganda by any means of communication. Thus in World War II, the Nazi Propaganda in Turkey was so widespread that the government was under pressure until the late 1943 to enter the war on the side of Germany, stories were spread all over Anatolia to gain their sympathy telling that Hitler and Mussolini did convert to Islam, Hitler taking the name Haydar and Mussolini, Musa Nili to gain the sympathy of the Muslim population.61

Once the public opinion yields towards a belligerent, it is likely that the country politically yields the same direction and loses its neutrality; therefore, the neutral governments can put the media under control in the war environment to provide the flow of true information.

---

61 Özkıncli,(2005),p.31
CHAPTER 2: NEUTRALITY AND TURKEY

2.1. Roots of Turkish Foreign Policy of Neutrality

Turkey as the successor of the Ottoman Empire, inherited not only the land and the people of the collapsing empire but also a deeply rooted state tradition and diplomacy. Majority of the Turkish state elite that shaped Turkish foreign policy during the first half of the 20th century had served in the Ottoman military. With the establishment of the new republic from the ashes of the Ottoman empire, these soldiers left their uniforms and put on suits. They were a distinctive generation of politicized soldiers grown up in the worst times of the Ottoman Empire. They were possessed with the ideal of bringing the ‘sick man of Europe’ back to her successful times. Despite the fact that it was illegal, they took part in the political movements. Almost all of them believed the value of reforms for the prevention of the territorial losses. The Young Turks and their revolutionary movement ‘The Committee of Union and Progress’, consisted of soldiers of this kind, including Mustafa Kemal Atatürk who became a member of the Committee in 1907. They overthrew the Hamidian regime and proclaimed a constitution. They witnessed the disaster of the successive wars, fought at different fronts for more than ten years. First World War and the War of Independence followed the Italian War of 1911, and the two Balkan Wars. After being successful in the National Liberation movement, they abandoned their military uniforms and took part in the governing process up until the 1950’s. Deringil describes them as: ‘The small body of men ... ... largely of the generation which had lived through the Young Turk Revolution, the First World War, the Turkish War of Liberation and the founding of the Turkish Republic. The circumstances and events of these years conditioned the thinking of the Turkish foreign policy elite. The cumulative effect of their experiences would greatly influence decision-making in later days and mould the men who shaped and applied foreign policy.’

Foreign Policy of the Turkish state, as the successor of the Ottoman Empire, governed in the hands of these state elites, was showing similarities with that of the Ottoman Empire as being a state built on more or less the same geography. Her foreign policy as a middle-

---

63 Type of foreign policy mentioned here was shaped in the 17th century when advance of the Ottoman Empire was stopped and like her predecessor Byzantine Empire, she also had to follow the rules of the Balance of Power
power, like her predecessor, was based on the ‘balance of power’ politics, and the ‘day to day’ observing of contemporary international politics and positioning oneself most effectively according to the changing relations between the major powers.

The new Turkish state elite although occupied with revolutionary ideas, didn’t have a unique ideology. Among them were pan-Turkish, pan-Islamist as well as the pan-Ottomanists. Decision of a pan-Turkish Enver Pasha to enter the World War I on the side of Germany was realized by the ruling elite as a vital mistake leading to the collapse of the Empire and in order to prevent the recurrence of this mistake, whatever the reason may be, Turkish State would stay away from any armed conflict which is not directly threatening her existence. According to Steinbeck: ‘Having learned a lesson from the Ottoman’s permanent involvement in various wars and conflicts that ultimately led to the downfall of the empire, the leaders of the new Turkey aspired to be totally independent. They also believed that such independence could only be achieved if Turkey maintained a policy of Neutrality in international disputes. During this time, therefore, Ankara became involved only in a few minor disputes with western European powers, most of which resulted from the fact that the Treaty of Lausanne had left a number of problems unresolved.’

Addressing the Turkish Grand National Assembly in 1927, for more than six days, Atatürk made a historical speech, a comprehensive explanation of the history, background achievements and the future perspectives of the Turkish state. While doing this he set down the Kemalist principles, which included also the main principles of Turkish foreign policy. For instance, the mottos: ‘Friendship with every nation’ and ‘Turkey has no perpetual enemies’ he used in his ‘Speech’ was the pointing out of the importance given to the national security of the new state. Besides that he also mentioned the priority given to the nation building process, ‘the State should pursue an exclusively national policy…. When I speak of national policy I mean it in the sense: to work within our national boundaries for the real happiness and welfare of our nation and country by, above all, relying on our own strength in politics according to which the basic rule is not to enter any war between other states if there is no threat of invasion. On the other hand the decision of Enver Pasha to enter into the World War I was contrasting with this policy and brought the end of the empire.


Atatürk, Kemal, speech delivered by Gazi Mustafa Kemal President of the Turkish Republic, October 1927(Leipzig: K.F. Koehler, 1929 as quoted in Simon V. Mayall, Turkey:Thwarted Ambition, Mc Nair Paper No:56, January 1997, P.38

order to retain our existence” which meant the pursuit of a peaceful foreign policy. Therefore Atatürk pursued a neutral foreign policy throughout his period, had given the maximum attention not to involve in the conflicts which were not directly related to Turkish interests. His foreign policy put Turkey into the category of status quo states, opposing to any adventurist territorial change perspectives. Therefore pan-Turkish or pan Islamic ideals had no place within the state as these were all expansionist policies.

2.1.1. Turkish State Elite and their contribution to the Neutrality.

2.1.1.1. Atatürk and his Foreign Policy of Neutrality

Ataturk’s regime was itself not a democracy; it was a single party regime aiming at establishing western type of institutions and democracy. Atatürk period was the struggle of adapting modern institutions that would create a modern state for the Turks. Atatürk, laid the foundations of a western type of democracy, by transforming the society and establishing institutions according to the Western model. Unfortunately, the democratization of Turkey was interrupted for about a decade, due to the approaching World War. The Kemalist ideology and the Kemalist foreign policy perspectives that were established by Atatürk were in contradiction with the nature of his profession as a soldier. Ataturk’s foreign policy, which was also followed by his follower İnönü, provided to the west and the states of the region a stable zone in a conflicted world. Atatürk dissociated from the expansionist ideas by saying: ‘Let us recognize our own limits’ and ‘Turkey does not desire an inch of foreign territory, but it will not give up an inch of what it holds.’

Although recognized as an independent state by the whole world, there was still the misbehavior and antagonism of the European powers towards the new Turkish state. For a long time they behaved reluctantly to develop bilateral relations with the government in Ankara, rejected to move their embassies from Istanbul to the new capital. For a long time ambassadors or diplomatic personnel took the train to Ankara, finished their jobs in a day and went the same day back to Istanbul. These behaviors were interpreted as European misgivings to the re-emergence of the ‘Turk’ as a power in the region. This arrogance and

---

reluctance later on disappeared when Turkey slowly started to act as a regional power in her region and leading the signing of various peace treaties under her initiative with the states of the region. In 1934, Turkey signed the Balkan pact, and in 1937 the Sadabad Pact to settle the relations with the eastern neighbors. According to Mayall: ‘Neither of these could be considered more than weak nonaggression treaties and pious expressions of goodwill, but they had significance in giving Turkey a reputation for regional leadership, and further advertising the pacific intentions of the Republic.’\(^70\) Turkey signed bilateral treaties with the great powers such as Germany and the Soviet Russia and lastly became a member of the League of Nations in 1932 ending its isolation and reaffirming the traditional Ottoman desire for international acceptance within a formal, legal framework. More important than that, in Ataturk period Turkey signed the 1936 Montreux Convention, Turkey acquired the absolute control of the straits. In contrast with the Germans, who unilaterally occupied the Rhine, and with the Italians, who invaded Abyssinia, Ataturk and his diplomats submitted their claims with full legislation as Turkey’s claims were accepted by the Lausanne signatories. In 1939 Turkey achieved a final revision by involving to Turkey the Syrian Province Hatay from the French mandate, of which, foundations were laid in the Ataturk period but the result was achieved one year after his death.\(^71\)

The international atmosphere during the twenties and thirties helped Ataturk to implement his foreign policy. Soviet Union and Stalin like Ataturk’s Turkey, was in the middle of a transformation period and followed the same pattern of peaceful foreign policy. Although well known by Ataturk that this period would not last long and Russia would return her expansionist policy again when transformation is complete. Turkey signed the Treaty of Friendship and Neutrality in 1925 which confirmed the agreement of 1921. In the same period Turkey put an end to the conflict with Great Britain over Mosul and Kirkuk. Although these two provinces which were included within the Turkish state in the (national pact) were abandoned to Iraq, for the sake of normalizing the relations of Turkey with Great Britain and her allies. One other foreign policy success of Ataturk period was the conclusion of a Turco-Greek Treaty between Ataturk and Venizelos, putting a temporary end to the hostilities until the 1960’s. He put forward some very important steps for the unity of the Aegean Sea, which are even today in force.


\(^71\) Ibid, pp. 38-41.
Turkish foreign policy in the second half of the 30’s under the initiative of Atatürk can be summarized in three points.

Firstly, she aimed at secure the northern borders by keeping the friendly relations with Soviet Russia, meanwhile she was aware of the fact that the friendly relations with Russia was not protecting her in case of a possible Italian attack coming from the Aegean or Mediterranean. By the Lausanne Agreement non-militarized straits regime, had to be altered by the acceptance of the Lausanne signatory states in order to have the full protection of the western territories. This aim was achieved by the signing of the Montreux convention and the achievement by Turkey of the absolute control over the Straits.

Secondly, Turkish military had to be modernized according to the contemporary military developments. After the annexation of Austria by Germany, Hitler regime was realized as an equally serious threat to the national integrity as Italy. As a response to the German threat coming from the Balkans, defense measures were moved to the border with Bulgaria. Although the defense budget was increased from 23% in 1932 to 44 % in 1938, the military was still not modern and not in a condition to resist to any of the Great powers. In 1937 there were only 131 fighters among which only half of them were modern and the biggest war ship in its navy was still the ship given by the Germans in the World War I. For the modernization of the military Turkey needed the financing from outside, It was the time when on the one side Germany and on the other Great Britain and France went under a rivalry to provide credit to Turkey for the modernization of her military. This was obviously part of the strategy that both parties implemented in order to pull Turkey to their sides in the conflict. As a part of the modernization Turkey decided to buy 2-3 warships and 200-300 new fighters. For this purpose in May 1938, Great Britain provided 6.000.000 pounds of credit followed by a 25.000.000 pounds in October 1939. Great Britain added a 10.000.000 pounds, credit for commerce,, when Germany provided a 150.000.000 reichsmark credit. However, Turkey rejected German proposal to sign a non-alliance pact and ceded buying military equipment from Germany in 1939. As a result of the reluctance of Great Britain and France to provide the promised arms, only a small percentage of the expected shipment arrived to Turkey. 72

The third point was to increase the diplomatic relations with Great Britain and France without damaging the relations with Russia. To alter the German and Italian threat coming from the Balkans, Turkey had to go into an alliance with British and the French. Soviet friendship was not a deterring factor for the western territories.

Atatürk sought a peaceful foreign policy, however, under the shadow of the approaching international conflicts, the peaceful foreign policy was while being sustainable as the danger of war was not directed to Turkey, the option of staying away from the conflicts in the long-run was not likely. According to Atatürk, the western powers were unprepared for the war, but Turkey’s traditional ally Germany was also not an option as the Nazi regime and its expansionist policy towards the orient and her aspirations on Turkey were unpredictable. Germany was already economically and politically the most influential power in Turkey and her influence rose to a point that Turkish economical dependence was slowly turning to a political one. Other than these two opposite sides, a full alliance with Russia was out of question.73

After Atatürk, foreign policy of Turkey became more cautious and opportunistic. It can be explained not only by the power change on the top of the republic but also by the changing international environment. Turco-Russian relations, the most important of all in Atatürk period, deteriorated after the signing of the Nazi-Soviet pact in August 1939, and this was the opening of a new era in the Turkish foreign policy. This was when Foreign Minister Şükrü Saraçoğlu visited Moscow and confronted with Stalin’s proposal to revise Montreux convention regarding the straits in Russia’s favor. Stalin’s proposal was rejected and strongly denied by the Saraçoğlu and added that Turkey would never allow another Treaty of Hünkar İskelensi (1833) when Russia was allowed joint defense of the straits.74

The primary importance of the western alignment, however, lay in the belief of all important Turkish statesmen that if it came to a war the West must ultimately win. Turkish confidence in western strength sprang naturally from Turkey's own experience on the losing side of the First World War. In 1937 Aras explained to Eden that Atatürk believed that the defeat of the Central Powers was inevitable once Great Britain had entered the war. Great Britain had always won, and would always do so; and if it could not with its own strength, it would always be able to introduce the United States 'as a final calamity'.75 'England', he said, 'was not merely a power, but a world power: she was ubiquitous: her interests lay everywhere.76 Numerous similar statements by each of the members of the Foreign Policy triumvirate, in power after 1938, show that in this, too, they followed Atatürk. In the prewar and early war years, while recognizing that the Germans were powerful, as they were in 1914, the Turks

75 PRO FO 954/28, Eden to FO, 26 Jan. 1937
76 PRO FO 954/28, Loraine to Eden, Feb. 1937
were also inclined to believe that in a conflict with Great Britain, they would lose, as they had in 1918, and as they did in 1945.

Turkish Republic concluded her territorial consolidation eight months after the death of Mustafa Kemal in July 1939 when the independent republic of Hatay voted for joining Turkey. Atatürk followed in domestic politics a clear policy of westernization; his foreign policy was defensive for the sake of the domestic development. He normalized the foreign relations of Turkey in order to keep the country neutral. His successor, Ismet İnönü, although different from his successor basically followed similar lines for instance by giving importance to balanced budgets in order not to be dependent on foreign aid.  

2.1.1. İnönü and his Foreign Policy of Neutrality

Among many reasons that led to Turkish neutrality until the end of the War, the first and far most important was the background of İmset İnönü who shaped the destiny of Turkey in the war by his critical decisions and the great effort he gave to keep Turkey out of war. As Lewis comments, ‘Renouncing all foreign ambitions and all pan-Turkish, pan-Ottoman or pan-Islamic ideologes, he deliberately limited his actions and aspirations to the national territory of Turkey as defined by treaty, and devoted the rest of his life to the grim, laborious, and unglamorous task of reconstruction.’

Learning about İnönü’s life, background and the way he thinks, helps one to understand how he approaches to the problems of the Turkish foreign policy decisions while analyzing them. It won’t be wrong to say that İnönü’s personality was the main factor shaping the Turkish foreign policy during World War II. The most famous of them is his ‘caution’ which appeared in his military years. He once said to Weisband in a reportage ‘the one cardinal principle in setting foreign policy which I followed throughout the war was that an early mistake is hard to make up.’

İnönü was meeting with the high rank officials of the Foreign Ministry regularly sometimes five six meetings weekly. In these meetings they were establishing the guidelines of the Turkish foreign policy. İnönü had direct access to all diplomatic

correspondence even before his Foreign Minister sees them and this gives the possibility to react developments very rapidly. His main source of information was the diplomatic letters coming from his ambassadors.  

İnönü, like most of the decision making elite, holding the power in hand during World War II, took part in the Young Turk Revolution, World War I, the Turkish War of Liberation and the founding of the Turkish Republic. These events played a great role in the shaping of his political perspectives. The overall experience of these past events influenced to a great extend the decision making process in the years of World War II. 

The major factor behind most of the policies of Turkey during World War II was the initiatives of İsmet İnönü. Especially between 1943 and 1945, the influence of İnönü, compared to the Prime Minister and Secretary-General of the Cumhuriyet Halk Partisi (CHP) increased considerably. İnönü had control over the government. Authority was granted to him as the Chief of State in addition to that he was serving as the leader of the party in a single party political system. The power was completely in the hands of İnönü.

Aydemir describes the Turkish neutrality under İnönü as ‘the policy of waiting’. Turkish foreign policy of World War II carries the traces of İnönü’s character. Especially his prudence marks every step that is taken in international relations of Turkey. His first reaction to his excited men, asking for his decision on a specific topic by saying ‘Let us first live through the evening, let us first live through the morning, and by years, months or weeks’. He brought to bear in policy-making a deep sense of conviction. Weisband mentions that ‘The fact that he prudently worked day by day does not mean that he possessed no long term objectives. On the contrary, he operated with a commitment one basic proposition: the preservation of Turkey for the Turks. Ever since Atatürk’s revolution had taken root in Turkey, the touchstone of Turkish foreign policy had been the inviolability of Turkey, the right of Turks to determine their destiny on their own land during the war, İnönü regarded this right and the preservation of Turkish boundaries as the basic principle tenets and principle objectives of Turkish foreign policy. Atatürk was the one to instruct his people on the territorial basis of the modern state during their transition from an imperial power to a sovereign entity, but it was İnönü who convinced Lord Curzon at Lausanne in 1923 that

---

81 Ibid, pp.42-44.
82 Deringil, (1989), p.58
Turkish territorial integrity could not be transgressed except at great cost to the violator. He seems to have convinced Mussolini and Hitler of this as well.  

For İnönü, it was important to weigh all the possible results of every possible decision before making any move towards Allied or Axis. Balanced did not equal neutrality, but rather a recognition that Turkish interests would be served best by a balance of power in Europe, through which the Great Powers would each serve as a check on the ambitions of the others.

Deringil notes that İnönü placed great importance on the gaining of time. He quotes a quite remarkable sentence from his interview with Suat Hayri Ürgüplü, a cabinet member during the World War II, Ürgüplü mentioned that İnönü always reminded importance of gaining time, playing the waiting game well and repeating the old Turkish adage: ‘There is always safety in patience’ and telling his cabinet: ‘If we wait long enough events will develop and then we may get another insight; if one waits long enough; one of the three will die; either the rider, or the camel or the camel driver.’

İnönü had an absolute control in hand and he was appointing and dismissing bureaucrats himself. As Deringil points out, during the war he replaced several times his bureaucrats among them, most important was the replacement of Aras by Saraçoğlu and the sacrificing of supposedly pro-German Menemencioğlu on the altar of British friendship.

İnönü didn’t hesitate to openly express to the belligerent parties that whoever has intentions on the Turkish territory, would not be tolerated and would be responded to the fullest against invasion. His intimidation had an effect in Germany, Reich’s Foreign Minister Ribbentrop ordered that all pressure against Turkey remained completely diplomatic since the War Command felt certain that it possessed force for the invasion of Turkey.

Political power of İnönü was so absolute that putting him under pressure from Europe with the help of pro-Axis or pro-Allied bureaucrats was almost impossible. These pro-Allied or pro-German people were not influential enough to form factions within the government as in the case of Yugoslavia. İnönü’s Minister of Foreign Affairs, Numan Menemencioğlu was a pro German figure, but the possibility of the Germans to pull Turkey to their side was very small, as long as İnönü remained in power or the Allies were not totally defeated.

---

85 Weisband, (1973) pp.42-44.
86 VanderLippe, John M., A Cautious Balance: The Question Of Turkey In World War ,Historian, Fall2001, Vol. 64 Issue 1, p.63.
89 Krecker, Lothar, Deutschland und die Türkei im Zweiten Welt-krieg, Frankfurt am Main, Frankfurter Wissenschaftliche Beitrage Vittorio Klostermann, 1964, p.225 quoted in Weisband 40
For the duration of the war, İnönü worked with the people who had the same conviction like him. In making decisions and in implementing these decisions, İnönü worked with a group of bureaucrats whose knowledge in world affairs and politics were quiet good. İnönü’s men had considerable freedom of movement in the diplomacy, but this does not mean that they were independent. Role of İnönü’s subordinates played in the war was both to a degree independent and with the knowledge and permission of İnönü and should be evaluated only in the context of his one man situation over Turkish politics in World War II. 91 Millan asserts that ‘The Turkish Foreign Affairs triumvirate seems to have worked with a remarkable unity of purpose and absence of friction.’ 92 ‘İsmet İnönü’ as the ‘Milli Şef’ (national chief) and the president after Atatürk had the greatest influence over the policies, the man who was as influential as İnönü in the shaping of foreign policy and national defense, was the Turkish Commander in-Chief, Marshal Çakmak. According to Millman, Çakmak, approached the president on terms of near equality. He was the candidate of the conservative Kemalists within the Turkish leadership for the presidency who were opposing İnönü’s presidency, rejected the presidency for continued permanent status as the chief of the Armed Forces, he had a considerably influential power and can veto over any policy that is related with military. Foreign policy perspectives of Çakmak and İnönü were on the same line and both close to the English side. Third important person in the policy making process was Foreign Minister Şükrü Saraçoğlu, he was more the spokesman of president İnönü than his Minister of Foreign Affairs. His views were those of the president.

2.1.2. Guiding Principles of the Turkish Foreign Policy

There were two guiding principles followed by the Turkish decision makers who led the country from the establishment of the republic to the end of World War II. These were the ‘priority of peace, sovereignty, and national development over all expansionist-revisionist aims of foreign policy;’ and ‘the Soviet Union representing the primary threat to the security of the republic.’ Regardless of their political differences, the political elite fully accepted these two principles and although they had to a large extend tactical flexibility in their foreign policy; they always remained rigidly within the frame of these two basic principles. Weisband defines these two ideological guides of the Turkish foreign policy makers during the early

years of the republic and World War II as ‘the operational code of Turkish foreign policy’\textsuperscript{93} Zurcher described the Turkish foreign policy from 1923 to the end of the World War II in 1945 as ‘cautious, realistic and generally aimed at the preservation of the status-quo and the hard won victory of 1923.’\textsuperscript{94}

2.1.2.1. The Impact of Kemalism on the Turkish Foreign Policy of Neutrality: The Priority of Peace, Sovereignty and national development over expansionist revisionism:

Among the most influential socio-political revolutions in the history of modern state, including the French Revolution, the Marxist-Leninist and the Maoist; Kemalist Revolution was the only one that managed to establish an ideology of peace, sovereignty, and national development over the militant revisionism.\textsuperscript{95} Prior to the Kemalist ideology, no other single ideology ever existed that melted Turkish ethnicity and territoriality in the same pot. Under the Ottoman Empire, Nationalism and its political influence over the Turkish society was hindered by the Islamic-Ottoman identity based on the religious ‘millet’ system. The idea of Turkish people forming a state with only Turkish habitants only came into being with Atatürk. Out of this ideological framework, norms of a foreign policy appropriate to the nation state emerged. One of the major principles was the priority of national development and peace over imperial adventurism.

The priority of peace over expansionism perspective had a contradicting and challenging nature. Turkish state was during the establishment much smaller in size than the Ottoman Empire. She had the chance to involve in the league of revisionist states like Germany and Italy and could prefer a more adventurist policy in order to gain more territory. The Misak-ı Milli (National pact) borders which were set as a goal during the War of Independence in 1920 was not reached completely at the end of the war. Following the establishment of Republic, Turkey made some territorial modifications in which she gave utmost attention to gain the consent of the international society, and carefully achieved her goals within the limits of diplomacy. The Treaty of Lausanne on July 1924, Montreux Convention on 20 July 1936 and the annexation of Hatay in the 29th of June 1939 were the territorial gains of Turkey which were mostly diplomatic success. On the other hand there

\textsuperscript{93} Weisband, Edward, \textit{Turkish Foreign Policy 1943-1945: Small State Diplomacy and Great Power Politics}: Princeton University Press.1973 p.3.
\textsuperscript{95} Weisband, (1973) p.7.
were incentives among the political elite to fight for Mosul against the British, for Dodecanese Islands against Italy and for Salonika against the Greeks. Salonika had served as an important harbor for many centuries to the Ottoman Empire and was the birthplace of Mustafa Kemal Atatürk.

The Kemalist revolution that began in the 1920s was the radical and inevitable result of these modernization and westernization efforts that the Ottoman Empire had been undergoing for almost a century. However, it differed from previous attempts of modernization. Ottoman reforms aimed at creating new institutions while retaining the old ones, therefore creating a ‘duality’ on the other hand the Kemalist reforms sought to abolish the old ones completely. It was not confined to only science and technology; it aimed at creating a new state, a new society, and an individual in line with those of the West.  

Kemalist ideology was non-expansionist and non revisionist for two reasons. First of all she gave priority to the state building process and the concentration of all attention and resources for this purpose. Secondly, there wasn’t enough human power and resources for new expansionist ideas.

The economic situation in Anatolia after the Turkish War of Independence was so desperate, due to almost ten years of endless fighting. During this period, harvest was not done regularly as the men were fighting on the battlefield and most of that product was used for feeding the military. The overall poverty of Anatolia leading to a Bolshevik kind of revolution was the nightmare of the Turkish government. Being aware of these facts they didn’t go after the illusion of territorial revisionist ideas and adopted ‘priority of peace over expansionism’ as the basic principle of the Kemalist Ideology according to which Turkish state sought recognition domestically and internationally as a sovereign entity in the next decade. His famous slogan ‘peace at home, peace abroad’ was the proof of Atatürk’s rejection of the pursuit of power and glory as distinct from security.

During the 1920’s Atatürk restructured the society with the help of the socio-political reforms. Turkish foreign policy was restructured as well by the alteration of the ruling ideological norms. Being aware of the influence of domestic forces over foreign- policy behavior, he stated in 1927: ‘What particularly interests foreign policy and upon which it is
founded is the internal organization of the state. Thus it is necessary that the foreign policy should agree with the international organizations.  

The ideas of peace, sovereignty, and national development over expansionism became dominant in Turkish foreign policy through the two paths followed by Atatürk for the establishment of a nation-state. These were secularization and westernization. Through the secularization and westernization, Atatürk tried to combine the nation with the state. These two foundations of Kemalist ideology: secularization and westernization are necessary to be understood in the Kemalist context as they are the basic principles while forming of Turkish foreign policy as well.  

Secularization of the state and the society was the method chosen by Atatürk to make the Turkish people aware of their Turkishness. Kemalist interpretation of Secularization was the elimination of the political and social authority of Islam. It referred to a transformation of both the personal and collective bases of identity.  

Atatürk’s definition of ‘Turk’ did not intend to achieve only the rise of cultural nationalism but also to create a Turkish state. He preferred to use a definition of nation and nationalism, one based on the Western notion of statehood. Westernization meant the reconstruction of Turkey’s infrastructure; moreover it meant the creation of an independent territorially defined Turkey. 

Kemalist national ideology abandoned all the desires of the Turkish State to control other ethnicities. Turkish nation would no longer be defined by the influence over other peoples but by her social development within the boundaries. Weisband explained this phenomenon by saying: ‘If sovereignty meant keeping ‘Turkey for the Turks,’ it also meant the renunciation of foreign adventures and, to the extent possible, an end to ideological antipathies between Turkey and the rest of the world. Turkish foreign policy was not to be Utopian in the sense that it ignored the realities of power relations among states. ‘Realist’ pursuits, however, were to reflect an emphasis upon economic and security interests. Self-aggrandizement through the forced possession of more territory or the domination of other peoples became permanently proscribed’.  

The non revisionist and peaceful side of the Kemalist ideology, had great influence upon the World War II Turkish foreign policy of Neutrality and their leaders that succeeded.

100 Ibid, pp.10.  
101 Ibid, pp.20.
Atatürk, they all accepted the primacy of peace, sovereignty, and national development over all forms of adventures as the most basic principle of Turkish foreign policy. This helped the Turkish policy makers to draw the borders of interventionism beyond which during the wartime would not be gone, no matter what the threat or incentive would be. This was especially true for İsmet İnönü, who had been with Atatürk throughout the establishment and state building period of the republic and remained loyal to the Kemalist ideas afterwards.  

2.1.2.2. Russia as Primary Threat to the Security of the Republic

The struggle against the Czarist Russia from the seventeenth century until the collapse left its mark on the foreign relations of the Ottoman Empire. Although expansionist policy of Russia ceased for a decade or two with the emerging of the Bolshevik revolution, the perception of Russia by the policy makers as a threat to the territorial integrity of Turkey never ended.

The perception of Russia as the ‘archenemy’ was the result of the centuries of confrontations between Ottomans and Russians. The wars, between Ottomans and Russia, which are altogether thirteen, present an outline of the foreign relations of the Ottoman Empire. This also formed the fundamental patterns of the Turkish foreign policy.

Russia’s expansionist policies in Rumelia, Balkans, Crimea, and Transcaucasia made it the ‘archenemy’ in the eyes of the Ottomans. Series of serious defeats at the Wars against Russians, made the Sublime Porte to confront again and again with the reality of her declining power. Nicholas I, was the one who introduced the phrase ‘the sick man of Europe’ when he proposed the British Government in 1844, partition of the Ottoman Empire. Generations after generation, military campaigns were organized to fight Russian armies with the aim of defending the ever shrinking territory of the empire. The memories of the invasion of the Ottoman Empire in the World War I and the things happened afterwards, were still fresh in the minds of the people at the outbreak of World War II. Atatürk and General Douglas Mac Arthur had a meeting in 1934; Atatürk mentioned his worries about a major war that was likely to break out in Europe around 1940 and that Germany would occupy all of Europe except Great Britain and the Soviet Union. Atatürk also added that the ‘real victors’ would be the Soviets.

---

102 Ibid., pp.17-20.
103 Ibid, p.32.
We Turks, as Russia’s close neighbor and the nation which has fought more wars against her than any other country, are following closely the course of events there, and see the danger stripped of all camouflage... The Bolsheviks have now reached a point at which they constitute the greatest threat not only to Europe but to all Asia.\textsuperscript{105}

This statement was made during a period in which the Turco-Soviet relations were relatively calm. In spite of this fact, the threat coming from the Soviets was still one of the major security concerns of the Kemalist Turkey.

Any hostile act against Russia was out of question but the possibility of the Soviet Union seeking to annex Turkish territories was the central concern of the Turkish rulers. Despite the twenty years of friendly relations between Turkey and the Soviet Union, reservations of the Turkish leaders about the Russian ambitions in Anatolia and straits never ended. İnönü, travelled to the Soviet Union in 1930, at a time when Turkish foreign policy was seeking closer relations with the Western Alliance, the aim of İnönü’s visit was to explain the Soviet Union that their rapprochement with the west did not mean the deterioration of the relations with the Soviets.\textsuperscript{106} After coming back to Turkey, İnönü presented an report to Atatürk saying that the Soviets believe that Turkey was planning the isolation of the Soviets with the help of the West and, accordingly, believed that their western borders were insecure. İnönü added that Soviets would like to preserve friendly relations with Turkey as long as the Turks refrain from actions which seemed calculated to put pressure upon Russia from the East. İnönü’s final comment was that; The Russians would seek friendly relations in the eastern borders until they secure their western borders. Once their western boundaries are secure, “they will no longer care to be friends with us.”\textsuperscript{107} Once the Soviets felt no longer threatened by the Western powers, they would become more aggressive in the East and quite possibly toward Turkey as well. For this reason, İnönü believed that Soviets should never feel secure in the West.

Months before the start of World War II in April and May 1939, while the negotiations for an alliance between British, French and Turkish diplomats were proceeding, İnönü, underlined to the Allies, necessity of Soviet involvement in the armed conflicts. He added that the non-involvement of the Soviets, in a great war that takes place in Europe would bring Russia to the leadership of the world. Russia’s insecurity in her western borders meant

\textsuperscript{105} Kinross, (1965), p.464.
\textsuperscript{107} Weisband, (1973) pp.42-44.
Turkey’s security in her eastern borders. According to Weisband, the russophobia of the Turkish State was the explanation of the severe reaction that Turkey gave to Stalin. When he offered the British at the end of 1941 to leave Turkey certain areas held by Greece. İnönü feared that Stalin this way justifies the annexation of the East Turkey.\textsuperscript{108}

The news about the World War II were analyzed by the Turkish Statesman and next direct or indirect impact of the losses or victories of either belligerents on the battlefield to the overall power of the Soviet Russia is discussed. Turkish Statesmen believed that if Soviet Russia is permitted a reasonable pretext to occur, they would not hesitate a second to occupy Turkey or at least to gain the control of the straits. Turkey tried to prevent the strengthening of the Soviet Russia. Policy makers in Ankara perceived the belligerent coalition not in terms of merely ‘Ally’ and ‘Axis.’ For them Soviet Union was the major enemy, and regardless of the outcome of the war, the winning side should do something to contain Soviet power and Russian ambitions.

On every occasion, İnönü was mentioning his fear of Soviet expansionism to the western diplomats. In a conversation with US Ambassador Laurence A. Steinhardt, İnönü discussed the question of Soviet influence in the postwar world. Despite the advancing German towards Stalingrad, İnönü warned Steinhardt that if Soviet Union defeats Germany, Soviet Imperialism would attempt to overrun Europe and the Middle East.\textsuperscript{109}

\subsection*{2.2. Relations with Major Powers Prior to World War II}

From the signing of the Lausanne Treaty to the signing of the Anglo-Franco-Turkish Treaty of 19 October 1939, Turkey changed her international stand from the position of non-alignment to the one in which she needed ‘powerful friends’.\textsuperscript{110} Owing to the necessity of powerful friends, after signing the Lausanne treaty, Turkey followed a friendly policy towards Soviet Russia. While approaching to the end of 1930’s, Russian friendship alone became inadequate for Turkey as the Turkish threat perception shifted substantially. With the realization of Italy as the new threat factor Soviet friendship lost its importance for the Turkish state because the threat coming from Italy could not be confronted by a land force such as Russia. Therefore Turkey needed the friendship of a see power such as Great Britain. Relations between Great Britain and Turkey were clouded for a number of years due to the

\begin{itemize}
\item[\textsuperscript{108}]Ibid, p.43.
\item[\textsuperscript{109}]Ibid, pp.43-46.
\item[\textsuperscript{110}]Deringil, (1989). pp. 56-57.
\end{itemize}
Mosul question. This was settled in 1926 by a League of Nations decision in favor of Great Britain. The admission of Turkey into the League of Nations in 1932, the improvement in Turkey’s relations with her Balkan neighbors and the revision of the regime of the straits in Turkey’s favor through the Montreux convention of 1936 were indications of the growth of a climate of confidence between Turkey and Western European Powers.

From the early 1930’s onwards Turkish foreign policy found herself in the balance of power politics of Europe, with more or less the same range of options as those the Ottoman Empire policy makers in the nineteenth century confronted. The primary factor, for Turkey’s return to the European balance of power was the rising Italian threat in the Mediterranean.  

2.2.1. Germany: Ever Increasing Dependence

While trying to consolidate her domestic development in the middle of 1930’s, Turkey kept dealing with the international threat that surrounded her. One among the many challenges of the Turkish state was her dependence to the trade done with the Germans. German trade was far too useful for Turkey to consider any serious rupture. Due to the changing conditions in the Balkans, Ankara searched for alternatives to the hitherto practiced foreign policy. Dealing with the changing policy of the Third Reich, nearby the Italian threat was another Foreign Policy priority for the Turkish foreign policy. On the other hand the dependence of the Turkish Economy to the trade with Germany was too redundant. When the Nazi government came to power, the trade policy of Germany changed significantly. The foreign trade of Germany was arranged in connection with her political, military, and economical aims. These were the improvement of the trade with the South eastern, Balkan and near eastern countries. In contrast with her rivals, Germany had no colonies, and she was not able to commerce with her rivals’ colonies. As Germany came out from the economic depression of the early 1930’s, it started to play the role as a major exporter of manufactured goods and importer of raw materials and agricultural products. However, the German

112 Güçlü, Yücel, Turkey's Relations With Germany From The Conclusion Of The Montreux Straits Convention Up To The Outbreak Of The Second World War. Belleten TTK. LXVI 2002 p.145
industry was growing and there was an ever growing demand for raw materials and agricultural products. Germany tried to meet this demand by the trade done with the South eastern and Near eastern countries, besides that she was reluctant to pay currency to acquire these products but to exchange them as against the German products due to the lack of currency. This system was called ‘Clearing’, it was very favorable for both sides, for Germany being able to acquire goods without giving out her currency and for the other country having an enduring customer for its goods. Besides that it was easy to acquire the industrial goods from Germany without paying currency.\textsuperscript{116}

With the clearing system Turkey found the solution to her problem of decreasing export incomes due to the decreasing agricultural product prices after the World economical crisis of 1929, and the overvalued Turkish Lira by the clearing agreements.\textsuperscript{117} Besides the economic outcome of the ‘Clearing system’, Berlin was very much interested with the political outcome of the economic dependency of the countries involved in the ‘Clearing’ system. The Germans were aware of the fact that economic influence will later on open the way to political influence therefore the military plans were made according to this basis. Active German involvement in the economy raised political doubts in Ankara, Germany’s “Drang nach Südosten” policy increased the reservations of the Turkish government but Italian aims at the East Mediterranean was realized as a more important threat in the eyes of the Turkish decision makers. The extended German influence was already in the agenda of the Turkish decision makers but the economic outcome of trading with Germany was so fortunate for Turkey that they didn’t want to take the risk of substituting Germany with another trade partner which obviously cannot give the same price as Germany gives to her agricultural goods and raw materials.\textsuperscript{118}

The ever growing dependency of Turkish economy to Germany was not overlooked by the British. Sir P. Loraine discussed with Viscount Halifax the present situation of Turkish dependence to Germany, and pointed out that the new Turkish-German economic agreement will increase the dependency of Turkey to German economy as the quotas given to Turkish exports by the Germans is increasing and the sum of the Turkish exports to Germany was approximately 50% of Turkey’s total exports.\textsuperscript{119} Especially German interest in Turkish chrome aroused the attention of British. As Leitz asserts, ‘seen in a wider context, British

\textsuperscript{117} Koçak, (1991), p.201.
\textsuperscript{118} Vere-Hodge,& Reginald, Edward, \textit{Turkish Foreign Policy 1918-1948}, Universite De Geneve, 1950, pp.112.
\textsuperscript{119}Sir P. Loraine to Viscount Halifax, FO E/4862/797/44 no. 407 E.
reactions to Germany’s economic interests in Turkey, and vice versa, were an early indication of future economic warfare activities.’ Aware of Turkish willingness to modernize its economy and armed forces, both Germany and Great Britain aimed at being her partner and hindering others influence. In May 1938, Great Britain signed a £16 million (£6 million of it for purchase of British war material) credit agreement with Turkey. Germany soon responded with a RM 150 million credit (RM 60 million for purchases of German war material) on January 1939. However, credit agreement was never ratified. Germany kept deluding Turkey by using economic means, particularly by purchasing agricultural products on average 30 per cent above world market price on a very much larger scale than other countries.

Trading with Germany was far profitable than any alternative for Turkey, besides its benefits, Turkish authorities were aware of the fact that so much dependence on such a big economy will turn into a political one. After two years of active German assistance in the Turkish economy, in 1936 authorities began to express their reservations due to the German dominance in the economy.  The value of Turkish exports to Germany was 19 million in 1933, 29 million in 1934 and 35.5 in 1935 and 41.7 million in 1936, In the 1929-38 period, Turkish exports to Germany rose from 13% to 43% and imports from 15% to 47% in the same period. To resist the German expansionism became impossible. In 1936 Turkish statesmen began to take actions to diminish the German monopoly. They gave the construction job of a new iron and steel work at Karabük to a British firm although ‘Krupps’ was the favorite.

Besides that, due to the approaching Italian threat, British support for the defense of the Mediterranean borders was essential. Turkey wanted to preserve a double friendship and to balance itself as mistress of the Straits between the rival aims of Germany and Great Britain, the same she did for centuries between the interests of Russia and Great Britain.

Following the commercial cooling between Germany and Turkey, political troubles emerged inescapably between the two states when Turkey started an initiative in the Balkans in order to unite the Balkans against a German aggression and visited European capitals.

The resistance of Turkish leaders to enter under the political influence of Germany due to political considerations prevented the political relations between Germany and Turkey.

121 Memo by wiehl; BA 09.01/68751, 27 Februar 1942.
123 Vere-Hodge& Edward Reginald,(1950), pp.112.
125 Vere-Hodge, & Edward, (1950), pp.112.
reaching the level of the economic ones throughout the 1930’s. German ambassadorial post in Ankara stayed empty from November 1938 until finally Franz von Papen arrived in Ankara on 27 April 1939. This was the time when Turkey was trying to decrease her economic and military dominance of Germany and to realign its foreign policy towards the Western Powers, Germany by contrast with the expectations was inactive during this period. When the Anglo-Turkish declaration was announced in May she finally showed her annoyance with a harsh criticism.126

German and Italian rapprochement led to the distancing of Turkey herself from the old ally and approaching to the allies. As a result Turkey and Great Britain announced a declaration in which both sides were committing to help each other in the case of an act of aggression. This had a negative influence on Germany’s policy against Turkey. On 11 July 1939, Hitler told General Wilhelm Keitel that he was against 'arms exports to hostile countries and to countries whose attitude in war was doubtful' and ordered ceasing of the exports.127 This was the time when arms exports to Turkey were already at a very low level due to the concerns of the Germans about the political reliability of the country. A German sub-marinewas waiting ready to be exported five weeks before this statement, once again Hitler ordered that war material waiting to be delivered to Turkey was to be suspended. Turkey was one of the major arms importer from Germany, until Hitler’s statement, the relations trade relations concerning the military products was very positive, Turkey and Germany were even preparing to sign contracts for the sale of fighter aircrafts and submarines.128

Turkey decided not to extend the German Turkish agreements on the exchange of goods and payments which were signed in 25 July 1938 for a period of one year and to be extended in July 1939. The Turkish side due to the seasonal character of Turkish products, was willing to postpone the negotiations to autumn. However, the signing of Russo-German pact on August 23, 1939, closed the way to renewing the agreement and put all the trade with Germany on a compensation basis. Except through Czech clearing, the trade between Germany and Turkey stopped. As a last hope visit of the Turkish Foreign Minister to Moscow in September for strengthening the Russo-Turkish agreement didn’t help. These factors opened the way to closer relations between Turkey and the Allies. When on 31 August 1939, the trade and clearing agreement between the two countries expired, Turkey refused to renew

Great Britain was the candidate to take over the role of Germany as Turkey’s most important trading partner.\footnote{Leitz, (2001), p.89.}

Turkey was willing to sell her whole chrome output to Germany, as The Germans were giving a price higher than the market value. On the other hand The Germans insisted for decreasing the amount of chrome delivered to Germany as their stocks were already enough to reach until the 1942 according to their own calculations.\footnote{Aydın, Mustafa, Oran Baskın(Ed), Türk Dış Politikası, Kurtuluş Savaşından Bugüne Olgular, Belgeler, Yorumlar, Volume 1: 1919-1980, İletişim Yayınları, 2001, İstanbul, p.425.} German Government decided to cut the negotiations on the 24th of May.\footnote{Koçak, (1991), p.226.} As a response to the ceasing of the negotiations The Germans thought of sanctions among them was the interruption of the delivery of war materials\footnote{Among them 4 pieces of 24 cm Skoda-haubitzen, 12 torpedos, 2 submarin cannons and 10 aeroplanes.} and the annulment of the 150 million Reich mark credit agreement which was signed on the 16th of January. However, they were afraid of the interruption of non-military deliveries\footnote{Akten Zur Deutschen Auswärtigen Politik (ADAP) 1918-1945 Serie D (1937-1945) Die Letzten Monate vor Kriegsausbruch: Maerz bis August 1939, Göttingen 1967, Notes of Legationsrat Ripken, Nr.435, 24.5.1939, (2950/576520-25)} , the uninterrupted delivery of the non-military exports was vital, while for the Germans critical import goods such as ‘chrome’ were delivered by the Turks to the end of the year.\footnote{ADAP, Serie D(1937-1945) Die Letzten Monate vor Kriegsausbruch: Maerz bis August 1939, Göttingen 1967, Notes of Commerce Attache Clodius, Nr. 454, 30.5.1939, (7996/E575626-28)  

2.2.2. Italy: The New Enemy

Turkish-Italian relations were very friendly and normal until 1934 when Mussolini made a speech to the Italian Parliament on the 19th March 1934. In his speech he said “The Historical objectives of Italy have two names, Asia and Africa... The south and the East are the principal areas which must absorb the interests and the aims of the Italians.” The present skepticism about the Italian motives in the Mediterranean rose more than ever in the eyes of the Turkish government after Mussolini’s speech. The fear of Italian expansionism was the most determining factor for the changing foreign policy of Turkey. First, invasion of Ethiopia by the Italians and now Mussolini’s provocative speeches in which he was referring to Mediterranean as Mare Nostrum (Our Sea) combined with an extreme armament on the Dodecanese islands by the Italians were realized by the Turkish Government as the signs of
the Italian enlargement policy towards east. For the Turkish state elite, being a Mediterranean country was making Turkey a natural target of Italy.

Italy was an important trade partner until 1934. There were many trade agreements between two countries, both countries suffered from the deterioration of the relations economically. The bilateral relations severed when Turkey voted in the League of Nations for the implementations of sanctions to Italy after the Abyssinia attack. Although the implementations of the sanctions meant cutting off the commercial relations, Turkey voted for the sanctions and cut off all of her relations with Italy. In return, received a green light from the international society, for the renegotiation of the Straits in Montreux. Awhile after the crisis, when the international situation cooled down Italians sought a rapprochement with Turkey and the two countries tried to raise their trade to the pre 1934 levels. Although Italians worked for to proving that Italy had no hostile aims, the Italian fear dominated the foreign policy of Turkey until the defeat of Italy by the allied powers.135

The Italian coups of April 7, 1939 against Albania, and the rumors regarding an Italian occupation at Corfu, prod Turkey to take steps for towards her security. Nevertheless, Hitler’s backing of Mussolini made Turkey to alienate from Germany simultaneously. Turkey, as a result approximated to the orbit of the Allies both politically and economically.136

German ambassador in Ankara, Franz von Papen wrote a memorandum on the 20th of May,137 saying that Turkey had left her previous political line in strict neutrality and allied with the British group of powers. This step meant a complete shift of the balance in the eastern Mediterranean. Papen mentioned that Great Britain could not be defeated if the Italian succeeded in dominating the eastern Mediterranean; in order to defeat Great Britain she had to be hit in her most vital point in India. To do this the Axis powers had to possess the land Bridge to India (Syria, Palestine and access to Mosul). The German Ambassador noted that if Turkey fought on the British side, The Turkish forces would always be in a position to prevent this with the main part of her forces south of the Taurus. From this, it followed that the Axis Powers had to Attempt to Lead Turkey back to her previous attitude of strict neutrality if Germany was not to be faced, in a possible conflict, with a very unfavorable military-political situation from the outset. As long as the definite pact with Great Britain had not been concluded, Berlin believed that the pact could be restricted in its scope and duration

136 Kurat, Yuluğ Tekin, A Survey of Economic Policy in the Turco-German Trade During World War II, Belleten Cilt XXV Sayı 97 Ocaık 1961
by counter measures on Germany’s part. How could this be done? If the Axis Powers, especially Italy, could give the assurance that Turkey was not threatened, Turkey would then have no reason for continuing her alliance policy with Great Britain. Berlin considered the following measures to lead Turkey back to her previous position:

a) To disguise the development of the position in Albania, i.e., to agree with Turkey on the strength of the effective occupation forces, as in the case of a conflict the necessary army units could quickly be brought over any time.

b) To ease the tension over the Dodecanese by entering into negotiations about the Islands of Castello Rosso and Castello Rizza, which were for Italy quite unimportant but were within the three mile zone of Turkey.

c) Turkey, as a quid pro quo, would have to reduce her troops in Thrace to peace-time strength.

d) The Turkish-British Declaration anticipated the conclusion of similar arrangements with other powers. Therefore, the question had to be studied as to whether a nonaggression pact could not be concluded between Italy and Turkey by Germany if needed.

Italian threat in the Mediterranean and Germany’s backing of Italian expansionism forced Turkey to shift her policy both politically and economically from the orbit of the axis to a more neutral basis with the help of the Allies.

2.2.3. Soviet Union: The Archenemy

The policy of conciliation with Moscow, that begun during the last stages of the First World War, continued during Turkey’s national struggle and Russia’s civil war. The Nationalists and the Bolsheviks became natural allies due to the hostility of the west to both movements. But ideologically they were far apart. Atatürk had no sympathy for communism and took measures necessary to crush it. Nor did he and Stalin have warm regard for each other and Atatürk pursued a policy not always in conformity with Stalin’s wishes.138

In the years that followed the Lausanne Convention, Turkey’s relations with the Western European countries steadily improved. In spite of a number of agreements between the Soviet Union and Turkey, the Fundamental reason for solidarity of Moscow and Ankara, namely, joint enmity towards Western Imperialism, gave away to a more cautious Turkish policy establishing friendly relations with Western Europe and at the same time maintaining

correct ties with the Soviets as befitting a powerful neighbor. They needed a strong structure of protection in the form of bilateral agreements with the Great Powers and schemes for regional security in the Balkans and the Middle East. The friendly relations between Soviet Russia and Turkey after the establishment of the Turkish State began to change in the 1930’s. Soviets showed the signs of wriggling out of their isolationist policy and Turkey was more cautious than ever in her relations with her giant neighbor. The trade between Russia and Turkey was not a decisive factor in the relations. Therefore distancing from the Soviet Russia was for Turkey not as much formidable as it was from Germany. When we consider the beginning of the Turkish-Western rapprochement as the Montreux conference, it can be said that the deterioration of the relations with the Russians also began at the same time. The Russians couldn’t get what they desired from the conference. Her two main aims, firstly the Straits should be always open to her warships from whatever direction they passed. This assurance she needed in order to be able to pass her Baltic and Pacific fleets into the Black Sea, and secondly the Black sea should be closed to non-riverian warships; she could confidently enter into the rearmament naval race and of building up a large fleet at Odessa.

The relationship between Moscow and Ankara, though not excellent, was at least a working one and the maintenance of it throughout the Atatürk period until his death in 1938, constituted the main foreign policy. Falih Rifki Atay, a very close journalist to Atatürk wrote, It was clear that he did not want Russia and Turkey to ever be enemies again.

Turkish decision makers attempted to combine the Soviet friendship with the British and French alliance but they later on realized that it wouldn’t work. Their estimations were the rapprochement of Russia with the western alliance due to their fear from Germany. Even during the negotiations with the British and French, Turks were supposing that Russia was going to be on the side of the Western alliance. However, just a few months after Turkish-British-German declaration, Russia was signing a non-aggression pact with the Germans. Just after the soviets decided to sign a non-aggression pact with the Germans, they applied to the government of Turkey and offered a mutual assistance agreement, and in accordance to this invitation, Turkey sent her diplomats to Moscow to negotiate the conditions of the agreement.

The signing of German-Soviet Non Aggression Pact of August 1939, led to a critical shift in the foreign policy of Turkey. Turkey was now encountering with the possibility of entering the war against the Soviet Union on the side of Great Britain and France due to the declaration of May and June 1939, which was going to be formalized soon by the signing of Mutual Assistance Treaty. The Moscow visit of the Turkish Foreign Minister, Saracoğlu, to win Soviet’s consent to Turkey’s soon to be signed treaty with Great Britain and France, didn’t work. He came back to Ankara with empty hands and The Anglo-Franco-Turkish Treaty was signed soon after he returned to Ankara. Turkey added a protocol to the agreement for the prevention of a rise of threat perception coming from the Turkish side to the Soviets. Protocol intended to show the Russians that Turkey would refrain from any action that might bring her into conflict with the Soviet Union. According to the treaty, Turkey and the two Western Powers jointly promised to help one another in the event of a Mediterranean war arising out of aggression by a European Power, a war arising out of the Anglo-French guarantees to Greece and Rumania, or a European act of aggression against Turkey.144

2.2.4. Great Britain: The Remittent Partner

The period from the establishment of the republic to the end of 1920’s witnessed a détente in the relations with Great Britain that ended with the signing of a Friendship agreement in 1930, which was followed by commercial talks and by agreement on a number of trade matters. Despite the commercial talks, economic relations didn’t reach a significant level during the early 30’s. The trade balance was to the disadvantage of Turkey and Great Britain’s share in the Turkish exports declining from 9% (8.6 million Turkish Lira) in 1933 to 5.4%(6.4 million Turkish Lira) in 1936.145

Millman argues that British Foreign Policy towards Turkey and the rest of the near eastern Mediterranean region was ‘no commitment’ between years 1926-1934. Because, Great Britain wanted to stay away from regional alliances that would lead to a military conflict. Other than this, Great Britain was ill prepared to meet any demands of the countries of the region.146

---

144Medlicott,(1952), p 347.
145 Vere-Hodge,& Edward, (1950), p120.
In order to increase her influence within the Turkish politics and economy, Great Britain prepared a plan. British Foreign Office was thinking that a discontented Turkey might be driven more and more into the political sphere of Germany. The most significant of it was British support before and during the Montreux convention, Great Britain’s, for gaining Turkish support, accepted the opening of the Montreux convention with the Turkish draft as the basis of discussion. Great Britain draw back her draft after the disagreement between the parties occurred. Great Britain supported the full Turkish remilitarization, and the total suspension of the International Commission. The English and French support over this issue opened the way for a future partnership between three countries.

After the mid 30’s, Great Britain reconsidered her policy towards Turkey. She involved more actively in the economic issues and provided economic help to the Turkish economy. Due to the political uncertainties and the memories of the past two-three decades, there were always obstacles for better relations both politically and commercially. After the Montreux convention, a step was taken by both governments for rapprochement: With the improvement of the trade relations after Montreux, the anti-British feeling that still prevailed in many influential Turkish circles began to give way to more friendly feelings. A clearing agreement was signed in September 1936, with the aim of increasing the trade volume; and the exchange of notes on possibilities of increasing trade. The purpose of trading with Turkey was for Great Britain mainly political, her aim was to free Turkey from the growing dependence upon German economy.\footnote{Ibid, p.20.}

Plans were prepared by the British Ministry of Economic Warfare in order to free Turkey from the German economic domination as part of their economic warfare. Economic Warfare Specialists planned strategies intended to diminish Turkish dependence on German products, while finding markets for her exports. The person who was responsible for the implementation of this plan was, Hughe Knatchbull-Hugessen, the British Ambassador in Ankara, during the war, who also served as the foreign-office representative on the Economic Pressure Against Germany Subcommittee of the Committee of Imperial Defense between 1937 and 1939. Knatchbull-Hugessen proposed to provide credits for Turkey so that Turkey buys the war materials from Great Britain instead of Germany. Turkey was to be allowed to purchase large amounts of weapons from British companies; Turkish needs, and their demands to be treated as second after the British. Great Britain should buy enough Turkish metals (especially chromium) and products to counterbalance the loss of the German market.
and Turkey pays her dept with the money she receives. This was the British plan for decreasing the Turkish dependency on Germany and for the modernization of the Turkish military. These plans was never put into action until March 1940, Great Britain didn’t even supply some of Turkey’s need such as boots, medicine, steel, trains, rifles and aircraft.\(^{148}\)

The effects of the rapprochement started to be felt in 1937. German share in Turkish trade was decreasing, meanwhile Turkish imports from Great Britain rose from 6 to 7 million Turkish Lira and Turkish exports to Great Britain from 6 to 9.7 million Turkish Lira meanwhile Turkish exports to Germany dropped from 60 thousand Turkish Lira (51 %) to 50 thousand Turkish Lira (36.5%), and Turkish imports from Germany increased from 40(\%45) thousand Turkish Lira to 58 thousand(42\%) British provided a £16 million credit to Turkey in 1938, Germany responded this with a 150 million RM credit , showing the increasing importance of Turkey within the upcoming conflict. Although the rapprochement with Great Britain was maturing in 1938, detachment of Turkey from Germany was not achieved as she was following a policy of joint friendship with both Great Britain and England. She was finally to some extend detached from German influence in the economic sphere with the help of the British but it wasn’t enough for fully ceasing her relations, on the other hand, although still not even reaching to the level of Germany in the trade relations with Turkey, Great Britain’s role in achieving this semi-detached position was very important.\(^{149}\)

It was believed in the diplomatic circles that German influence over the Turkish economy was decreasing and Turkey was moving towards the Allies. Saracoglu in his statement to the Paris Soi correspondent said that they desire to minimize the German economic influence over Turkey by increasing economic relations with the Allies. By this means Turkey would be able to move out of the "clearing system" and return to normal trade relations\(^{150}\). Although ceasing the economic relations with Germany and pulling Turkey to the economic sphere of the Allies was a success for British Economic Warfare, for the Turks it meant losing the German market. As Kurat mentions: Germany had been buying large quantities of agricultural products on whose sale Turkey's rural population was depended on the sale of these products. Turkish agricultural products were non-standardized therefore not easily marketable in the world market. The Germans, buying Turkish agricultural products in great numbers made it possible for Turkey to expand her production. Turkey received in return from Germany


industrial products whose spare parts could only be obtained from Germany and maintenance
could only be done by the Germans.\textsuperscript{151}

Turkey refused to renew the trade agreements with Germany, which was due August
1939. Allies started to look for a market for the Turkish products; otherwise exports to
Germany would forcibly be resumed. The British Ministry of Food bought in the first place
11 000 tons of sultanas, 5 000 to 9 000 tons figs with the warning of Knatchbull-Hugessen, to
London that many commodities were awaiting shipment and the situation was becoming
critical. For the growers could not obtain advances to harvest their crops. Since the chief
British interest lay in preventing the sale of chrome to Germany, this could only be achieved
in the purchase of Turkish products in large quantities.\textsuperscript{152} This was a very small portion of the
Turkish supplies for export.

Turkey, from 1935 onward, in collaboration with Great Britain started the
modernization of her military. Taking into consideration the proximity of a military conflict
and the unavailability of necessary economic resources, Turkey preferred to modernize small
part of her army to a degree that it could defeat any regional aggressor. This means an army
supported by an air force equal to the greatest possible air threat, which was defined as being
the largest number of Italian aircraft able to fly from bases in the Dodecanese, or the greatest
German air strength able to operate from fields of Bulgaria.\textsuperscript{153} Turkish efforts to modernize
her military reached to a maximum in 1937 the time when efforts were given to redirect the
Anglo- Turkish alignment more firmly against Germany who was seen after 1937 as a much
more imposing potential enemy than Italy, which, of necessity, demanded a higher level of
preparation on the part of each of the allies.

Britain sold to the Turkish navy two squadrons, each based upon an 8" cruiser with
destroyer escort, for this purpose Turkish chief of Naval Staff, Özel, went to London in
December 1937; Air expansion aimed at the production of an Air Force competent to meet
any regional aggressor, and requirement for this, at 200-300 first line aircraft. Some shift was
made by London to supply a portion of the Turkish requirement, but it did not satisfy Turkey,
because it was never enough to increase the efficiency of either service significantly.

British and French weapons were necessary if such an alliance was to be directed
against Germany. Armament was not possible without credits and credits could only be taken

\textsuperscript{151} Kurat, Yuluğ Tekin, \textit{A Survey of Economic Policy in the Turco-German Trade During World War II}, Belleten
\textsuperscript{152} Medlicott,(1952), p.272
\textsuperscript{153} Millman, Brock, \textit{Turkish Foreign and Strategic Policy 1934-42}, Middle Eastern Studies, 31:3, 493-95
with a repayment schedule; and there could be no repayment if the terms of international exchange did not permit Turkey to export its products to the creditor countries. This was the rationale of Menemencioglu's economic diplomacy. Millman believes that, such agreement was not productive due to British inability, and French reluctance, to part with the material ordered. As İnönü complained, in this respect the chief result of the alliance with Great Britain and France was to weaken rather than strengthen Turkey, while making war much more likely.¹⁵⁴

2.2.5 The United States of America: Nothing but Diplomatic Cordiality

The US-Turkish Relations didn’t develop from the establishment of Turkey to the mid late 1920’s as the US Congress was insisting not to ratify any agreement without the acceptance of the Capitulations and the solving of the Armenian question. One other dispute between the two states was the situation of the American missionary schools which were forbidden according to the new secular laws. The relations took a turn for the better after the election of Roosevelt to the US presidency in 1932. ¹⁵⁵

American-Turkish relations between the years 1933 and 1939 were on the whole cordial but distant. Friendly messages of good will were exchanged on the occasion of the 10th anniversary of the foundation of the Turkish Republic. Messages were also exchanged from time to time between Roosevelt and Ismet Pasha. Reference to America in Turkish political speeches were brief but benign: some ripples of the old question of Christian propaganda were discernible; as when for example the Turkish authorities chose to close the elementary courses of two American schools in Scutari. This was in 1933. In general however, relations were without any friction.

The relations between Turkey and US were primarily based on trade. Turkish exports rose during the period of 33-39, from 10 million Turkish Lira to 19 million in. The US was the best purchaser to the Turkish goods after Germany. The worth of Turkish imports from the States also showed a most important rise, climbing from 2 million Turkish Lira in 1933 to 17 million Turkish lira in 1937. The US share in Turkish imports rose from 3.1% in 1933 to 15.3% in 1937. The Turkish imports from the US rose from 2 million Turkish Lira in 1936 to 17 million next year, an appreciable but less considerable rise taking place in the Turkish

exports to the States. The reason for doubled Turkish imports after 1936 was the Turks was the Turks pressing need for munitions and arms as well as for extra stocks of petrol. Trade relations remained on a free basis; indeed after 1933 America was the only country Turkey was trading without a clearing agreement.  

2.3. Military Weakness as the main reason for Neutrality

Among many other reasons, economic and military inadequacies were two main factors that led to the World War II Turkish foreign policy of Neutrality. Deringil argues that ‘The realistic assessment of their country’s military capabilities was a major factor influencing the Turkish leadership in their determination to keep Turkey out of the war.’ Although Turkey had a large army with a considerable deterrence in the region, it was not modern at all. But the patriotism and determinism of the army to resist any aggression was making them a formidable fighting force. The resistance that Turkish military showed in World War I and the War of Independence were increasing the concerns of those with hostile plans. In fact Turkish army was not in the category of Modern armies and clearly could not win against the German and British army’s but the geographical hardship of Anatolia and the very poor transportation and communication lines were increasing handicap for the occupying forces.

Until the 30’s Turkish leaders gave priority to economic developments rather than the military modernization as it was costly. Even the ministry of defense was no more the most important ministry, its position was taken by the ministry of interior. During the 1930’s as the international relations began to be more aggressive, Turkey began to focus on modernization of her military, but it was too slow and according to the British reports although there were twenty two divisions of soldiers, mechanization was very slow. The army was situated mostly in the west coast as the primary threat was Italy. It was taking months to move the army from one part of the country to the other, although İnönü gave priority to building railways and roads, there was still only one, one-track railway from west to east.

Turkish army lacked the standardization as well. The artillery was equipped with a diversity of pieces imported from Germany, Czechoslovakia, Sweden, Great Britain, France, Russia and Switzerland. Deringil mentions that ‘During the war Turkey felt the need to

---

standardize rifle calibers by shipping large quantities to Germany where barrels were bored out according to a uniform caliber.\(^\text{158}\)

The military inadequacy was well known by the British and the Germans. Papen, while praising the Turkish soldiers, mentioned the absence of modern Arms, panzers and above all fighter planes.\(^\text{159}\) He was also telling to the Reich’s Ministry that supplying Turkish military with Arms such as panzer divisions would lead to a stronger stand of Turkey against the Allied proposals.\(^\text{160}\) On the other hand, Churchill’s words were explaining the situation of the Turkish military: They had none of the modern weapons which from May 1940 were proved to be decisive. Aviation was lamentably weak and primitive. They had no tanks or armored cars, and neither the workshops to make and maintain them nor the trained men and staffs to handle them. They had hardly any anti-aircraft or anti-tank artillery. Their signals service was rudimentary. Radar was unknown to them. Nor did their warlike qualities include any aptitude for all these modern developments. On the other hand, Bulgaria had been largely armed by Germany out of the immense quantities of equipment of all kinds taken from France and the Low Countries.

2.5. Turkish Neutrality in World War II

According to Kurat\(^\text{161}\), remaining as a neutral state until the last phases of the Second World War was a great diplomatic achievement as the pressure upon Turkey to enter the war from both the Allies and the Axis was very intense. Following a middle course, Turkey implemented her own foreign policy and this had a bearing effect on Turkish Economy. The financial resources that she significantly needed in order to carry on the development process were directed for the purpose of strengthening and modernizing of armed forces for the protection of the land. Turkey was dependent on import goods for the needs of her military as she possessed no heavy industry for the production of such goods. The commodities she could offer in exchange for the military materials were mostly agricultural products. What made Turkey important in the eye of the Axis and Allies was her supplies of chrome. They both

\(^{158}\)Ibid, p.31.  
\(^{160}\) Von Papen, (1952) p. 553  
needed this material in great quantities and wanted to prevent the others acquisition of this strategically important war material. Supply of the Turkish chrome was more vital for Germany than Great Britain as Turkey was left as the only supplier of chrome after Russia turned against her. Balkans was a considerable chrome source for Germany but the quality was far low. For Germany, chrome supply from Russia was always problematic, due to the fact that even during the Russo-German friendship, economic difficulties between the two countries prevented them developing economic relations. For Great Britain, Turkish chrome was always a matter of Economic Warfare, as she was more interested in the cutting of chrome supply from Turkey to Germany than purchasing this commodity for her industry. Turkish statesmen were aware of the importance of chrome for the war and did their best to make out of it. 162

Turkish strategy within the war was to carry on economic relations with both Axis and Allies, while preserving neutrality. She achieved her goal by having diplomatic and economic relations with Great Britain and with the United States from 1941, she also preserved her economic and political relations with Germany from 1939 to 1944 and managed to stay as a neutral until the last phases of war. 163

Britain’s main concern regarding Turkey in the War was her contribution to the German war economy. Throughout the war, she worked for making Turkey to cut her financial and military support to Germany and enter war on the side of the Allied powers. With the purpose of avoiding Germany getting strategic raw materials from Turkey, Great Britain and the United States implemented the preclusive purchase of Turkish chromite and other minerals and restricting the export of certain goods to Turkey and ensuring Turkey’s ban on exports of certain goods and materials to Germany. 164 It was not possible to cease the Turkish German relations at once. Germany was purchasing most of the Turkish tobacco, dried fruits, minerals and other products and a principal supplier of manufactured goods. It was impossible for Great Britain to substitute the German trade if it was stopped. 165

162 Ibid, p. 586
164 “Support Purchase Program in Turkey,” May 28, 1945, RG 169, Office of the Administrator, Records Analysis Division, Historical Monographs Prepared Outside the Division, Box 5. Quoted in Allied relations and negotiations with Turkey, College Park Archives USA p.7
165 Gordon & Dangerfield, (1947), p.120.
Germany was supporting Turkish neutrality. For her, it was the guarantee of a stable eastern Mediterranean until the invasion of the Soviets was accomplished. If he could defeat the Soviets, next Hitler was planning to invade Turkey.\textsuperscript{166}

Great Britain acknowledged Turkish neutrality from the beginning of the War in consideration of its military weakness, and she began to explore the possibility of making economic and military assistance to keep Turkish state neutral. British High Commanders believed that, the equipments that was going to be used for the modernization of the Turkish military forces, would be better used elsewhere and Turkish neutrality could be supported. Modernization of the Turkish military was a costly and a long process.\textsuperscript{167} A declaration was made by Great Britain and Turkey on 12 May 1939 to act against any acts of aggression in the Mediterranean area. It was followed by the French-Turkish declaration of 23 June. As a response to these declarations Hitler reacted by saying that İnönü's government showed that they would fight on the side of the allies in a future conflict. On 23 August he mentioned Turkey together with France and the Soviet Union as countries which Great Britain was trying to bring into action for the destruction of Germany. Right after the World War II started, in October 1939, Turkey signed a Tripartite Alliance (Treaty of Mutual Assistance) with Great Britain and France.\textsuperscript{168} Even though Turkey was getting closer to the Allied Powers more than ever, İnönü and his advisers repeating the fact in every occasion to the people that Turkey was never going to take part in any modern war unless she feels her national borders threatened. For Turkey this agreement was an insurance against any threat that might come from the west. On the other hand with this agreement Great Britain was expecting to guarantee active involvement of Turkey in the military operations in Balkans.\textsuperscript{169}

Hitler was cancelling the delivery of Skoda guns and sixty Messerschmid planes to Turkey he was concerned about Turkey’s adherence to Germany. On the other hand the Germans were planning to put Turkey under pressure by cancelling the licenses for Turkish seasonal products. This way forcing her to extend the trade agreement.\textsuperscript{170} Germany realized that stopping the delivery of military equipments to Turkey was a failure. In return for the non-delivery of military equipments, Turkey stopped the deliveries of chrome to Germany.

\textsuperscript{167} Gordon, L.David, Dangerfield, Royden, (1947), P.120
\textsuperscript{168} Allied Relations and Negotiations with Turkey, p.1
\textsuperscript{169} Deringil, Selim, The preservation of Turkey’s Neutrality During the Second World War 1940, Middle Eastern Studies, 18:1, p.30.
\textsuperscript{170} Kurat, (1961), p.586
There were other products such as cotton, tobacco and olive oil, which were of great interest to Germany. Non delivery of the military equipment would mean their export to Great Britain. This forced the Germans to review their Turkey policy and decided to deliver military equipment of secondary importance if Turkey agrees to deliver chrome.

Great Britain, which had a continuing stake in the Turkish economy, began in 1940 its program of preclusive buying of Turkish strategic materials. Chrome was the most significant commodity in the program (copper and some other minerals were also acquired), but foodstuffs were purchased to supply the British population, and the British were obliged to purchase other goods, such as dried fruits and tobacco, as a condition of obtaining access to Turkish chrome.

From 1940 onwards all the negative scenarios that Turkish rulers wished not to happen, happened one by one. Italy entered war in June 1940, German invaded France, Yugoslavia and Greece in spring 1941. However, Turkey stayed as a non-belligerent with great determination171 contrary to the expectations of Great Britain and France. According to the British and French side, conditions were mature enough for Turkey’s involvement in the fighting therefore accomplishing her commitments arose from The Tripartite Alliance. Turkey on the other hand abstained from her commitments on the pretext that the agreement is no more valid as France could not fulfill its obligations to the members172 and declared her non-belligerency on the 26 June 1940.173 The other reason for the change in Turkish stand was Great Britain and France’s inability to replace Germany as trade partners. Turkey not only declared her non-belligerency but also started a rapprochement policy with the Third Reich as the Allied were not fulfilling their economic obligations. As a result a new German-Turkish commercial agreement was signed,174 instead of joining the Allies as a step which turkey should have been doing after Italy’s entry into war.175 With the German attack on the Soviet Union firmly on the cards for 1941, both options were, however, temporarily discarded. Germany signed a friendship and non-aggression pact on 18th June 1941, one week before the campaign over Russia.

Turkey was alarmed with the advance of Germany in the Balkans. Yugoslavia was invaded and the Germans were moving through Bulgaria to attack Greece. Majority of the

174 Ibid, p.86.
175 Ibid, p.90.
Turkish military forces were deployed to the Eastern Thrace ready to counter a German attack. On 31th January 1941, Winston Churchill sent İnönü a letter proposing to send British fighter aircrafts and the anti-aircraft guns to fight against the Germans. İnönü replied this letter on the 11th by refusing Churchill’s proposal due to the fact that accepting the fighters and anti-aircraft guns would mean Turkey’s entry into the World War. All the bridges over the Maritza River were destroyed by the military to slow down a possible German attack from Bulgaria. This very moment, Germany cooled down the situation by emphasizing her respect to the neutrality of Turkey. Hitler sent a letter to İnönü in March 1941, assuring the inviolability of Turkish borders and promising not to move the German troops closer than 30 km from the Bulgarian-Turkish border. Two months later two sides were signing The German-Turkish Treaty of Friendship of June 18, 1941, taking under guarantee the integrity of the Turkish borders by Germany and parties promising not to make any aggressive action, directly or indirectly, against each other. As declared by Hitler in the Treaty of Friendship, German military stayed 30 km away from the Western borders of Turkey.

When Germany invaded the Soviet Union in June 1941, the balance within the Turkish government turned towards the Nazi regime. By mid 1941, Turkey found itself in a contradictory situation by being bound to Germany with the Treaty of Friendship and Non-aggression while, still acknowledging its mutual assistance treaty with Great Britain.

Hitler praised his country’s friendship with Turkey and his commendation was well received in Turkey. It was a well calculated move of Hitler just before the imminent attack on the Soviet Union to ensure Turkish friendship and even make her to break up of the relations with the allies. Turkey reacted Hitler’s movement positively, Permission was given on the 13th of May for the transit passage of German war material to assist the anti-British uprising in Iraq but was withdrawn two weeks later.

Following the Friendship agreement, after the negotiations with German trade attaché Dr Karl Clodius, Turkey signed a trade agreement in October 1941 for the arrangement of Turkish-German trade relations for the time period 1942-1944. According to the agreement Turkey was pledging to deliver Turkish raw materials in exchange for war materials. Turkey was agreeing to supply 45000 tons of chrome to Germany in 1941-1942 despite her obligation to sell all the chrome output until January 1942 to the British. In addition to that Germany was

---

signing agreements with German satellite state Romania (1941), Hungary (1941-1943) and Finland (1943). Preclusive buying from Turkey became far more important after Germany concluded the "Clodius agreement", under which Turkey would provide Germany with a variety of raw materials, most importantly chrome, in exchange for German military equipment.

United States military assistance to Turkey began in 1941 to ensure that Turkey resisted Germany. On March 31, 1941, President Roosevelt implemented the Lend-Lease Act by declaring that the defense of Great Britain and Greece (then under attack by Italy and Germany) was in the national interest of the United States, beginning the allocation of Lend-Lease military assistance to those countries. In February 1941 U.S. Army Chief of Staff George C. Marshall had approved a list of surplus artillery that could be allocated to Great Britain. Because of President Roosevelt’s desire that some aid be provided to Greece in the last moments of its unsuccessful resistance to Italo-German invasion, it was agreed to divide the initial assistance among Great Britain, Greece, and Turkey. Turkey’s share would be administered by Great Britain, which wished to continue its influence in Turkey as well as the spirit of the Anglo-Turkish Alliance.¹⁷⁹

British policy during 1941 and 1942 was to support Turkey’s neutrality, meanwhile providing new material for her military so that she can reach a level to enter the War on the side of the Allies for liberating the Southeast Europe. As an outcome of this policy in the early stages of war, British supplies of War material were at a very low level which was hardly enough to strengthen her territorial defense and maintain her inclination towards the Allies. The larger military supply to Turkey was planned for the later stages of war to satisfy Turkish demands to enter the war on the side of the Allies.¹⁸⁰

Great Britain tried pre-emptive buying of minor Turkish products in 1942 and 1943, but it was not successful at all. Most of the Turkish products were coming to Germany in the same rates. The decline in the number of the goods that were sent to Germany was partly due to the German inability to send Turkish orders, on the other hand the Turkish side blowing up the railway bridge over the Maritsa River and imposing export embargoes or limitations on

¹⁷⁹ Coakley, Robert W., Richard M. Leighton, United States Army in World War II: The War Department: Global Logistics and Strategy, 1940-1943, Washington, D.C., 1958, p. 82. In ‘Allied Relations and Negotiations with Turkey, College Park Archives USA p.2
¹⁸⁰ Allied Relations and Negotiations with Turkey, College Park Archives USA p.2
certain goods, or suspending their transport temporarily for increasing the bargaining power against the Germans led to the decreasing of commerce between the two countries.\footnote{Gordon& Royden, (1947), p.122.}

Once the course of the war changed and Allies began to win against Axis in North Africa and Stalingrad, Turkey’s entry into war is once more mentioned intensively. In January 1943, at the Casablanca Conference, the matter of Turkey’s entry into the War was discussed and agreed that Turkey could be used as an Allied base for military operations against the Axis in the Balkans and Germany could be deprived of chrome. Allies agreed to provide military assistance to Turkey to persuade her to be an active ally. This mission was assigned to the British. After the Casablanca conference, Churchill went to Turkey to accomplish this mission and he met with İnönü at Adana, Turkey on January 30 and 31, 1943, to talk about the Allied military assistance to Turkey in return for Turkey’s entry into war or her allowance to build bases in Turkey. Even though Germany was retreating in most of the fronts İnönü and his military staff were thinking that The Germans were still powerful enough to destroy Turkey if they do not stay neutral. İnönü was saying that Turkey needs large amounts of equipment for her armed forces if her entry to War is desired. Moreover, Turkey was concerned with the growing Russian threat. Later British Ministry of War developed a list of military equipment that Turkey demanded from Great Britain these were naval vessels, 2,300 tanks, 2,600 guns and howitzers, 1,200 aircraft, and 120,000 tons of aviation fuel 25 RAF squadrons, attendant anti-aircraft guns, and several anti-tank and armored divisions.\footnote{Howard, Michael, \textit{The History of the Second World War}, The United Kingdom Military Series, \textit{Grand Strategy}, vol. IV, August 1942-September 1943 (London, 1972), pp. 376-389.in Allied relations and negotiations with Turkey, College Park Archives USA p.3.} At Adana, on the second morning of the meeting Churchill wrote expectations of the Allies from the Turks on a paper which he called ‘Morning Thoughts’. In the fourth paragraph Churchill was saying that; ‘\textit{Without becoming a belligerent, Turkey might at some time consider taking the same position as the United States before it entered the war, by a departure from strict neutrality. Thus They might grant permission to use Turkish airfields from which to bomb the Rumanian oil fields, the Dodecanese Islands and Crete}’\footnote{Weisband, p. 137}

Allied forces were discussing Turkey’s entry into War in every occasion. One of these was the Quebec Conference, it was decided that Turkey’s entry into the War would stop the German in the east Mediterranean, but, within the present condition of the Turkish forces, it would be a very weak offensive and might put the Turkish forces in danger. Turkey’s
preserving of her non belligerency was decided to be preferable for the recent situation but she should be forced to make some concessions such as opening of her territory for allied planes and prohibiting shipping of military goods from the Black Sea and to stop the chrome deliveries to Germany.  

During the Roosevelt-Churchill meeting at Quebec in August 1943, the Joint Chiefs of Staff agreed that although Turkey had an inclination towards the Allies, it is not likely that she abandons her neutrality immediately. However, the fear of domination in the Southeastern Europe would lead to a change in her attitude towards a more active role in the war in order to take part in the peace settlements.

At the Tripartite Moscow Conference of Foreign Ministers, besides the British and the US, Soviets were also specifying their willingness to make pressure upon Turkey to enter the war. Soviet Foreign Minister Molotov’s proposal to Secretary of State Hull and British Foreign Secretary Eden in regard to exercising strong pressure on Turkey to enter the War. Hull replied that United States did not see it necessary at that time to put pressure on Turkey to enter the War because the allocation of the resources were moved to the west for landings in France and Italy. The only US proposal was to ask Turkey for her air bases. Eden was against the Soviet proposal because the British were not in a condition in the East Mediterranean, and not in a position to protect Turkey against German attacks. Istanbul was within the range of the German fighters and could be destroyed with a German air attack.

At the Tehran Conference in November 1943, Roosevelt, Churchill, and Stalin one more time negotiated Turkish entry into the War. Churchill believed that the use of Turkish military power would cause great damage to the enemy. On the other hand for Roosevelt the issues of the Eastern Mediterranean was secondary importance and Stalin was in favor of Turkey’s belligerency. It was finally agreed at Tehran that President Roosevelt and Prime Minister Churchill should meet with Turkish President Inonu and seek to persuade Turkey to enter the War before the end of 1943. Turkey refused allied proposals to enter the war and to lend her air bases in November 1943 due to the fact that the amount of military assistance to

\[184\] Allied relations and negotiations with Turkey, College Park Archives USA p.3  
\[185\] Hull, Cordell, Memoirs, vol. II, 1948, p.1368  
\[186\] Allied relations and negotiations with Turkey, College Park Archives USA p.3  
Turkey was not satisfactory and there was still the possibility of a German retaliatory action towards Turkey’s coastal cities.

This time, Roosevelt and Churchill met with President Inonu at Cairo in December 1943, to demand from Turkey declaration of war against Germany by mid-February 1944. Inonu didn’t say no but demanded support for Turkish air forces and large amounts of military assistance. This was interpreted by the Allies as a sign, in such a way that the fear of a German attack was diminishing in the eyes of the Turkish statesmen as a result of the German retreat from the Soviet territories. Churchill’s aim was to explicitly reveal that if Turkey one more time refuses his proposal this would have very serious political and territorial consequences for Turkey particularly in regard to the future status of the straits. He adds that, ‘making impossible demands is only another way of saying no.’ British Ambassador in Ankara was also instructed to deliver the message to the Turkish Government that British would stop the aid if Turkey keeps resisting British proposals. Great Britain was threatening to isolate Turkey for the rest of the war and she would also be left alone in the Post-War formation in the case of a Soviet demand for changing the status of the Straits.

Allied victories and decrease in the number of deliveries from Germany led to an agreement on June 16, according to which Turkey reduced her exports to Germany to 50% of the 1943 level, accepted to reduce the remaining 50% if the allies could replace the Axis as a trade partner.

Turkey endeavored to stay neutral during the early 1944. Despite Allied proposals to enter the War, she refused to receive a high-ranking British military delegation, and demanded to be informed about the general Allied plans regarding Germany elsewhere in 1944. The British authorities were convinced that, Turkish policy was based on delaying tactics in the belief that she had more to gain than to lose by remaining neutral. Great Britain therefore in February 1944 withdrew its military mission and, without any explanation, halted the further flow of military supplies. At Secretary Hull’s recommendation, President Roosevelt agreed to support the British policy, and the U.S. arms shipments to Turkey ceased in February 1944.

Germany was retreating in almost every front by the spring of 1944. Under these circumstances, continuation of the trade relations with Germany would put in risk Turkey’s

---

189 USFR, Conferences at Cairo and Tehran, p.691.
position in the post-war world order, in particularly after the Russian victory in Stalingrad, there Soviets were left as the only power in the region. Turkey broke off commercial and diplomatic relations with Germany in August 1944 and eventually declared war on Germany on February 23, 1945. 192

A joint report of US and Great Britain concerning the effectiveness of Preclusive Operations in the Neutral Countries conclusion was: "The cold truth is that Turkey, like Spain and Portugal, was primarily interested in the preservation of neutrality and in imports to supplement its depleted economy."193

192 Ibid, p.124
Chapter 3 Economic Warfare in Turkey Regarding Chrome

One of the most important things for a nation on the edge of a highly mechanized warfare is to make available the supply of materials with primary importance to producers, consumers and governments. Likewise, the location of resources is another crucial factor determining the stage where the battle will be fought.\(^{194}\)

Alloys with diverse percentages of chrome are indispensable for metals that require strength, toughness, hardness, and resistance to corrosion or abrasion.\(^{195}\) Chrome is an alloy with a very high fusion point, and a remarkable ability to withstand corrosion from basic and acid slags, molten metals, and gas. It is used in the manufacture of steel and can be combined with other elements to produce a variety of chemical combinations many of which are industrially useful. The negotiations between Turkey and the belligerents during the war concerned crude chrome, not chromite or chrome ore as is sometimes suggested.

Chrome is an ore with chemical composition of \(\text{Fe(CrO}_2\text{)}^2\) from which chromite is derived. There are three main uses for chrome: metallurgical, i.e. for the production of ferrochrome and other chrome alloys and for chrome plating: for the production of refractories for furnace linings, and chemical, for paints etc. Chrome is used in great quantities for making alloy steel. It enhances the hardness and the tensile strength of the steel and brings in properties such as rust-proof and heat-proofness. High grade chrome ore produced in Turkey is used largely for metallurgical purposes and most of its applications in the field are very definitely of military character: Chrome is an essential constituent of all stainless steels and chrome-nickel and chrome-molybdenum alloys are required for armor plating, gun barrels and many types of shell.\(^{196}\)

Chrome is one of the seven major metals strategic for warfare: antimony, chrome, manganese, mercury, nickel, tin and tungsten.\(^{197}\) As Kemp mentions, Chrome is to modern industry as yeast is to bread; only a little is required, but without it there is no bread.\(^{198}\) It is


\(^{195}\) Craig, J.W, Chrome ore for Canada, 43 Transactions of the Canadian Institute of Mining and Metallurgy 774-777(1940).

\(^{196}\) Meyer, F., Türk Krom Cevheri Terkibine Dair Bir Tetkik., Maden Tetcik ve Arama Dergisi 1938 No:13, pp. 149-154

\(^{197}\) Kemp, (Winter 1942), pp.199-212.

\(^{198}\) Ibid, pp.199-212.
the most important steel alloying metal and it is irreplaceable.\textsuperscript{199} It is a typical example of a strategic material that’s dependence on foreign countries for supplies, for efforts to control and to stimulate production and imports during war time. It has a qualitative rather than quantitative importance.

Chrome is indispenable for construction and tool steels. Especially ball bearing steels, magnet steels and type of fast consuming steels grades which does not lose its grinding properties. More importantly, chrome is used in military production especially in tank manufacturing, production of tank munitions, cannon barrels, armaments, aircraft engines, important submarine parts such as crank shaft, periscope, navigation instruments, torpedoes, etc.\textsuperscript{200} Chrome is often mixed with other alloy metals. For instance Chrome-Nickel- Steel combination is used for the armor plates and gun barrels as well as Chrome-Nickel-Wolfram-Stahl for machine gun parts. Chrome is used in the chemical industry as well. Among them chrome plating of the base metals for corrosion prevention and manufacturing of light sensitive films and preparation of leather are the most important ones. Due to its high melting point, chemical resistance and endurance to change of temperature, chrome is used in the fire-proof construction industry. The Chrome-Magnesit-stone is used for instance for the lining of ovens with steel. These examples prove the importance of chrome for the economy. In February 1944, one third of the chrome consumed in Germany was used for Tank production, another one third was used for the manufacturing of weapons, munitions and for the use of Luftwaffe.\textsuperscript{201} “Without chrome there would be no modern arm industry.”\textsuperscript{202} Prices of chrome usually, but not always, vary directly with the chrome oxide in the ore. Buyers for the ferroalloys industries seek high chromic oxide content and a low iron content.

Although it was possible to substitute several of the steel-alloying metals by others, this was less true for chrome. Alternative steels, carrying less of the accepted was possible but since it was these alloys which made possible the high performance weapons of the second world war, any change in basic analyses from the complex high alloy to the simply low alloy steels, meant a decrease of performance and reliability.


\textsuperscript{201} Verbrauch von Chrom in der Fertigung, Vermerk vom 11.7.1944, OKW, W Stb lnL, BA: Wi/IF 5.1108.

## Most Important Chrome Producers of the World in 1938

<table>
<thead>
<tr>
<th>Country</th>
<th>Chrome ore production in 1000 tons</th>
<th>Share in World Production</th>
<th>Average ore content</th>
<th>Export in 1000 tons</th>
</tr>
</thead>
<tbody>
<tr>
<td>Soviet Union (1936)</td>
<td>217</td>
<td>19</td>
<td>Under 40</td>
<td>-</td>
</tr>
<tr>
<td>Turkey</td>
<td>214</td>
<td>19</td>
<td>50</td>
<td>208</td>
</tr>
<tr>
<td>Southern Rhodesia</td>
<td>186</td>
<td>16</td>
<td>49</td>
<td>205</td>
</tr>
<tr>
<td>Union of South Africa</td>
<td>177</td>
<td>16</td>
<td>45</td>
<td>119</td>
</tr>
<tr>
<td>Philippines</td>
<td>67</td>
<td>6</td>
<td>47</td>
<td>66</td>
</tr>
<tr>
<td>New Caledonia</td>
<td>52</td>
<td>5</td>
<td>51</td>
<td>42</td>
</tr>
<tr>
<td>Yugoslavia</td>
<td>50</td>
<td>4</td>
<td>48</td>
<td>23</td>
</tr>
<tr>
<td>Greece</td>
<td>42</td>
<td>4</td>
<td>40</td>
<td>36</td>
</tr>
<tr>
<td>Cuba</td>
<td>40</td>
<td>4</td>
<td>27</td>
<td>40</td>
</tr>
<tr>
<td>Others</td>
<td>80</td>
<td>7</td>
<td>-</td>
<td>28</td>
</tr>
<tr>
<td>Total</td>
<td>1125</td>
<td>100</td>
<td>-</td>
<td>767</td>
</tr>
<tr>
<td>Europe’s Demand</td>
<td></td>
<td></td>
<td></td>
<td>299</td>
</tr>
</tbody>
</table>

World output of chrome-ore was 1.125,000 tons per year, of which the British Empire produced rather less than half. European production was 306,000 tons in 1938. (Turkey 214,000, Yugoslavia 50,000 and Greece 42,000).

The reserves in Cuba, New Caledonia and Philippines, although being rich in ore content were used by United States and Japan thereby not available for the European demand.

---

Turkey, Union of Africa and South Rhodesia were world’s leading chrome exporter countries with almost unlimited chrome resources.

<table>
<thead>
<tr>
<th>Country</th>
<th>Production</th>
<th>Consumption</th>
<th>Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Germany</td>
<td>-</td>
<td>190</td>
<td>-190</td>
</tr>
<tr>
<td>Norway</td>
<td>0.5</td>
<td>50</td>
<td>-50</td>
</tr>
<tr>
<td>Sweden</td>
<td>-</td>
<td>49</td>
<td>-49</td>
</tr>
<tr>
<td>Yugoslavia</td>
<td>50</td>
<td>26</td>
<td>+24</td>
</tr>
<tr>
<td>Greece</td>
<td>42</td>
<td>-</td>
<td>+42</td>
</tr>
<tr>
<td>France</td>
<td>-</td>
<td>40</td>
<td>-40</td>
</tr>
<tr>
<td>Britain</td>
<td>0.5</td>
<td>36</td>
<td>-35</td>
</tr>
<tr>
<td>European Russia</td>
<td>220</td>
<td>220</td>
<td>-</td>
</tr>
<tr>
<td>Other Europe</td>
<td>-</td>
<td>1</td>
<td>-1</td>
</tr>
<tr>
<td>Europe</td>
<td>313</td>
<td>612</td>
<td>-299</td>
</tr>
</tbody>
</table>

As it can be seen from the table, Europe was poor in chrome reserves. Chrome production was far from supplying its own demands. Russia, with its pre-war efforts, managed to cover the one fourth demand of whole Europe. However, the greatest producer of chrome was consuming her whole production inland. The only chrome sources of Europe were laying in the Balkan peninsula namely in South Serbia and North and Mid Greece however, with low ore contents.

3.1. Germany’s Dependency of Chrome from Abroad

Germany was entirely dependent on imports of chrome ore and her stocks probably did not exceed 5 or 6 months consumption in the beginning of the war so that chrome must be

---

204 Ibid, p.166.
considered as one of the most important German deficiency commodities ranking probably immediately after oil, iron nickel and copper.

<table>
<thead>
<tr>
<th>Country/Year</th>
<th>1933</th>
<th>1934</th>
<th>1935</th>
<th>1936</th>
<th>1937</th>
<th>1938</th>
<th>Jan-Aug 1938</th>
<th>Jan-Aug 1939</th>
</tr>
</thead>
<tbody>
<tr>
<td>Turkey</td>
<td>11.7</td>
<td>18.6</td>
<td>40.6</td>
<td>65.8</td>
<td>65.1</td>
<td>52.6</td>
<td>27.6</td>
<td>96.2</td>
</tr>
<tr>
<td>Union of South Africa</td>
<td>20.6</td>
<td>27.4</td>
<td>41.4</td>
<td>36.8</td>
<td>46.6</td>
<td>59.7</td>
<td>44.2</td>
<td>33.4</td>
</tr>
<tr>
<td>Australia</td>
<td>5.1</td>
<td>10.9</td>
<td>2.7</td>
<td>10.3</td>
<td>.</td>
<td>7.3</td>
<td>.</td>
<td>-</td>
</tr>
<tr>
<td>British India</td>
<td>1.6</td>
<td>2.0</td>
<td>1.8</td>
<td>1.2</td>
<td>1.3</td>
<td>4.3</td>
<td>.</td>
<td>-</td>
</tr>
<tr>
<td>Rhodesia</td>
<td>.</td>
<td>.</td>
<td>.</td>
<td>5.6</td>
<td>13.7</td>
<td>1.6</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>USSR</td>
<td>6.5</td>
<td>6.4</td>
<td>1.2</td>
<td>.</td>
<td>.</td>
<td>.</td>
<td>.</td>
<td>.</td>
</tr>
<tr>
<td>Greece</td>
<td>.</td>
<td>6.1</td>
<td>5.6</td>
<td>8.4</td>
<td>11.5</td>
<td>14.0</td>
<td>7.4</td>
<td>19.6</td>
</tr>
<tr>
<td>Yugoslavia</td>
<td>1.5</td>
<td>5.4</td>
<td>2.1</td>
<td>0.4</td>
<td>0.5</td>
<td>12.7</td>
<td>8.2</td>
<td>3.8</td>
</tr>
<tr>
<td>Others</td>
<td>.</td>
<td>0.2</td>
<td>0.0</td>
<td>0.5</td>
<td>1.6</td>
<td>12.1</td>
<td>6.8</td>
<td>4.2</td>
</tr>
<tr>
<td>Total</td>
<td>47.7</td>
<td>77.0</td>
<td>95.4</td>
<td>123.4</td>
<td>132.2</td>
<td>176.4</td>
<td>95.8</td>
<td>157.2</td>
</tr>
</tbody>
</table>

As it can be seen from the table above, Germany’s chrome import has risen tremendously from the beginning of the National Socialist era to the beginning of the war. The import of chrome has doubled from 1933 to 1935. In year 1933, it already outran the figures of 1928. Chrome imported in 1938 was 85,000 tons more than the amount of chrome imported in 1935 and in the first 8 months of 1939 the amount of chrome imported was 64,000 tons more than the first 8 months of the previous year and 5 times more than the same period of 1933. Increase in the German chrome import rates is remarkable despite the extraordinary increase in chrome prices due to the world armament race.

---

In the last years before the outbreak of the war, Turkey was taking the role as the main supplier of chrome compared to the British influenced Union of South Africa. One can talk about a decreasing dependency of Germany to the Allied controlled states since Turkey was becoming the major supplier of chrome.

Not the whole amount of imported chrome was consumed by Germany. The yearly chrome consumption in 1938 was only one fifth of the total chrome importation. Germany was stockpiling most of the chrome. Chrome ore Germany stockpiled had reached 150,000 to 160,000 tons on the eve of World War II that it was believed to be insignificant continuing to import as much chrome as the pre war years. However, chrome consumption increased during the war and the chrome stocks of Germany started to drop faster than it supposed to be. One other reason for the decline of German stocks was the Economic Warfare carried out by the British, which made the supply of alloy metals very difficult such as Chrome, Nickel and Manganese for Germany.

According to the anticipations of the ‘Reichsamt für Wehrwirtschaftliche Planung’ (German Imperial Office for Economic Planning of Warfare) revealed in may 1939: the south-east room was the source of an extraordinary chrome supply that in the case of a blockade similar to the one Great Britain carried out in World War I, the probability of a chrome shortage was not likely to happen. Countries on the south-east of Germany were producing the double of Germany’s yearly chrome demands. Alone Turkey’s production was enough to cover the German demands. Although these anticipations contained some realities, it was not clear whether Germany would be able to obtain chrome from these countries while the sea Transport routes were controlled by England and the railway transport might not be possible all the time. In the eight months of 1939, Germany’s chrome import from the Balkan countries was only 15 percent of the total. Meanwhile it was corresponding to 65 percent of the total import in year 1938. Obviously, the declining trend was going to continue further in the war. For instance the chrome production from the Greek mines were transported to Germany through the see routes and although the Yugoslavian mines were state owned they were controlled by the British firms. Germany had very little influence over the Yugoslavian mines through the “Jugo-Chrom AG” which was built by the Krupp Company.

---

208 Friedensburg,(1943), p.28.
just before the war. On the other hand, Bulgarian chrome was only supplying 1.4% of the German chrome demands. U.S. Bureau of Mines report of May 1939 about Germany’s chrome situation without taking into consideration the transport difficulties, stated that Germany can cover only 20% of chrome requirements from the Balkans.  

Due to the diminishing supplies of Chrome after the outbreak of the war, Germany began to cover her chrome requirements from the stocks she stockpiled during the last years of the peace. Without any chrome import, the German chrome stocks were enough for only 15 months. The domestic consumption was planned to be decreased by 30%, from 45,000 to 30,000 tons through certain restrictions. The usage of chrome in construction industry and for chemical purposes were decreased yet by the enforcement of these restrictions, the chrome stocks were calculated to reach 18 months.  

Besides this, supply willingness of the south-east countries was going to play a decisive role. Turkey was reluctant to renew the German-Turkish trade agreement which was ending one day before the outbreak of the war and agreed to sell her chrome output to England until January 1943. As a result Germany was not only destitute of the chrome coming from British occupied sources but also from the Turkish chrome. This meant the loss of 80,000 tons of chrome yearly. After the German-Soviet treaty of August 1939, Soviet Union, the greatest chrome producer of the World was going to supply Germany a great deal of chrome. In reality, however, possibility of Soviet Union supplying chrome to Germany was very limited. Soviet Union’s own chrome demand had increased so much due to the increase in her production that they had prohibited the export of chrome since 1936. German Ambassador to Moscow reported in October 1939 that in the case of importing alloy metals from the Soviet Union, Germany can get as much manganese as she want but the possibility of getting chrome was very small.  

---

211 ADAP, Bd, VIII, p.244 f. 18.10.1939
3.1.1. Balkans and Germany’s Chrome Situation

<table>
<thead>
<tr>
<th>Year</th>
<th>1938</th>
<th>1940</th>
<th>1941</th>
<th>1942</th>
<th>1943</th>
<th>1944</th>
</tr>
</thead>
<tbody>
<tr>
<td>Domestic Production</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>0.1</td>
<td>0.2</td>
<td>-</td>
</tr>
<tr>
<td>Total import</td>
<td>49.9</td>
<td>10.4</td>
<td>8.6</td>
<td>32.8</td>
<td>32.8</td>
<td>48.8</td>
</tr>
<tr>
<td>From Balkans</td>
<td>9.1</td>
<td>3.0</td>
<td>8.0</td>
<td>30.1</td>
<td>23.4</td>
<td>36.6</td>
</tr>
<tr>
<td>From Turkey</td>
<td>16.6</td>
<td>0.5</td>
<td>0.1</td>
<td>-</td>
<td>4.6</td>
<td>12.0</td>
</tr>
<tr>
<td>Stocks</td>
<td>45.0</td>
<td>23.5</td>
<td>6.2</td>
<td>17.3</td>
<td>14.3</td>
<td>31.3</td>
</tr>
<tr>
<td>Consumption</td>
<td>40.1</td>
<td>31.3</td>
<td>25.6</td>
<td>21.7</td>
<td>35.8</td>
<td>37.4</td>
</tr>
</tbody>
</table>

The Balkan states Yugoslavia, Greece, Bulgaria and later Albania were the only Chrome producers in Europe. After the cessation of chrome delivery from Turkey and Soviet Union they were left as the only supplier of chrome to Germany for a certain period of time. They were covering ¼ of Germany’s chrome demands in 1938 yet in 1940 it sunk under 10% due to transport difficulties; during this period German chrome import decreased 22 % as well. It situation changed with the Balkan campaign of Germany which started in April 1941. The chrome mines in the Balkans were comparable neither qualitative nor quantitative with the Güleman and Fethiye mines in Turkey.\(^{212}\)

After the Balkan campaign, Bulgaria annexed part of Yugoslavia with the rich chrome sources. It was then called the Germans New-Bulgaria. From now on the chrome resources of Yugoslavia were under Bulgarian control and on the 24th April 1941, Germany appropriated these mines.\(^{213}\) Thereby Germany got under control the biggest chrome mines of the Balkans, the ones under British control, the Allatini Mines Ltd. London, the Ljunoten A.D and the

\(^{212}\) R7/899/A3 p.85 Abschrift aus Lagerstaetten Chronik Heft 12

Hromasseo A.D. Skopje. These companies were directed by German trustees until the end of the war. On the other hand, the mines in Albania were exploited by the Italians until their withdrawal in 1943. Germany and the Krupp Company invested for making the chrome mines utilizable. However, quality of the ore was so low and the transport was so difficult that it did not work at all. The biggest chrome facility in Balkans could only be put in service in the early 1944.

Throughout the war, saboteurs caused damage in almost every chrome mine in Greece. This resulted in a loss of 2-3 months output of Germany, each time a mine is sabotaged. Such guerilla activities continued till the end of the war. As a result in Yugoslavia, Germany’s chief source of supply, prices for chrome ore doubled in April 1943. In Albania, extensive deposits of good quality chrome were discovered prior to the war, and were being exploited by the Azienda Minerali Metallici Italiani, of Rome. In 1940, grandiose scheme were set on foot for the establishment of a ferro-chrome plant near Lake Ochrida, with an annual capacity of 12,000 tons of ferro-alloy. The Albanian output was increased to a great extend.

Delivery of chrome from Turkey started in early 1943, at the same time delivery of chrome from the Balkans started to decline when Turkey ceased her chrome deliveries to Germany for the last time on 21. April 1944, Hitler ordered that the gap occurred with Turkey’s cessation of chrome deliveries to Germany to be filled once again by the chrome exploited from the mines in the Balkans. As a result, on 12. September 1944, Germany put into operation a mine in Albania which reached a record number of 10,000 tons a month. 214 It was impossible to increase the output in Bulgaria, Romania or Norway.

Partisans entered Greece in early 1943 and in March 1943. Due to the assaults of the rebellions to the mines and the railways, the mine operations stopped and the transportation sunk. In new Bulgaria and Albania, partisan attacks started in mid 1944. Before this date, there were other difficulties caused by the Bulgarian government who did not desired to be exploited by the Germans. 215 Germany defended the mines with bergbaubatallion (mine battalions) against Partisan attacks to the mines, railways. The Partisan attacks in Balkan region was so intense that finally Germans withdraw their Southeast battalion from Macedonia starting from the 10th September 1944. Therefore production and transportation

from the region came to a standstill. On 20th October 1944 Red Army captured Belgrade and all the chrome activities in Balkans came to a standstill.216

3.2. Turkey and Chrome

Chrome was first discovered in Turkey in 1848 and from 1860 to 1893 she was the principal source of the mineral. Owing to increased competition from other parts of the World, chiefly in New Caledonia and Rhodesia, Turkey’s output rapidly fell to a point where in 1921 only some 2,000 to 3,000 tons were produced. In 1938 Turkey regained its former position as the leading chrome producer with an output of over 200,000 tons mainly owing to the Turkish Government’s increased interest in the base metal industry and the exploitation of the Guleman Deposits. Chief producers of chrome in Turkey during the Second World War were: Societe Anonyme Turque de Minerals, Societe Miniere de Fethiye, Societe Anonyme Turque des Chromes de l’Est a Guleman.217

Majority of the companies were working in the Bursa region in north-western Turkey. In the district it was reported that the World’s greatest known chrome deposit was discovered. A figure of about 10,000,000 tons of chrome with a content of 50-52% Cr₂O₃. The finished ore in the Bursa region was carried by aerial-ropeway to the railway station at Değirmisaz. Production was around 30,000-40,000 tons a year. The Fethiye Company exploited the deposits in the Makri region in south-west of Turkey. Four mines were opened and exploited. Some lump ore 44-48% Cr₂O₃ was produced but the larger part of the output was in the form of concentrates running 50-52%. The ore and concentrates were transported by a 15 km narrow gauge railway to the sea. Production varied from 50,000 to 80,000 tons a year, but production was decreasing since 1937, owing to bad organization and absence of prospecting and capital. Production figures were 79,000 tons in 1935, 80,000 tons in 1936, 64,000 tons in 1937 and 62,000 tons in 1938.218

The Guleman Company exploited the chrome ore in the Elazığ region in the eastern portion of the country. The deposits were developed and production commenced in 1936. The total probable and possible ore in the reserves in 1938 were stated by Mr. Nicolaus to amount to 2,500,000 tons of which 700,000 tons was developed ore averaging 47-53% Cr₂O₃ with a

216 Vorlaeufiger Bericht des GMB, September 1944, p.2, Aktenbestand GWS, World War II Record Div., Alexandria, Va., USA, GWS 1026
chrome-iron ratio in excess of 3:1. The ore was carried to the railway by an 18 km serial–ropeway. Production was limited to the normal carrying capacity of the ropeway which was 200 tons a day although it could be increased by %25 or 75,000 tons a year after allowing for the closing down of the mines during months January and February owing to climate conditions. With fresh capital expenditure on mine and transport equipment the annual production could be raised to 250,000 tons.

Besides the above, a number of other chrome ore was being exploited the production from which appeared to be about 30,000 – 40,000 tons a year. Numerous prospects were known in the country but many of these were inaccessible in the 1930’s or were too low in grade.

The following table gives a summary of the yearly average production in the mid 30’s:-

<table>
<thead>
<tr>
<th>Company</th>
<th>Production (tons)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Turque de Minerals Co.</td>
<td>30,000 to 40,000</td>
</tr>
<tr>
<td>Fethiye Co.</td>
<td>50,000 to 70,000</td>
</tr>
<tr>
<td>Guleman Co.</td>
<td>60,000 to 75,000</td>
</tr>
<tr>
<td>Others</td>
<td>30,000 to 40,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>170,000 to 225,000</strong></td>
</tr>
</tbody>
</table>

The following table gives the Turkish Chrome exports from 1933 to 1938:

<table>
<thead>
<tr>
<th>Year</th>
<th>1933</th>
<th>1934</th>
<th>1935</th>
<th>1936</th>
<th>1937</th>
<th>1938</th>
</tr>
</thead>
<tbody>
<tr>
<td>Production (tons)</td>
<td>110,000</td>
<td>122,000</td>
<td>146,000</td>
<td>150,000</td>
<td>198,000</td>
<td>208,000</td>
</tr>
<tr>
<td>Increase over previous years</td>
<td>12,000</td>
<td>24,000</td>
<td>24,000</td>
<td>48,000</td>
<td>10,000</td>
<td></td>
</tr>
</tbody>
</table>

Increase over previous years was average 20,000 tons/year

**Chrome Ore Exports from Turkey in tons**

<table>
<thead>
<tr>
<th>Country</th>
<th>1935</th>
<th>1936</th>
<th>1937</th>
<th>1938</th>
</tr>
</thead>
<tbody>
<tr>
<td>Germany</td>
<td>40.436</td>
<td>64.474</td>
<td>56.385</td>
<td>68.463</td>
</tr>
<tr>
<td>United States</td>
<td>21.044</td>
<td>13.919</td>
<td>45.639</td>
<td>13.384</td>
</tr>
<tr>
<td>Czechoslovakia</td>
<td>785</td>
<td>200</td>
<td>706</td>
<td>1.850</td>
</tr>
<tr>
<td>France</td>
<td>15.446</td>
<td>16.936</td>
<td>19.899</td>
<td>14.260</td>
</tr>
<tr>
<td>Holland</td>
<td>4.611</td>
<td>9.935</td>
<td>1.270</td>
<td>-</td>
</tr>
</tbody>
</table>

---

219 British Consul General to Ministry of Economic Warfare, 17th October 1939 FO/8371003
<table>
<thead>
<tr>
<th></th>
<th>5.862</th>
<th>1.017</th>
<th>1.016</th>
<th>3.656</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>United Kingdom</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Sweden</strong></td>
<td>31.312</td>
<td>34.537</td>
<td>45.389</td>
<td>46.113</td>
</tr>
<tr>
<td><strong>Italy</strong></td>
<td>9.355</td>
<td>1.016</td>
<td>4.772</td>
<td>32.320</td>
</tr>
<tr>
<td><strong>Norway</strong></td>
<td>7.522</td>
<td>4.375</td>
<td>8.061</td>
<td>12.191</td>
</tr>
<tr>
<td><strong>Other Countries</strong></td>
<td>8.360</td>
<td>2.633</td>
<td>12.831</td>
<td>15.918</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>145.723</td>
<td>149.643</td>
<td>198.459</td>
<td>208.055</td>
</tr>
</tbody>
</table>

Since the 1933 exports and production increased at an average rate of 20,000 tons a year. The available ore reserves of chrome in the country were very large but production was limited by transport facilities, aerial ropeway capacity, equipment, etc. In order to increase the production considerably, a large capital expenditure program was necessary. In addition to that, there was a shortage of labor for mine purposes. Mr. Niculaus states in his report that ‘on the labor factor alone it will not be possible for some years to maintain a steady production of mineral to comply with the program of the mineral industry set for 1940 and onwards.\(^{220}\)

Turkish ore, irrespective of the area from which it was obtained, had a very good chrome to iron ratio and the average of the whole production was satisfactory for the metallurgical trade.\(^{221}\)

### 3.2.1. Turkish Suppliers Value to Germany

Winston Churchill’s note to the Foreign Secretary was explaining the value of the Turkish supplies. ‘Although the world war is processing with diverse episodes of interest cropping up from time to time, the entire politics of the Foreign office with Turkey are expressed in the one word Chrome.\(^{222}\) The value to Germany of Turkish supplies was even more important than the figures suggested, since they had high chrome oxide content and the supplies of similar grades in Axis Europe were only sufficient to meet about two-thirds of the ferro-chrome requirements of 55,000 tons. Ferro-chrome could be produced from lower grade ores but such processing was expensive both in labor and power. In addition to that, certain of the really low grade Greek ores were not useable for ferro-chrome production.

---

\(^{220}\) Memorandum to F.H.Nixon 27\(^{th}\) May 1940 FO/837/1012  
\(^{221}\) Chrome Company Limited to Ministry of Supply, 29\(^{th}\) October 1942  
\(^{222}\) Churchill to Foreign Secretary on November 5\(^{th}\) 1942, Premier 3 446/8 p.350
To meet her dangerous position with regards to the limited chrome resources, Germany was making a great effort to increase the production in the occupied countries, to assure supplies from Turkey and to reduce consumption.

In 1939, German consumption was estimated at 150,000 tons per year and the Turkish output was 180-200,000 tons per year, of which Germany took 100,000 tons in the first 9 months of 1939. Turkey was an important source for Germany on such an occasion that British Empire produced almost 50% of the world output, estimated at 1,000,000 tons per year.\(^{223}\)

### 3.2.2. Chrome ore Pre-emption in the Second World War

It was believed that in spite of the Four Year Plan, Germany, by the outbreak of war would not be indefinitely self-sufficient in all raw materials and foodstuffs. In 1938, according to the British intelligence, estimated German stocks would last after the outbreak of war in 1939 not for more than a few months in most cases. Chrome ore was one of the most important of all raw materials of the British pre-emptive program.\(^{224}\)

British Ambassador to Ankara Sir Knatchbull-Hugessen sent a report to the British Ministry of Economic Warfare regarding the Chrome pre-emption:

‘Chrome ore is a very high on the list of commodities which were believed to be of critical importance to Germany. German consumption of chrome-ore under war conditions is estimated at about 150,000 tons per year, and stocks are believed to be equivalent to about 7 months supply. The supplies from Russia were uncertain, but the Russian transport system was weak and securing the whole or most of the output from Turkey, Greece and Yugoslavia would mean exhaustion of the German stocks.’\(^{225}\)

Germany’s chrome position was poor. She was fed from the sources of supply that were located in the Balkans. Sabotage was a mean used by the allies in the Balkans to prevent Germany getting chrome and causing loss of output in the producing mines. The cure for all ills lied in Turkish chrome. In other words, these difficulties could be solved by importing Turkish chrome.

---

\(^{223}\) Memorandum of Ministry of Economic Warfare, April 8\(^{th}\) 1942,FO371/22248
\(^{225}\) Inloit to Ministry of Economic Warfare on 15\(^{th}\) October 1939 FO/8371003
Allied Estimations of Axis chrome position from 1st January 1940 to 30th June 1943.

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Stocks at 1.1.40</td>
<td>215,000 tons</td>
</tr>
<tr>
<td>1940 Supplies</td>
<td>86,000 tons</td>
</tr>
<tr>
<td>Total</td>
<td>301,000 tons</td>
</tr>
<tr>
<td>1940 Consumption</td>
<td>178,000 tons</td>
</tr>
<tr>
<td>Stocks at 1.1.41</td>
<td>123,000 tons</td>
</tr>
<tr>
<td>1941 Supplies</td>
<td>118,000 tons</td>
</tr>
<tr>
<td>Total</td>
<td>241,000 tons</td>
</tr>
<tr>
<td>1941 Consumption</td>
<td>191,000 tons</td>
</tr>
<tr>
<td>Stocks at 1.1.42</td>
<td>50,000 tons</td>
</tr>
<tr>
<td>1942 Supplies</td>
<td>140,000 tons</td>
</tr>
<tr>
<td>Total</td>
<td>190,000 tons</td>
</tr>
<tr>
<td>1942 Consumption</td>
<td>190,000 tons</td>
</tr>
<tr>
<td>Stocks at 1.1.43</td>
<td>NIL</td>
</tr>
<tr>
<td>Supplies 1.1.43-30.6.43</td>
<td>75,000 tons</td>
</tr>
<tr>
<td>Consumption 1.1.43-30.6.43</td>
<td>75,000 tons</td>
</tr>
<tr>
<td>Stock at 1.7.43</td>
<td>NIL</td>
</tr>
</tbody>
</table>

It is seen from the table that German chrome stock were estimated by the British to run out in the course of 1942, and in the first six months of 1943 the Axis intake of ore fell short of estimated full requirements of 110,000 tons by over 30%. Moreover, 20% of such reduced intake was obtained from Turkey. In other words, unless output in the occupied countries could be increased Germany would be facing a potential deficiency of some 45% of her requirements, in the absence of Turkish supplies.

3.2.3. Allied Economic Warfare and the Turkish Chrome in the Second World War

The conventional methods of Blockade were not applicable to Turkey due to the fact that she was a self-sufficient agricultural country with a significant German influence in

---

226 Foreign Office to Ministry of Economic Warfare, on 7th September 1943 FO 371/37461
economy as a result of the purchasing policy and clearing system of the Third Reich started in mid 30’s.

Allied economic warfare against Germany in Turkey began with the close political relations established by the Anglo-Turkish declaration of 12th May 1939.227 Both sides pledged to act against any act of aggression in the Mediterranean area. The Franco-Turkish declaration followed the Anglo-Turkish declaration on 23rd June. Germany regarded these attempts to consolidate Turkey’s security as hostile acts and cancelled the delivery of submarines, engines and batteries which were already on the way to Turkey. Retaliation came from the Turkish side in the shape of the non renewal of the commercial treaty which was due to 31st August 1939 and the cessation of chrome deliveries to Germany.

Weeks before the war started, Turkey made desperate moves on the diplomatic arena in order to tie the British-French friendship which she lately guaranteed with a Russian non-aggression. When the diplomatic efforts in Moscow failed and on the 23rd August 1939 which made the Turkish Statesmen’s concerns to grow stronger. They refrained from renewing the Turkish-German trade agreement which was expiring on 31st August and put all the trade with Germany on a compensation basis. Although this act brought trade almost to a standstill German economic influence over the Turkish economy was to such an extent that it was not possible to cut off all the economic relations at once.

Turkish, French and British authorities began the negotiations in September 1939 for the conclusion of a military and economic partnership agreement. The first negotiations between Great Britain, France and Turkey started on 6th September 1939. Great Britain attempted to make an agreement with Turkey under which she promised to purchase the entire Turkish output of chrome and obtain a guarantee that chrome exports to Germany would be prohibited. On the other hand, she was forcing Turkey to limit her chrome production. The French were also interested in purchasing chrome and cooperated with the British. It soon became apparent that Allies could not achieve their objective unless they support other Turkish markets. The collapse of the dried fruit market in particular hit Turkey severely and Allies therefore agreed that any contract giving Great Britain and France the right to purchase the Turkish chrome output should have as a corollary agreement for the purchase by them of Turkish dried fruits.228 The British Ambassador was advising London that the purchase of 8-10 million TL worth of tobacco 10-15.000 tons of hazel nuts, 20.000 tons of raisins and

228 Ministry of Economic Warfare to British Embassy Ankara, 22th October 1939, FO/837/1994
10,000 tons of figs was necessary. The British side believed that if main Turkish products such as raisins, figs, tobacco, hazelnuts, mohair, wool and cotton were bought the sale of chrome to Germany could be prevented. Accordingly, chrome became part of a commercial agreement between, Turkey, England and France which included arrangements for 25 million pound armaments credit, arrangements for 15 million pound gold loan, arrangements for 2 million pounds clearing loan and Turkish production of Chrome, sultanas, figs and hazel nuts.

The Anglo-French-Turkish treaty of friendship was signed on 19th October 1939. The declarations announced mutually up to that time were turning into a trilateral security agreement in the Mediterranean according to which Allies were going under commercial commitments. Great Britain was taking upon herself the responsibility of assisting Turkish economy, industry and military.

Although Turkish Government was depriving Germany of chrome with the not-renewal of the Turkish-German commercial treaty, Great Britain was planning to deprive Germany of chrome once and for all by the way of pre-emptive buying of this metal. Consent and collaboration of the Turkish government was necessary for the success of the pre-emptive buying. Allies demanded from the Turkish Government, the denial of Turkish chrome to Germany in the light of the Friendship Agreement. For the Turkish Government chrome was by far the most important Turkish export that such a decision was not easy to take.

At the beginning of the war German stocks of chrome were 250,000 tons which was equal to Turkey’s total export in one year. This astonishing number was result of the mass buying done by the Reich during the last years of peace from Africa, Balkans and Turkey. British pre-emptive buying of chrome was not going to have an immediate effect on the war production of Germany but Germany was going to feel the scarcity in the following years of the war, and once German war industry would be deprived of chrome in the following years her industry would stop the production.

After the signing of the commercial treaty, the negotiations for the duration and the price of the chrome started. The first draft agreement that Turkish government agreed to sign was for 2 years (fixed at 2 years with an option to extend for a third year). However, on 22nd October 1939, Turkish Secretary General Numan Menemencioğlu brought forward a new

---

232 Ministry of Economic Warfare to British Embassy, Paris, 23rd December 1939 FO/837/1004
demand, namely, the guarantee to provide a market for the Turkish surplus production of chrome to continue over the whole period required for the payment of the Atcom credits, i.e. till 1961. The effect of this would be that, after the war there will be a decrease in the demand for chrome; in virtue of the treaty, Great Britain should be obliged to take all the chrome, which the Turkish Government could not market in other countries. This was going to cost Great Britain 600,000 sterling a year.²³³ The Treasury, Export Credit Department and Iron and Steel Control were unanimous that the proposal was unacceptable. If Great Britain guarantees to take the Turkish surplus there should be a 100,000 tons surplus every year, which would be unmarketable. If this amount was put in the market at any price, it would damage not only the Turkish economy but also the Rhodesian.²³⁴ Great Britain was worried about the effect of a long term guaranteed chrome sales agreement to stimulate the Turkish production on the Rhodesian economy, which was also a major chrome exporter to Great Britain.

On 26th October 1939, at the end of several meetings with the British and French side, Turkish Government finally agreed to cease her chrome supplies to Germany and European neutrals for the duration of an agreement whose duration and conditions were to be negotiated in the following months. Allies were becoming the monopole buyer of the Turkish chrome as the Turkish government agreed to deny chrome to Germany.²³⁵ Turkey agreed to stop the chrome deliveries to Germany and other European neutrals, provided that Great Britain buys minimum 200,000 tons chrome yearly. British Government agreed these proposals on 30th October 1939.

There was a disagreement on the issue of limiting the production to 200,000 tons a year. The Turkish Government announced that it was not possible to limit Turkey’s production to 200,000 tons a year. Besides that Turkish side was asking for some modifications in relation to payments. The Turkish Secretary General went to London at the end of November 1939 to negotiate on the conflicted issues. During the meetings with Lord Halifax, Menemencioğlu expressed that Germany was abstaining from buying large quantities of Turkish products unless chrome was included. Turkey should had to find a market for her other production in Great Britain and France otherwise she was going to send Germany some chrome in order to make Germany to buy Turkish surplus. In addition to that, Menemencioğlu was mentioning that Germany was ready to supply Turkey with the war materials she asked for and in return asking for 150,000 tons of chrome. According to Menemencioğlu certain

²³³ Minute Sheet 23rd December 1939 FO/837 1003
²³⁴ Minute Sheet 23rd December 1939 FO/837 1003
²³⁵ Kurat,(1961), p. 588
Turkish agricultural goods which were bought in the previous years by Germany were this year waiting for customers. 236

While negotiations were carried out in London regarding the details of the commercial treaty, the British Intelligence received reports from the correspondents in Turkey, mentioning that, Turkey was offering 30.000 tons of chrome to Germany, if Germany agrees to supply Turkey with certain war materials. Although this caused mistrust on the eyes of the British negotiators, on 9th December 1939, Menemencioğlu spilled the beans and mentioned his Government’s readiness to cease any the supply of chrome to Germany if Great Britain supplies Turkey with armament and factory equipment.

Great Britain and Turkey had a consensus on a draft agreement in December 1939. According to the draft agreement, United Kingdom and France was going to buy, in proportions 11 to 4, all chrome up to production (limited to 250.000 tons). Other neutrals were to obtain chrome only by receiving the consent of the United Kingdom or France. Purchases by France were to be made in accordance with existing French-Turkish Agreement. Proceeds to be credited for services of debts proper for discharge by Atcom. 237

After finishing the negotiations with the British side, Menemencioğlu moved to France, and started the negotiations with the French side, during the negotiations he offered to the French side different terms and his demands were supported by the head of the French delegation which caused the emergence of a small diplomatic crisis between the French and the British side. Menemencioğlu presented a draft agreement to the French side according to which, the British Government’s obligation to buy the Turkish chrome was not limited in time. Menemencioğlu as the head of the Turkish delegation argued that the agreement in London to purchase chrome was not for two years but for twenty. 238 During the following negotiations Menemencioğlu receded from his demand of limitless purchases of chrome to a proposal for ten years, which he made on 26th December, and then first went down to five and then to four years on 28th December. 239 British Ambassador Hugessen was so much impressed from Menemencioğlu’s bargaining style that he wrote to London: ‘I am unable to say in what proportion bluff and sincerity are mingled in his attitude.’ ‘He hinted very strongly that failure to reach such an agreement on chrome might bring other agreements to the ground.

237 Ministry of Economic Warfare to British Embassy, Paris 23rd December, 1939 FO/837 1041
239 Foreign Office to British Embassy, Paris, December 29th 1939, FO/837/1004
He regretted so intrically unimportant a matter should have that consequence, which his Government attached time limit consideration.240

Finally the draft agreement was accepted on 2nd January 1940 by the British delegation and an agreement was signed with the full name: ‘Anglo-Franco-Turkish Financial and Commercial Agreement’ in Paris, on 8th January 1940. The effect of the Agreement was that Turkey was prevented from selling chrome to any destination except the US. Turkey reserved the right to export chrome to other destinations, provided that the consent of the British and French Governments was previously been obtained. An agreement was reached on the basis that British and French Government buy Turkish chrome for 2 years with an option on either side to renew for 1 year, the price of chrome was to be that of the London Metal Exchange. This was the guarantee that the Allies were searching for against the export of Turkish chrome to Germany. In the case of the war continuing for more than three years, there was still the possibility of chrome going to Germany. In return, British and the French side undertook to guarantee, a market for the Turkish production of chrome, for the period of the agreement, which was to be limited to 250,000 tons a year for a period which will terminate at latest on march 1st, 1943, i.e. for two months longer than the chrome agreement.241 Along with the chrome agreement, an Anglo-French-Turkish Dried Fruits agreement was signed. The British and French Government agreed to purchase Turkish dried fruits up to a value of 1,300,000 TL. The Dried Fruit Agreement was to be valid from September 1st, 1939 until the end of the export season. British and French Governments agreed to buy Turkish figs, raisins and hazel nuts for the duration of the war with option on either side to end agreement at the close of the 1942-43 season.242 From the signing of the agreement to January 1941, Great Britain imported 79,095 tons of chrome while a further 66,120 tons went to US.243

It was soon realized that simultaneous to the negotiations with the British side, Turkey was carrying out negotiations with Germany for a new trade agreement. This trade agreement was foreseeing the supply of locomotives, railway materials, trucks and medical supplies by Germany in exchange for tobacco, sultanas, figs, industrial figs, hazel nuts, olive oil, sesame seed, oil cake and cotton, skins, tanning material, opium, hemp, olive oil, and mohair. Herewith, the prewar anticipations of the Ministry of Economic Warfare about the

---

240 Cipher telegraph, 28th December 1939, FO/837/1004
241 Report by Lintott 19 January 1940, FO 837/1006
242 Foreign Office to Hugessen, 8th January 1940, FO 837/1006

92
difficulties of preventing Turkey’s trade with Germany were coming true. At this moment, The Germans did not insist much for the immediate supply of chrome and didn’t make Turkey to slip totally through her fingers; instead she guaranteed the delivery of certain materials. On the other hand Great Britain had to content herself with the prevention of chrome to Germany at a time when German chrome stock situation was not critical at all.

The German chrome position got better by the invasion of Scandinavia and France in 1940. On the other hand there was a rise in the Italian chrome consumption. This was the sign of an extraordinary war preparation. According to a report of the Allies, Germany was going to suffer a chrome shortage in the first months of 1941. Great Britain was determined to use every possible weapon to deprive Germany of the Turkish chrome. After this report it became more important to keep the chrome agreement in force. It suddenly became priority of the MEW to maintain position in Greece and Yugoslavia and in Turkey so that the deliveries from these sources to Germany did not increase.244

The price negotiations between Allies and Turkey started soon after the signing of the commercial treaty in the 19th October and continued for a long time. Great Britain was planning to drop the negotiations for the time being if their offer was rejected by the Turkish side. They were planning to cover chrome requirements from Greece or from the mines in France and Great Britain if high grade Turkish ore was not available for a reasonable price.

The price of chrome was defined in the Chrome Agreement as that of the London Metal Exchange; Turkey however, demanded a higher price, exampling an offer made by the Germans. British aim was to maintain the present London Metal Bulletin prices, so that it would not encourage increased production from British and other sources and reduce the liability under the Turkish agreement. According to the plan Turks were expected to realize soon that they could not sell their ore and in their anxiety for foreign exchange would meet the market prices. MEW was thinking that the present attitude of the Turkish side was encouraged by the high prices paid for the Greek ore. On the other hand British bureaucrats believed that in the past the British have learned to expect hard bargaining from the Turks, but where their bluffs has been called, they always paid dearly. It is for this reason that Great Britain should reject their offer and give a counter offer at open market prices.245 As expected, Turkish authorities made an offer and British authorities rejected the Turkish offer by saying that it was too high. The British side believed that ‘Unless Turkey lowers her price offer, she

244 Note on Chrome ore, 19th June 1940, FO/837/1012
245 Meeting held at Steel House, 28th February 1940, FO/837/1009
could not sell a ton.\footnote{246} The price offer of the Turkish authorities was rejected and a counter offer was made which was approximately the same as the price at which supplies could be obtained in any other part of the world. Great Britain was buying the 48% c.i.f. (cost insurance freight) chrome ore for 125/- shillings in the UK and for 142/- shillings in Marseilles. These prices were London Metal Bulletin prices.\footnote{247}

London Metal Exchange Chrome Prices were as follows:

<table>
<thead>
<tr>
<th>Grade</th>
<th>Price (dollar/ton)</th>
</tr>
</thead>
<tbody>
<tr>
<td>First grade 48% Metallurgical Ore</td>
<td>25</td>
</tr>
<tr>
<td>48% Chemical Ore</td>
<td>24</td>
</tr>
<tr>
<td>45-46% First-grade Refractory ore</td>
<td>24</td>
</tr>
<tr>
<td>42-44% Chemical or Refractory Ore</td>
<td>19</td>
</tr>
</tbody>
</table>

\footnote{248}

**British Price Proposals**

The price offered by Great Britain for the Turkish chrome was refused by the mine owners and the Minister responsible for the mining. The Minister was furious with the British negotiators to such an extent that he told the Eti Bank that he was ready to break off the negotiations with England and sell chrome individual buyers. On the other hand although the reaction of the Minister and the mine owners to the British price was very severe, British officials believed that the president İnönü and Prime Minister Şükrü Saraçoğlu had more to say on this than a simple cabinet member.\footnote{249}

Due to the government regulations, the mine owners were not eligible to sell their products directly to the buyers without the consent of Eti Bank. Therefore, Turkish mine owners were obliged to sell their products to the buyers who were determined by Eti Bank, rather than selling the chrome to the one giving the most money. American market was more profitable than the British one for the Turkish chrome. The mine owners such as Mr. Paluka were willing to sell their product to the US market but Etibank was contented with the individual relations of the mine owners. Therefore Eti Bank bureaucrats wanted to wait until

\footnotesize{\begin{itemize}
\item\footnote{246} Chrome Company Limited to Ministry of Supply, 14th March 1940 FO/837/1009
\item\footnote{247} According to the İstatistik Fiyat Magazine, Price of Turkish Chrome with 48% chromite inhalt is in the London Metal Exchange in 1940, 115 sterling, rhodesia ore is 125 sterling. 4.86 U.S. dollar = 1 sterling
\item\footnote{248} Ministry of Supply to Mr Lintott, FO/837/1009, 16th April 1940.
\item\footnote{249} Russell to Moore, 3rd May 1940, FO/837/1009
\end{itemize}}
they make their own connections and did not want to involve the mine owners in to the
game.\textsuperscript{250}

MEW personnel described the ongoing policy and negotiations of the British side as ‘a
rather undignified state of haggling’. On every occasion British were mentioning that the
Turks were never going to be able to find a customer for the prices they asked for.

While the negotiations for the price of the Turkish chrome was going on, Italians
offered a much higher price than what the British side offered, this made the Turkish side to
abstain from agreeing upon the British offer.\textsuperscript{251} British side was reacting to the Italina offer by
saying ‘In view of the price paid, the ultimate destination would seem fairly obvious, and
unless you have given sanctions to this sale, it would appear to be an infringement of the
Anglo-Turkish Agreement.’\textsuperscript{252}

There was no unanimity between the French, the British and the Americans for the
price offered to Turkey. It was not possible to talk about a united pre-emptive strategy. While
the Americans were paying 22.75 dollars (110.565 sterling) per ton for the Turkish chrome,
French were paying 19 dollars (92.34 sterling) and the British offer was not more than 12
dollars (58.32 sterling). One part of the difficulty was created by the decreasing value of
sterling. The low prices given by the British and the much higher price offered by France and
United States were making the hand of Turkey stronger.

As a result of the high prices given by the U.S. customers, the Turkish side was
willing to sell chrome directly to the U.S.. For the MEW, this was an undesirable situation
and should not be tolerated for the sake of the Economic Warfare conducted against Germany.
It was therefore necessary either to find another supplier for the Americans or to shift the
price offered to the Turks to the level of 19-20 dollars.\textsuperscript{253} On the other hand, The British side
believed that the price of the London Metal Stock Exchange for chrome was higher than it
supposed to be. The reason was that, export permits for Rhodesian and African chrome were
still waiting in order to first absorbing all the Turkish chrome for this reason prices of the
London Metal Exchange stayed high.

The British officials were disappointed with the Americans and aware of the hardship
they were facing stated that ‘Turks feel as we are bound by agreement they can now squeeze
us and American prices have given to them the means of so doing.’ Nevertheless Great

\textsuperscript{250} Russell to Moore 30th April 1940, FO/837/1009
\textsuperscript{251} Ministry of Economic Warfare to Chrome Control, 23\textsuperscript{rd} May 1940 FO/837/1009
\textsuperscript{252} Ministry of Supply to Ministry of Economic Warfare, 23\textsuperscript{rd} May 1940, FO/837/1009
\textsuperscript{253} Ministry of Supply to Ministry of Economic Warfare, 23\textsuperscript{rd} May 1940, FO/837/1009
Britain was determined to convince the Turks and agree on a price basis ‘... prices asked are exorbitant but I fear we must make some concession to placate local Government as failure to do so might endanger the faithful execution of agreement(as a result of) which chrome may find its way to Germany where prices offered are 3 times those at present offered by us.’ 254

As a result of the prolonged negotiations, Turkey started to feel a sterling deficit owing to the lack of sterling in commodities account at Ottoman Bank which was created under supplementary Guarantee Agreement in respect of services on Karabük Bills which falls due on June 30th. Ottoman Bank therefore paid the equivalent amount of Turkish Liras to a blocked account at Central Bank. British plan was to deposit 375,000 sterling to Turkey’s account as soon as the price negotiations for chrome were finalized. This amount was going to solve Turkey’s deficit on Sterling.

Finally the parties signed the chrome agreement on the 3rd August 1940. The agreement was covering the period between the 1st July and the 21st December 1940. The sum of 375,000 sterling was paid immediately to the commodities account at the Ottoman Bank so that Turkey was able to pay her debt. Eti Bank agreed to negotiate a further agreement in respect of 1941 but at a later time, they preferred to wait until the end of the with the expectation of higher prices. 255

When Germany occupied France, it was not known whether Turkey was going to continue selling chrome to France within the terms of the contract thereby putting supplies at the disposal of Germany. Great Britain was arguing that the collapse of France have made no difference to their relations with Turkey. Chrome agreement was considered to be subsidiary to the treaty of Mutual assistance, but was nevertheless concluded within the framework of the political agreement. Therefore British strategy was to give the impression to Turkey that although France collapsed, they were still very tightly bound by the Mutual Assistance agreement. After all doing the opposite would result to the deterioration of the political alliance which was not desired.

Following the French Armistice, on the 18th June, British Ambassador at Ankara told Saraçoğlu that Great Britain would take over the operation of Chrome Agreement if the French Government was unable to carry it on. 256 On the 27th June, British ambassador was instructed to explain to the Turkish Government that the spirit of the Agreement demanded that they should continue to withhold chrome from Germany, Italy and countries under

254 Ministry of Supply to Ministry of Economic Warfare, 23rd May 1940, FO/837/1009
255 Foreign Office to Hugessen, 3rd August 1940, FO/837/1015
256 Angora Arfar 18 June 1940, FO/837/1023
German domination, including France. Afterwards, British government declared that they were ready to take over entire agreement, the terms of payment remaining unchanged, and that British government was now ready to fix a price for the whole 1940 production which was 250,000 tons. In the following days, British Commercial Secretary discussed the amendment of Chrome Agreement with the Eti Bank representative. British Commercial Secretary and Eti Bank representative agreed on certain terms and prepared a draft contract.257

This new agreement was going to be a purchase contract, leaving the original chrome agreement in force. In this case, unless an assurance would be given by the Turks, the destiny of the 1941 chrome output remained open. Which was not desired as Germany was waiting ready as the potential buyer. On the 3rd August, the new chrome agreement was signed giving the right to Great Britain to buy the 4/15 share of occupied France. As expected the 1941 contract was left open. Although Great Britain mentioned that she wants to negotiate the 1941 contract, Eti bank was willing to negotiate for the 1941 chrome, at a later time in anticipation of a higher price.258

After the fall of France, a second disillusionment for Turkey was the closure of the Mediterranean Sea to the civil trade, Turkey started to lose her faith to the Allied victory, Even though there were some events such as the Battle of Britain, victories in Greece and Albania, the hope of Turkey in the victory of the Allies didn’t recover at all. These events led to the rapprochement between Turkey and Germany.

Medlicott argues that, the first signs of a return in the economic relations between Turkey and Germany were seen during the first months of 1940, when the transport difficulties between allies and Turkey rose. Even if there was no transport difficulty, it was impossible for Great Britain to supply Turkey with all the materials she needed and to buy everything she exported which previously went to Germany. Besides that, it was impossible to put Turkey under a contraband control due to her geographical situation. Therefore, in seeking a war trade agreement with Turkey the British Government had to ask for a great deal and could offer little in return.259 On the other hand, 5 months after the chrome agreement, in late June 1940, not a single ton chrome had been purchased under the chrome agreement and the present situation was causing serious discontent on the side of Turkey. The Germans were pressing very hard for chrome and the negotiation with the French side was on a still stand as

257 FO/837/1012
258 Ministry of Economic Warfare to Monod, 10th May 1941, FO/837/1027
France was occupied. Germany was offering twice the British price and Great Britain was slowly realizing that she was losing the Economic Warfare to Germany.\footnote{British Embassy Ankara to Foreign Office, 23\textsuperscript{rd} June 1940, FO/837/1012}

Finally, the disappointment of Turkey for not being able to sign an agreement with Great Britain on other Turkish commodities such as wool, cotton, mohair and olive oil, led to the signing of a commercial and payments agreement with Germany on June 25, 1940. By this agreement, Turkish-German trade volume was fixed to 21,400,000 TL. Germany was promising to supply thirty-nine locomotives, wagons, factory equipment, spare parts, pharmaceutical and cigarette paper. Chrome was not a part of the agreement.\footnote{Papen to the German Foreign Ministry on June 13 and 14, 1940. German Documents . Vol. IX. Pp. 560}

Furthermore, according to the British Intelligence, of June 1940, the German chrome stocks reached to a critical level. According to the intelligence reports, although an improvement is expected in the chrome stocks after the occupation of Yugoslavia and Greece, there was still chrome deficit, particularly of the high type found in Turkey. Germany was expected to put more pressure on Turkey to acquire Turkish ores.\footnote{Department of State , Division of Near Eastern Affairs, 8th July 1941, 867.24/162}

On the other hand, after the commercial agreement signed on 25\textsuperscript{th} June 1940, a Foreign Office memorandum expressed the importance of Turkey as an ally and the necessity to support her industry and military with necessary equipment so that the supply of chrome could be prevented and the pre-emptive purchasing would be much more easier. Concordantly, the Anglo-American Pre-Emptive Purchasing Program came in to life; an initiative of Winston Churchill, according to which, United Kingdom Commercial Corporation was going to buy strategically important goods. The aim of the program was to buy strategically important goods off the open market. The purchase of 1941 Turkish chrome production was part of this program and a total of 151,066 tons chrome was purchased by the British.\footnote{Medlicott, (1952), p. 610.} US joined this program in 1942 and established the United States Commercial Corporation(USCC)

According to the estimations of the allies, German War Industry was going to feel the chrome shortage in the early 1941. Figures of the ‘Reichswirtschaftsministerium’ was showing that German chrome stocks were going to exhaust in 1942. This coincided with the political pressure put by the Germany on the Turkish Government for the immediate supply of chrome to Germany. In addition to that, in early 1941, the German ambassador Franz von
Papen and Economy Attaché Carl Clodius took important steps towards ending the British chrome monopoly over Turkey.  

However, German chrome stocks did not exhaust in early 1942 as estimated by the British. In October 1941, Germany’s chrome position did not cause her serious concern. The low grade deposits in Yugoslavia, Bulgaria and Greece started to provide Germany sufficient low grade chrome for her requirements and she was lacking only high grade ores for which she was dependant to Turkey. Only in the second half of 1942 the German anxiety began, her stocks and the expected deliveries from Yugoslavia and Greece was proved to be insufficient to meet her needs during the first six months of 1943. Still her need for Turkish chrome was not immediate.

On the other hand, the Anglo-American position was different in comparison with the beginning of the war. By the year 1941, Great Britain was short of chrome to such an extent that she felt the necessity to borrow 25,000 tons from the United States, 7,500 tons of this was Turkish metallurgical chrome.

The American demands for chrome was increasing each passing day. The U.S. decision to increase chrome stocks prod the MEW into Action. U.S. was going to increase her chrome consumption in 1941, which was estimated to double the 1939 consumption reaching 250-300,000 tons or total 600,000 tons and the U.S. procurement division was building up a stock pile of at least 100,000 tons. Within this new strategy, U.S. regarded Turkey as a source of supply of outstanding importance. Thus, the United States defense situation would be affected if anything occurs that obstruct the delivery of 158,000 tons of Turkish chrome ore to U.S. which was sent by Great Britain from the Turkish resources. To achieve the goal, delivery of the Turkish chrome was necessary. The total Turkish output was approximately 180,000 tons per year, of which 85% i.e. 145,000 was metallurgical chrome of the type essential for the manufacture of automotive vehicles. For the period July 1st, 1941, to July 1st, 1942, America required a minimum of 120,000 tons of Turkish metallurgical chrome.

The Lend Lease Act was also approved on 11th March 1941. According to the act, the purchase by the Turkish Government in the United States of many materials and articles such as airplane spare parts, steel, leather, shell casings, fuses, caps, chemicals, tins, lubricating oil, ammunition of various sorts, the export of which would otherwise would not be allowed.

265 Papens notes for Herrn Reichsaussenminister 20th September 1941, R/901/68461
266 Department of State, Division of Near Eastern Affairs, 8th July 1941, 867.24/162
United States permitted even the exportation of tetraethyl lead essential for aviation fuel. This permission was given contrary to the firmly established contraband policy. All these events were showing the desperate situation US was getting into. In these circumstances it was expected to have higher prices for 1941. In view of the Lend-Lease aid and the liberal policy as to export licenses, Turkey was expected to facilitate the delivery of chrome to the US.\(^{267}\)

As a result of all these factors, the price offered by MEW increased to 120/− shillings for the 1941 production. On the other hand, Turkey demanded a higher price on the grounds of German pressure and increasing costs of production. She demanded the U.S. market price which was 141/− shillings per ton and some improvement to be made regarding the Turkish agricultural sales. Commercial secretary protested this demand and said that it was most unreasonable.\(^{268}\)

The price negotiations between Turkey and Great Britain for the 1942 chrome output which started in late 1940 ended in April 1941. The parties compromised at 128/− shillings per ton for both new output and stocks in hand. Turkey agreed to limit her production to 200,000 tons.\(^{269}\) There was 90,000 tons of chrome in the stocks and the 1941 output was estimated to be 160,000 so in 1941 there would be 250,000 tons of chrome for sale.

Besides the negotiations with Great Britain, Turkey was negotiating with Germany as well, despite the fact that there wasn’t much going on commercially. But with the treaty of 18 June 1941, each side made unspecified economic commitments to the other. Germany finally made use of the deteriorating relations between Turkey and Great Britain and signed three barter agreements with Turkey in June 1941 to a total value of 15,000,000 RM. With this treaty, Germany and Turkey made important economic commitments to each other. The transactions included Turkish tobacco to the value of 10,000,000 Turkish Lira in exchange for machinery engines and iron goods. A Bulgarian trade delegation for machinery was arriving in Istanbul.\(^{270}\)

Large scale orders were being placed in Germany by the Turks. These included equipment for sugar factories and railway bridges, 3 iron river bridges and 1000 goods wagons.\(^{271}\) Such trade agreements were increasing the economic influence of Germany over Turkey. Chrome was not part of an agreement yet but Great Britain had reasons to believe that there could be a secret chrome agreement signed involving the selling of chrome or Turkey.

\(^{267}\) The Secretary of State to the Ambassador in Turkey, 17th May 1941, FRUS Volume III, p936

\(^{268}\) Foreign Office to Treasury, 4th July 1940, FO/837/1023

\(^{269}\) Memorandum of Ministry of Economic Warfare, 13 April 1942, FO/371/22248


\(^{271}\) Turkey, Weekly Notes, 16th June 1941, FO/837/1023
could have promised Germany not to extend the Turkish-British-French chrome agreement for another year after 8th of January 1942. In deed Turkey had the right to do this as the original chrome agreement was stating that chrome agreement could be renewed if either Turkey or France and England agreed to do so.

By the mid 1941, Turkish government and military was not satisfied with the British arms supplies and was eager to make a new contract with the Germans for war materials. Accordingly, Turkish Government was more demanding during the negotiations with the British for the 1942 chrome output. Saraçoğlu told the British Ambassador that, while he was quite willing to renew the agreement, he wished to reserve chrome for exporting to Europe. Hugessen, replied that he supposed no chrome reserved in the manner proposed would be destined for Germany. The Minister of Foreign Affairs replied that if Germany supplied a cruiser or some destroyers or submarines or something equally important it would be worth it to give her some chrome. Hugessen said that entire object of the agreement had been to ensure that no chrome went to Germany. Saraçoğlu argued that, having agreed to negotiate a commercial treaty with Germany, it would create a serious situation if he refused, to consider possible supply of any chrome then Hugessen reminded him that both he and Secretary General had repeatedly assured to Great Britain that no chrome would be sent to Germany. Saraçoğlu uttered that negotiations became meaningless. He said the only thing his government wanted was a good reason to support a refusal of chrome to Germany. Hugessen concluded by emphasizing that Great Britain regarded the chrome agreement as touchstone of the Turkish attitude towards Germany. Although the conversation ended with a disagreement, Hugessen believed that he shall continue to press Saraçoğlu on the matter of chrome.

Reactions to the Minister’s proposal were various. British Foreign Secretary Anthony Eden, wrote to Hugessen that the Minister would understand public opinion in the U.S. He would therefore know that chrome had become the touchstone of Turkey’s good faith towards the Anglo-Turkish alliance. The Turkish Government might regard it as exaggerated that a small quantity of chrome should loom so large, but I had no doubt of the view public opinion would take. After all, what was this chrome to be used for? To make munitions of war to kill our soldiers.

At this point Turkish attitude to allow only 7,000 tons of chrome could be interpreted as the good will of Turkey to carry on her normal relations with the allies after all the delays

---

272 Medlicott,(1952), p.239.
273 Ankara to Foreign Office, 24 August 1941, FO/837/1030
274 Ankara to Foreign Office, 24 August 1941, FO/837/1030
and misunderstandings. Turkey’s position was juridically just, due to the fact that with the occupation of France, Germany she now had the right to get 4/15 of the chrome which Turkey was supposed to be delivering every year according to the agreement. It is against the law to make bilateral agreement consisting only Great Britain when there is a multilateral one. If Turkish aim was to wriggle out from the agreement, he would probably do this in a more straight way. On the other hand German technique of starting with small and apparently innocent demands as a preliminary to something much more serious and far-reaching was a fact that could not be ignored.

By the autumn of 1941 Allied purchases of chrome became more than a merely preemptive affair. There was a rise in the U.S. demands both for stocks and consumption and little prospect that supplies from normal channels would be capable of expansion. On the other hand, due to the exhaustion of chrome stocks, Germany increased political pressure on Turkey for the chrome supply at the end of which she finally managed to get chrome from Turkey.275

With the loss of the Philippines the American chrome position was extremely serious. The Americans approached to the British on the subject and Great Britain agreed to sell the Americans, 100,000 tons at 21 Dollar per ton. American consumption of metallurgical ore, which had been 230,000 tons in 1940, was estimated at 370,000 tons, in 1941 and over 400,000 tons in 1942. Enquiries showed that it was impossible to increase U.S. supplies from the British sources. Great Britain agreed accordingly to sell to the U.S. further 58,516 tons of Turkish chrome at $22 per ton.276 100,000 tons chrome left Turkey and was on the way to the U.S. by the end of November 1941.277 Turkey refused the sale of Turkish chrome by Great Britain to United States.278 U.S. Treasury and the Metals Reserve Company had agreements with the British Ministry of Economic Warfare to buy 158.316 tons of Turkish chrome of which 50,000 tons have been delivered before 17th May 1941. During an interview with American diplomat Kelley, Menemencioğlu said that for the chrome above ground(mined) he would prefer to work out an arrangement for the sale of this chrome directly to the United States by the Turkish Government.279 But as a result of both U.S. and British pressure,

275 Papen to Ribbentrop, BA 09.01/68461, 20 September 1941.
276 Memorandum of Ministry of Economic Warfare, 13 April 1942, FO/371/22248
277 Memorandum of Ministry of Economic Warfare, 13 April 1942, FO/371/22248
278 The Secretary of State to the Ambassador in Turkey(MacMurray), September 21, 1940, FRUS vol. III,p.951
279 The Charge in Turkey(Kelley) to the Secretary of State, 25th September 1940, FRUS Vol.III p.952
Turkish Government gave her consent to the resale of Turkish chrome to U.S. by Great Britain. 280

Ankara witnessed a two weeks diplomacy in the autumn of 1941 when a German delegation under Dr. Clodius arrived in Ankara to negotiate a Turkish-German commercial treaty. Dr. Clodius pressed for Turkish chrome after January 8th, 1942, when the original Anglo-French-Turkish Agreement of 1940 was due to terminate. Papen claimed that equality should be sustained between Germany and the Allies. Emphasizing that the Turkish chrome agreement with the Allies was expiring, Papen demanded from the Turkish authorities the delivery of chrome to Germany before 1943. According to him, Neutral Turkey should sell chrome to Germany, he said that Turkey was selling chrome to Great Britain since October 1939, since then Germany got no chrome from Turkey. Papen insisted that better trade relations should be pursued independently of Turkish chrome deliveries, in contrast with Clodius who opposed to the supply of German war materials to Turkey if Turkish government was not persuaded to deliver chrome before 1943. 281

Despite the Turkish denials, intelligence reports were saying that chrome was going to be included in the new Turkish-German commercial treaty. Counter pressure was exercised by Hugessen, who persuaded Turkey to admit The British side her right under the Agreement of 1940 to an extension on the same terms till January 8th 1943. Mr. Eden during an interview with the Turkish Ambassador on the 23rd September emphasized the importance attached to chrome by the British Government, this interview was very influential on the decision to extend the chrome agreement another year. 282 Negotiations between Turkey and Great Britain for the extension of the chrome agreement for one more year was finalized and the chrome agreement and British chrome monopoly was extended until 8th January 1943. 283 Besides extending the chrome agreement for another year, Turkey also accepted to limit her production to 250,000 tons a year. Medlicott argues that this was the most successful pre-emptive purchase yet made by the ministry; it was believed that by 1942 the German shortage of chrome would have become sufficiently critical to affect even the manufacture of gun steel. 284

---

280 MacMurray to the Secretary of State, 15th October 1940, FRUS Vol.III , p.957
281 Medlicott,(1952), p. 239.
282 Ibid, p.239.
284 Medlicott, (1952), p. 239.
One day after the agreement, Papen talked with Menemencioğlu and asked about the details of the agreement. Menemencioğlu replied that Turkish Government was satisfied with the British deliveries and there was no reason not to renew the agreement. British deliveries of war materials were arriving on time. 50 British cannons have already arrived to Turkey, besides those 100 fighters are located in Alexandretta. On the other hand Berlin’s reluctance to deliver medium and long range cannons was effective on Turkish decision. Supply of chrome and other Turkish goods were totally different cases; chrome was going to be supplied in return for war materials. Two days after this conversation, Germany, as a good will gesture gave permits for the delivery of cannons waiting in Germany. Menemencioğlu extended his governments thanks to Clodius for the permit given for the delivery of the Cannons. Clodius replied that this should be seen as a sign of trust between two governments for the signing of a chrome agreement for 1943. Germany strategy was to keep the bilateral relations with Turkey alive and to guarantee at least chrome delivery for 1943.

On 9th October 1941 Turkey accepted to deliver chrome to Germany, with the agreement Germany was going to get 45.000 tons chrome from 8th January to 31st March 1943. A secret agreement was also concluded with Germany the same day which was to come into effect only after March 31, 1943, and only on condition that Germany first delivers Turkey war material to the value of 18 million TL. According to this agreement 45.000 tons of chrome was going to be delivered to Germany beginning from the 8th January 1943 another 45.000 tons was going to be delivered beginning from 31st March 1943, and another 90.000 until the end of 1944, making a total of 180,000 tons for the two years 1943 and 1944. This further agreement was conditional, upon the delivery to Turkey of all war materials stipulated in the Clodius Agreement. Despite the fact that the denial of Turkish chrome to Germany was guaranteed for the year 1942, with this agreement Germany was guaranteeing the delivery of chrome for 1943 and 1944.

After the signing of the Clodius Agreement, the British side accelerated supply of war materials in the last months of 1941. The deliveries reached its highest level since the beginning of the war. The British MEW and Foreign Office, who previously acted slowly regarding the supply of materials to Turkey, accelerated the deliveries and even found new

285 Papen to Reichsasussenministerium, 24th September 1941, R901 68461
286 Clodius to Reichsasussenministerium, 25 Sept 41, R901 68461
288 Memorandum of Ministry of Economic Warfare, 13 April 1942, FO/371/22248
safe delivery routes for the war material going to Turkey. These routes were previously not used and started to be used at a time when British chrome monopoly was over.

Germany, under the Clodius Agreement, was to acquire 90,000 tons of chrome in 1943, after the expiry on the 8th January 1943 of the British chrome agreement. Delivery was, however, dependent on the supply by Germany and arrival in Turkey of certain armaments. Turkey, while signing the trade agreement on the 9th October 1941 with Germany, on the other hand was saying to the Germans that due to her obligations to the British, she could not deliver any chrome to Germany until 8th January 1943. At first the Germans were responding to the Turks by arguing that it was against the spirit of the Turkish-German Treaty and would have to draw the necessary conclusions. Answer of the Minister of Foreign Affairs was that if German Government took this line, it would be clear that they had undertaken the present negotiations entirely for political purposes. Germany was demanding the delivery of chrome immediately, not after 8th January 1943 but The Minister of Foreign Affairs was assuring the British Ambassador that Germany would get no chrome during the life-time of the chrome agreement which was ending in January 1943. 289 Menemencioğlu declared that Turkey was bound to Great Britain and that Great Britain was delivering goods punctually and in increasing quantities. Finally the German ambassador and the German delegation expressed the view that Turks were entirely justified in their attitude and undertook to advise the German Government to accept the position. It was however, obvious that the German military authorities were making difficulties. In spite of all these developments, neither the Turkish side nor the Germans were having hostile or aggressive intentions against the other and the Turkish-German Treaty was running properly. The Turkish Minister of Foreign Affairs commented that he thought this declaration was required in order to reassure German public opinion which would no doubt think that Turkish refusal of chrome meant the abandonment of the recent Turkish policy and a definite turn towards British. 290

Finally Germany accepted the delivery of chrome to start after 8th January, on condition that the Turkish Government agrees to give them in 1943 and 1944 half of their total chrome production and at least 150,000 tons. In addition to that the two governments would conclude an agreement regarding supply of Turkish chrome to Germany up to December 31st 1943. The basis of such Agreement would be the power for Germany to buy at least 150,000 tons of chrome per year. German quid pro quo to be provided in the Agreement.

---

289 British Embassy, Ankara to Foreign Office, 3rd October 1941, FO/371/30081
290 British Embassy, Ankara to Foreign Office, 4th October 1941, FO/837/3081
was mentioned as: “As from now the two parties agree that the quid pro quo will include goods of special interest to the Turkish Government, i.e. in the first place also war materials of a kind corresponding to those allocated by Germany to Turkey in accordance with the above mentioned agreement”. On the other hand The Minister of Foreign Affairs put a condition to the agreement in the last minute. According to the condition Turkey will be giving Germany both in 1943 and 1944, 50% of the total production (at least 100,000 tons of chrome) provided that all war materials (value of 18,000,000 Turkish Liras) included in the present Agreement should have been delivered. That if these deliveries were made, chrome would be as proposed in the first sentence of this paragraph, that Germany agreed to hustle such war materials as agreed upon between the two parties.291

A new chrome agreement was signed on the 23rd June 1942 between Turkey and Great Britain regarding the 1943 chrome sales according to which, Turkey was undertaking to sell to Great Britain during 1943 from mines at Guleman and in the region Fethiye the following quantities of chrome ore; 50,000 tons lumpy or concentrates of 48% or over, 20,000 tons 44 to 47 %, 20,000 tons 40 to 45. Turkey was undertaking to deliver these quantities to ports of İçel or Alexandretta within the following dates.

- 20,000 tons my March 31st 1943
- 30,000 tons by June 30th 1943
- 30,000 tons by September 30th 1943
- 10,000 tons by December 31st 1943292

This was considered as the renewal of the agreement except 90,000 tons chrome were given to Germany between January and April.

As a consequence of the increasing chrome ore import from the Balkan states and the increasing stocks in 1942, German chrome position was good enough that German High Commissars discussed whether the importation of the Turkish chrome was by all means necessary by the end of 1942. Reichs-Wirtschaftsministerium reported in October 1942 that the German chrome demand was 3120 tons/month and the delivery of chrome from the Balkans was 3200 tons/month and Germany has stocks enough for 7-8 months. Therefore it was instructed not to import any chrome from Turkey instead it should be inspected whether or not attention should be canalized to some other places to guarantee their delivery such as

291 British Embassy, Ankara to Foreign Office, 3rd October 1941, FO/371/30081
292 Ankara to Ministry of Economic Warfare, 23rd June 1942, FO/837/1039
wolfram from Spain and Portugal. After this report a meeting took place between the director and the manager of the ferro alloys department. Manager argued that it was necessary to delivery high quality chrome ore from Turkey which was the scarcest of all and found in Turkey. On the other hand director claimed that this kind of chrome could be acquired from Albania. At the end it was decided that Turkish high grade chrome should be attained at any cost.

On the other hand, the prohibition of chrome steels for gun forging act was laid down in Germany with an order issued on November 17th 1942 by the German High Command in conjunction with the Reich Minister for Armaments and Munitions, and the Special Munitions Committee of the Technical Section for alloy steels. In an attached report detailed analysis of the substitute steels were given, and warning of the tempering difficulties likely to be encountered in working the new steels. Steelworks were requested to make returns as soon as possible of the quantities of chrome set free as a result of this regulation, which appeared to be important confirmatory evidence of Germany’s chrome shortage. Occupation of French North Africa had increased Axis dependence on supplies from the remaining neutral countries and acquiring Turkish chrome became more important than ever for Germany, just as the denial of it was for the Allies.

The Turkish and German negotiations regarding the 1943 chrome sales to Germany started in Berlin under these circumstances on 12th September 1942. The Germans wanted all deliveries under credit agreement of 9th October 1941 to be paid with chrome. Turkish Government refused this demand but agreed to part payment in chrome, about 25% and by other Turkish commodities such as copper, oil seeds, hazelnuts, tobacco etc. The credit of 100,000,000 marks Reich was payable in 10 years but German deliveries of military equipment was to be effected within six months. The Turkish side rejected the German request for a contingent of 50,000 tons chrome between 1945-1952.

As soon as the Germans signed the price contract for the 1943 chrome and left Ankara, British sat on the table for a new chrome contract with Turkey. In the new contract British were going to be asked to pay the same price with the Germans, which was 270/- shillings per

293 Vermerk über die Chrome versorgung der deutschen Rüstungs-und Kriegswirtschaft vom 21.10.1942, p.1, RWM, NA: T 84, 84, 1373398
294 Vermerk über die Chrome versorgung der deutschen Rüstungs-und Kriegswirtschaft vom 21.10.1942, p.1, RWM, NA: T 84, 84, 1373398
295 Ankara to Foreign Office, 5th February 1943, FO/371/37461
296 Ripken Notes, 5th September 1942, Ha Pol 5223/42
297 Aufzeichnung über den gegenwärtigen Stand der Verhandlungen über den 100 Millionen RM-Rüstungskredit an der Türkei, 5th September 1942. R/106275
ton. Although this price was much higher than what British were paying for the chrome in 1942, it was going to be very difficult and more over against political interests for the British to refuse paying this price. In addition to that it was to the advantage of Eti Bank and the producers to deliver Germany rather than Great Britain. Great Britain was losing the Economic War to Germany. According to Hugessen, Great Britain had no other option than paying the same price that Germany was offering. This, he was seeing as to ‘meet them on their own ground, and this could best be done by offering the same prices that The Germans offer’ Only this way could the mine owners and Eti Bank be persuaded for the delivery of chrome to Great Britain rather than Germany. It was very easy for the Turkish producers sheltering behind the Turkish Government, to make false declarations or to delay making of the necessary declarations of ore already mined. Furthermore the producers could deliberately go slowly on mining in order to avoid having to sell the British at the price offered by Great Britain and to enable themselves to be able to sell at the German price as soon as the contract with Great Britain expired on January the 8th 1943. In order to prevent this, Great Britain decided to pay the German price for all new chrome provided all stocks in hand were declared to them.  

On 31st December 1942, Turkey and Germany signed a credit agreement for the delivery of 100,000,000 RM of up to date war material which were the same as the ones Germany used during the World War II. 40% of the agreement was undertaken by the German firms like Focke-Wulf, Krupp, Rheinmetall and Daimler-Benz. According to the agreement, Turkey was going to get 136 Million Reichs Mark of war material by the end of March 1943, and Germany becomes entitled to 45,000 tons of chrome by the end of 1943.

After Turkey agreed to sell Germany 90,000 tons of chrome in 1943, the further action, which the British took, was taking as much chrome as possible for themselves and, to leave as little as possible for the Germans. This was largely limited to efficient and speedy evacuation of every available ton of chrome. Another plan was to contract forward for the better grades of chrome in 1942 so that the Germans get the least satisfactory material.

Production of Turkish high grade chrome ore suitable for military industry was only about 100,000 tons a year in 1943. But in the case of Germany implementing the Clodius agreement and Turkey delivering 90,000 tons of such high grade ore to Germany in 1943 there would be practically none for Great Britain. Therefore Great Britain would be forced to

---

298 Hugessen to Foreign Office, 24th September 1942, FO/371/33349
300 Turkey Chrome, 15th October 1941, FO/837/1032
buy the low grade ore. The British Foreign Office did not want to enter into any agreement under which they could be forced to buy only low grade ore hardly worth shipping, for which they should have to pay an excessive price.  

From the signing of the Chrome agreement with Germany for the 1943 production onwards, it became important to clear all the chrome that lay in Turkey. Allies were entitled to all the chrome on the surface until 8th January 1943 but the Mine owners were behaving reluctant to offer their production with the expectations of higher prices in 1943. In order to prevent this, U.S. government authorized her representative at Angora to offer any price up to 270/- a ton for ore above ground plus ore mined between the 28th September, 1942 and January 8th, 1943, provided that Turkey agreed to co-operate fully and effectively provided that every single ton of ore above ground by January 8th, 1943, to be declared and sold to the Allies and every facility to be given for inspecting and supervising etc, and finally assurances are given of continuing effective co-operation in the movement of ore to accessible ports and removal of ore from those ports. U.S. representatives were further instructed that they could outbid the Germans by offering 300/- a ton.  

It is known from the statistics that German chrome ore stocks until December 1944 were every month much bigger than the amount monthly imported from Turkey. In December 1944, German chrome stock was 29,769 tons, according to Jaeger, this amount was enough for covering Germany’s chrome ore needs for 15 more months and the cessation of Turkish chrome ore deliveries had an effect of shortening the sufficiency of the German chrome stocks only for 7 months. According to his conclusion, Germany could have discontinued getting chrome from Turkey, without having an effect upon the arm production. However, estimations of German chrome stocks missed the mark. On the one hand chrome deliveries expected in 1943 from Albania arrived but the delivery was less than the expected. Despite the chrome deliveries from Turkey in 1943, German ferrochrome stocks sunk further and in early 1944 it was only 3946 tons which could cover the demand for another month. One reason for the decline in German ferro-chrome stocks was the shortage of electro furnace used for producing ferrochrome. This problem was realized very late and additional electro furnaces were constructed first in mid 1943 and later in February 1944.

301 Ministry of Economic Warfare to Ankara, 9th June 1942, FO/837/1039
302 Foreign Office Minute, 29th September 1942, FO/371/6310
Nevertheless dependency on the Turkish chrome was not diminishing. It was impossible to produce carbon-rich ferro-chrome using the low grade ore coming from the Balkans. Without the high-grade chrome deliveries from Turkey, ferro-chrome sector in Germany would have been in trouble.

According to the Clodius agreement, Turkey promised to send 45,000 tons of chromite between 15th January and 31st March 1943 provided that the Germans delivered 55,000,000 TL worth of goods which were mentioned in List 1A of the Clodius agreement. Next, if Germany delivers 18,000,000 TL war materials until 31st March 1943, then she could be entitled to another 45,000 tons of chrome for the rest of 1943 and 90,000 tons for 1944. Turkish Foreign Minister was telling to Hugessen that he did not believe that Germany would deliver the 18,000,000 RM worth armaments on time and unless the deliveries reach Turkey on time, Turkey would not start the delivery of the 135,000 tons of chrome. 304

Chrome deliveries to Germany started on 8th January 1943. During the first quarter of 1943 only 400 tons of chrome was sent from Turkey to Germany and this consignment was subsequently diverted. This number rose to 10,000 in May 1943, both by rail and sea, and by routes those were said to be not workable. 305

Although Germany supposed to receive 45,000 tons of chrome between January 15th and March 31th 1943, the amount she received until September was only 23,000. This was result of the partial delivery of the war materials which Germany supposed to deliver under the Clodius Agreement. Germany had to deliver 18,000,000 TL of war materials to Turkey as a prerequisite for the Turkish side to deliver chrome to Turkey. She only delivered 2,500,000 TL amount of war material in February 1943. Late arrival of the arms led to a delay on the date of the second chrome agreement which was signed on 22th October 1943. 306

Chrome purchase contract for 1943 surplus was signed between Turkey and Great Britain on 16th April. According to the contract; from January 8th 1943 to December 1st 1944 all quantities of chrome not deliverable to Germany would be sold to Great Britain in virtue of the agreement existing on December 11, 1942. Maximum quantity was going to be 45,000 tons. Turkey was obliged to cooperate in an efficient manner in the transport of the ore to accessible ports at a rate defined in October 9th 1941 to be modified at the end of 1943. Turkey undertook to remit when necessary to the purchaser declarations indicating quantities,

305 Ministry of Supply to Ministry of Economic Warfare, 4th June 1943, FO/837/1053
and the situation of ores, which may eventually be placed at the disposal of Great Britain. With this agreement Great Britain lost the chance to induce Turkey to give Great Britain pari passu treatment on the delivery of chrome. Neither could the British get a written assurance that chrome would not be reserved for the Germans against future deliveries of armaments. Price for chrome was 270 sterling (70.30 TL) per ton for 48%.

By the end of 1943 the amount of chrome delivered to Germany reached very high amounts. Great Britain pursued in the last months of 1943 a more aggressive policy towards Turkey when the tide of the war changed in favor of Allies by the rapid advance of the Russian armies towards Germany and Allies asked Turkey to cut off the supplies of manufactured copper, cotton goods, raw wool, quinine and atebrine to Germany. Great Britain threatened with further sanctions unless Turkey behaved better over her trade relations with Germany. Moreover Great Britain had sent Turkey none of the food supplies that she exported the previous year. Allied Powers were preparing to put serious pressure on Turkey to persuade her for the cessation of chrome deliveries to Germany. Besides that, there was a quite large influential Turkish opinion for the severance of Turkish-German economic relations provided that Allied Powers gave the assistance Turkey would otherwise have obtained from Germany. Meanwhile Turkish government was passing the Allied demands off by postponing certain decisions or alleging excuses.

By the early 1944, Great Britain was concerned with the growing discrepancy between deliveries of chrome to accessible ports for Germany and Great Britain. Allies got furious as a result of the excessive increase in the deliveries of chrome from Turkey to Germany during the last months of 1943 and the first few months of 1944, and the decrease in the movement of the Turkish chrome destined for the Allies. Furthermore, although she was entitled to the half of the chrome produced in 1943 and had right to claim pari passu treatment, Great Britain got far less than Germany. On the other hand German arm deliveries were behind the schedule. Turkey had the chance to refuse further supplies if she wished to do so. Instead she signed a new Turkish-German trade agreement on 18th April 1943, moreover, the chrome provisions of the Clodius agreement were extended to 31st December 1943 giving the Germans an additional nine months to make the deliveries on which chrome allotments would be based. Meanwhile questions and objections of the Allied representatives regarding this issue were evaded by saying that every effort would be made to impede the transportation of

307 American Embassy Ankara to Steinhardt, 17th April 1943 867.6359 CHROME/10
308 Eden to Churchill, 26th April 1944, PREMIER 34472
Chrome ore from the mines to Germany. However, until October 1943, Germany delivered all of the 100,000,000 RM worth war material. In return Turkey delivered by 31st October 1943, approximately 30,700 tons to Germany, and by the end of the year, 46,783 tons was gone to Germany. The rate of delivery which had averaged 3,000 tons during the first nine months, was reaching 7,800 tons in November and 8,100 in December.\(^{309}\)

| Chrome Deliveries since October 25th 1943\(^{310}\) |
|-----------------|-----------------|-----------------|
| **Month**       | **For Great Britain** | **For Germany** |
| November        | 1,800            | 5,181           |
| December        | 102              | 6,926           |
| January         | nil              | 11,924          |
| February        | 351              | 6,752           |
| **Total**       | **2,253**        | **30,173**      |

During the spring of 1944 Great Britain decided to take very serious actions and applying sanctions unless Turkey immediately ceases the chrome deliveries to Germany. In March 1944, Great Britain and United States discussed in detail the blockade measures against Turkey. According to Great Britain, Turkish trade with Axis was condoned in the past on the ground that Turkey was getting from Germany goods which the United Nations were not in a position to supply. However, current policy of Turkey towards Germany laid a moral platform which permitted the adoption of a ‘tough’ blockade policy towards Turkey.\(^{311}\)

On the 4th April 1944, the British and the Americans reduced the lend-lease deliveries to a trickle and deprived Turkey of virtually all imported oil. The İnönü government was advised that this decision would be reconsidered if Turkey stopped shipping chrome to the Germans and opened her bases to Allied aircraft. As a result of these measures, panic gripped the whole country; people began to hoard food.\(^{312}\)

The Turkish Government could no more resist the diplomatic pressure of the Allies, on the other Allied victory was a matter of time and Turkey had to act swift if she would like

---

\(^{309}\) Medlicott,(1952) pp.530-531.  
\(^{310}\) Hugessen to Foreign Office, 23rd March 1944, FO/195/2566  
\(^{312}\) Hugessen to Foreign Office, 5th April 1944, FO/371/7/44
to take place in the peace negotiations and be part of the new world order. The Turkish Parliament, on 14th April 1944, announced that, beginning from the 14th of April by means of administrative delays he will reduce chrome deliveries to Germany to 4200 per month as against average 7000 tons delivered since November 1943. In addition, it also increase deliveries to Great Britain to 9000 tons.\textsuperscript{313} Turkey’s maneuver was not enough for the allies who wanted the immediate cessation of all chrome deliveries to Germany.

On 20th April 1944, at the conclusion of a lengthy address to the Grand National Assembly on the subject of chrome, the Minister of Foreign Affairs announced to Parliament the Government’s decision to cease all shipments of chrome to Germany and other Axis countries as of 7 pm 21st April.

Germany was left entirely dependent for chrome on supplies from Yugoslavia, Albania and Greece. The Yugoslav mines, which were the most important, were almost all within a short distance of Skopje. Germany concentrated on getting chrome from these mines. Their loss after the loss of Turkish chrome could within a few months cause a catastrophic reduction in supplies of alloy steels for armaments.\textsuperscript{314} Chrome deliveries to Germany from the occupied Balkan countries also ceased in the summer/autumn of 1944. Germany’s chrome position was getting worse. Stocks were melting day by day, new measures were on the way. Owing to the damages created by the Allied bombings in the end of 1944, German arm production sunk. Concordantly sunk the chrome demand of Germany.\textsuperscript{315} One of them was to limit the use of chrome for chemical purposes. Speer reported to Hitler in September 1944 that “Chrome is a very important part of producing precious metals therefore In support of using the chrome in metallurgical purposes, the consumption of chrome for chemical purposes is restricted to a great extend.”\textsuperscript{316} The declining chrome stocks in 1943, increased substantially during 1944. The reason for that was the deliveries from the Balkans and Turkey. The Reichsminister Speer reported to Hitler in 5. September 1943 that the existing chrome stocks would last for 10 months after the if deliveries from Balkans cease. The production would therefore continue until January 1, 1946 in such a case.\textsuperscript{317}

In 1944, as a result of the loss of raw-material supplies, Germany was unable to carry on the making of alloy steels at the 1943 rate; and to maintain his highest priority classes-

\begin{footnotes}
\item Hugessen to Washington, 8th April, 1944, FO/195/2567
\item Ministry of Intelligence Weekly, FO/195/25661
\item A.Speer, Denkschrift Metalle from 5.9. 1944, p. 5, BA: R3/1525
\item A.Speer, Denkschrift Metalle from 5.9. 1944, p. 5, BA: R3/1525
\end{footnotes}
aircraft, tanks, guns, etc.- it was necessary for him to accept a reduction in the quantities of such special steels as have been consumed by the chemical industry. The latter part of the year supply decrease, owing to the exhaustion of the relatively small stocks of manganese obtained from Nikopol, so that a situation towards the end of the year in which the most drastic reductions and even final elimination of the production of the corrosion resistant group of high-chromium alloy steels inflicted a heavy blow to the German War Economy.

On the 15th of May, a party of ten Germans arrived in İzmir on the Turkish steamer Ege, coming from İstanbul, that they met by the German Consul General and departed with him in an automobile for Fethiye where the major chrome mines were located. British were suspicious of these Germans believing that they were there either to sabotage British shipments of chrome or setting some kind of an organization of their own for getting chrome out of Turkey surreptitiously. There were rumors saying that Turkey intended to continue shipping and supply chrome to Germany clandestinely in İstanbul. Besides that Italian sources were reporting that in May and June Turkish chrome was passing through Soufli (Sicily) en route to Germany and that 150 wagons of ore a week were arriving in Salonica from direction of Alexandroupolis. These sums were believed to be coming from Turkey. There were also reports of smuggling of small quantities of chrome from Turkish ports of Alexandroupolis.

United States offered economic assistance if Turkey cut off all economic relations with Germany. On 20th May the Turkish Government responded that it could not sever economic relations with Germany but would stop chrome deliveries to other Axis countries.

Up to 30th November, 1943, 281.232 tons of chrome ore were declared by the Eti Bank as having been shipped from Turkey, but of this amount only 262.440 tons have arrived in the United States. The loss was about 18.885 tons. It is possible that the Germans might have made a clandestine arrangement with the masters of the vessels to off-load some of the ore at one of the German occupied islands on the route. By this means they would have acquired chrome for movement to Germany in addition to the Clodius amounts.
3.2.4. Allied Economic Warfare Plans in The Case of a German Invasion of Turkey

After the occupation of the South East European countries by the German military, the general opinion in the diplomatic and military circles was that Germany would occupy Turkish territories next. Turkey was dominating some of the most strategic waterways and overland routes between Europe, Asia and Africa. Germany could occupy Turkey and further march to the East and challenge the British control in the Middle East. Both the British and the Americans were desperate in this respect regarding the Chrome pre-emption issue. Even if Turkey was persuaded not to sell chrome to Germany, there was still the possibility of a German invasion. In that case most of the Turkish chrome resources would fall in to the hands of the Germans meaning the loss of Economic Warfare. Later on when the Operation Barbarossa started, Turkey’s occupation was off the agenda. Although there was a possibility of German invasion of Turkey during and after the Operation Barbarossa, it was not likely to happen. First of all Germany could not make the very substantial forces necessary for an invasion of Turkey due to the ongoing campaign in Russia and this campaign estimated not to end before the summer of 1943. If Germany was compelled to invade Turkey while her chrome stocks were exhausted, this would be strategically a failure. Because the chrome reserves available in Fethiye were nearly exhausted and expected to close down its operations some time during 1943. Besides that Allies were planning to blow the Dagh Ardi and Fethiye concentrating plants and destroy the ropeway from Guleman to Ergani and if these steps were taken, the quantity which The Germans could transport to Germany would be negligible.

According to the allied estimations, if Germany would invade Turkey for military reasons or because she wanted chrome ore, one third of the Turkish output together with stocks would fall into the German hands almost at once when she crosses into the Asia minor. A further one third would fall into her possession if she reaches Fethiye in the South West. In such an event the British would be largely cut off from the Turkish chrome supply.

In the case of a German invasion of Turkey, there wasn’t much to do for the Allies, other than detonating the chrome mines. However, there wasn’t any resistance organization in Turkey like the anti-fascist Partisans in Yugoslavia, who would be used to attack the chrome mines in the case of a German invasion of Turkey. British Embassy therefore asked for an

---

321 Rich, Norman, Hitler’s War Aims: The Establishment of the New Order, Andre Deutsch Limited, 1974 p.21
322 FO/837/1049
323 Foreign Office to Washington, October 1941, FO/837/1032
allowance from London for the preparation of Special Operations Executive (SOE) forces in Turkey which would form carry out sabotages with small stocks of explosives and devices.  \(^{324}\)

### 3.2.5. Important Factors Affecting the Allied Economic Warfare

#### 3.2.5.1. The Turkish Policy of Neutrality and Though Bargaining Strategy Regarding the Chrome Sales

The most important factor shaping the foreign policy of Turkey during the war years was the preservation of firstly the non-belligerency and then if possible neutrality. It was a hard task to preserve the neutrality in a situation in which only five countries in Europe were left neutral and the rights of the neutrals were rarely respected. World War II started for Turkey under uncertainties which continued until 1941. During the mid 1941 Turkey managed to find a balance between the two belligerent parties, and enjoyed the privilege of trading with both belligerent and exploited this situation until the mid 1944. What made the Turkish government eligible for the implementation of such a policy was, beside various other reason, the possession of Chrome ore. If one looks at the few characteristics they have in common, one of the most determinant feature is that they all posses a valuable ore.

Turkish diplomats and statesmen left their mark on the Second World War. Some of their decisions were quiet decisive on the destiny of the war. The common characteristic of the Turkish Diplomats was all being tough bargainers who sustained their tough bargaining policy until the very end and if one looks at the great picture, he or she sees that Turkish Foreign Policy of World War II was victorious. Turkey stayed away from the physical damages of the war more than any other country, she found herself in an important position at the end of the war which she enjoyed until the end of the cold war. It means Turkey wasn’t punished for trading with Germany at the end. Country’s budget was better than most of the countries at the end of the war. This was a great achievement, as all the other countries at the end of the war confronted with great budget deficits.

During the first year of the war in which Turkish stand was more a non-belligerent ally of the Allies than a neutral, the Turkish diplomats negotiated with their British counterparts for various aspects including the price of chrome. Chrome agreement was one of the highest priority issues for the Allies from the point of view of the economic warfare. Its successful

\(^{324}\) Selborne to Eden, 19\(^{th}\) April 1944, Premier 3 447 8
conclusion meant the denial of supplies of chrome to Germany which in turn would hamper Germany’s war effort and would lead to an earlier victory of the Allies. The importance of this matter made it possible for Turkey to impose very stiff terms. However, the tough bargaining strategy of the Turkish Statesmen didn’t bring anything to the Turkish side than the prolonging of the negotiations. After Turkey stopped selling chrome to Germany, Great Britain was left as the only buyer in the Market. Accordingly the British side behaved reluctantly and led to the slowing down of the negotiations.

The negotiator of the Turkish side, Numan Menemencioğlu was a tough bargainer who always resisted to the pressure coming from the foreign diplomats. Von Papen describes Menemencioğlu as a patient man with extra ordinary talent.\(^\text{325}\) He was able to leave the table with the most he can get. He was demanding 20 pieces of something when the allies were offering 10. For instance when the Allies were offering the Turkish side 100 anti-tank guns, Menemencioğlu was asking for at least 200, his attitude was often criticized by the British and French side for not being within the limits of the diplomatic etiquette. Partly due to his attitude and partly for some other reasons, the negotiations were coming to a standstill and in order to carry the negotiation further, the allies were desperately complying with his demands. On the other hand they were not hesitating to accuse Menemencioğlu of adopting ‘oriental stupid methods’.\(^\text{326}\)

Menemencioğlu represented the Turkish Government in almost all the chrome negotiations. For instance during the negotiations for the chrome purchase contract, Menemencioğlu insisted on various points, on all of which he obtained concessions. These were: the fixing of a notional figure of 50,000 tons for stocks of chrome available in Turkey at the date of the agreement; the withdrawal of the French proposals for prices and terms of payment for their purchases of chrome; the insertion of a provision that British and French purchases of chrome should be in the fixed proportions of 11:4; the prohibition of re-exportation of chrome and raisins bought under the agreements, except that chrome can be re-exported between Great Britain and France and that such part of the raisins as are bought under the service of the loans can be re-exported between Great Britain and France, to troops Overseas and to refugees.\(^\text{327}\)

He used the Germany card against the Allied negotiators in almost every occasion. Once, Menemencioğlu told the negotiator of the Allies Mr. Cross on 20\(^{th}\) November 1939 that

\(^{325}\) Von Papen,(1952), p. 510  
\(^{326}\) Cipher telegraph, 27\(^{th}\) December 1939, FO/837/1004  
\(^{327}\) Chrome Negotiations in Paris, December 1939-January 1940, FO/837/1006
The Germans were offering to supply Turkey with the arms which she badly needed but were refusing to accept payment in Turkish produce unless this included 150,000 tons of chrome, and he was adding that they were thinking of accepting only the delivery of 50,000 tons.

Menemencioğlu was out to make the most of the situation. While negotiations regarding the chrome sales were proceeding in London, following the release of a secret report of the British Foreign Office, Allies realized that a negotiation was carried between Germany and Turkey parallel to their negotiations. According to the report, Menemencioğlu was offering to supply 30,000 tons of chrome to Germany if German deliveries of outstanding orders of war materials were completed. The Foreign Office on 7th December 1939 said that the British Government would regard it as a serious breach of faith if Turkey made such any such agreement with Germany while negotiations were taking place in London. Two days later, Menemencioğlu told the British ambassador that Turkish government was ready to cease her relations with Germany if supplies of armaments and factory equipment could be obtained elsewhere. Carrying out negotiations was interpreted by the historians as a clever diplomatic move of Menemencioğlu to compel the allies to an agreement.  

The most strenuous of all the negotiations took place during the negotiations for the Turkish chrome contract. Menemencioğlu was insisting on a 20 years chrome contract when Allies were offering a 2 year one. A 20 years chrome agreement was going to be exceedingly advantageous for Turkey as the price of the chrome after the war naturally sank. By this way Chrome was going to turn into an insurance for the long term debts of Turkey. He was defending his attitude against the Allied side by saying that Turkey would be bringing her neutrality into disrepute by signing an agreement apparently designed to prevent chrome going to Germany during the period of the war. Menemencioğlu’s most basic argument, during the chrome negotiations, was that signing of a short-term agreement would put the his government in a difficult position. Against this argument, Great Britain and France proposed the Turkish side not to declare publicly that the chrome agreement was limited to the period of war. Moreover, Allies believed that Turkey had no effective defense against Germany, who would, whatever the Turks did, accuse them of hostile conduct if they would not sell chrome to Germany. According to the Allies; Germans, if they are deprived of chrome would in

---

329 Ministry of Economic Warfare to British Embassy, Paris 23rd December, 1939 FO/837 1004
any case accuse the Turks of unneutral conduct, and so far as neutrals are concerned, it is perfectly simple to keep the agreement confidential.\textsuperscript{330}

Furthermore, Great Britain argued that the signing of a 2 years contract would not damage Turkish neutrality, since it was always the right of the neutrals to conclude such commercial agreements with whichever belligerent they choose. The British side added that they were aware of the fact that the proposed agreement will not be welcomed by Germany, but in this respect it can make no difference whether the agreement is concluded for the period of the war or not.

British side felt themselves blackmailed as a result of Menemencoğlu’s 20 years offer.\textsuperscript{331} On the other hand they argued that the Turkish side was not totally unjustified by their demands, as they had no foreign exchange. Although the common view was to take a firm line, some British representatives were empathizing with the Turkish situation and saying that they should attempt to avert breakdown by offering something, which might be a guarantee for two years after the war, stipulated that the absorption of the Turkish surplus, possibly on a diminishing scale.\textsuperscript{332}

Turkey suffered for a long time after the signing of the chrome agreement from the failing British promises relating the supplies of war materials. On the other hand, the fall of France was critical turning point for the Turkish foreign policy because Turkish Statesmen started to discuss the correctness of the decision to stop the trade relations with Germany.

After the rapprochement with the Germans and the signing of the Clodius agreement, the ideal platform for the implication of the Turkish Foreign Policy came into existence. Turkey was not satisfied with British arms supplies and she was willing to get German war materials. She was also aware of the fact that Germany was desperately in need of Turkish chrome for her war production. While the competition between Great Britain and Germany for the chrome ore led to the rise of the prices on the other hand deliveries of the war materials increased to delude the Turkish side. The Clodius agreement had a swift influence over the British side and she started the delivery of war materials in October 1941.\textsuperscript{333}

Both Germany and Great Britain was interpreting the policy of the Turkish government as hostile. On the other hand Turkey was seeing it as her own right to negotiate with the belligerents and trade with both. Regarding the Clodius agreement, Hugessen had a

\begin{itemize}
\item \textsuperscript{330} Ministry of Economic Warfare to British Embassy, Paris 22\textsuperscript{nd} December, 1939 FO/837 1004
\item \textsuperscript{331} Ministry of Economic Warfare to British Embassy, Paris 23\textsuperscript{rd} December, 1939 FO/837 1041
\item \textsuperscript{332} Cipher telegraph, 26\textsuperscript{th} December 1939, FO/837/1004
\item \textsuperscript{333} Leitz, (2001), p. 101.
\end{itemize}
conversation with the Minister of Foreign Affairs mediating the message of London to the Minister saying that Turkey was yielding the enemy. The Minister’s reply was to say that it was not in the nature of Turkey to yield to threats and that the British were not justified in supposing that he would not stand up to the Germans in the circumstances contemplated. 334

Turkish government was in fact collaborating with the enemy of the Allies and signing a chrome treaty but she was keeping her promise and not delivering chrome to Germany before 8th January 1943 therefore bringing the Allies a 15 months advantage. Beyond that she was a neutral country. The signing of the Clodius agreement was a disaster for the Allies, but the 15 month advantage made them to calm down. British interpreted the situation with the words: ‘This may not be perfect but it might have been a great deal worse. Turkey was giving the Allies a lot of time to think of ways to get as much good chrome as possible.’ 335 According to Medlicott, the agreement represented, in Turkish eyes, an expedient bargain with the Axis at a time when British fortunes were low. 336 It was obvious that Turkish Foreign Policy was not yielding any of the belligerents, if she would have yielded, she would have given chrome to Germany before 8th January 1943 but she refused to do despite all the pressure coming from the Germans and denial of the Turkish chrome to Germany for 1942 was guaranteed. İnönü government kept her promise and the negotiations resulted in an extension of the chrome agreement for a further year. Meanwhile, it was repeatedly expressed among the Turkish rulers and the General Staff that Germany would attack Turkey in the spring. Nobody was seriously thinking that Germany would deliver to Turkey any war material which would strengthen Turkey against such an attack or they would maximal deliver guns without shells or spare parts etc. At least the sentence under the guarantee saying: ‘Nothing would be sent to Germany until German goods had actually been received’ was giving Turkey a guarantee. 337

The Turkish Minister of Foreign affairs was commenting that he thought this declaration was necessary in order to reassure German public opinion which would no doubt think that Turkish refusal of chrome meant the abandonment of the recent Turkish policy and a definite turn towards British. 338

For the period between the signing of the Clodius agreement in October 1941 to the end of the British chrome purchase contract on 8th January 1943, Turkish government remained committed to its agreement with Great Britain. On 27th September 1941, Carl

334 Ankara to Foreign Office, 8th October 1941, FO/837/1030
335 Ministry of Economic Warfare to Foreign Office, 17 October 1941, FO/837/1030
336 Medlicott,(1952) p.239.
337 Foreign Office to Ankara, 8th October 1941, FO/837/1023
338 British Embassy, Ankara to Foreign Office, 4th October 1941, FO/837/3081
Clodius was confirming that all attempts have failed to induce Turkey to supply chrome before January 1943. 339

In response to the reaction of the American Ambassador regarding the signing of the Clodius agreement, on behalf of his Government, Rauf Bey, former Turkish president and personal adviser of President İnönü told to the American ambassador that Turkey’s precarious international situation and necessity for modernizing her forces and not neglecting opportunity to obtain from Germany at cost of insignificant quantity of chrome certain arms which were desperately needed.340

By July 1942 Turkish Government agreed to negotiate a purchase contract with the Allies for the 1943 chrome production. The competition for the Turkish chrome was very high at that moment, there was no doubt that Turkey would demand a considerable advance on the current price of 140 shillings for a ton. This time Turkish Government was behaving reluctantly. They were waiting for the new harvest season to come at which the prices rise automatically. It was now Turkey’s turn in the diplomatic game to push the Allies to accept her terms. According to Medlicott, Turks were delaying agreement mainly in order to obtain war materials from both the Allies and the Germans. No agreement was reached until the very end of the year 1942. 341

| Price paid by the British for 48% Chrome ore During and After the British Chrome Monopoly |
|-----------------------------------------------|------------------|------------------|------------------|
|                                              | Price Offered by the GB | Price Demanded by Turkey | Agreed on       |
| 1940 British monopoly342                     | 58                | 120               | 110              |
| 1941-1942 Clodius agreement343               | 110               | 141               | 128              |
| 1943-1944End of the British monopoly344      | 270/-             | 270               | 270              |

340 The Ambassador in Turkey to the Secretary of State, 23th september 1941, FRUS vol.III p.951.
342 FO/837/1009
343 Memorandum of Ministry of Economic Warfare, 13 April 1942, FO/371/22248
344 American Embassy Ankara to Steinhardt, 17th April 1943 867.6359 CHROME/10

121
One can see from the above table that price paid by Great Britain for the Turkish chrome went up with the decision of the Turkish Government to end the British monopoly over the Turkish chrome.

One other reason for the increasing competition on the Turkish chrome was the increase in Germany’s chrome requirements. She was in need of 150.00 tons more in addition to her present imports during 1943 and subsequent years, to maintain their war industry they were making efforts to induce Turkey to sell them the whole of the Turkish production during 1943. On the other hand against these demands, British were getting assurances from the Minister of Foreign Affairs that she would treat the British no less favorable than that accorded to Germany. But in the light of the information, it was seen that it was hard for Turkey to keep her promise to Great Britain if she concludes such an agreement with Germany.  

Since the signing of the Clodius agreement, MEW’s primary occupation was to accelerate the movement of chrome ore from Turkey. The plan was to take as much chrome as possible for the Allies and leave as little as possible to Germany for the 8th January 1943 so that the first chrome delivery to Germany does not take place before April 1943. The Allies applied to the Turkish representatives to sign a contract for better grades of chrome in 1942 so that the Germans get the least satisfactory material.

Great Britain was going to offer to take the whole output for three years starting on the 8th January, 1943, or for the duration of the war and one year beyond, whichever was the less. At this stage of the war, American need for chrome was not as imperative as it was some months ago though chrome was still desired. But importance of denying chrome to Germany was greater than ever. One British official was describing the situation in which Turkey was stumbling. The Turks have got themselves tied up in knots over the chrome business. ‘They have promised the Moon to the Germans and now apparently they are about to offer the Moon to the British Government.’ Obviously it would be impossible to satisfy both parties so that sooner or later one side or the other would discover that they have been deceived.

The Prime Minister rejected the British proposal to purchase the whole chrome output after 8th January 1945, he did not accept British proposal for 1943 and 1944 chrome either. As regards 1945 to 1947 he said if pressed he would make an agreement with Great Britain, he

---

345 Ankara to Foreign Office, 12th September 1942, FO/371/33349
346 Clodius to Auswaertiges Amt, 13 July 1942, R/106275
347 Note on Turkish Chrome, FO/837/1030
348 Ramsay to Moore, 8th October 1942, FO/837/1049
349 Ramsay to Moore, 8th October 1942, FO/837/1049
would be bound to make a corresponding agreement with Germany. He argued that it would be to the advantage of Great Britain to have no agreement, as it would be possible for him to keep German proposal for chrome in suspense while being more forthcoming in regard to British requirements.  

Five days after this interview, Hugessen and President İnönü met again. This time Hugessen brought the new British proposal according to which, Great Britain was undertaking to buy all chrome in 1943 and 1944 except the 45,000 tons which Turkey was obliged to deliver to Germany as a part of her engagements. President İnönü, refused to agree this proposal. He argued that letting the British to buy the whole output in 1943 and 1944 except 45,000 tons due to Germany would involve his failing in his obligations to Germany. He was bound by his agreement, in certain specified conditions, to supply to German up to 180,000 tons and he could not back out of this, although he thought it unlikely this obligation would be realized fully.

During the 1943, Turkey was most efficiently using the neutrality card against the demands of both Axis and Allies; on the other hand she was getting increased prices for her chrome production. Germany, under the Clodius Agreement, was to acquire in 1942 and 1943, after the expiry on the 8th January 1943 of British chrome agreement with the Turks, 90,000 tons of chrome. Turkish government made the delivery of chrome ore dependent on the supply by Germany and arrival in Turkey of certain armaments.

The Program which aimed at preventing crucial Turkish commodities from reaching Germany, largely failed starting from 1943. Turkish government stick to the Clodius agreement and the Turkish chrome export to the Germans in 1943 reached a very high level. In 1943 a total of 46,783 tons chrome was exported to Germany. Turkish government showed determination by not letting the Allies to purchase certain goods in great amounts which would make the delivery of promised amounts of goods to Germany impossible. The same determination she also showed previously by sticking to the agreement with the British side and not delivering any chrome to Germany before the end of the chrome agreement.

In accordance with the agreement signed between Great Britain, France and Turkey on 8th January 1940, Turkish Government was selling chrome and in return getting war materials from Great Britain. US started to supply war materials with the presidential decree of Roosevelt on 3rd December 1941 and finally Germany started the deliveries of war material,

350 Ankara to Foreign Office, 25th September 1942, FO/371/...
351 Ankara to Foreign Office, 29 September 1942, FO/371/6310
in 8th January 1943\textsuperscript{353}. In 1943, Turkey was receiving war materials from both Axis and Allies and in return selling chrome to both side.

<table>
<thead>
<tr>
<th>Year</th>
<th>Turkish Chrome Exports to Germany\textsuperscript{354}</th>
<th>German arms exports to Turkey, (Millions RM)</th>
<th>German Stocks</th>
</tr>
</thead>
<tbody>
<tr>
<td>1937</td>
<td>56.385</td>
<td>14.6</td>
<td>Not known</td>
</tr>
<tr>
<td>1938</td>
<td>68.463</td>
<td>11.7</td>
<td>540.000</td>
</tr>
<tr>
<td>1939</td>
<td>108.576</td>
<td>0</td>
<td>56.300</td>
</tr>
<tr>
<td>1940</td>
<td>6</td>
<td>0.08</td>
<td>282.000</td>
</tr>
<tr>
<td>1941</td>
<td>1.2</td>
<td>0.5</td>
<td>74.000</td>
</tr>
<tr>
<td>1942</td>
<td>-</td>
<td>136</td>
<td>207.600</td>
</tr>
<tr>
<td>1943</td>
<td>46.783</td>
<td>8.4</td>
<td>171.6</td>
</tr>
<tr>
<td>1944</td>
<td>72.000</td>
<td>Not known</td>
<td>375.6</td>
</tr>
</tbody>
</table>

As it can be seen from the table, there is a direct proportion between the increase in the German arms exports to Turkey and the Turkish chrome Exports to Germany. In other words, Turkey’s chrome export to Germany was dependant on the ability of Germany to support Turkey with military materials. For instance, right after the 136 million RM war material sent by Germany to Turkey, with the desperateness of the exhausting chrome stocks as a result of which Turkey started the delivery of chrome to Germany in January 1943.

The Turkish side was requesting 20 pieces of 7.5 cm Feldflak and 64 gebirgschütze, 7.5 bochumer verein 120 meters bridge material. Total 8.9 million RM, besides that 24 cm Skoda Haubitzen and 28 cm Krupp Cannons and fighters as well. The German representatives on the other hand were reminding the Turkish side that the only possibility of supplying these war materials was the delivery of chrome ore by the Turks in return.\textsuperscript{355}

Germany was asking for the delivery of chrome in return for the payment of credit given to Turkey by the 9th October 1941 commercial agreement. Chrome to be delivered being, inter alia the 135.000 tons due to Germany between March 31\textsuperscript{st}, 1943 and December 31\textsuperscript{st} 1944, under the Clodius agreement.\textsuperscript{356} List of the German military deliveries for Turkey were as follows:

\textsuperscript{353} Reichsgesetzblatt 1941, II, 375
\textsuperscript{354} British Consul General to Ministry of Economic Warfare, 17th October 1939 FO/8371003
\textsuperscript{355} Kroll to Clodius, 17 September 1941, R/901/68461.
\textsuperscript{356} Ripken Notes, 5th September 1942, Ha Pol 5223/42
1) Tanks:
100 tank combat vehicle of value 23.2 Million RM

2) Anti-Tank weapons:
50 pieces 3.7 Rheinmetall Borgsik pak value of 1.8 million RM
Nebst 2000 munitions value of 4.4 million RM
50 pieces of 2 cm anti tank rifles in value of 0.5 Mio RM
With 5000 Munitions in value of 0.5 million RM

3) Anti Aircraft weapon:
200 piece 2 cm flak in value of 10 million RM together with 5000 munitions in value of 17 million RM
40 pieces 8.8 cm Flak in value of 8 mill RM together with 2000 munitions in value of 16 mill RM.

4) Heavy Infantry Weapons:
2000 pieces machineguns in value of 0.8 mill RM together with 5000 munitions in value of 1.4 millions RM.\textsuperscript{357}

Hitler was concerned about the Turkish demands for arms and their supply by Germany. He was thinking that Turkey will one day attack Germany with these arms. Chief of the High Command of the Armed Forces (OKW) was delivering an opinion in this direction. He therefore ordered for the supply of old fashioned ones. However, at the end of 1942 he was convinced by the Armament Minister of Hitler Albert Speer. Speer told Hitler that Turkish chrome was very important for the war effort of Germany and the supplies of German war material should be speeded up. As a result the German war materials were delivered in waste amounts.\textsuperscript{358}

After the signing of the Clodius agreement, Great Britain was fastening the delivery of the military materials. Not long after the signing of the Clodius agreement on 9\textsuperscript{th} October 1941, Foreign office was giving orders to Hugessen to communicate immediately with President İnönü and inform him of the shipments of military equipments. He was also asked to remind the president that these equipments were to contribute on the British part to Turkey’s security and ability to play her part when necessary in joining against the common

\textsuperscript{357} Ripken Notes, Wirtschaftsbeziehungen zur Türkei 3\textsuperscript{rd} March 1942 R/901/68696
\textsuperscript{358} Leitz,(2001) p.104.
enemies of Turkey and Great Britain. He was also asked to make fullest use of this connection with the chrome negotiations.\(^{359}\)

The list of military equipments Great Britain provided to Turkey in return for chrome were as follows:

Part 1: Already reached Turkey. Stuart light tanks(170), 37 mm A.T. Guns(610), 3.7 inch A.A. Guns(214), A.A. Searchlights(111), Field Guns(104), Medium Guns (56), Vicker Guns (1.150), Sub-Machine Guns (7.500), Anti tank Rifles(725), Mortars 81 mm. (308)

Part 2: To be provided from middle east unless there is a turn in the proceeding of the war in the Egyptian front and the Western Desert. Western Desert. Stuart Light Tanks (40), Valentines of Matildas(200), 37 mm. A.T. Guns (136), Bofors A.A. Guns(25), RDF Light Warning Sets(25).\(^{360}\)

Besides the Clodius agreement, on 31\(^{st}\) December 1942, Turkey and Germany were signing a credit agreement for the delivery of 100.000.000 RM of up to date war material which were the same as the ones Germany was using in the war.\(^{361}\) 40% of the agreement was undertaken by the German firms like Focke-Wulf, Krupp, Rheinmetall and Daimler-Benz. According to the agreement, Turkey was going to get 136 Million Reichs Mark of war material by the end of March 1943, after which Germany was going to be entitled to 45.000 tons of chrome by the end of 1943. However, deliveries of war material due to September 1942 was still not delivered in late December 1942 and creating inconvenience in the Turkish Government and provocations of the British government to nullify the agreement was increasing each passing day.

On February 3rd, 1944 an agreement was signed between the Turkish Minister of Communications and the representative of Krupps for the supply of chrome in larger quantities in return for the delivery of Fokker Wolfs.\(^{362}\)

\(^{359}\) Anthony Eden to Winston Churchill, 5\(^{th}\) November 1942, PREMIER 3 446/8

\(^{360}\) Foreign Office to Ankara, 25\(^{th}\) September 1942, PREMIER 3 446/8

\(^{361}\) Medlicott,(1952) p. 527

\(^{362}\) Foreign Office to Ankara, 18\(^{th}\) February 1944, FO/195/25661

126
<table>
<thead>
<tr>
<th>Year</th>
<th>Millions RM</th>
</tr>
</thead>
<tbody>
<tr>
<td>1937</td>
<td>14.6</td>
</tr>
<tr>
<td>1938</td>
<td>11.7</td>
</tr>
<tr>
<td>1939</td>
<td>0</td>
</tr>
<tr>
<td>1940</td>
<td>0.08</td>
</tr>
<tr>
<td>1941</td>
<td>0.5</td>
</tr>
<tr>
<td>1942</td>
<td>136</td>
</tr>
<tr>
<td>1943</td>
<td>8.4</td>
</tr>
</tbody>
</table>

Turkish diplomats were trying to minimize the reactions of the Allied representatives that may rose as a result of the trade with the Axis by mentioning that it was unlikely that Germany would be able to fulfill her commitments and as a result no Turkish deliveries would be necessary. They were also claiming that Turkey was doing everything to delay deliveries to Germany, via prolonged negotiations, and pretending that there was a shortage of transportation facilities.

As the reactions of the Allies increased due to the increasing chrome deliveries in the late 1943 and early 1944, Turkish diplomats tried to minimize the effect of Allied protests. Secretary General M. Erkin replied to the British Memorandum which was declared in order to show the Allied determination relating to the cessation of the chrome deliveries to Germany. M. Erkin, commented that Turks were not supplying chrome to Germany because they wished to help German war effort. Chrome like other Turkish commodities was only supplied after goods which Turkey needed had been delivered. Chrome as well as copper are return to Germany of some metals used in armaments or other manufactures supplied by Germany to Turkey. Secondly, deliveries had been hampered by lack of rolling stocks, and Germany had supplied her own wagons. There was no intention of exceeding the average of 7,000 tons a month to Germany, but Turkey’s obligations made it impossible for her to stop the deliveries from flowing and in the sense even to ask her to reduce monthly quotas was to ask her to jeopardize her whole economy. Deliveries were spaced out according to deliveries

---

364 U.S. State Department [Eizenstat] Report on U.S. and Allied Wartime and Postwar Relations and Negotiations With Argentina, Portugal, Spain, Sweden, and Turkey on Looted Gold and German External Assets and U.S. Concerns About the Fate of the Wartime Ustasha Treasury (June 1998)
from Germany. Although chrome was linked specifically with the war materials, failure by Turkey to fulfill her chrome obligations would mean that deliveries from Germany of all kinds of goods would also fall short. There wasn’t any agreement for the acceleration of the deliveries to Germany. Agreements between railway administrations were purely technical and could not affect the rate of chrome deliveries which was a matter for the Ministry of Foreign Affairs.

Great Britain and U.S. increased the pressure on Turkey. British ambassador sent the message of his government to the Minister of Foreign Affairs inviting Turkey to adopt a policy of the maximum cooperation with them which the present conditions permitted in the allied economic warfare against the Axis. Occupation of French North Africa had increased Axis dependence on supplies from the remaining neutral countries and denial of these supplies was accordingly a most important objective in their 1943 economic warfare campaign. In addition to that ambassador said that his government had no intention of bargaining in connection with arms and ships with which they were supplying to Turkey, but the assistance that Great Britain was giving to Turkey in this way in the common interest of both Allies and Turkey would dispose her in the same interests to help economically to weaken Germany and shorten the war. Help could be both negative and positive. Negatively Turkey could avoid fresh economic undertakings to Germany, establish or maintain certain export prohibitions. Positively she could allow the Americans and the British to purchase the whole or greater part of certain products.

For Turkey this meant abandoning neutrality. Such a request at this time was totally different than what Churchill said during the Adana Conference. Turkey had always refrained from pushing herself into open antagonism with Germany in the political field. Turkish government was not willing to risk antagonism with Germany before they were ready for possible consequences and it was therefore difficult for them to accept the British proposal.

The Minister of Foreign affairs said to the British ambassador that there were more ways of killing a dog than hanging it, and gave chrome as an example. Although German was entitled to about 20,000 tons in view of her deliveries to Turkey under Clodius agreement and Turkish Government were obliged to transport his quantity as and when available to Turkish ports, Turkey had so far found technical reasons for refusing export licenses except for 1,000 tons.

During the period in which Chrome deliveries to Germany was reaching its highest point and the US- British accusations against the Turkish behavior regarding the chrome
deliveries to Germany was leaving Turkey in a difficult situation, Turkish government instead of having a defeatist position was arguing about the rightfulness of their past decisions. After the British Memorandum regarding the Chrome deliveries the Chrome deliveries to Germany Turkish Secretary General M. Erkin defended his government by saying that, Turkey was not supplying chrome to Germany because they wished to help German war effort. Chrome like other Turkish commodities was only supplied after goods which Turkey needed had been delivered. Chrome as well as copper was return to Germany of some metals used in armaments or other manufactures supplied by Germany to Turkey. Secondly, deliveries were hampered by the lack of rolling stocks, and Germany supplied her own wagons. There was no intention of exceeding the average of 7.000 tons a month to Germany, but Turkey’s obligations made it impossible for her to stop the deliveries from flowing and in the sense even to ask her to reduce monthly quotas was to ask her to jeopardize her whole economy. There were no agreements for the acceleration of deliveries to Germany. Agreements between railway administrations were purely technical and could not affect the rate of chrome deliveries which was a matter for the Ministry of Foreign Affairs. 365

As a result of the increasing pressure, Turkish government could not resist anymore to the pressure coming from the Allies and declared that beginning from the 14th of April by means of administrative delays he will reduce chrome deliveries to Germany to 4200 per month as against average 7000 tons delivered since November 1943. In addition, she will increase the deliveries to Great Britain to 9000 tons. 366

On 20th April 1944, at the conclusion of a lengthy address to the Grand National Assembly on the subject of chrome, the Minister of Foreign Affairs announced to Parliament the Government’s decision to cease all shipments of chrome to Germany and other Axis countries as of 7 pm 21st April. The Turkish Minister of Foreign Affairs took the floor to reply the interpellation made by Opposition Group leader regarding the chrome question, and the notes handed by the British and American Government about the dispatch to Axis countries of certain commodities headed by chrome. The Minister of Foreign Affairs after replying to the interpellation by explaining chrome question briefly and talking about the British and American Governments handing Turkey notes in which British and American Governments were asking Turkey not to export to Axis certain essential materials headed by chrome and declared that if these materials were exported same procedure would be applied to us as to

365 Ankara to Foreign Office, 4th April 1944 FO/195/25661
366 Hugessen to Washington, 8th April, 1944, FO/195/2567
neutrals. He finally declared that his government by its final decision has decided as from 7 pm 21st April 1944 to stop chrome deliveries and forbid its exports to Germany or Axis countries.

In his final statement he said: ‘When one belligerent State asks neutrals not to sell something to other belligerent party, question of neutral rights may arise and countless discussions can take place on this question. But since motto and basis of our foreign policy to which you agreed as far back as 1939 and which you have always confirmed since then, are alliance with Britain, we had to consider Allied notes not as neutral but as Allied State. In our dealings since 1939 it is without doubt Treaty of Alliance expression of our political ties, which has necessarily been supreme and influenced each of them. Therefore Government closely examined situation in light of this treaty. Allies request for cooperation, by asking that an ally should not deliver to their enemies chrome which is commodity directly employed for production of war material and enabling manufacture from harder steel of guns and rifles used against them, was no request to be studied solely from viewpoint of neutral rights.’

İnönü and his statesmen who used the ‘neutrality’ discussion in most their negotiations throughout the war, were now harboring to the Western alliance and calling themselves an Allied State instead of a Neutral. It was time to take necessary steps to get involved in the new world order.

Anatolian agency announced the decision of the Turkish government as an embargo to both Axis and Allies but on the 21st April they corrected it as “Germany and Axis countries” and added, “No chrome will therefore be exported to Germany or her allies. We shall continue to supply chrome to our Allies.”

After the decision of the Turkish Grand National Assembly to reduce the chrome delivery to Germany, its effects were seen immediately. The number of wagons carrying chrome to the ports from Guleman decreased to 2-3 per day.

For defending his governments stand in the war, before the cessation of chrome deliveries to Germany, Menemencioğlu emphasized the uncertainty, irregularity and great delays in respect of shipments from the United States and British Empire during the past 2 years as contrasted with the prompt deliveries from Germany.

367 Hugessen to Foreign Office, 21st April 1944, FO/195/25661
368 Hugessen to Foreign Office, 22nd April 1944, FO/195/25661
369 Ankara to Foreign Office, 20th April 1944, FO195/25661
370 The Ambassador in Turkey to the Secretary of State, 23th April 1944, FRUS vol.V. p.833
Turkish press followed the official direction while commenting on Government’s decision to suspend chrome deliveries to Axis Europe as from April 21st. On April 21st all newspapers with the exception semi official ‘Ulus’, confined themselves to publishing MFA’s statement. In ‘Ulus’ Mr. Atay put essentials of MFA’s statement into his own words and asserted that Government’s decision would have immediate approval of Turkish public opinion, adding that nobody could have expected Turkey to act differently. General line taken by press on April 22nd was to emphasize in differing language MFA’s statement that Turkey is an ally and not a neutral and that she consistently approaches war problems from this standpoint. In general comment indicated a continued uneasiness about state of Anglo-Turkish relations. It was hoped that British press would react favorably to Turkish Government’s decision and that way would at least be prepared for return to cordial relations. Mr. Sertel wrote that in banning export of chrome to Axis, Turkey has merely complied with a natural request of her British ally under the terms of the alliance, and suggested that Turkish Government’s decision will have no influence on the course of the war since Germany already has chrome stocks for six months and war’s decisive battles will be fought in the meantime. 371

German inspired ‘Tasviri Efkar’ newspaper wrote that chrome decision represented a great financial loss to Turkey.372 N. Sadak commented in ‘Akşam’: ‘The question to be borne in mind when asking for sacrifices... is the following: does a neutral country sell certain goods deliberately to help the enemy, or in order to produce for itself vital economic necessities?’ 373

3.5.2. Role of Transportation Difficulties

Control of the trade routes is a determining factor for the success of the economic warfare, the belligerent who controls the main trade routes, were ensuring a great advantage against the enemy. In the course of the World War II, main transportation routes from the Indian Ocean to the Atlantic Ocean, witnessed a power struggle which were decisive in the result of the war. In the Atlantic and the Mediterranean, German military used the U-Boats fleets to assault the merchant ships of the Allies which were bringing supplies to Great Britain. 374

371 Hugessen to Foreign Office, 24th April 1944, FO/195/25661
372 Hugessen to Foreign Office, 27th April 1944, FO 195 2568
Britain. In the course of the war, German U-Boat Attacks in the Atlantic and Mediterranean was so effective that at the end Allies were forced to close the Mediterranean to the sailing of the non-military ships. This event undermined the British trade with Turkey which came to a still stand. As the January 8, 1940 agreement was dictating, British were obliged to take the 1941 chrome production, besides that Turkey had the right to call on the British to take the 1942 production as well. Great Britain was not able to reach the chrome ports in the Sea of Marmara due to German control. Therefore chrome was railed across Turkey to Fethiye in the West Coast. Next Chrome was transferred from Fethiye to the accessible ports of Mersin or Alexandretta. Later it was realized by the Americans that The Germans were influencing the small ship owners in Fethiye to work for the German deliveries. Therefore these small ships were carrying goods to Germany. Most of the time MEW was regaining these ship owners by paying these ships higher than what The Germans were paying and persuade them to carry Allied chrome. This was increasing the cost of chrome for Great Britain. The British commercial counselor and other British representatives were trying to obtain priorities for the chrome.

On the other hand Great Britain was planning to sell some of the Turkish chrome in the USA but due to the German U-Boat assaults in the Mediterranean and Atlantic Ocean, and the Greek-Italian war, shipping of chrome was getting very difficult and ship owners were afraid of sailing to Great Britain. The ship owners were behaving reluctantly to carry chrome cargoes to Great Britain at the official rates laid down by the Turkish ministry of Communications and MEW were paying bonus to the ship owners in order to avoid considerable delays which were created by them in dispatching their vessels for this duty. British were thinking that the payment of bonus should represent a sufficient inducement for Turkish vessels to lift chrome in preference to other cargoes but it wasn’t the case for the ship owners as they were faced with losing their ship.

The chrome masses which were stockpiled in Turkey were waiting to be shipped, and the more time was passing, the more stocks were piling in the harbors, it was not only causing the Turkish government to grow impatient but was also the danger of chrome being smuggled by the Germans. By the end of 1941, Great Britain was left with only one option, which was to ship the chrome to the safe ports. One way to get chrome out of Turkey was to ship it to

---

374 Washington to Ministry of Economic Warfare, 10th June 1942, FO/371/33349
376 Ministry of Economic Warfare to Monod, 10th May 1941, FO/837/1027
377 Ministry of Economic Warfare to Ankara, 9th June 1942, FO/837/1039
Alexandria but the port was not open to shipments. The other option was to ship the chrome to Suez. 378

This situation was affecting the attitude of Turkey as well. By the end of 1941 she was neither capable of delivering chrome to Great Britain nor could she get money or goods in exchange. There was increasing chrome stocks. 379

On the other hand, Germany, with the advantage of having safe transportation routes direct to Turkey, was strengthening her hand for the signing of a new chrome agreement. The transportation route of Turkish Chrome to Germany was outside of the British control. Therefore, direct political pressure to the Turkish side was most of the time having no result. Turkish chrome transported from Bulgaria at Burgas, which is the main port of entry for Turkish imports destined for German use. From Burgas, the chrome was transported along the Danube via the important river port of Ruschuk, or along the main railway line from Burgas through Sofia, Nis, and Belgrade to Zagreb. When this line was cut in Croatia, as it was often done, through partisan action, the chrome was routed straight from Belgrade to Budapest. There were other ports along Danube, connected by rail to the Bulgarian railway system, Lom, Somovit and Svishtov. These port facilities were also used by the Germans in Emergency. When Burgas was denied to Germany, the chrome traffic was directed to Constanza,. This route became very congested after the Russian advance into Northern Romania started; it was the main line of supply for the German Southern Front. Yet, the Germans made every effort not to use it for chrome traffic. 380

The time all the port facilities were denied to Germany, Turkish Government was persuaded by the Germans to transship all the chrome at Istanbul and send it into Bulgaria overland via Edirne to Plovdiv, where it joined the main line carrying the chrome from Burgaz. Allies tried to interrupt this traffic by denying Germany the use of the ports of Burgaz, Varna and Constanza. Second line targets to disrupt the movement of chrome were: Sofia Marshalling Yards which was the most important communication centre in Bulgaria. All the traffic in North and North East Bulgaria was controlled through the Gorna Orekovitsa Marshalling Yards. The traffic from Burgaz and Turkey was controlled from Plovdiv Marshalling yards and the Ruschuk River Port which was the site of the main oil installations in Bulgaria. Nis on the West of Bulgaria was another important target which was the junction of the railway from Turkey and from Yugoslavia. Belgrade Marshalling yards were also

378 Washington to Ministry of Economic Warfare, 10th June 1942, FO/371/33349
379 Foreign Office to Ankara, 26th July 1941, FO/837/1030
380 Washington to Ministry of Economic Warfare, 10th June 1942, FO/371/33349
important in the general Balkan line of communication. The transportation routes, disrupted by the Allies to stop the Turkish chrome traffic were Burgaz, Ruschuk, Plovdiv, Nis, Sofia, Orekrovitsa, Varna, Belgrade, Lom, Somovit and Suishtov.\textsuperscript{381} The Germans used these transportation routes until the spring of 1945, till the railway transportation ceased.

German U-Boats patrolling in the English Channel was not the only reason making chrome deliveries difficult. There were other reasons, for instance, the infrastructure of the Turkish railways was not in a good condition.\textsuperscript{382} Although Turkish Government was working for the expansion of the connections since 1923, in most of the routes, there was only one railway lane which was used both directions. Sometimes the trains carrying chrome waited for days until another train passes and the lane becomes free. Not only the lanes but also the number of wagons and locomotives were inadequate. Requirements of the Turkish people was of top priority, other than that military transportation came prior to the transportation of the chrome and other export goods.

Besides that there was no connection with the mines in the East of Turkey from the late December to the early March due to hard winter conditions of the region. Chrome was transported from the mines mostly in spring and summer. In winter, although there was no transport of ore from the mines to the ports, chrome exports were not ceasing while the mines in the west were working.

Throughout the war, the harsh winter conditions and the non delivery of chrome to the accessible ports was to the advantage of Great Britain. According to the chrome agreement signed with Germany for the 1943 production. Germany was going to get Turkish chrome starting from 8\textsuperscript{th} January 1943. But due to the bad weather conditions, the first chrome deliveries arrived Germany in April. Great Britain bought the whole production mined until 8\textsuperscript{th} January; therefore Germany waited for the chrome to be mined and the bad weather conditions to pass.\textsuperscript{383} In 1942, Great Britain was doing utmost to accelerate the chrome delivery. For the acceleration of the deliveries of chrome, she offered 100,000 tons of wheat to Turkey, for march 31\textsuperscript{st} 1943, if Turkish government cooperate with the allies for the transportation of the chrome to the Allied destinations which meant the giving of priority to the chrome transportation and the signing of the necessary permits by the bureaucrats without any problem. Wheat was most needed in Turkey. Great Britain was putting proposal in the form of a bribe emphasizing to The Turkish side that their efforts to provide them with wheat

\textsuperscript{381} AFHQ 2033/5
\textsuperscript{382} British Embassy, İstanbul to Ministry of Economic Warfare, 9\textsuperscript{th} April 1941, FO/837/1027
\textsuperscript{383} Washington to Ministry of Economic Warfare, 10\textsuperscript{th} June 1942, FO/371/33349
after 31 March 1943 might be influenced by their interpretation of their obligation to Germany after that same date. 384

Transportation of chrome from the mines to the ports was interrupted during the harvest season as well. Harvest season in Anatolia starts in September and when it starts all the wagons and locomotives are send for the transportation of the harvest. 385 During the harvest season chrome delivery had to stop.

MEW estimated that, Germany was going face with the wagon shortages in the harvest season of 1943, and according to the calculations, the maximum amount of chrome to be delivered monthly from Güleman mines to Haydar Paşa was not going to be more than 2,500 tons. Soon after the harvest season winter was coming this was going to cause a seven months elapse on the ore to be delivered from Güleman to the ports for Germany. Contrary to the expectations, Germany did everything possible to prevent a suspension of chrome shipments during the harvest season, They sent their own rolling stocks. Turkish chrome deliveries to Germany in the summer of 1943 were relatively small, due to Germany’s failure to deliver counter-value items set out in Clodius agreement. But after the total delivery of German goods, the Turkish chrome deliveries to Germany during the next 7 months reached to a record level in contrast to British expectations. 386

There were other unexpected circumstances which also led to the interruption of the transport of chrome such as a flood an earthquake or military mobilization.

In the late 1939, Due to a big scale earthquake on the east of Turkey and the mobilization order of the government, transportation facilities were reserved for these domestic emergencies. The chrome production and transport decreased greatly while the mine workers were sent to the earthquake zone for the rescue work. On the other hand, the flood that occurred in 1941 resulted with the replacement of certain transportation routes. After which some of the transportation routes had to be moved. 387 One other obstacle was the rope way which was used for the transportation of chrome from the Güleman mines. Capacity of the rope way was preventing the fastening of the deliveries regardless of the mining capacity.

For both Great Britain and Germany, it was the major part of their Economic Warfare to get the priority of using the railways for their own chrome deliveries. 388 On the other hand, for the Turkish Government, the poor transport facilities was not a problem at all. Contrarily it

384 Washington to Ministry of Economic Warfare, 10th June 1942, FO/371/33349
385 Foreign Office to Ankara, 26th July 1941, FO/837/1030
386 Ankara to Foreign Office, 21st August 1943, FO/371/37461
387 Foreign Office to Ankara, 26th July 1941, FO/837/1030
388 Foreign Office to Ankara, 26th July 1941, FO/837/1030
was the most preferred excuse to say ‘transport facilities does not allow a faster delivery’. Indeed, Turkish government was giving transportation priorities to certain belligerents as a sign of good will. Moreover, Turkish Government was defending herself against the accusations of the British side, regarding the delivery of chrome. It was almost a routine of the the Turkish representatives to promise the ambassadors for assisting in the movement of the ore to the accessible ports.

For instance, Menemencioğlu responded to the British ambassador who was asking for the cessation of chrome deliveries to Germany by saying that he has already created too many administrative delays, which included the delays in transportation of German goods to the ports through rail transportation.

Owing to their geographical situation, chrome in Marmara and Fethiye areas could not be cleared by allied shipping. British were using the Turkish coasting vessels to carry the ore to the for Great Britain ‘accessible ports’ of Mersin and İskenderun, where it was transshipped to allied vessels and carried either direct to the U.S. or to a Red Sea port for transshipment there. The Güleman ore could be transported direct to Mersin or İskenderun. Transport from the mines to the ports was similarly deficient and the particularly severe winter of 1941-42 interfered greatly with railway and shipping facilities. The inevitable result was to reduce shipments from Turkey to a very low figure i.e. 7,826 tons in the first three months of 1942, and to produce the accumulation of stocks.\(^{389}\)

On the other hand, Germany’s chrome stocks were exhausted in late 1942, she was desperately in need of chrome in early 1943. Germany was working for guaranteeing the quick delivery of chrome to Germany after 8th January 1943. Transportation of chrome from the Güleman mines to İstanbul, which was 1,200 km away from was very difficult owing to the continuous shortage of trucks in Anatolia. A large quantity of wagons were dispatched by the Germans to the Near Eastern countries in order to keep the Egyptian traffic routes open. At the end, British plans worked and Germany did not get chrome deliveries of chrome before 1943, Germany only had 4-5 months before the beginning of the harvest season to chrome. On the other hand, Turkish chrome deliveries to Germany in the summer of 1943 were relatively small, due to Germany’s failure to deliver counter-value items set out in Clodius agreement. German ships were waiting until arrears of German deliveries were caught up before being permitted to be loaded from existing stocks at Haydar Paşa. Harvest season was approaching and Germany dropped behind the plan as a result of the delay in the deliveries to

\(^{389}\) Memorandum of Ministry of Economic Warfare, 13 April 1942, FO/371/22248
Turkey. Although the chrome deliveries had to stop due to the start of the harvest season, as a result of The Germans efforts, Turkish deliveries of chrome did not stop that harvest season. The Germans prevented the suspension of chrome shipments during the harvest season by sending their own rolling stocks. Furthermore, the Germans applied to the Turkish authorities and offered them a couple of action to expedite the deliveries. The Germans offered the Turkish representatives to transport the ore overland from Güleman to Zonguldak which was found plausible by the Turkish State Railways while coal was taken from Zonguldak to Diyarbakır and there were usually numerous empty trucks available for the return journey.

The position regarding the acceleration of the deliveries of Turkish chrome, was very important from the German point of view, conferences were arranged for discussing the transportation question. The participants were the representatives of the Reichsverkehrsministerium (Ministry of Transport) for the South Eastern Zone and the Representatives of Reichsbahnrat (Empire Railways Council) in Istanbul. As a result of these conferences, Germany decided to offer 500 wagons and 50 locomotives to keep the chrome traffic intact during the harvest months. Turkish authorities accepted this loan but stated that they cannot guarantee that the German rolling stock would be exclusively used for chrome since the efficient operation of the railway all equipment must be in general service. On the other hand German efforts succeeded and deliveries of chrome to Germany increased excessively in the autumn 1943. In December 1943 Ministry of Communications and the German Krupp’s company reached an agreement for increase of shipments of Turkish chrome to Germany to 15.000 tons a month in return for provisions by Krupp’s of 71 locomotives and 1.000 wagons but the time period for the delivery of chrome stayed as 12 months.

These wagons were in the following years used for carrying the British chrome when in 1944, Germany insisted on the acceleration of the chrome deliveries to Great Britain. As a result of pressure coming from British diplomats, railway authorities made a program for chrome deliveries to Great Britain and included the German wagons.

The actual deliveries up to 25th June for German account were as follows:

---
390 Ankara to Foreign Office, 21st August 1943, FO/371/37461
391 Ankara to Foreign Office, 6th July 1943, FO/837/1053
392 Ankara to Foreign Office, 6th July 1943, FO/837/1053
393 Ankara to Foreign Office, 6th July 1943, FO/837/1053
394 Ankara to Foreign Office, 6th December 1943, FO/371/37463
395 Ankara to Eden, 5th April 1944, FO/195/25661
From Güleman to İstanbul by rail 8,116 tons  
From Fethiye to İstanbul by sea 5,320 tons  
From Marmara District to Bandırma by rail 545 tons  
Total 13,981 tons

Of this quantity the actual tonnage transported to Axis territory was as follows:

March to July, by rail, 4,394 tons
March, per s.s. Birgit, German (ex Danish) 316 tons to Burgaz
April, per s.s. P.L.M 16, German (ex French) 3,175 tons to Constanza
May, per s.s Balkan, Bulgarian 2,000 tons to Burgaz
May per s.s Alba Julia, Rumanian 2,500 tons to Trieste
Total 12,385 tons

The above figures shows that, it wasn’t difficult at all to deliver the ore to the allied destinations once they arrived at İstanbul or Bandırma. The main difficulty for the Germans was to deliver chrome from the mines to the ports. The below figures show what quantity Germans delivered from the mines and what quantity was still waiting delivery to the accessible ports up to 31st May 1943. ³⁹⁶

<table>
<thead>
<tr>
<th>Mine</th>
<th>Contract Tons</th>
<th>Delivered Tons</th>
<th>Remainder to be delivered</th>
</tr>
</thead>
<tbody>
<tr>
<td>Güleman</td>
<td>25,000</td>
<td>6,196</td>
<td>18,803</td>
</tr>
<tr>
<td>Fethiye</td>
<td>10,000</td>
<td>1,230</td>
<td>8,780</td>
</tr>
<tr>
<td>North-Western</td>
<td>10,000</td>
<td>4,500</td>
<td>5,500</td>
</tr>
<tr>
<td>Anatolia</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>45,000</td>
<td>11,926</td>
<td>33,083</td>
</tr>
</tbody>
</table>

Being informed hours before about the official declaration of the Turkish decision to cease chrome deliveries to Turkey, the German Legation in Sofia on April 21 was informed to help in the direction of getting as much chrome as they can before the decree reached to the ports. The Bulgarian authorities sent the 200 railway freight cars and loaded more than 3,400 tons of chrome, but the freight was stopped at the Bulgarian frontier. ³⁹⁷

³⁹⁶ Ankara to Foreign Office, 6th July 1943, FO/837/1053  
3.5.3. Role of the Mine Owners

Chrome mines in Turkey were exploited both by the private companies and by the state owned Etibank Company. Etibank was established by Atatürk in 1935 for the exploitation of the underground reserves of Turkey. Etibank Company was exploiting the Güleman chrome mines, one of the biggest chrome reserves in Turkey, located in the East of Turkey. The major private mining companies were the Türk Maden Co, owned by Mr Paluka which exploited the Tavşanlı and Kütahya chrome mines, French owned Fethiye Company, Peterson and Sons Company and Şevki Günduy owner of Sinop and Işkenderun mines. Private companies were holding concessions which were given to them by the Ottoman Empire, these companies were paying an annual rent to the Turkish government for further exploitation of the mines, which they most of the time abstained from by not declaring their profit to the government.398

Turkish chrome market was regulated in such a way that only the Turkish State was entitled to issue export licenses for the chrome produced by the mine owners and without these export licenses it was impossible to deliver chrome outside the country. Turkish state was conducting negotiations with the customers on behalf of the chrome producers. Along with the Etibank bureaucrats private mine owner were usually present in these negotiations. Their approval was asked for the acceptance of a price.399

The state monopoly over the chrome market was serving the interests of the state. Mine owners were not trustworthy in the eyes of the Turkish statesmen. Mine owners such as Mr. Paluka preferred to sell his product to the US market and he had connections in the US metal market. Nevertheless, Eti Bank bureaucrats were not relying on his connections instead they worked for making their own connections. They did not want to involve the mine owners in to the business.400

In theory, the ability of the private mine owners to intervene the chrome sales, price negotiations was limited, but in practice they were very influential indeed. They had their own way of influencing the market, which was in contrast with the government such as signing individual contracts with buyers, stockpiling, holding back the chrome production, etc. For Great Britain mine owners were an obstacle in her Economic Warfare against Germany.

398 Çııktı, Mustafa, Krom, imf, wfo ve wb kıskacında özelleştirmeye uzanan kanlı bir öykü, Metalurji Dergisi, sayı 128, at http://www.metalurji.org.tr/dergi/
399 Russell to Moore, 3rd May 1940, FO/837/1009
400 Russell to Moore 30th April 1940, FO/837/1009
German representatives were signing contracts with the mine owners. One of them was signed in December 1939 by the mine owner of Sinop and İskenderun mines Şevki Günduy. The amount to be delivered was 150,000 tons/year. Nevertheless; this delivery never took place due to the restrictions of the Turkish government to the deliveries of chrome to the Axis.

While the negotiations for a chrome agreement continuing in December 1939, MEW representatives, offered twenty five percentage bonus to the mine owners to provide their support.

Despite the fact that, a chrome agreement was signed with France and Great Britain on 8th January 1940, and the chrome monopoly was given to the Allies for the next two years. On 8th February 1940, Türk Maden Company, owned by Mr Paluka concluded a large chrome deal with Switzerland. Final destination of this consignment was stated to be Germany, since Switzerland was not a chrome importer. The delivery of chrome was prevented in the last second when MEW denounced the delivery to the Turkish authorities.

One other great challenge for the MEW was the mine owners holding back the chrome with the expectation of higher prices. In order to deal with this problem, they were planning to add an article to the new price contract making it compulsory for the mine owners to declare their production to the MEW.

Hoping to sell Chrome for an increased price in 1941, Turkish mine owners were stockpiling most of the 1940 production and did not declare their production to the British. They only sent 77,849 tons of chrome and hid the rest with the hope of getting higher prices. This act of the mine owners was not forbidden at all, because under the purchase contract, British were bound to buy all chrome that was offered to them up to 200,000 tons, but the sellers were not bound to produce up to 200,000 tons nor to offer immediately all they produce.

The same incident occurred in 1941, this time Etibank applied the same method due to the disappointment caused by the unending price negotiations. As a result of this move, chrome deliveries from Güleman to Mersin ceased. The stocks at the port finished as well. Both mine owners and Etibank at the same time were holding back their production and waiting for higher prices for 1942. MEW appointed some personnel to investigate the reason behind the interrupted deliveries of chrome. Unofficial way were even used in order to get

---

401 Prag to Reichsministrium, 11.1.1940, R901 68460
402 Ministry of Supply to Ministry of Economic Warfare, 28th December 1939 FO/837/1004
403 Ankara to Foreign Office, 8th February 1940, FO/837/1009
information and MEW asked from the Foreign Office for the authorization of bribing the locals: ‘I suspect however, that if we had authority to spend some money without getting receipts we might find the ore coming down to Mersin and I strongly advise that this be authorized.’

British intelligence realized that the total production held back was 90,000 ton and they finally a clause was put in the 1942 purchase contract regarding the issue which compelled the mine owners and Etibank to declare all the production.

Germany took steps in the direction of using the private mine owners to get chrome as well. When it was realized that Turkish Government would not change her stand regarding the early delivery of chrome to Germany a German exporter called Kurt Zimmerman, was contacted, he was the chief proponent of a private, piecemeal approach to the solution of the chrome shortage of Germany. On the basis of his own travels throughout Turkey, he advised Berlin that most Turkish mining concerns did not support the export monopoly that their government had conceded to Great Britain in 1940. Zimmerman explained to the Auswaertiges Amt that the local producers wanted a return to a free market, especially if they could convince the Germans to employ native Turks to bid for the chrome and arrange for its packing and shipment. Zimmerman’s Turkish contact was Satvet Lütfü Tozan, who agreed to head the cooperating syndicate and proposed a delivery route starting at Bursa, going through the straits and ending in Salonika, from there German carriers were going to take the chrome to Germany. Zimmerman and Tozan agreed that the ore could be camouflaged while passing the Turkish inspection in the Dardanelles, and Tozan even intimated that some highly placed Ankara officials were ready to ignore rumors of this illicit traffic. What the Turks most wanted, Tozan contended, was not to honor their chrome contract with Great Britain but instead to procure German nails, screws, railroad tracks, and locomotive equipment, materials the British were niggardly in supplying them. Turkey needed these items as desperately as Germany needed the ore. The Germans believed him and financed Zimmerman, but Turkish police intercepted the German businessman on one of his trips. He was then expelled from Turkey.

As both Germany and Great Britain were going to get chrome in 1943, the main rivalry between the two was about getting the higher grade chrome ore. This was defined as

---

404 FO/837/1030
405 FO/837/1030
‘skimming the cream of the milk’\textsuperscript{407} If the British at the end could not stop the delivery of chrome to Germany, they were planning to persuade the mine owners to give the Germans low grade ore. MEW decided to pay 270 shillings (70.30 TL) per ton for 48\% beginning from the 8\textsuperscript{th} January rather than forcing the mine owners to declare their total production. This price was higher than what the Germans were paying. In 1943, when Germany was officially involved in the competition for chrome, Great Britain not only decided to pay the same excessive price that Germany was paying, between September 1942 Great Britain and 8\textsuperscript{th} January 1943 but also decided to pay a bonus to the mine owners in order to prevent them holding back their stocks and waiting for Germany to pay higher prices beginning from 8\textsuperscript{th} January 1943.\textsuperscript{408}

Another plan of Great Britain was to conclude as much contracts as possible with private mine owners for washing the chrome stocks. Germany was accepting only high-grade washed ore. According to the British Plans, if all the washing plants within the hands of the mine owners could be reserved for Great Britain, Germany could not find any washing plant for washing her chrome before delivery. Delivery of chrome without the process of washing was undesired as the material was coming from the mines with earth and all other materials which make the chrome weight higher.\textsuperscript{409}

3.3. British Chrome Policy and its Evolution throughout the War

The World War Two British foreign policy regarding the chrome issue can be divided into three periods. These are ‘reluctance’, ‘discomposure’ and ‘diplomatic pressure’.

3.3.1. The First Period

The first period, started with the signing of the Anglo-French-Turkish treaty on 19\textsuperscript{th} October 1939. This led to the signing of an ‘Ill Made Alliance’ as Brock Millman\textsuperscript{410} describes it. Great Britain came closer to the Turkish State who desperately sought an economic and military partner after alienating from Germany This partner was going to be the supporter of the Turkish State throughout the war by providing security against the archenemy Russia. The

\textsuperscript{407} Ankara to Ministry of Economic Warfare, 20\textsuperscript{th} March 1942, FO/371/22248
\textsuperscript{408} Foreign Office Minute, 29\textsuperscript{th} September 1942, FO/371/6310
\textsuperscript{409} Ankara to Foreign Office, 19\textsuperscript{th} October 1943, FO/371/37463
\textsuperscript{410} Millman,(1998), p.350.
beginning was full with optimism for the Turkish State, who found herself in the middle of a promising economic and military negotiation. The British side was aspiring to the most important asset of the Turkish state: ‘chrome ore’. As the time went by, chain of events led to the disappointment of the Turkish State. Many events occurred during the world war to the disadvantage of the Allies, which made Great Britain to go back on her promises, there was one thing put its mark on the first years of the war: ‘British reluctance’.

The disappointments of the Turkish side and the signs of the British reluctance came out first when the Foreign Office refused Menemencioğlu’s offer for a 20 year chrome contract which according to him ‘would have simplified matters’. Great Britain worried about the effect of a long term guaranteed chrome sales agreement to stimulate the Turkish production on the Rhodesian economy, who was also a major chrome exporter to Great Britain. In the case of the approval of the Turkish proposal, it would be at least a joint selling agreement including the Rhodesian chrome that the negative effects of a cartel agreement with the Turks for the Rhodesia would be minimized.

The British side had nothing to lose in the case of the prolonging negotiations. They believed that, they got what they wanted by making Turkish Government to sign the chrome agreement. The signing of the chrome contract provided them what they wanted: ‘avoiding the delivery of chrome to Germany’. Chrome agreement was one of the highest priority issues for the Allies from the economic warfare point of view, the successful conclusion of the chrome agreement was necessary and it was done with the 19th October 1939 agreement. For them by the late 1939, Turkish chrome was nothing more than a pre-emptive buying responsibility as they were receiving every year more than half of the world chrome production. They thought that they could bargain until the very end for the price and duration of the chrome agreement. This belief led to long delays at the end of which it turned into a psychological war between the Turkey and the Allies. The words of the negotiator of the British Economic Warfare was giving an idea of what was going on. *We are not prepared to start bargaining with Turkey as to what further bribe they are to receive in the shape of a separate guarantee to purchase their chrome after the war as a condition of their signing the agreement, but we would not want your negotiations to break down for the lack of some small ‘sweetener’ which you could throw in at the last moment in order to clinch matters. What we would be prepared to offer is a guarantee on the part of ourselves to provide a market for Turkish exports of chrome in the twelve months following the end of the war on the basis of a*

---

maximum export of 200,000 tons. We leave it to your discretion, in consultation with the French, to offer a concession on these lines if and when you think it desirable. We do not want it put forward if it is only going to be taken as a sign of weakening on our part which will encourage the Turks to open their mouths again." The British side regretted behaving reluctantly. Turkey at the end of the 3 years chrome agreement, signed a chrome agreement with Germany at the very time, when Chrome became more important than ever for both prevention of the chrome going to Germany and for the own supply needs of the Allies. On 19th May 1943, The British Government agreed to purchase Turkish chrome at the rate of 270 shillings per ton for the period between 8th January 1943 and 31th December 1944 in order to match the price being offered by the Germans, previously during the price negotiations in 1939 and 1940 British had considered one third of this price to be high.

Alliance with Turkey against Germany became important after the outbreak of the war, but the British side didn’t want to antagonize Italy, who was still a neutral country during the early 1940. Italy was against the British assistance to Turkey due to the fact that Turkey was one of the many Italian targets in the Mediterranean. On the other hand, the alliance with Turkey itself wasn’t enough without the support of the Russians and in the present situation their alliance was not probable. Under these circumstances, Chamberlain Government was behaving reluctantly to improve the relations with Turkey. The British reluctance can be explained by the awareness of the British side regarding the impossibility of ending the trade relations between Turkey and Germany in a short period of time. Or perhaps they believed that Germany was going to occupy Turkey soon or later, therefore the British resources going to Turkey, meant for them feeding the enemy.

It was not only the British reluctance but also her insufficient resources that were allocated for her Middle East policy causing this reluctance. Turkey had a role as a breakwater against the German Expansion in the Middle East and the capacity of the British resources were not envisaging a more active role for Turkey in the Middle East against Germany. That was perhaps the reason for the long delays in the delivery of British war materials. As a result of Great Britain’s failure to supply Turkey with modern war materials and modern factory equipment, brought the Turkish trade and industrialization to a still stand.

---

412 Ministry of Economic Warfare to Foreign Office, 10th December 1939, FO 837 1006
415 Foreign Office to Hugessen, 3rd January 1940, FO/837/1006
Turkish Government and military was giving utmost importance to the modernization of the army. Unfortunately her military equipment orders were not delivered most of the time. Below is the list of the military equipments orders placed by the Turkish Government and their delivery rates by June 1940.

Turkish Weapons Demands: Requested/Pledged/Delivered by June 1940\textsuperscript{416}

<table>
<thead>
<tr>
<th>Weapon</th>
<th>Total Requested</th>
<th>Total Pledged</th>
<th>Total Delivered</th>
</tr>
</thead>
<tbody>
<tr>
<td>Destroyers</td>
<td>8</td>
<td>4</td>
<td>0</td>
</tr>
<tr>
<td>Submarines</td>
<td>8</td>
<td>5</td>
<td>0</td>
</tr>
<tr>
<td>Escorts</td>
<td>4</td>
<td>4</td>
<td>0</td>
</tr>
<tr>
<td>Minesweepers</td>
<td>2</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Minelayers</td>
<td>0</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Patrol Craft</td>
<td>2</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Sub Chasers</td>
<td>25</td>
<td>8</td>
<td>0</td>
</tr>
<tr>
<td>MTB’s</td>
<td>10</td>
<td>10</td>
<td>0</td>
</tr>
<tr>
<td>Vickers Submarine Mines</td>
<td>750</td>
<td>120</td>
<td>0</td>
</tr>
<tr>
<td>Depth Charges</td>
<td>350</td>
<td>350</td>
<td>150</td>
</tr>
<tr>
<td>Torpedos</td>
<td>350</td>
<td>32</td>
<td>0</td>
</tr>
<tr>
<td>Gun Batteries for Yavuz</td>
<td>1 set</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>AS Netting</td>
<td>4-5 miles</td>
<td>4-5 miles</td>
<td>0</td>
</tr>
<tr>
<td>Boom Defense Vessels</td>
<td>7</td>
<td>7</td>
<td>0</td>
</tr>
<tr>
<td>Boom Defense Depots</td>
<td>3</td>
<td>3</td>
<td>0</td>
</tr>
<tr>
<td>Trawlers</td>
<td>3</td>
<td>3</td>
<td>0</td>
</tr>
<tr>
<td>15 in. Guns</td>
<td>10</td>
<td>2</td>
<td>0</td>
</tr>
<tr>
<td>13.5 in Guns</td>
<td>10</td>
<td>10</td>
<td>0</td>
</tr>
<tr>
<td>6 in. Guns</td>
<td>14</td>
<td>14</td>
<td>0</td>
</tr>
<tr>
<td>4 in. Guns</td>
<td>6</td>
<td>6</td>
<td>0</td>
</tr>
<tr>
<td>240 mm Guns</td>
<td>24</td>
<td>24</td>
<td>24</td>
</tr>
</tbody>
</table>

\textsuperscript{416} Millman,(1996), p.389.
The fall of France was critical for the relations of Great Britain and Turkey, because the destiny of 4/15 chrome share of France was on the hands of the Turkish Government. Great Britain had great worries about this 4/15 share to go into German hands. Her worries were not without any reason. Britain was incapable of taking the place of Germany in Turkey’s trade. Nobody could say anything to Turkey if Turkey would have given the 4/15 share of France to Germany.

3.3.2. Second Period

The second phase of the World War Two British Foreign Policy towards Turkey was the discomposure period. It started with the German Turkish rapprochement and the signing of the Clodius Agreement, at the end of which Germany was entitled to the delivery of Turkish chrome.

After the signing of the Turkish German chrome agreement, MEW confessed the changing situation in the Economic Warfare situation relating the chrome issue by saying: ‘The Germans are in a very strong position in comparison with us over chrome. They do not want chrome immediately, whereas we do. They have the means of getting it when they want it. They can therefore press the Turks for chrome with two objects in view. The first is to prevent us getting it, playing our own game of pre-emption. Secondly they can use it as an
apple of discord between us and the Turks. They may hope that by their pressing for chrome we will take up the challenge and fight to the bitter end with the Turks over it, the result being a fundamental breach. The Germans would then in their own good time purchase all the chrome they wanted, and also in all probability pass their troops through Turkey without fighting; whereas we know that at the moment they wish to avoid conflict with the Turks if they possibly can. 417

German chrome stocks were not going to exhaust in early 1942 as it was estimated by the British in early 1941. 418 In October 1941, Germany’s chrome position did not cause her serious concern. The low grade chrome coming from Yugoslavia, Bulgaria and Greece provided Germany sufficient low grade chrome for her requirements and she lacked only high grade ores for which she was dependent to Turkey. Only in the second half of 1942 the anxiety began while German stocks and expected deliveries from Yugoslavia and Greece was going to be insufficient to meet her demands during the first six months of 1943. Her need for Turkish chrome, therefore, was not immediate before 1943.

On the other hand, The Anglo-American chrome position was getting more serious. By the early 1943 Great Britain fell short of chrome. She borrowed 25,000 tons from the United States, 7,500 tons of which was Turkish metallurgical chrome. The American position was as follows. In 1940 America required 231,000 tons. In 1941 she required 370,000 and in 1942, 442,000 tons. To meet these requirements Turkish chrome had been needed. The total Turkish output was approximately 180,000 tons per year, of which 85% i.e. 145,000 was metallurgical chrome of the type essential for the manufacture of automotive vehicles. For the period July 1st, 1941, to July 1st, 1942, America required a minimum of 120,000 tons of Turkish metallurgical chrome.

Signing of the Clodius agreement had a stunning effect over the British Foreign Office. They started to make plans for a case in which Turkey was no more delivering chrome to the Allies. The news about the Clodius agreement arrived at the very time in which the Anglo-American chrome position was alarming. Foreign Office started to make plans of a situation in which she deprives of the Turkish chrome supplies. The alternative chrome sources were Rhodesia, Transvaal and Baluchistan and it was a matter of urgency to ensure that all preparations were made to enable the British, if necessary, to increase the output of

417 Foreign Office Memorandum,26th September 1941, FO/837/3081
418 Papens notes for Herrn Reichsaussenminister 20th September 1941, R/901/68461
these mines, e.g. transport, labor, etc.\textsuperscript{419} By this report it was clearly seen that chrome became a scarce commodity for the Allies and the acquisition of chrome from Turkey became a matter of urgency rather than a means of Economic Warfare. Both Germany and Great Britain were going to get chrome from Turkey in 1943, the competition affected the British foreign policy towards Turkey as well. \textsuperscript{420}

After the signing of the Clodius agreement, Great Britain accelerated the delivery of the military materials with the hope of remedying the situation. Not long after the signing of the Clodius agreement on 9\textsuperscript{th} October 1941, Foreign office was telling Hugessen to communicate immediately with President İnönü and inform him of that military equipments were on the way. He was also asked to remind the president that these equipments were to contribute on the British part to Turkey’s security and ability to play her part when necessary in joining against the common enemies of Turkey and Great Britain. He was also asked to make fullest use of this connection with the chrome negotiations. \textsuperscript{421}

The British Foreign Office was not only trying to compensate the non delivery of the British war materials to Turkey by trying to deliver them at once and as fast as they could, they also made plans for the worst case scenario in which Germany was getting chrome in 1943. If the British Foreign Office at the end could not stop the delivery of chrome to Germany, they were planning to persuade the mine owners and Eti Bank to give the Germans low grade ore. This plan was not a good one due to the fact that with the sale of low grade ore to Germany, Great Britain was confirming the sales of chrome to Germany. This was against her Economic Warfare policy. \textsuperscript{422}

British ambassador attempted to interrupt the Turkish-German chrome negotiations which started as a price contract and later on turned into a German attempt to secure long term contracts. Hugessen asked for an interview from the Turkish side, and told them that Great Britain was doing her best to supply wheat and sending war materials; he thus, implied that Great Britain and U.S. were together doing much more for Turkey than Germany and that any concession to present German demands would have deplorable effects on Great Britain. \textsuperscript{423}

Great Britain and United States made a 50/50 loss sharing agreement beginning from 1 January 1942. On the issue of purchasing Turkish products partly for economic warfare reasons and partly for supplying the demand of the Allied countries, U.S. and Great Britain

\textsuperscript{419} Foreign Office to Washington, October 1941, FO/837/1032
\textsuperscript{420} Ankara to Ministry of Economic Warfare, 20\textsuperscript{th} March 1942, FO/371/22248
\textsuperscript{421} Anthony Eden to Winston Churchill, 5\textsuperscript{th} November 1942, PREMIER 3 446/8
\textsuperscript{422} Ankara to Ministry of Economic Warfare, 20\textsuperscript{th} March 1942, FO/371/22248
\textsuperscript{423} Ankara to Foreign Office, 15\textsuperscript{th} September 1942, FO/371/33349

148
decided to share the loss due to higher prices paid for Turkish product in order to prevent them going to enemy. Especially the high prices that had to be purchased for the low grade ore and the dried fruits were calculated as loss and were shared by the two countries. It was a precondition in order to buy Turkish chrome firstly to buy Turkish unmarketable products. According to the calculations of Great Britain, Turkish low grade ore was around 200,000 tons. But the real number was 350,000 tons. And the high grade ore was 93,000 tons.\textsuperscript{424} Previously the amount to be paid for 40\% percent chrome was 140 TL, but the prices for 1943 almost doubled. Germany was preparing to pay 270 shilling/ton and U.S.. Great Britain was going to pay the same price 50/50. The total amount to be paid was 1,481,797 shilling.\textsuperscript{425}

In February 1942, the United States government agreed to take the whole 1942 Turkish output, about 233,000 tons at 27 dollar per ton and to cooperate in providing shipping and in meeting freight charges.\textsuperscript{426}

The MEW was giving the signals of a policy change towards Turkey. According to a report for the year 1942, the only important difference in their objective was that they did not want to bargain for as low a total tonnage as possible and they wanted to get the Turks to agree to assist them in the movement of the ore to accessible ports. They were expecting Turkey to ask for a much higher price and saying 'but we must consider that when we know their appetite.'\textsuperscript{427}

The price of persuading Turkey on all these matters had a high price. Great Britain was not anymore holding the Chrome monopoly in her hand. Germany concurrence was increasing the prices of chrome for 1943 production which was held in 1942.

No agreement was reached between the Turkish and British representatives at the end of the price negotiations as usual, the British side wanted to buy the 1943 low grade chrome ore at a reduced price which she didn’t want to buy at all. Soon or later she realized that the low grade ore had to be purchased in order to prevent it falling into German hands.\textsuperscript{428} Besides that, British government was insisting to sign a contract for the whole 1943 chrome output in spite of the reality that Germany was going to get majority of the 1943 output. All that The British side was acquiring at the end of the negotiations was only promises. The Turkish side in October 1941 was promising Hugessen that the deliveries to Germany would not hamper

\textsuperscript{424}Treasury Chambers to Ministry of Economic Warfare, 12\textsuperscript{th} January 1943, FO/837/1050
\textsuperscript{425} The Chrome Ore, Magnesite& Wolfram Control to The British Raw Materials Mission, 8\textsuperscript{th} April 1943, FO/837/1053
\textsuperscript{426} Medlicott, (1952), p. 238.
\textsuperscript{427} Mr. Davidson’s Report on Turkish Chrome, 14\textsuperscript{th} October 1941, FO/837/1023
\textsuperscript{428} Medlicott,(1952),p.241.
the fulfillment of Allied chrome requirements. In the case of Germany fulfilling the requirements mentioned in the Clodius agreement, there would be nothing standing in Germany’s way and nothing would left for the Allies. ⁴²⁹

Second period can be described as an attempt by the Allies for fixing the relations which went upside down in the first period due to British reluctance. Foreign Office strived for winning again Turkey’s confidence. This was an involuntary attempt as a result of the changing situation regarding chrome.

3.3.3. Third Period

The last period in the British Foreign policy regarding the chrome issue is the ‘oppression’ period. This period started in March-April 1943 and ended when Turkey ceased the chrome sales to Germany in 21st April 1944. In this period Allies gradually increased the diplomatic pressure over Turkey. Third period came as a result of the ineffectiveness of the second period.

After Winston Churchill’s visit to Turkey, Allies believed that relations with Turkey was now mature enough to openly ask her to cease the chrome sales to Germany or at least limit it. A telegram was sent to Ankara on 3rd March 1943 suggesting that the British and American ambassadors makes a joint approach to the Turkish Government on these lines as soon as possible. The result was disappointing for the Allies. The Turkish Foreign Minister protested the Allies and said that what allies were asking for from Turkey was to abandon her neutrality. ⁴³⁰

After the interview, the British and American representatives realized that the policy that was carried out until that day was not bringing any advantage to the Allies. On the other hand, allies were losing the pre-emptive war against Germany regarding chrome. Successful pre-emption which supposed to be securing the whole or nearly the whole exportable surplus of a given commodity was in the case of chrome up to January 1943, away from objective Allies were planning to follow a different policy, a policy which was going to be the end of the joint purchasing program. For the Foreign ministry and the State Department, pre-emptive buying was nothing but waste of money. According to them pre-emptive buying gave Turkey a bargaining weapon against Germany; in all cases where pre-emptive buying had been

⁴²⁹ Ankara to Foreign Office, 31st December 1942, FO/371/37461
attempted, competition had kept prices up and so reduced the quantities that Germany might otherwise have obtained but it was difficult to say whether preemptive activities had been successful in denying the Germans any commodities that they really needed.\footnote{Ankara to Eden, 25\textsuperscript{th} May 1943, FO/837/1053}

Foreign Office first used the Russia card against Turkey. In May 1943, The Soviet ambassador interviewed with the Turkish Minister of Foreign Affairs and expressed the hope of his Government that no further shipments of the strategic materials to the Axis would be made. The Minister replied that, trade relations between Axis countries and Turkey were governed by existing agreements and that while the Government of Turkey did not desire to make available any strategic material to the Axis; he was under obligation to meet her commitments and to obtain products necessary to sustain the economic life of Turkey.\footnote{Ankara to Foreign Office, 20\textsuperscript{th} March 1943 FO371 37461}

Next, U.S. Ambassador called the Minister of Foreign Affairs pointing out that U.S. and Britain was carrying on an economic warfare against the Axis and he expressed that in its desire to shorten the duration of the war and desire for an Allied victory the Turkish Government would cooperate with U.S. to the extend compatible with its vital interests.\footnote{Ankara to Eden, 25\textsuperscript{th} May 1943, FO/837/1053}

Finally, increased chrome deliveries to Germany was protested by Great Britain. The British side was arguing that she had been repeatedly told that Germany would get no chrome except in strict conformity with the Clodius agreement of 1941. The tone of the protest, was still mild but prolog to the worse: \textit{‘When the Berlin Arms Credit agreement was being negotiated, they assured that it would have no relation to chrome. But, when the agreement for 135.000 tons of chrome had eventually been signed in October 1943, it was told to the British that the counter value was not new war material but war material provided under the Berlin Arms agreement. This had produced a very bad impression.} \footnote{Ankara to Foreign Office, 5\textsuperscript{th} April 1944, FO/195/2566}

\textit{Britain, based on the agreements with the Turkish government on December 1942 and their contract with Eti Bank of April 16\textsuperscript{th} 1943, did not admit any priority for 135.000 tons of chrome due to Germany under the agreement of October 1943. She regarded this agreement as a violation of assurances previously given to them, since the delivery of chrome had been linked up with that of German war material acquired under the Berlin Arms Credit agreement of 31\textsuperscript{th} December 1942.} \footnote{Ankara to Foreign Office, 5\textsuperscript{th} April 1944, FO/195/2566}

Great Britain was concerned with the growing discrepancy between the deliveries to accessible ports for Germany and for herself. In addition to that, the British side received none
from the 1943 production. But according to the agreements Great Britain had right to claim \textit{pari passu} treatment, subject to the delivery to Germany of a first maximum of 45,000 tons, not only in regard to the delivery of existing stocks but as regards the production and delivery of 1943/44 chrome. On the other hand Turkey kept delivering chrome to Germany during 1943 under the Clodius agreement. By 31\textsuperscript{st} March 1943 German supplied only a portion of the 18,000,000 TL of war materials, and she received in consequence only a portion of the 45,000 tons of chrome which she would otherwise have been entitled to receive by 31\textsuperscript{st} March. Turkey had the chance to refuse further supplies if she wished to do so. However, a new Turkish-German trade agreement was signed on 18\textsuperscript{th} April 1943. The chrome provisions of the Clodius agreement were extended to 31\textsuperscript{st} December giving the Germans an additional nine months to make the deliveries on which chrome allotments would be based. Meanwhile it was promised to the furious British and American representatives that every effort would be made to impede the transportation of Chrome ore from the mines to Germany.

By October Germany delivered almost the full 100,000,000 RM of war materials. By the 31\textsuperscript{st} October approximately 30,700 tons had been delivered to Germany, and by the end of the year 1943 some 46,783 tons had gone to Germany since the 9\textsuperscript{th} January. The rate of delivery which had averaged 3,000 tons during the first nine months, reached about 7,800 tons in November and 8,100 in December.\footnote{Medlicott,(1952), pp.530-531.}

The Foreign Office was claiming that Turkish government have promised them not to sign any further agreement with Germany unless she delivers all the war materials promised to Turkey, complete and on time. Although the volume of German war material deliveries to Turkey during the second half of 1943 was less than what was promised, Turkish government signed the second Clodius agreement with the Germans on 18\textsuperscript{th} October 1943 according to which Turkey agreed to supply 135,000 tons of chrome in 1943-1944. The Foreign Office said: \textit{British opinion was that, Turkish government had gone beyond what was necessary in assisting chrome deliveries to Germany by extending the validity of the original Clodius agreement. It was intended that the 18,000,000 TL war material which was the first condition of the subsidiary chrome agreement should be delivered before March 31\textsuperscript{st} 1943 when the original Clodius agreement expired. Germans did not fulfill their side of the bargain until the late summer or early autumn of 1943. Secondly, when the subsidiary agreement was signed, the chrome was going to be exchanged not for the new war material but for the war material which was being delivered under the Berlin Arms Credit. This meant that Germany was able...}
to get deliveries out of the 135,000 tons at an earlier moment than she would otherwise have done. This meant that a certain amount of chrome, could be expected to be at her disposal (for instance after the delivery of the first maximum of 45,000 tons under the 1941 agreement) was now being delivered to Germany.\textsuperscript{436}

According to the British point of view, from the maximum 45,000 tons which Germany was entitled to receive, she was only entitled to some 36,000 tons, which was the amount corresponding to the total deliveries which Germany made under List I A of the original Clodius agreement. According to the British diplomats, Great Britain ought to have about 35,000 tons due to the fact that up to end of February 1944, total deliveries to accessible ports for Germany was 71,000 tons. So far the amount of chrome ore for Great Britain was zero.

Turkish Government was actually not doing everything that Germany was requesting. Contrary to Germany demanding 20,000 tons chrome per month, Turkish representatives said that they could only give 7,000 tons per month and the delivery of 135,000 tons stipulated could not be completed, because of difficulties in the mining and transportation, in less than twenty months.

Turkish Government told to the Germans that as a result of the delay in German deliveries, deliveries of chrome could be completed not before the middle of 1945 rather than the end of 1944. Until October 1943 Germans had 24,000 tons of possible 45,000 tons to which they were entitled under the agreement if they could make corresponding deliveries of supplies to Turkey. Turkish attitude was towards delaying the deliveries of Chrome to Germany.

When the tide of the war changed in favor of Allies by the rapid advance of the Russian armies towards Germany, Great Britain pursued in the last months of 1943 a more aggressive policy towards Turkey and cut off her supplies of manufactured copper, cotton goods, raw wool, quinine and atebrine. Great Britain threatened with further sanctions unless Turkey behaved better over her trade relations with Germany. Moreover Great Britain had sent Turkey none of the food supplies that she exported the previous year.\textsuperscript{437} Allied Powers were preparing to put serious pressure on Turkey to persuade her for the cessation of chrome deliveries to Germany. Besides that, there was a quite large influential Turkish opinion for the

\textsuperscript{436} Ankara to Foreign Office, 5\textsuperscript{th} April 1944, FO/195/2566
\textsuperscript{437} Eden to Churchill, 26\textsuperscript{th} April 1944, PREMIER 3 447 2
severance of Turkish-German economic relations provided that Allied Powers gave the assistance Turkey would otherwise have obtained from Germany.

The degree of pressure increased each day. During the spring of 1944, Great Britain decided to take serious actions and applying sanctions unless Turkey immediately ceases the chrome deliveries to Germany. In March 1944, Great Britain and United States planned to apply blockade measures on Turkey and ceasing the pre-emptive buying. According to the British side, Turkish trade with Axis has been condoned in the past on grounds that Turkey obtained thereby from Germany goods which the United Nations were not in a position to supply. However, according to Great Britain, current policy of Turkey towards Germany laid a moral platform which permitted the adoption of a ‘tough’ blockade policy towards Turkey. On 6 April 1944, Turkish Cabinet had a meeting to consider the chrome question and decided to implement a strategy. Meanwhile British diplomats also decided that articles regarding the chrome question should be published in various British Newspapers for influencing the Turkish attitude. These articles were specifically written for propaganda purposes which were put aside to be used when the time comes. According to the Foreign Office it was the right time to publish these articles as Turkish Grand National Assembly was soon discussing the chrome deliveries to Germany. Within a week similar articles were published in ‘Times’ magazine (two times) and Evening Standard on 4th, 8th and 9th April 1944.

On the same day Hugessen had a short interview with The Minister of Foreign Affairs. He emphasized the serious effects of refusing to meet Great Britain demands over the supply of chrome to Germany. He added that since the beginning of February, Great Britain’s relations with Turkey had been different than before. Result of the military negotiations created grave dissatisfaction in Great Britain. Great Britain did not want Turkish Government to make relations worse by piling on the agony on economic matters. Both in UK and USA there were strong anti-Turkish feelings regarding the supplies of chrome and other commodities to Germany. Other countries such as Sweden, Spain, etc. already reduced their supplies. The same was expected from Turkey.

During an interview, Menemencioğlu asked Hugessen to define the requirements. Hugessen said that Foreign Office had already done this. Their ideal was complete cutting of chrome to Germany and Hugessen asked the Minister to go as near this as he could and to give Hugessen an answer at the earliest possible date. Menemencioğlu replied that Turkey had

---

439 Hugessen to Foreign Office, 6th April 1944, FO/195/25661
cut off supplies of cotton, copper, etc. He asked if Turkey could continue this embargo if Turkey could not meet allies requests over chrome. Ambassador refused to make a connection between the two issues.

British Deputy Secretary General replied that 135,000 tons of chrome was being supplied in strict accordance with Clodius agreement of 1941, The Minister pointed out that Turkish Government had first gone beyond what was necessary in facilitating chrome deliveries to Germany by allowing the Germans to complete fulfillment of the condition upon which subsidiary chrome agreement depended after the expiration of the 1941 Clodius agreement. Secondly, chrome under subsidiary agreement was delivered not against new war material but war material already in process of delivery under Berlin Arms agreement. This meant that Germany was getting chrome earlier than she ought to have done to the detriment of the British. 440

The British Foreign Office was inclined towards the immediate cessation of the chrome deliveries and application of severe blockade measures against Turkey in order to prevent her serving as a model for the other neutrals. The Spanish Minister was instructed to try to ascertain all details of Turkish deliveries of chrome to Germany with particulars of quantities, method of payment, method of transportation, etc. The Spanish Minister stated that he was fairly sure that the idea was to take a leaf out of the Turkish book and, by making a deal with the Germans over wolfram, to share in the pickings. British opinion was that the motive may be Spanish governments desire to justify their policy of sending wolfram to Germany by showing that another British ally still ships chrome to the enemy with Great Britain’s own acquiescence. The Portuguese Minister also was interested in Turkish shipments of chrome to Germany. 441

Allied pressure increased after the arrival of the German negotiators to Ankara in early April 1944 for the renewal of the German-Turkish trade agreement which was ending at the end of the month. The British and US ambassadors sent a message to the Turkish Foreign Minister, which was the most threatening of all.

"The Government of the United States and the Government of Great Britain have been seriously perturbed by the economic assistance which Turkish trade relations with Europe have given to the enemy. Hitherto however, they have acquiesced in this

440 Hugessen to Foreign Office, 5th April 1944, FO/195/25661
441 Ankara to Eden, 5th April 1944, FO/195/25661
situation on the informal understanding that Turkish exports were limited to what was required to purchase essential Turkish requirements which could not be obtained from the United Nations. The rapidly approaching crisis in the war situation, when it is essential that the enemy should be deprived of all means of resistance, compels the two Governments to revise their attitude even though they realize that this may cause some temporary inconvenience to Turkish economy. Accordingly they feel bound to warn the Turkish Government that the Government of the United States and the Government of Britain view with serious disfavor as prejudicial to their vital interests the Turkish agreements with Germany and her satellites whereby Turkey undertakes to supply commodities to those countries which are essential to the conduct of the war. Any renewal of agreements or the conclusion of fresh agreements on the same lines will entail the application to Turkey of blockade measures such as the two Governments have throughout the war applied to neutral countries.  442

Menemencioğlu’s reply to this message was to promise that within the limits of its material possibilities, Turkey will give to the United States of America the aid which has been suggested.  443

The discussions regarding Turkish chrome deliveries to Germany inflamed and even those who were impressed by Turkey’s neutral position in the war started to criticize Turkey regarding the chrome deliveries. MEW sent a message to Washington DC mentioning the importance of the subject: ‘Development of the war had given a very special importance at this moment to Turkish Chrome. Although the supply aspect to Britain was important, British overriding object was to deprive Germany of this chrome. ... The loss of manganese in Russia and of chrome in Yugoslavia and Greece owing to guerilla operations made her peculiarly dependent upon Turkey. British troops were in the unpleasant position of having to face German tanks whose armor was hardened with Turkish chrome.’  444

On April 4th a British Minister had a conversation with the Turkish Deputy Secretary General; saying that storm was likely to break shortly on question of deliveries of chrome to Germany unless urgent and drastic action was taken in the direction of the stoppage or radical reduction of deliveries. As a preliminary to treating question as a broad practical issue, The

442 U.S. State Department [Eizenstat] Report on U.S. and Allied Wartime and Postwar Relations and Negotiations With Argentina, Portugal, Spain, Sweden, and Turkey on Looted Gold and German External Assets and U.S. Concerns About the Fate of the Wartime Ustasha Treasury (June 1998)
443 The Secretary of State to the Ambassador in Turkey.
444 Foreign Office to Washington, 14th April 1944, FO/195/25661
Minister developed British claim to *pari passu* treatment over and above first maximum of 45,000 tons, not only as regards transport of existing British stocks but as regards production and transport of 1943/44 chrome, basing himself on paragraphs 2(c) and 3(a) of Turkish communication of December 11th 1942 and article 3 of contract with Eti Bank of April 16th 1943.

As a result of the increasing pressure coming from the allies, Turkish government gave up and declared that beginning from the 14th of April by means of administrative delays he was going to reduce chrome deliveries to Germany to 4200 per month as against average 7000 tons delivered since November 1943. In addition to that, she increased the deliveries to Great Britain to 9000 tons.\(^{445}\) Using German wagons for the transport of British chrome was an option to increase chrome deliveries to Great Britain. As a result of pressure coming from British diplomats, railway authorities made a program for chrome deliveries to Great Britain. Although there was an increase in the deliveries of chrome, British Diplomat Colonel Bell was of the opinion that, as soon as there is an increased demand for wagons for any reason, the Turkish State Railways will cease to supply wagons to Güleman for Great Britain, unless Great Britain is in a position to apply very strong pressure through Ministry of Foreign Affairs.\(^{446}\)

However, this did not satisfy the British. According to them the figure of 4,200 tons was related to the deliveries to accessible ports and not the exports, the former being the extent of the Turkish obligation. On this assumption the total deliveries to accessible ports on German account between January 1943 and the end of December 1944 was to amount approximately 115,400 tons. Great Britain was one more time demanding that all further deliveries to Germany should cease.\(^{447}\) The reason was that according to the Minister of Foreign Affairs, Germany earned only 28,000 out of 45,000 tons so considering that Germany received 71,000 tons from the beginning of 1943 to February 1944. This was making Great Britain entitled to 43,000 tons of chrome according to the *pari passu* treatment. Great Britain received 60,000 and for a good *pari passu* treatment she should get 17,000 more.\(^{448}\) Furthermore British diplomats asked for reducing the chrome delivery even more in May

\(^{445}\) Hugessen to Washington, 8\(^{th}\) April, 1944, FO/195/2567
\(^{446}\) Ankara to Eden, 5\(^{th}\) April 1944, FO/195/25661
\(^{447}\) Some Notes on the Turkish Government’s Decision to Reduce Chrome Deliveries to Germany to 4.200 tons a month. 12\(^{th}\) April 1944, FO/195/25661
\(^{448}\) Some Notes on the Turkish Government’s Decision to Reduce Chrome Deliveries to Germany to 4.200 tons a month. 12\(^{th}\) April 1944, FO/195/25661
1944. On the other hand some believed that demanding further decrease of Turkish chrome delivered to Germany would increase the risk of a sudden German assault on Turkey although it seems to be a small possibility.

What Great Britain wanted was the total stoppage of chrome supplies to Germany. The British side was reminding Turkey that if the deliveries of chrome to Germany do not cease and go on at the present rate there would very quickly be an outcry, in comparison with which the recent criticism of Turkey in the British press on account of her attitude towards entry into the war would be mild. In every occasion Turkish government was advised to take very urgent steps to remedy the situation.

Finally on the 21st April 1944 six days after the US-British note, Turkish Government declared the cessation of all the chrome deliveries to Germany.  

3.4. US Foreign Policy and Chrome

United States was not part of the Allied Economic Warfare during the first phase of the war. As a neutral, she was one of the victims of the Allied contraband control as her trade ships were often stopped by the Allies. As a neutral state, she claimed to have the right to trade with both Axis and Allies but her Merchant ships, whose final destination were defined to be an axis country were often sent back by the Allied ships.

Before joining the war, US were the major supplier of war material for the Great Britain. In return, Britain was supplying US with raw materials. After joining war, United States joined the Economic Warfare efforts of the Allies in the East Mediterranean. United States cooperated with the British in the efforts of Economic Warfare in the Mediterranean instead of pursuing a separate policy. The British side demanded from the Americans the right to pursue relations with the Turkish side as she was claiming to have traditional interests in the Eastern Mediterranean. This was accepted by the Americans and throughout the war most of the American aid and credit going to Turkey was controlled by the British. However, from time to time the U.S. Embassy dealt itself with the preclusive buying of certain materials.

US joined the preclusive purchasing program of Great Britain in April 1941. The U.S. Treasury Department’s Procurement Division agreed to purchase 100,000 tons of chrome

449 Foreign Office to Washington, 14th April 1944, FO/195/25661
450 U.S. State Department [Eizenstat] Report on U.S. and Allied Wartime and Postwar Relations and Negotiations With Argentina, Portugal, Spain, Sweden, and Turkey on Looted Gold and German External Assets and U.S. Concerns About the Fate of the Wartime Ustasha Treasury (June 1998)
451 Stone to Cox, February 24, 1944 FO/371/30084
from the U.K. Commercial Corporation, the British preclusive purchasing authority. US became part of a broader preclusive program in Turkey starting in early 1942 a wider preclusive buying program which aimed at buying the strategical materials. In March 1942, the United States started the purchase of Turkish chrome of total 292,000 tons. Between 1942 and 1944, US purchased in total $125 million including chrome.  

Differences in approach sometimes caused problems between the two Allies, especially insofar as the U.S. agents tended to undertake unofficial purchases in order to prevent export of chrome in desperately short supply in Germany. Although US agreed to cooperate with the British policy in Turkey, the developments regarding the Turkish chrome sales to Germany during the late 1941 and British reaction to these developments did not satisfy the Americans at all. In contrast with the British who favored the continuation of the military and economic support given to Turkey, State department was asking to withhold supplies from Turkey if chrome was Available for Germany but not for the Allies. The British side was thinking that cessation of the war materials would force the Turks to turn towards Germany for supplies. British strategy was not to lead into a major dispute with Turkey on this issue since this would strengthen Germany’s hand.  

Therefore the British Foreign Office applied to the State Department asking them to change their attitude regarding the Turkish chrome sales to Germany and accepting a common strategy under the leadership of Hugessen which would involve no menace when Turkey would sign the chrome agreement with Germany.  

After Turkey’s decision to sell Germany chrome, US Ambassador, made a press conference and appeared to have taken a most defeatist line. U.S. Ambassador described the Turkish decision as a “deliberate double-cross” and declared that not only would the reaction in Washington official circles be deplorable. The isolationists like Senators Wheeler and Nye exploited the situation to the utmost to embarrass the Administration whom they had always attacked extending lease and lend facilities to Turkey. In addition to that, The United States Ambassador expressed his concerns about Turkish policy generally which, he said, had been drastically thrilled by Belgrade bombing from which the Turkish Government had never recovered.

452 Production and Preemption of Chrome in Turkey,” September 16, 1943, pp. 11-12, RG 169, Office of the Administrator, Records Analysis Division, Research Reports and Studies.  
453 Medlicott,(1952), p. 238  
454 Stone to Cox, February 24, 1944, FO/371/30084  
455 British Embassy, Ankara to Foreign Office, FO/371/30081
On the other hand U.S. Ambassador in London was interpreting Turkey’s agreement with the Germans by saying: ‘Turks are playing a slippery game on the chrome question and are merely angling for quick advantage to themselves whether it comes from Germany or elsewhere.’ 456

United States Ambassador at Ankara sent telegrams to the State Department regarding the recent developments on chrome. United States ambassador adopted a despondent and tragic view and suggested that United States Government should inform the Turkish government that unless they would guarantee British and the U.S. governments their maximum requirements of chrome for the duration of the war, the U.S. Government would be obliged to end the supply of war materials and supplies to Turkey.

Meanwhile, U.S. State Department officials took an unfavorable view of recent developments in Turkey regarding Germany. In contrast with Great Britain, who wished to support giving Turkey economic support, The State Department was against any extra support saying that Turkey had an exceptionally privileged position with regard to priorities for all industrial orders and this could no longer be justified. The United States Government proposed to reduce Turkey’s priorities. State Department stepped back from this point of view later on when British said that no overt act of a kind to offend Turkish susceptibilities should take place in the future. With this, the State Department finally agreed and said it would exercise administrative delays and other concealed pressures of a very moderate kind with the object of inducing Turkey to take initiative in discussing their difficulties. Again the response of the British was to warn the State Department not to do any minor administrative roughness which might offend Turkey. Americans replied that Turkey’s action with regard to actual deliveries of chrome must be the acid test of their policy.457 After this meeting, Hugessen, talking with the British ambassador gave the message that: U.S. government’s attitude about things the Turkish government wanted from them might be favorably influenced if the Turks were able to meet United States desires about chrome. ‘For the aforementioned reasons, Eastern Affairs would regret very much if the United States adopted a harsh policy against Turkey, which might make the latter either sell its chrome to Germany or at least fail to cooperate with the United States in our chrome purchases.’

U.S. Ambassador Eden interviewed with the Minister of Foreign Affairs and he pointed out that the United States was supplying Turkey with Lease-Lend material; they were

456 The Ambassador in the United Kingdom(Winant) to the Secretary of State, 20th September 1941, FRUS vol.III p.947
457 Washington to Foreign Office, 10th July 1941, FO/837/1030
also doing their best to supply wheat. United States Ambassador explained also that he was returning to United States at the end of September and considers it necessary to be able to give the President a clear statement of Turkish attitude.\footnote{Ankara to Foreign Office, 15\textsuperscript{th} September 1942, FO/371/33349}

US was vitally interested in the movement of Turkish Chrome in 1943, firstly because there was urgent need of chrome and, secondly, any movement toward Germany of a mineral of such great strategic importance as chrome results in the strengthening of the German military machine. Americans were complaining that during the last months of 1943 and the first few months of 1944 the deliveries of chrome from Turkey to Germany increased excessively, while the movement of Turkish chrome destined for the United States decreased.\footnote{British Embassy, Istanbul to Commercial Counsellor, 11\textsuperscript{th} February 1944, FO/195/25661}

Whereas during the first ten months of 1943 a total of approximately 30,700 tons of chrome were delivered to Germany, (a monthly average of little over 3,000 tons), since the first of November approximately 24,000 tons have been shipped to Germany (an average of 8,000 tons per month). On the other hand, whereas in the first seven months of 1943, 40,200 tons of chrome destined for the United States were moved to ports accessible to United Nations shipping (a monthly average of a little over 5,700 tons), during the last six months only 15,200 tons were moved to such ports (a monthly average of a little over 2,500 tons). Depending on the figures, US was defending the point that since the end of the last summer the policy of the Turkish Government was to increase the deliveries of chrome to Germany, while greatly diminishing the movement of chrome destined for the United States. Such a policy was neither complying with the assurances given to the American Embassy nor with the friendly relations existing between the United States and Turkey. Americans requested from the British to take immediate steps to restore the situation.\footnote{Ankara to Eden, 20\textsuperscript{th} February, 1944, FO 195 25661}

In contrast with the British MEW who was planning to apply sanctions unless Turkey immediately ceased the chrome deliveries to Germany, United States, in contrast with the former policies was this time against any severe sanction. It was doubted that conventional methods would work over Turkey. Turkey’s standard of living was very poor and she was not economically vulnerable to blockade action. Even oil was obtainable from Rumania. It was doubted whether any sanction could be imposed without Russian participation or concurrence because Turks would interpret this as a wedge between the Allies.’ Her proposal was the
US proposal for the delivery of a letter from Roosevelt to İnönü was discussed within the diplomatic circles. It was questioned whether U.S. President Roosevelt should send president İnönü a message on the subject of Turkish chrome. President Roosevelt was persuaded to send a message to İnönü regarding the delivery of chrome to Germany. This was not welcomed by the British diplomatic circles. British policy towards Turkey was tough in the first months of 1943 and Roosevelt’s friendly message to President İnönü would put the British in an embarrassing position. On the other hand they believed that Turkey would never dare to return a negative answer to president due to the fear of offending the President personally. Besides that, they believed that there could not be a better timing for sending such a message as the Russian army reached Romania and the German threat was less than ever.

Decision of President Roosevelt to send a message to İnönü had an important meaning. It meant the violation of the decision taken in the Casablanca Conference by Great Britain and U.S. ‘to act commonly on the issue of chrome and entrance of Turkey into war’. It was believed in the Foreign Office that such an individual policy of U.S. would give the Foreign Minister a good chance to point out the disagreement between Great Britain, United States and Russia. According to the British, policy of united firmness was vitally important and any sign of disunion or weakness would do utmost harm.

President Roosevelt in his message to İnönü, was appealing to İnönü in an informal way. About the subject of chrome, he was mentioning that allies have succeeded in denying to the Germans an important source of manganese by military success. Turkish chrome ore for many purposes can be substituted for manganese, and the denial to the Germans of manganese from Nikopol therefore multiplies the importance to the German war key. It is obvious that it has now become a matter of grave concern to the United States that large supplies of chrome ore continues to move from Turkey to Germany. He further states that the ways for denying the further access of Germans to Turkish chrome ore can best be decided by İnönü and he says that he hopes İnönü will find some method of accomplishing this.

This letter was forwarded to the Ambassador in Turkey and communicated to the British Prime Minister Churchill and Soviet Premier Stalin and was going to be transmitted to

---

461 The Secretary of State to the Ambassador in Turkey, 30th March 1944, FRUS 1944, Vol.V
462 Ankara to Foreign Office, 28th March 1944, FO/371/44079
463 Roosevelt to Churchill, 17th March 1944, Premier 3 4472
President İnönü and the order of the State Department was waited for the final authorization to deliver the letter to İnönü. The Ambassador was never authorized to deliver the letter.

US Ambassador to Ankara Mr. Steinhardt presented a message of his government to the Minister of Foreign Affairs, saying that U.S. and British Governments were seriously perturbed by the economic assistance which Turkish trade relations with Europe have given to Germany. Hitherto however, they have acquiesced in this situation on the informal understanding that Turkish exports were limited to what was required to purchase essential Turkish requirements which could not be attained from the United Nations. It is essential that the enemy should be deprived of all means of resistance, compels the two Governments to revise their attitude even though they realize that this may cause temporary inconvenience to Turkish Economy. Any renewal of agreements or the conclusion of fresh agreements will entail the application to Turkey of blockade measures such as the two Governments have throughout the war applied to neutral countries. United States and the Government of Great Britain consider chrome essential to the conduct of war.\textsuperscript{464}

Menemencioğlu’s reply to this message was to promise that within the limits of its material possibilities, Turkey will give to the United States of America the aid which has been suggested.

\textsuperscript{464} The Secretary of State to the Ambassador in Turkey.
CHAPTER 4. THE REASONS FOR THE FAILURE OF ALLIED ECONOMIC WARFARE REGARDING CHROME IN TURKEY

4.1. The Reasons for the Failure of Allied Economic Warfare Regarding Chrome in Turkey

Economic Warfare was an important part of the Allied total warfare in World War II. However, it was not successful in Turkey. According to Taylor, despite British optimism at the start of the conflict, the German war machine was little inconvenienced by Allied Economic Warfare.\textsuperscript{465} Lane discusses that: ‘Economic warfare had an important role in the Allied victory and was tactically successful. But it was far from reaching the very unreachable hopes placed on and studying allied economic warfare efforts and its effects is more a study of failure\textsuperscript{466}.’

Gordon and Dangerfield also mention that: Economic Warfare of the Allies didn’t manage to cease the supply of war materials of excellent quality to Germany completely, and Germany’s war production and military operations were never seriously hampered by a shortage of any essential raw material or industrial products, with the single exception of petroleum.\textsuperscript{467} Gordon and Dangerfield further mention that, the allied economic warfare was so ineffective and disappointing. German preparations to meet the demands of the German war industry, plans of conquest; the trade arrangements they had made with the neutrals and occupied countries, the influence of their economy on controlling other economies; their organization of the German economy under the Four Year Plan; and their imports of essential materials were also influential in the failure of the Allied Economic Warfare.

Germans never had a serious problem providing the raw materials and industrial products which were the main target of the Allied economic warfare efforts. In fact, the ferro-alloy contents of armor plate and gun steels were reduced but their quality was protected and kept up to about 90 per cent of the prewar level. Without any important loss in quality and efficiency, the number of bearings and the productions of ferro-alloys, which were required for the German war equipments, were reduced drastically by revision of designs and changes in processes.

There was a shortage of first hand information, therefore, analysis of the German War production situation was most of the time based on war-time conditions assessments based on pre-war statistical data and relied on ‘common sense’ conclusions.\textsuperscript{468} In the aftermath of the war based on the captured German archives, it was proven that the US and British estimations regarding the chrome stocks of Germany was for the greater part not reflecting the reality. Most of the information regarding the German material shortages was the rumors spread deliberatively as a mean of German propaganda to distract the attention of the Allies to other places than the real German inefficiencies. As a result of the German stockpiling policy started in the late 30’s, Germany was self sufficient in most of the war critical materials just before the World War II. At the beginning of the war, Germany had an estimated stockpile of about 250,000 tons of chrome which had been accumulated by heavy purchases in Africa, Turkey, and the Balkans in the late 1930s.\textsuperscript{469} In September, 1944, Dr. Speer wrote an official memorandum to Hitler mentioning Germany’s raw material capacity, telling that the loss of the territories in the Balkans, and in the periphery would not ruin the German economy. Even before the total defeat of Germany by the allies her stocks of raw materials were generally adequate.

The most important obstacle regarding the supply of Germany with war materials was the transportation problem which was created by the blockade done by the Allies as a part of the Economic Warfare. As a result of the blockade, Axis countries could not use the coastal routes between Atlantic and Mediterranean ports, this forced The Germans to find alternatives. One of them was to use synthetic products produced in Germany and the other was to shift from sea transportation to rail, trucks and through inland waters in eastern and southeastern Europe, which was more secure but inadequate. Germans used these transportation routes until the railway transportation ceased in the spring of 1945.

Weisband argues that limitation on deliveries of chrome from Turkey to Germany was the result of Germany’s failure to meet the obligations rather than being the result of the British efforts. By March 31, 1943, Germany could only deliver a small portion of the 18 million Turkish liras worth of arms, and consequently did not receive the full 45,000 tons of chrome that was reserved for her. The amount of chrome shipped to Germany between January 15 and March 31, 1943 was only 1000 tons.\textsuperscript{470}

\textsuperscript{469} Allied relations and negotiations with Turkey, College Park Archives USA, p.9
\textsuperscript{470} Weisband, (1973), p.113.
According to Gordon and Dangerfield, Allied expenditures of Economic Warfare in Turkey were over 73,000,000 dollars on joint purchases, the pre-emptive loss was about 70 percent. Pre-emptive buying resulted in nothing but raising the price of chrome, leading the shipment of more chrome in exchange for their purchases by Germany\textsuperscript{471}.

Economic warfare would have been more effective, if Allies had been able to stop German imports from the neutral countries. During the war, there were many incidents in which Germany failed to get chrome, this was due to less to the success of the Allied Economic Warfare, but more due to the policy of the Turkish Government who was determined to get the most out of the situation\textsuperscript{472}.

Having many specialists in narrow fields make it necessary to build a network between them which is a hard task to accomplish and it usually tends to turn into a complex system of network between the specialists and even lead to harmful clashes between the interests of groups of specialists. The United States and Great Britain, failing to undertake administrative precautions for simplifying the administrative burden in their war economic activity, placed themselves at a further comparative disadvantage with the Germans, which highly benefited from this failure of modern system of specialization in democratic countries.

Germany succeeded forming specialized military officers like soldier-economists, soldier psychologists, etc. The interaction of comparatively unrelated intellectual disciplines was exceptional in this era since the trend in social sciences and military studies was inclined to specialization. It is an advantage to have many specialized personnel in intellectual disciplines, however, extreme specialization involves certain disadvantages for the military in the case of modern warfare’ since those individuals concentrated intensely on any single discipline tend to lack flexibility in dealing with new and unusual problems. Such individuals may not be good at undertaking the broader syntheses essential during strategic phases of warfare. In democratic societies like Great Britain, France and USA, the extreme degrees of specialization and differentiation of disciplines, led to the incoherent results by giving of the responsibility of the nation during war in various strategic spheres to the most successful specialists which Pumphrey describes as ‘\textit{democratic power at war, a succession of failures of eminent businessmen, economists, army officers, and others chosen to carry out tasks for which they lack the necessary aptitude.}’\textsuperscript{473}

\textsuperscript{471} Gordon & Dangerfield, (1947),pp. 122-123.
\textsuperscript{473} Ibid. pp.7-12.
Despite all the expenditures on purchases and countless diplomatic efforts, the Allied economic-warfare measures, taking an over-all view, failed in Turkey. There is not one reason for the failure of the economic warfare. This failure is a result of many incidents, which will be discussed in this chapter.

4.1.1. Failure of the Tripartite Alliance

İnönü reminded the British and French Ambassadors that the Tripartite Alliance of October 1939 made Turkey weaker than stronger. The tripartite alliance was the consequence of Turkey’s pre-war policy and the outcome of a policy of rapprochement with the West followed by Atatürk and his successors, 1934 onwards, Turkey wanted to establish an alliance with Great Britain and France. But this desire of Turkey was hampered until 1939 by Great Britain for various reasons, the most important of all was the British reluctance; Turkey continued to pursue an alliance with Great Britain she finally achieved this much-and-long desired alliance in October 1939. Due to her political policies Turkey became open to economic retaliation of Germany from which her new allies did nothing to protect her. All the measures, which should be taken for the alliance, were avoided. Although there were close relations, they never turned to an alliance. Finally, in 1939, the necessary measures to form an alliance were taken by the Allies. But this time, war was approaching and the attempts to create mechanisms to form an alliance failed and collapsed soon after the war began. One can say that the relations between Turkey and the Allies didn’t go further than a paper alliance. After 1940 with the changing situation, Turkey turned her face to the Axis.

Millman argues that the tripartite alliance would have been different, if the relations between the allies and Turkey were established long before the outbreak of the war. Though Great Britain was not in a situation to fulfill her requirements arose from agreements, or in other words did not realize what was required for making it a running alliance. Millman further discusses that, as Turkey was one of the most important elements in the economic warfare, the failure of the alliance was due to the strategic limitations. It would be relentless to as Turkey to fight, without weapons; without credit they could not buy weapons; without being granted the means to repay loans, credits were pointless and even dangerous, because a war that ended in Turkey’s insolvency would not be victory, but a defeat.  

---

474 Hugessen to Foreign Office, 22 July 1939, DBFP, series II, vi. 388.
475 Millman, (February 1944), p.78.
The aim of Great Britain was on the one hand to help the Turkish economy while doing this, to prevent food and chrome from reaching Germany; and to supply the British needs as well. Great Britain was not able to avoid Turkey signing three trade agreements with Germany, the only thing Great Britain managed to do was to curb the volume of Turkish trade with Germany. The malfunctioning of the tripartite alliance was caused by the uncertain place that Turkey occupied within the strategy of Great Britain. At first, Great Britain followed an ambiguous policy torn between Italy and Turkey. British strategy was not to disturb Italy. Italy, during the mid 1930’s, pursued an expansionist policy. Great Britain, on the other hand, was tolerating the Italians for the sake of an alliance against Germany. Building an alliance with a Mediterranean country like Turkey and strengthening her military and economy would severe the relations with Italy and make her to get closer to Germany.

In the first wave of enthusiasm which followed the rapprochement with Great Britain and France; Turkey, of her own accord, refused to renew her treaty of commerce with Germany. Shortly after the outbreak of war, her trade with the Reich sank to a negligible figure. But, as Turkey’s surpluses rapidly rose, anxiety became acute; soon after indications appeared showing that she intended to reverse her decision and to recommence commercial exchange with Germany.

British view was that although Turkey was not participating in the war, she was an ally and was therefore under a moral obligation not to supply chrome to Germany. It was recognized that this would entail some hardship, but it was her duty to be prepared, as an ally, for shouldering her share of the burden of the war. 476

Turkish side, on the other hand, argued that: they must have arms and equipment for their military; and machinery, locomotives, rolling stock and other supplies essential for the maintenance of their economy. Turkey was willing to obtain these things from Great Britain for decreasing her economic dependency to Germny; but as Great Britain was unable to supply her demands, and Germans were willing to do, on one condition, in exchange for chrome. Later on British side acknowledged the fact that it was to the advantage of Turkey to trade with Germany; by doing so, Turkey would be strengthened against a possible German attack. They further pointed out, further, that if Turkey received arms and essential supplies from Great Britain, which Great Britain could hardly spare, nothing would be added to the total strength of the alliance; whereas if Turkey received these things from Germany, the alliance would be strengthened and Germany, correspondingly weakened by so many tanks,

guns, planes, machinery, rolling stocks, etc.\textsuperscript{477} It was an unrealistic policy. It was either showing the naive approach of the Foreign Office to the situation or the desperateness of the British Foreign Policy against Germany. It is possible that British Foreign Office was seeking a pretext for not fulfilling her obligations against Turkey.

4.1.2. Shortsightedness of the Allied Governments in Limiting the Chrome Agreement of January 1940 to Two Years

Ataöv argues that ‘Great Britain would be the owner of all the Turkish chrome for the entire war period only if she had accepted an early Turkish proposal to buy the produce for the duration of the war.’\textsuperscript{478} Allied governments had been short sighted in limiting their chrome agreement of January 1940 to two years. Turkish Secretary General Numan Menemencioğlu was trying to sign a long term, 20 years, chrome agreement with the British and the French, and was trying to make chrome into a security for the creditors, which might be exceedingly advantageous for Turkey as the price of the chrome after the war naturally sinks. If Menemencioğlu was able to persuade the French and the British for a long term contract, he would be finding a source for the payment of the Turkish depths as well. In order to strengthen his hand, he brought forward the question of ‘neutrality’. Menemencioğlu argued that any chrome contract signed between the Allies and Turkey that turns Turkey into a war time supplier, which means the end of the neutrality. More importantly she would be in a situation to defend herself against German antagonism. On the other hand, according to Menemencioğlu, if a 20 years contract was made, the Turkish side would have a proof showing that their chrome contract with the Allies was a long term one for the compensation of the depths and has nothing to do with the recent disputes between the axis and allies. Against these arguments, British and French decided to propose the Turkish side not to declare that the chrome agreement was not limited to the period of war. On the other hand, they believed that Turkey had no effective defense against Germany, who would, whatever the Turks did, accuse them of hostile conduct if they would not sell chrome to Germany.\textsuperscript{479} If Germans deprive of chrome they would accuse the Turks of unfair conduct, and so far as neutrals are concerned, it is perfectly simple to keep the agreement confidential.\textsuperscript{480}

\textsuperscript{477} Medlicott, (1952), pp.86-104.
\textsuperscript{478} Atöv, (1965) p.134.
\textsuperscript{479} Ministry of Economic Warfare to British Embassy, Paris 23\textsuperscript{rd} December, 1939 FO/837 1004
\textsuperscript{480} Ministry of Economic Warfare to British Embassy, Paris 22\textsuperscript{nd} December, 1939 FO/837 1004
Britain was worried about the effect of a long term guaranteed chrome sales agreement to stimulate the Turkish production on the Rhodesian economy, which was also a major chrome exporter to Great Britain. 481

4.1.3. Great Britain not Being Able to Replace Germany as a Trade Partner

According to Weisband, Turkey’s economic predicament and shortages during the war were created by its prior dependence upon Germany. The war conditions forced Turkish statesmen to achieve closer economic ties with the Allies but they faced with the fact that Turkish trade routes went under the control of the Germans which prevented the Turkish export from going to the Allied destinations. As a result, Turkish government went back to the old ally. 482

For Turkey, Great Britain and Germany were two great and highly competitive customers for her surplus commodities. One of Turkey’s major aims was, not to feel the increase in costs acutely felt in the export trade. 483 Great Britain was the one always bargaining for the price and trying to pay less or pay delayed. On the other hand, Germany was paying high prices for the Turkish goods.

It was difficult for Turkey and Great Britain, becoming trade partners. There wasn’t much product of Turkey that Great Britain would be interested to buy. The products Turkey was offering were the ones that Great Britain was buying from her dominions. It was not much different in the case of Turkish-U.S. trade relations. U.S. was buying Turkish tobacco and selling some mass products, but American market was much expensive for the Turkish economy. On the other hand Germany was a natural trading partner for Turkey. 484 Germany was a natural market for the Turkish surplus raw materials and foodstuffs. Most of the time Turkey’s trade with Germany almost equaled her trade with all the other countries of the world together. When Germany was cut off from overseas markets by the sea blockade, Turkey’s chrome, cotton, tobacco, dried fruits, oil seeds, valonea and wool became more crucial for Germany, especially in terms of attainability.

481 Ministry of Economic Warfare to British Embassy, Paris 23rd December, 1939 FO/837 1004
482 Weisband,(1973),p. 95
As the World War II began, the economic relation with Germany were at a very low level, prior to this, by 1938, Germany was buying 44% of Turkish exports and supplied 46% of her imports. In contrast, Great Britain was only buying 11% of Turkish exports and British share in the Turkish imports was only 11%. After the alliance with Great Britain and France, the total trade with Germany dropped to about 10-15 percent of the total. Turkey’s main export items were her agricultural products and chrome. By the October 1941 trade agreement with Germany a new era was opened in the relations of Turkey. Close economic relations with Great Britain from mid 1939 until late 1941 did not satisfy the Turkish political and military elite. Great Britain, during this period, did not manage to substitute Germany as a trade partner. Turkish economy suffered from the absence of Germany as a strong trade partner. Great Britain was far from helping Turkey in her modernization efforts. Allies were not willing to purchase Turkey’s agricultural surplus, consequently prices of Turkish exports dropped and imports grew scarce, causing shortages and shutdowns. As a result of British unwillingness to help Turkey to recover, Turkish government worked to restore economic relations with Germany. Finally in 1943 Germany’s share in Turkish exports increased to 25% and imports to 38%.  

4.1.4. The Military Ineffectiveness of the Allies

4.1.4.1 Italy’s Entry into the War and the severance of Turkey’s sea communications with the West

On 12th June 1940, Ankara announced the severance of her relations with Italy, Italian entry to the war, as had been long expected, meant the severance of Turkey’s sea communications with the West. Turkish chrome exports to Great Britain were disrupted. Allies had to find new routes for the shipment of chrome because Mediterranean was no more safe for the allied shipping. They started to move the ore to the Eastern ports such as Haifa or Port Said. Commercially to move the chrome to Haifa or Port Said was not economical, besides moving ore to these eastern ports, there was another problem, moving the ore from Fethiye to allied controlled ports of Mersin or Alexandretta. Turkey undertook to deliver the 1942 output at accessible ports and ‘promised to do even the impossible to ensure

maximum deliveries’ but even if Turkey delivered chrome to the allied destinations, Allies were not capable of delivering the Turkish demands on time. The disintegration of the Turkish economy accelerated as a result of the loss of markets, and shortage of metals and manufactures.\textsuperscript{487} Not being able to benefit from the Allied support, Turkey moved closer to the Axis.

At the beginning of June, the export of military material from Great Britain was suspended.\textsuperscript{488} On 3 July the decision was taken that most naval supplies could no longer be spared. It was followed also by the army.

\textbf{4.1.4.2. Turkey Loosing her Faith in the Allied Victory}

The military developments in the battlefield during the first year of the war led to a disappointment on the side of Turkey regarding the Allied victory. Before the war, Turkish authorities were convinced about the Allied victory over Germany, upon which Turkish foreign policy was based. Quick victories of Germany in Norway, Netherlands, Belgium and France forced Turkey to review her foreign policy and strength of the alliance she was leaning. Turkish press was fascinated with the achievements of German armies in the West Europe. It was agreed that what happened to Norway was a lesson to be learned and it was not possible for the small countries to protect themselves from the attacks by strict neutrality. Likewise Germany might attack Turkey whenever her strategic interests dictate. In addition to that, it was believed that Turkey should not rely on the Allies for her own faith; otherwise her destiny would be no different than the countries occupied.

\textbf{4.1.4.3. Military Victories of Germany}

In May 1940, defeat of the Allies by the Germany was certain in the eyes of the Turkish Statesmen. According to Hugessen, the collapse of the armies in France, proved Turkey the unpreparedness and inferiority of the Anglo-French coalition.\textsuperscript{489} In 1941, Turkey quite easily consented to the signing of a treaty of friendship with Germany as a result of the advantageous position that Germany acquired in the Balkans. Her military victories played a part in this decision. As a result, German prestige rose to a degree that majority of the people

\textsuperscript{487} Knatchbull Hugessen to Halifax, 2\textsuperscript{nd} August, FO/837/1019.
\textsuperscript{488} Supply of Turkish Naval Requirements, Controller minute, 22 June 1940, ADM 116/4883.
\textsuperscript{489} CC KNAT 1/13, entry 6 June 1940
started to believe in the necessity of a rapprochement with Germany. It was believed that Turkey was tied to Germany geographically and economically. The merchants were willing to return to the pre-war economic relations with Germany which was according to them the most profitable time ever. Military elite, was impressed from the victories of Germany.\textsuperscript{490}

Another point which led to a disappointment within the Turkish Government was the Allied decision to withdraw much of the Middle East reserve for the defense of Great Britain after the collapse of France. It seriously concerned Turkey and affected Turkey’s relations with England. Neither England nor France was in a position to help Turkey when Italy attacked Mediterranean, which they were obliged to as they previously agreed.

\textbf{4.1.4.4. Piling Chrome Stocks in Anatolia}

Huge stocks of chrome piled up in Turkey during 1940, it was not only dangerous in the sense that they could be stolen by Germany but also there was not enough storage places for chrome masses. There was variety of reasons causing the piling of chrome in Turkey. Firstly, U-Boats provided dominance in the seas to the German war machine. German U-Boats not only guaranteed Germany a military superiority in most of the sea routes but also made transport of Turkish chrome to Great Britain risky. U-Boats patrolling in the English Channel were making chrome deliveries from Turkey to Great Britain to a great extend impossible. Secondly, infrastructure of the Turkish railways was not in a good condition. Most of the railways routes were either too busy with the Turkish priority deliveries or not in good condition. Thirdly the Greek-Italian war was making the sea transportation in the Aegean Sea not safe. Most of the local ship owners did not want to carry chrome to Great Britain, and British ships due to demand in other parts of the world were not most of the time ready for the transport of the ore. Lastly, the price negotiations were too tough and long lasting for both sides and caused long delays.\textsuperscript{491}

\textsuperscript{490} Edwards,(1946), pp. 389-400.

\textsuperscript{491} British Embassy, İstanbul to Ministry of Economic Warfare, 9\textsuperscript{th} April 1941, FO/837/1027
4.1.5. The Ineffectiveness of British Economic Warfare

4.1.5.1. Ineffectiveness of the Pre-emptive Buying

Pre-emption was done in Turkey under the name ‘economic support for Turkey’. There was not a real pre-emptive program of Great Britain until July 1941. For a pre-emptive strategy it was necessary to pay a premium price and in order to pay this price MEW and UKCC needed Treasury permission but Treasury was most of the time rejecting the payments. It was later realized that Economic Warfare was not trade in commercial sense. As head of the UKCC, Swinton mentioned, Economic Warfare was a war and it was not right to apply financial conditions as in an ordinary sense. This was what Great Britain did during the war’s first two years in Turkey with prolonging negotiations for the price of chrome. For instance 5 months after the signing of the October 1940 Chrome agreement with Great Britain and France, no chrome was purchased under the chrome agreement and the present situation was causing serious discontent among the Turkish side. Germans were pressing for chrome and the negotiations with the French side stopped as France was occupied. Besides all these, Germany was offering double the British price for chrome. Under these circumstances British were about to lose the Economic Warfare to Germany.

The efficiency of pre-emptive buying was very limited. It was causing the mine owners to put more production on the market with the hope that all their production will be taken, therefore it was making the control of the chrome very hard. On the other hand Agreements between Allies and Turkey to restrict exports to Germany was not working efficiently while the Allies were not capable of preventing smuggling or under-declaring. For instance, up to 30th November, 1943, 281.232 tons of chrome ore was declared by the Eti Bank as having been shipped from Turkey, but of this amount only 262.440 tons have arrived in the United States. The difference was 18.885 tons. It is possible that the Germans made a clandestine arrangement with the Masters of the vessels to off-load some of the ore at one of the German occupied islands on the route. By this means they would have acquired chrome for movement to Germany in addition to the Clodius amounts.

492 PRO FO/837/1029 Turkey Preemptions programme(MEW)
493 CC SWNY II 270/5/28, Memorandum on Economic Warfare(Swinton), 2 May 1940.in Millman, (1996) p.289
494 British Embassy Ankara to Foreign Office, 22nd June 1940, FO/837/1012
495 Ankara to Lieutenant Colonel Gibson, 16th May 1944 FO/195/25661
As Medlicott mentions, the case for continuing pre-emptive purchases on the existing lines was not very convincing. Pre-emptive program was not preventing the Germans from buying the goods she wanted, on the other hand US ambassadors had unlimited resources and they were paying above the market price for acquiring these goods under the purchase program which was finally triggering the inflation. Pre-emptive buying gave Turkey a bargaining weapon against Germany; in all cases in which pre-emptive buying was been attempted, competition kept prices high and reduced the quantities that Germany might otherwise have obtained on the other hand forced Great Britain to pay extraordinary high prices. 496

Due to the government regulations, the mine owners were not eligible to sell their products directly to the buyers without the consent of Etibank. Therefore, Turkish mine owners were obliged to sell their products to the buyers, who were determined by Etibank, rather than selling the chrome to the one giving the most money. On the other hand, they were making contracts with the private German firms although they were not allowed to. One of them was signed in December 1939 by the mine owner of Sinop and İskenderun mines Şevki Günduy in Istanbul. The amount to be delivered was 150.000 tons/year.497 Nevertheless, this delivery never took place due to the restrictions of the Turkish government to the deliveries of chrome to the Axis. Still, there were many other chrome contracts which were signed by the mine owners with the Germans but not realized by the Turkish Government. The mine owners were very influential, indeed. They were vetoing the prices offered to the Turkish Government by Great Britain. During the war, Great Britain attempted to bring the prices under control but didn’t manage to do. On the other hand, although Allies had influence over the Turkish Government and Etibank, they had little influence over the private mine owners, who were not declaring their production to the authorities. Throughout the war, mine owners worked for the Germans to a great extend until the U.S. representatives came and offered higher prices. American market was more profitable than the British one for the Turkish chrome. The individual mine owners, such as Mr Paluka, were preferring to sell his production to the U.S. market but Etibank was contented with Paluka’s individual relations while, the aim of Etibank bureaucrats was to enter the American market as the profit was

497 R901 68460, Prag to Reichsministrium,11.1.1940
much more, but they wanted to make their own connections and didn’t want to involve the mine owners in to the game.  

4.1.5.2. The Trade Routes Being Out of the Reach of Blockade.

Turkish chrome was going to Germany through Bulgaria. Burgaz was the main port of entry for Turkish imports destined for German use. From Burgaz, the chrome was transported along the Danube via the important river port of Ruschuk, or along the main railway line from Burgaz through Sofia, Nis, and Belgrade to Zagreb. When this line was cut in Croatia, as it was often done, through partisan action, the chrome was routed straight from Belgrade to Budapest. There were other ports along Danube, connected by rail to the Bulgarian railway system, Lom, Somovit and Svishtov. These port facilities were also used by the Germans in Emergency. When Burgaz was denied to Germany, the chrome traffic was routed through Constanza, in Romania. This route became very congested after the Russian advance into Northern Romania started, it was the main line of supply for the German Southern Front. Germans made every effort not to use it for chrome traffic. For the Allies, the capability of interrupting the chrome transfer to Germany was very limited. The only way to interrupt the railway traffic was bombing but when Allies dropped bombs to the railways Germans shifted to trucks and continued transportation. Partisan attacks to the railways were another method used by Great Britain to interrupt the traffic but partisans were working with the Russians. Under these circumstances Great Britain could not use the most effective feature of the Economic Warfare, simply the contraband control and also could not cut the chrome traffic between Turkey and Germany permanently.

4.1.5.3. British Plan to Buy Turkish Chrome at a Lower Price and Change the Conditions of the Agreement

The price negotiations between Turkey and the Allies was half the battle, and most of the time failed due to various reasons. Turkish side being a haggler was not the only reason

---

498 Russell to Moore 30th April 1940, FO/837/1009
499 AFHQ 2033/5
500 Vorläufer Bericht des GMB, September 1944, p.2, Aktenbestand GWS, World War II Record Div., Alexandria, Va., USA, GWS 1026
behind the prolonging negotiations. The British side was as much guilty as the Turkish side for the delay.

After signing the chrome agreement with the allies, price negotiations began immediately. The British side found the price proposal of the Turkish side so high that they said ‘Unless Turkey modifies her price ideas, she will not sell a ton.’ According to them, the offer received was supposed to be rejected. A counter offer was made, which would be approximately the same as the price at which supplies can be obtained elsewhere, i.e. 125/- basis for 48% c.i.f. (cost insurance freight) UK and 142/- for 48% c.i.f Marseilles, which were the present prices for the British ore, on the basis of today’s sea freights from Rhodesia. These prices were London Metal Bulletin prices. Great Britain was planning to drop the negotiations for the time being if their offer was rejected by the Turks. They were planning to cover chrome requirements from Greece or own mines of France and Great Britain, if special grades were not available from the Turkish production. The price of chrome was defined in the Chrome Agreement as that of the London Metal Exchange, Turkey however, demanded a higher price, using an offer made by Germany to supply sorely needed armaments in return for chrome. British aim was to maintain the present London Metal Bulletin prices, so that it would not encourage increased production from British and other sources and reduce the liability under the Turkish agreement. According to the plan, Turks were expected to realize soon that they could not sell their ore and in their anxiety for foreign exchange would meet the market prices. MEW was thinking that the present attitude of the Turkish side was encouraged by the high prices paid for the Greek ore. On the other hand British bureaucrats believed that ‘in the past the British have learned to expect hard bargaining from the Turks, but where their bluffs have been called, they always paid dearly. It is for this reason that Great Britain should reject their offer and give a counter offer at open market prices.

Allies were thinking that the right to preempt chrome was their principle reward for buying the raisins.

4.1.5.3.1. Inadequate offers made by the British Government for Turkish Chrome

The prices offered by Great Britain for the Turkish chrome was refused most of the time by the mine owners. The Turkish Minister, responsible for the mining was furious to
such an extent with the British negotiators that he told Etibank that he was ready to break off negotiations with England and sell Germany. On the other hand, although the reaction of the Minister and the mine owners to the British price was very severe, British officials believed that president İnönü and Prime Minister Şükrü Saraçoğlu had more to say on this than a simple cabinet member.\textsuperscript{504} This was partly true but diplomatically at fault.

On every occasion both the British and the Turkish side were accusing each other of having ‘a rather undignified state of haggling’\textsuperscript{505} The British side suffered for her price policy on the later stages of war, she conceded to pay 270 shillings for the Turkish chrome in a time when Germany was getting the same amount or even more for the same price. On the other hand if Great Britain had paid the same amount or accepted the 20 years contract without taking into consideration the economic burdens, she wouldn’t have found herself in such a serious situation.

4.1.6. The British side Blackmailing Turkey to Agree Upon The Chrome Price

Most of the time negotiations stagnated while there was a huge gap between the price offered by the British and asked by Turkey, for the chrome. At one point The British side changed their strategy and reminded the Turkish side that the Turkish dept was due on June 1, 1940 and if agreement cannot be reached soon it is for the Turkish government to provide the necessary funds from its sterling resources. Against British blackmailing The Turkish side responded by saying that the London Metal Exchange price was not the real price and by manipulating the prices Great Britain was supporting a commercial intrigue against them. There was enough reason for The Turkish side to believe in this conspiracy because they made a recent sale to the USA at 28.50 dollar(138.2 shillings) a ton which was equivalent to 22.75 fob dollar. London Metal Exchange price was 125/ less 52/- freight, or 72/fob which was 14 dollar at the present free rate of exchange.

On the other hand, British believed that the price of the London Metal Stock Exchange for chrome was higher than it supposed to be (72/- shillings Ton). The reason was that, no permit was given yet to the Rhodesia and African chrome by the British in order to be able to absorb all the Turkish chrome. As a result, the prices stayed high due to the lack of

\textsuperscript{504} Russell to Moore, 3\textsuperscript{rd} May 1940, FO/837/1009
\textsuperscript{505} Foreign Office to Ankara, 10th April 1940, FO/837/1009
competition. Still Turkish government believed that Great Britain was manipulating the London Metal Exchange Market Prices to buy the chrome for lower prices.

The London Metal Exchange prices were really manipulated. One MEW officer admits that the price was manipulated. ‘The London price was admittedly controlled but the chrome controller has made a completely convincing case that it was in accordance with world value and that almost unlimited quantities of empire chrome would be forthcoming to buyers at that price. But he proposed to buy a limited amount of Turkish chrome for a price 20 Turkish Lira higher than the contemporary market price to soften the Turks. As he later on admitted, the British were not willing to come to an agreement on the issue of chrome prices, this temporary higher price offer was part of a plan which he describes in his own words as: ‘Show them goodwill and keep the matter from stagnating’.

British experts believed that the price of 28.5 dollar was quite exceptional and was going to fall remarkably down to the level of 22 dollar cif level which was already the average price for the Turkish chrome in US. They further state that if the Turks were to press a further substantial tonnage for sale in the United States the price would suffer a serious relapse there which is equivalent to 85/-, 95/- schilling c.i.f. New York. Therefore Great Britain kept the strategy of convincing the Turkish side to the idea of price in America being inflated and that the market price would be falling. So the British were assuming that they could rationalize the Turkish ideas on world prices by persuading Turkey about the factiousness of the American price. But as the French were giving 19 dollars fob, it was hard for them to press on this point.

4.1.7. The Failure of Inter-Allied Cooperation

4.1.7.1. Negotiations for different prices by the Allies disagreement between Great Britain and France

Price negotiations with Turkey stopped several times as both sides stood very determined to push through their own price offer. At the end, British high rank officials decided to not to give any more concessions regarding the chrome prices. It was agreed that it was desirable on political grounds to see a moderately rapid settlement of the question of the

---

506 MEW to MEW, 5th June 1940, FO/837/1012
507 MEW to MEW, 5th June 1940, FO/837/1012
price for the Turkish Chrome Ore but the Turkish idea of 28 1/2 dollars for the American price of Chrome Ore was fictitious, on the other hand the Metal Bulletin price appeared to be very reasonable and evidence in support of this was available, therefore it was decided that they should not pay substantially more than the Metal Bulletin price.

During the Chrome price negotiations for the 1940 output, the French negotiators offered a price of 105/- for 90,000 tons of Chrome to Eti Bank, which was much higher than the price offered by the British representatives. It was generally agreed that if such a tentative offer is once made it would be extremely difficult to obtain a more reasonable price from the Turkey. Then in order to accept the price of 105 which was offered by France, British asked that Turkey would be wise to agree to limit their production, since most of the neutral markets were denied to them. It was however, unlikely that Turkey assent to this.  

At the final days of the meeting on the 30th May, at which French Mission was also present. It was by the British to withdraw the 105 Turkish pound offer by France. A decision which brought the negotiations to a deadlock and resulted in disillusionment on the Turks about the credibility of the Allied promises and can be considered as a reason of the later on shift to the German economic sphere by the Turks.

Great Britain disturbed with France’s giving a higher price for the chrome without consulting themselves sent a telegraph to French Mission complaining about this attitude, French missions reply to MEW about the chrome prices was to say: ‘Our people’s view is that we should as quickly as possible, take away all the chrome available according to the agreement, in order: to prevent it going to Germany, who requires it badly; to counter-act the pressure which is being exerted by Germany on Turkey at the present vital moment. In this case, the financial argument is not the most essential one.’ Great Britain responded to the French saying ‘According to the third article of the Chrome agreement signed with Turkey, the Chrome price is going to be decided according to the London Metal Bulletin.’

The price gap between the prices offered by the French, British and the Americans continued in 1940 as well. While the Americans were paying 22.75dollars (110.3 shillings) for the Turkish chrome, French were paying 19 shillings (92.3shillings) and the British offer was not more than 12 dollars(58.2 shillings) for the same ore. One part of the difficulty was created by fall of sterling in relation with dollar. The low prices given by the British and the much higher price offered by France and United States were making the hand of Turkey

508 Note of the main points raised at a meeting on Thursday, the 30th May, regarding Turkish Chrome, 30th May 1940, FO/837/1012
509 Memorandum by Ministry of Economic Warfare, 13th April 1942, FO371/22248
strong in the negotiations. The British officials were disappointed with the Americans and the French ‘Turks feel as we are bound by agreement they can now squeeze us and American prices have given to them the means of so doing.’ Nevertheless Great Britain was determined to convince the Turks and agree on a price basis ‘… prices asked are exorbitant but I fear we must make some concession to placate local Government as failure to do so might endanger the faithful execution of agreement(as a result of) which chrome may find its way to Germany where prices offered are 3 times those at present offered by us.’ As expected, Turkey was willing to sell to the American customers. For the MEW, this was an undesirable situation and should not be tolerated for the sake of the Economic Warfare conducted against Germany. It was therefore necessary either to find another supplier for the Americans or to shift the price offered to the Turks to the level of 19-20 dollars(95 shillings).

The British plan was to force Turkey to limit its chrome production to an amount that the acquiring of the whole output would be lot more easier. In order to achieve this goal, they step by step limited the market of Turkey. Along with the allied powers, selling of chrome to the Scandinavian countries was also denied. However, this was only a plan and it was hard to make Turks to assent on such a ban, as long as the buyer countries kept neutral.

The disappointment of Turkey not being able to sign an agreement with Great Britain for other Turkish commodities such as wool, cotton, mohair and olive oil, led on June 25, 1940 to a one year commercial and payments agreement with Germany. Turkish-German trade volume was fixed to 21.400.000 TL. Germany was supplying thirty-nine locomotives, wagons, factory equipment, spare parts, pharmaceutical and cigarette paper. Chrome was not a part of the agreement but it opened the door to Germany for chrome negotiations.

Turkey was behaving reluctantly to deliver the chrome to Great Britain because; Great Britain was not able to deliver Turkey any commodity due to the fact that the sea routes were no more under her control after Italy’s entry into the war. Besides that the delivery of chrome with Turkish ships was also out of question while SS Refah, a Turkish ship, carrying chrome to Great Britain sunk in Mediterranean, believed to be sunk by the Germans. Americans misinterpreted this case, by thinking that Turkey was not willing to deliver chrome to Allies because she was pro-German. On the 26th of July 1941, Great Britain applied to United States to make the deliveries to Turkey through Suez, which was still a safe route. British couldn’t

510 Ministry of Supply to Ministry of Economic Warfare, 23rd May 1940, FO/837/1009
511 FO/837/1009
512 Note of the main points raised at a meeting on Thursday, the 30th May, regarding Turkish Chrome, 30th May 1940, FO/837/1012
persuade the Americans on this issue, as the Americans were insisting on the delivery of chrome as a precondition to deliver any good to Turkey.

Turkey was not able to deliver chrome to Great Britain and could get neither money nor goods in return. There was an increase in chrome stocks. At the end agreed to deliver chrome to Germany. Turkey agreed to supply chrome to Germany from Turkey with the Turkish-German trade agreement of June 10, under which half of the total Turkish production would go to Germany. A supplementary agreement of July 17 is said to have arranged for the remainder also to be supplied to Germany.

Besides all, the harvest season was coming most of the wagons were to be sent for the transportation of the harvest. Not many wagons could be spared for the transportation of chrome during the harvest season. There was flood as well. Some of the transportation routes had to be moved. All these factors were making the delivery of chrome to the allied destinations more problematic. British at the end said: If the Americans insist on carrying this policy to its logical conclusion we cannot maintain our position in Turkey and the American attitude may force Turkey more into the German economic orbit.513

4.1.8. Ineffectiveness of the US-British Cooperation

4.1.8.1. British and US Policy Differences

American and British approaches to the issue of Turkish chrome during the Second World War were different. British aim was to disrupt the deliveries of chrome to Germany in order to paralyze the German economy on the other hand American approach was more of a moral one criticizing Turkey for not keeping her promises.514

Great Britain began a program for Turkey in 1940 which was called ‘Chrome Preclusive Purchasing’ United States got involved in the program beginning from April 1941. US treasury agreed to buy 100,000 tons of chrome from UKCC. U.S. preclusive purchases in Turkey from 1942 until 1944, including chrome, were $125 million.515

Differences in approach caused controversies between the U.S. and Great Britain. U.S. agents tended to undertake unofficial purchases (done without prior consultation with either

513 Foreign Office to Ankara, 26th July 1941, FO/837/1030
515 Allied relations and negotiations with Turkey, College Park Archives USA,p.8
the Turkish or the British Government) in order to prevent export of commodities in desperately short supply in Germany.  

On the other hand, US Department of State was disturbed from the Turkish German negotiations for chrome. They were carried out parallel to the negotiations with the allies. Department of State was thinking of applying sanctions to Turkey for this act. According to an agreement between the foreign services of Great Britain and U.S., Great Britain was responsible for the Middle East affairs. The allied relations and armament in the Middle East were carried out by the British. For exerting sanctions to Turkey, Department of State had to ask the British. Notwithstanding, Great Britain was approaching more moderately to this issue. Foreign Office was at that point against any sanction. On the other hand Department of State was determined to implement sanctions and at that moment Department of State started to implement her own policy, she started to control the arms supply to Turkey this way they planned to threat the Turkish government with stopping rearmament unless negotiations between Turkey and Germany ceased immediately.  

With this incident, policy differences between Foreign Office and the Department of State became visible.

From January 17 to 27, 1943, Winston Churchill and Franklin Roosevelt met at Casablanca in the first of series of meetings to coordinate the Allied policy. The two leaders agreed on three points regarding Turkey. It was decided that British takes the lead in Turkish negotiations. Historically, the eastern Mediterranean was within the British sphere, Churchill argued, and the British therefore should be the primary ones to direct diplomatic and military relations between the Allies and Turkey. Roosevelt agreed that the Americans would ship supplies to the British, who would then retransfer them, rather than shipping directly to Turkey. In short, the British were to play the cards for the Allies in Ankara.

Besides a considerable cooperation between Great Britain and United States regarding the chrome purchases, there were important disagreements on the matter of price and political issues. The U.S. involvement into a system which was established by Great Britain and France and now administered by Great Britain was not smooth. Although U.S. participated in the purchase of Turkish chrome since the collapse of France, she joined the Economic Warfare system of Great Britain in June 1941. U.S.’s own economic warfare system was favoring a policy of preclusive buying of commodities for both supplying allied needs and for preventing them from reaching Germany. Great Britain pressed for being the only authority

516 “Preclusive Operations in the Neutral Countries in World War II,” March 20, 1947, pp. 208-221
517 Foreign Office to Washington, 27th September, 1942, FO 371/6310
regarding the pre-emptive purchases in Turkey therefore asked the U.S. to consign her resources to the control of Great Britain. However, this was not welcomed by the U.S. government. There was a mutual suspicion of each other’s motives.

One of the greatest disagreements occurred when United States Foreign Service was disturbed from Turkey’s chrome negotiations with Germany and appealed to the Great Britain to take necessary actions including the cessation of the relations with Turkey. Great Britain was approaching more moderately to this issue. After this disagreement, US decided to implement her own policy; she decided to take the control of Turkey’s rearmament so that she could deal with Turkey in her own way by for instance stopping rearmament unless Turkey stops the negotiations with Germany.  

After Turkey decided to sell chrome to Germany, United States Ambassador, made a press conference and gave the signals of a different foreign policy. Unlike the British ambassador, who stayed calm and followed a more understanding policy, the US ambassador appeared to have taken a most defeatist line. US Ambassador described the Turkish decision as a “deliberate double-cross” and declared that not only would the reaction in Washington official circles be deplorable but the Isolationists like Senators Wheeler and Nye would exploit the situation to the utmost to embarrass the Administration whom they had always attacked extending lease and lend facilities to Turkey.

In addition to that, the United States Ambassador expressed himself pessimistically about Turkish policy generally, which, he said, had been drastically influenced by Belgrade bombing from which the Turkish Government had never recovered.

United States Ambassador sent telegrams to the Department of state on recent chrome developments. United states ambassador adopted a despondent and tragic view and suggested that United States Government should inform Turkish Government that unless they would guarantee British and the U.S. Government their maximum requirements of chrome for the duration of the war, the U.S. Government would be obliged to stop the supply of war materials and supplies to Turkey forthwith.

518 FO 371/...
519 FO/371/30084
Meanwhile, British strategy was to prevent a major dispute with the Turks on this issue since this would make the things worse. Great Britain appealed to the Department of State to ask the Ambassador to change his attitude regarding the Turkish Chrome sales to Germany and move collectively accepting the leadership of British ambassador Hugessen on this issue.\textsuperscript{520} And the common strategy would involve no menace when Turkey is signing the agreement with German.

British and American representatives could not agree on the way that allies should follow regarding the chrome agreement that was signed with the Germans. The British side argued that ‘...hard business negotiations with Turks by offering any kind of inducement in Clodius agreement will get nowhere. British would not accept argument that new offers and inducements should be tried anyhow on the off chance that they might succeed because British claim that such action would be construed by Turks as impugning Turkish honor and would so antagonize them as to jeopardize future opportunities for further discussions.’\textsuperscript{521}

4.1.9. Allied Manner (Misbehavior)

Based on the diplomatic dispatches between the allied authorities, one can come to the conclusion that Allied approach to the Turkish State was contemptuous. The diplomatic staff did not hesitate to insult the Turkish behavior in general and hint at the hatred that they feel against Turkey in general. The ill feelings they maintain were from time to time having its effect on the decisions taken.

4.1.9.1. Attempts to Bribe the Turkish Authorities

Most of the dispatches were away from diplomatic propriety, For the British Authorities Turkish bargaining strategy was a result of greediness and giving concessions to Turkey was described as ‘bribing the Turkish authorities’. The most moderate tone within these dispatches were defining the bargaining process as ‘making some minor concessions to Turkey’. During the chrome negotiations Great Britain officials are explaining the situation to the Foreign Office, Treasury, Export Credits Guarantee Department. They say that ‘...We are

\textsuperscript{520} FO/371/30084
not prepared to start bargaining with Turkey as to what further bribe they are to receive in the shape of a separate guarantee to purchase their chrome after the war as a condition of their signing the agreement, but we would not want your negotiations to break down for the lack of some small ‘sweetener’ which you could throw in at the last moment in order to clinch matters. What we would be prepared to offer is a guarantee on the part of ourselves to provide a market for Turkish exports of chrome in the twelve months following the end of the war on the basis of a maximum export of 200,000 tons. We leave it to your discretion, in consultation with the French, to offer a concession on these lines if and when you think it desirable. We don’t want it put forward if it is only going to be taken as a sign of weakening on our part which will encourage the Turks to open their mouths again.’

Successful pre-emption aimed at securing the whole or nearly the whole exportable surplus of a given commodity. But in the case of chrome up to January 1943, Great Britain was not able to secure the whole exportable surplus of any given Turkish commodity and her misconception of the ongoing negotiations was a reason for the failure.

According to the British diplomats, the corruptedness of the Turkish officialdom was notorious and has long been used by Germany. SOE had a number of contacts both high and low which could be cultivated for this purpose, and the flow of chrome to Germany could be appreciably retarded by this method particularly by concentration on transport officials and employees. The British believed that, it was the policy of the Turkish Government to send supplies to Germany and bribing these officials would lead to Ministerial changes and frustrations of British activities.

British Officials in several occasions tried to bribe the Turkish authorities and in most of the cases they didn’t succeed. As a result, they came to the conclusion that the trial to bribe the Turkish Authorities was a failure. The British members of the Pre-emption Committee have submitted the following conclusion. ‘Unauthorized purchases should not be made in future in Turkey.’

4.1.10. Turkey Being Against the Unconditional Surrender of Germany

The allies demanded the unconditional surrender of the Germans in January 1943. According to the Turkish Government, The doctrine of unconditional surrender was the

---

522 Ministry of Economic Warfare to Foreign Office, 10th December 1939, FO 837 1006
523 Selborne to Eden, 19th April 1944, Premier 3 447 8

186
greatest failure of the Allied policy. The fate of Europe and Germany were connected to each other. The decision of the Allies to destroy Germany’s power unconditionally was perceived as a threat by the Turkish statesmen. In the case of an unconditional surrender, Russia was going to be left unchallenged in south east Europe if Germany would surrender unconditionally and United States would not intervene to the South Eastern Europe that would lead to the Bolshevization of Turkey and Europe. It was already possible that Soviet Union might occupy Turkey if Turkey participated in the war.

When Churchill, Roosevelt, and Stalin met at the Tehran conference, Stalin demanded the change of the Straits regime and persuaded the three leaders for a revision of the Montreux convention of 1936 in favor of the Soviets. Churchill and Roosevelt agreed that after the war the Montreux Convention could be renegotiated and restrictions should be imposed to the military ships of the states that do not have a coast in the Black sea and to reduce the Turkish autonomy in granting or restricting passage. Such an act was going to guarantee the Soviet military control in the Black Sea. For Turkey regime of the straits was a very important matter which was related with the national independence. Turkish government was, aware of the decisions taken in the Tehran Conference. It was realized that in the post war system she was going to be left alone with Russia. Turkey was therefore against a total defeat of the German military. Even though it was a small thing, the increase in the speed and quantity of the chrome deliveries to Germany occurring at the same time as the Tehran Conference was not more than a coincidence.

Besides that, when Germany began to retreat from the Soviets territories, Hitler persistently ordered the defense of Crimea. When his generals wanted to retreat from the Crimea, he overruled them on the assumption that as long as Germany was present on the Black Sea, Turkey would continue to resist Allied pressure and sell chrome. When Germany retreated from Crimea (May 8, 1944), Turkey ceased selling chrome to Germany (April 21, 1944) 528 the last delivery of chromium to the German was on June 1, 1945.

527 Hugessen to Foreign Office, 19th December 1943, FO 371/44064,
529 Allied Relations and Negotiations With Turkey, p.11
4.1.11. Internal Conflicts in British Bureaucracy

Meanwhile, there was a growing problem within the Allies. The rivalry between different ministries was hindering an effective performance. Hiding documents from the other ministries was a typical incident within the British bureaucracy. Mc Dowell, a MEW official was complaining about the United Kingdom Commercial Corporation (UKCC) and accused the UKCC officials for hiding documents and information from himself. “Is it not possible to ask the minister to eliminate completely these inefficient and negligent employees of the UKCC from having anything to do with chrome ships” British diplomatic dispatches were full with such notes of the diplomatic staff complaining others.

4.1.12. The Misinterpretation of the Turkish Foreign Policy by the Allies

According to Deringil, Turkey during World War II was an authoritarian, and power was very centralized. Power was concentrated mostly around the Grand National assembly, the parliamentary Group of Republican Party (CHP), the Cabinet and İnönü. İnönü himself, as the authoritarian head of an authoritarian government, was the pinnacle of power and the focal point of all this centralization. Allies were oblivious to this reality. İnönü’s ‘one man’ stand was often neglected by the Allied diplomats. After the Allied preemptive program was showing no process and the Turkish exports to Germany was not decreasing, as a reaction to this problem, Mr. Leod a British diplomat offered to appeal to the Turkish Commander in chief. According to him appealing the Commander in Chief was more likely to succeed in reducing chrome deliveries to Germany than appealing İnönü. According to Mr. Leod the influence of the army was high and the commander was pro British. In reality, this approach was showing the fact that British diplomats did not know the functioning of the Turkish political system well. Although the military had a considerable influence over the foreign policy, they were failing to understand the power of İnönü.

---


Ministry of Economic Warfare to Foreign Office, 16th February 1944, FO/371/44078
4.1.13. Political Considerations Limiting the Possibilities of Economic Pressure

According to Fox, among all the neutrals of World War II, Turkey was the most competent to use one belligerent to resist the pressure of another. Germany, Great Britain and Soviet Russia, all the major belligerents, in certain periods of the war applied pressure on Turkey for various purposes. In each case Turkey appealed to the other two for counterbalancing the pressuring party.  

Turkey was in a position to bargain with both Allies and Axis in respect of economic, military and political matters. Aware of this fact, İnönü government was behaving reluctant to the Allied pressure on especially economic issues. Proposals either by the Great Britain or the United States in the direction of ceasing supplies or blockading were most of the time withdrawn without being carried out.

The only successful political maneuver of the Allies was during the spring of 1944 when Great Britain decided to take serious actions and declared that she would apply sanctions unless Turkey would cease the chrome deliveries to Germany immediately. Turkish trade with the Axis has been condoned in the past on grounds that Turkey obtained goods from Germany which the United Nations were not in a position to supply. However, according to Great Britain, current policy of Turkey towards Germany laid a moral platform which permitted the adoption of a ‘tough’ blockade policy towards Turkey. Soon after on 20th April, Turkish Foreign Minister announced the decision to stop all chrome exports to Germany.

The timing of threatening Turkey with blockade measures was good determined, during the spring of 1944; Turkey was not in a position to play her common strategy. Germany was retreating from Russia and her military and economic existence in the Balkans was diminishing each passing day. Six days after the blockade threat Turkey ceased all the chrome exports to Germany hours before the deadline of the allies. On the other hand according to Gordon and Dangerfield this outcome was not directly a result of the Allied pressure but the Russian victories in the Balkans and Turkey’s desire to be involved in the victorious side therefore being able to protect the straights against Russian expansionism.

532 Ibid, p. 10.
533 The Secretary of State to the Ambassador in Turkey, 30th March 1944, FRUS 1944, Vol.V
According to Medlicott, despite all the expenditures done by the allied powers, the Allied economic warfare measures, taking an over-all view, failed in Turkey: they failed due to overriding political considerations which deprived them of effective means of pressure. There were incidences in which Germany did not manage to get what she was entitled to, but this was not a result of the Allied economic warfare measures but the policy of the Turkish Government, who were determined to secure from Germany their quid pro quo.\(^{536}\)

Turkey required large quantities of war materials from Germany. The maintenance of the Lease Lend facilities and the wheat contract with the British government was important as well. Therefore, the longer Turkey could delay the chrome ore question, the more she could get from both sides.

As the statesmen of a relatively small state, Turkish decisionmakers used the means of diplomacy effectively during the entire World War II with the purpose of keeping Turkey out of the war. With this object in mind, they tried to use every asset they have. Chrome resources as the most valuable of all, was used by the Turkish diplomats with the object of keeping Turkey out of the war. Chrome was seen by the Turkish state elite as insurance for neutrality and a bargaining asset for equal treatment against the strong belligerents. Atatürk, during his presidency anticipated the coming of a world war in the mid 1930’s and gave orders to his bureaucrats for the opening of more chrome mines and increasing the production so that Turkey could strengthen her hand in the case of a war. In contrast with the Turkish efforts to stay neutral, Allied policy was to pull Turkey into the war as a belligerent on the side of the Allies. At the Casablanca Conference in January 1943, President Roosevelt and Prime Minister Churchill and their political and military leaders considered the question of bringing Turkey into the War, so that the country could be used as an Allied base to conduct military operations against the Axis in the Balkans and thereby chrome could be denied to Germany. When it was realized that Turkey was insisting upon not entering the war under any circumstances, Allies concluded that the Allied policy of providing assistance "in the form of economic and military assistance had not been fruitful, and therefore recommended that further aid to Turkey on the current scale was not warranted."\(^{537}\) Finally it was understood mutually, both by the Allies and Turkey that, neither of the parties would get what they desired from the other. Allies understood that they were not going to be able to make Turkey

\(^{536}\) Medlicott, (1952), p.86.

a belligerent ally therefore it was not worth giving Turkey economic and military support. On the other hand, Turkish side realized that Allied pressure towards Turkey’s belligerency was increasing day by day and Turkish excuses for not accepting to be a belligerent ally of Great Britain was not satisfying the Allies. It was coinciding with the realization of the fact by Turkey that her neutrality would not be respected by the Allies. Therefore chrome was no more in the bag for the allies. On the other hand, Germany approached Turkey more empathetic regarding the neutrality issue. German assurances given by Hitler’s letter to İnönü, regarding Germany’s respect for the Turkish neutrality and Hitler’s assurances that German armies would not get closer than 50 km to the Turkish Bulgarian border. Germany’s attitude towards Turkey led to the signing of a non aggression pact and adoption of a pro-German attitude between 1941 and 1943. Germany became entitled to Turkish chrome by being the guarantor of the Turkish neutrality. The Turkish-German commercial agreement of July 1940 was advantageous to Turkey. Turkey was delivering olive oil, mohair, rags, cotton, and nuts. However, this deal did not bring Chrome to Germany immediately. Howbeit Germany agreed to deliver locomotives, railway equipment, and pharmaceutical products which Turkey urgently needed. Besides that Germany agreed to take the responsibility of transporting these products and there was no single paragraph restricting the trade between the Allies and Turkey. German aim according to Von Papen was to support Turkey in her "desire to resist the pressure of allied powers, and keeping out of war."538

This went on until April 1944. When German defeat was apparent and Turkey was facing with the threat of confronting with Russia alone she ceased supplying chrome to Germany and decided for the Western Alliance.

CONCLUSION

Throughout this doctoral dissertation, the World War II Allied Economic Warfare regarding the Turkish Chrome sales is researched thoroughly and the answer to the question of, ‘Why did the Allied Economic Warfare regarding the Turkish Chrome sales failed’ was discussed, based on the assumption that ‘The Allied Economic Warfare regarding the Chrome sales failed in Turkey.’.

The PhD candidate is convinced that the Allied Economic Warfare regarding the chrome sales failed in Turkey as a result of a series of facts derived from the Allies, the Axis and Turkey herself. Among many critical mistakes of the Allies, the most important of all was her reluctant behavior towards Turkey as a result of having the monopoly over the Turkish chrome in the first phase of the war. Allied reluctance caused the Turkish economy to suffer to a great extent. Great Britain did little to take the role of Germany as Turkey’s major partner. Besides that her intelligence did not work effective regarding the German deficiencies and fed the British Foreign Office with wrong information which caused the British Ministry of Economic Warfare to focus on the wrong aspects. On the other hand, Turkey followed some simple principles and hardly deviated from them. The most important of these principles was keeping out of the war no matter what, not being too much dependent to any of the belligerents and being against any unconditional surrender of the belligerent parties which would destroy the balance of power in Europe. The Turkish statesmen realized the chrome export as the most important asset in hand, and used it in every occasion as a bargaining chip. It took a while for the British side to realize this. It was due to the fact that during the early years of the war, buying the Turkish chrome was nothing but a pre-emption and once the roles changed and the chrome demand of the Allies increased, they strived to understand Turkish point of view, but it was too late. Once the Turkish point of view was realized, Germany was already entitled to chrome.

Germany on the other hand benefited from the deeply rooted economic relations, that’s foundations were laid during the 1930’s. The dependence of Turkish economy to Germany was to such an extent that the attempts of the Turkish side to decrease this dependency beginning from the last days of the peace failed and at the end in the early 1940, Turkish Government realized that their attempt to substitute Germany with Great Britain failed.

It would be a failure to explain the failure of the Turco-British alliance with one fact, it was both the German ‘lebensraum’ policy that rendered Turkey dependant on Germany, and
the British inability to substitute Germany as a trade partner that led to the rapprochement of Germany and Turkey in 1940. It would be also necessary to mention the role of German military success in the South East Europe and its effect on the Turkish public and politicians. In the eyes of the Turkish people and specifically the Turkish ruling elite, Germany was the old ally against whom not a single war was fought. On the other hand despite the improving relations the credibility of Great Britain was poor in the beginning of the war and decreased each passing day.
Unpublished Documents

Great Britain: National Archives, London Kew Gardens:

Cabinet Office
   CAB: Balkans and Chrome
   1943-1944: volumes.121

Foreign Office
   FO 93 Turkey:
   1940: volumes. 110/116
   FO 195 British Embassy Angora, Chrome:
   1944: volumes. 2570, 2571, 25661.
   FO 371, Turkey:
   1941: volumes. 30081, 30082, 30083, 30085.
   1942: volumes. 22248, 33349,33350,33351, 33353.
   1943: volumes. 37460, 37461, 37463.
   1944: volumes. 44078, 44079, 44080.
   1945: volumes. 48722, 48726.
   FO 837: Turkey Chrome
   1939: volumes. 1003, 1004
   1940: volumes. 1006, 1009, 1012, 1015, 1016.
   1941: volumes. 1023, 1027, 1030, 1032, 1033.
   1942: volumes.1039, 1044, 1049.
   1943: volumes.1050, 1053, 1058.
   1944: volumes. 1058.
   FO 922 Middle East Supply Centre: Chrome :
   1942-1943: volumes. 419
   HW 1
   1941: volumes. 91, 93.
   1944: volumes. 2711, 2750.
   MT Shipping:
1940-1941: volumes. 59 286.
Prime Minister’s Office
    PREMIER 3 Turkey:
1942-1943: volumes. 446/8
1944: volumes. 447/2, 447/8
    WO 204: Economic Warfare Balkans,
1944: volumes. 2013

United States; College Park Archives, Washington DC, American Embassy Archives, Ankara.

United States. National Archives. Micro-copy Roll 23
867.00/3101, 867.24/162, FW. 867.63/44, 867. 6359 CHROME/6-10
GWS, World War II Record Div., Alexandria, Va., USA, GWS,

Germany; Das Bundesarchiv Lichterfelde Berlin, Auswaertiges Amt, Mitte Berlin
R/4902 6478, R.3101/31.148
R/4902-5985 Türkei, Handelspolitik
R/4902/10337
R/4902-9491 England Handelspolitik
R/4902-10609 Türkei, Handelspolitik
R/4902 10424 Türkei, Handelspolitik
R/13/1 567 Chrom bilanz
R/4902/8613 Chrom
R/4902/10610 Türkei Chrom
Microfilms
R/3101/30.709
R/3101/30.889 Chrome
R/3101/30.819
R/3101/899
R7/899/A3 p.85 Abschrift aus Lagerstaetten Chronik Heft 12
Politisches Archiv des Auswaertiges Amts: R 106275
Politische Beziehungen der Türkei zu Deutschland
Deutsche Botschaft in der Türkei: Wirtschaftliche Beziehungen zwischen Deutschland und die Türkei.
Clodius, Handakten volume 54, 55
Akten betreffend Chromerz: Ha
NA: T 71, 59, 557426.

Official Publications

Germany:

Die Einfuhrabhaengigkeit der Achse an kriegs- und lebenswichtigen Roh- und Halbstoffen und ihre mögliche Sicherstellung im Kriegsfall, Reichsamt für wehrwirtschaftliche Planung.
Documents on German Foreign Policy, Series D(1937-1945), Vol V, VI, VII, IX, X, XII.
Fiyat İstatistik Dergisi
Foreign Relations of the United States: Diplomatic Papers, 1940, vol III.
Foreign Relations of the United States: Diplomatic Papers, 1941, vol III
Foreign Relations of the United States: Diplomatic Papers, 1942, vol IV
Foreign Relations of the United States: Diplomatic Papers, July 1943- June 1944, Vol. VI.
Foreign Relations of the United States: Diplomatic Papers, 1944, vol V.
College Park Archives USA
U.S. State Department [Eizenstat] Report on U.S. and Allied Wartime and Postwar Relations and Negotiations With Argentina, Portugal, Spain, Sweden, and Turkey on Looted
Gold and German External Assets and U.S. Concerns About the Fate of the Wartime Ustasha Treasury (June 1998).

BOOKS:

A
Atatürk, Kemal, *Speech Delivered by Gazi Mustafa Kemal President of the Turkish Republic*, October 1927.
Atay, Falih Rifki, *İnanç(Belief)*, Dünya Yayınları, İstanbul , 1965,

B
Bölcke, Willi A. Boelcke, Deutschland als Welthandelsmacht, W. Kohlhammer 1996

C
D

E

F

G
Güçlü, Yücel, Eminence Grise of The Turkish Foreign Service: Numan Menemencioğlu, Dışişleri Bakanlığı Yayınları, 2002.

H

I

J


Krecker, Lothar, *Deutschland und die Türkei im Zweiten Welt Krieg*. Frankfurt am Main, Frankfurter Wissenschaftliche Beiträge 1964.


Meyer, F., *Türk Krom Cevheri Terkibine Dair Bir Tetkik*, Maden Tektik ve Arama Dergisi, 1938 No:13, pp. 149-154


Özakıncı, Cengiz, *Türkiye’nin Siyasi İntiharı ‘Yeni Osmanlı Tuzağı’*, Otopsi Yayınları, İstanbul, 2005


Vere-Hodge, Edward Reginald, Turkish Foreign Policy 1918-1948, Universite De Geneve, Switzerland, 1950.


MEMOIRS:


Knatchbull-Hugessen, Hughe, Ambassador in Turkey: The Fortnightly 165 (April 1949)

Von Papen, Franz, Die Wahrheit Eine Gasse, Paul List Verlag, München, 1952

**ARTICLES:**


Edip, Halide, *Turkey and Her Allies*, Foreign Affairs. April 1940, pp.442-449.


Güçlü, Yücel, *Turkey's Relations with Germany From the Conclusion of the Montreux straits Convention up to the Outbreak of the Second World War*, Belleten, Cilt: 66 - Sayı: 245, 2002 Nisan


Kurat, Yuluğ, Tekin, *Turco-German Trade During World War II*, Belleten C. XXV, 8.


In einem modernen Krieg gibt es drei Fronten: die Front der militärischen Konflikte zu Land, Wasser und Luft, die psychologische Front, die auf Kampfgeist und Propaganda abzielt und zuletzt die wirtschaftliche Front. Ein Erfolg stellt sich am ehesten ein, wenn diese drei Fronten gleichermaßen bedient werden.

Der wirtschaftliche Charakter der “Modernen Kriegsführung” ist zu wichtig um unterschätzt zu werden. Um im Krieg erfolgreich zu sein muss an wirtschaftliche Front ebenso gut gekämpft werden wie an der militärischen. Die Umstrukturierung der Binnenwirtschaft zugunsten des Aufbaus und der Finanzierung des Militärs sowie die Steigerung des Leistungsvermögens des Staates sind für die Schlacht an der wirtschaftlichen Front unabdingbar. Was die Kriegführenden Parteien auszeichnet, wenn es darum geht, einen Krieg zu gewinnen, ist die Widerstandskraft den Spannungen gegenüber, die aus solchen Umstrukturierungen resultieren können.


absoluten Vorherrschaft auf den Meeren. Großbritannien blockierte den deutschen Handel zu Wasser, indem es die Seewege blockierte, und ergriff einige Maßnahmen in den Exportländern und Staaten der Dritten Welt, von denen es vermutete, dass sie Waren nach Deutschland liefern würden. Einer der vielen Wege, die britische wirtschaftliche Kriegsführung auszuhebeln, war Handelsbeziehungen zu den neutralen Staaten zu unterhalten, die eine Landverbindung zum Dritten Reich hatten. Die Türkei war einer davon und sie war einer der wichtigsten Exporteure nach Deutschland.


Als neutrale Nation und einer der wenigen Staaten, die es schafften, nicht in den bewaffneten Konflikt involviert zu werden, wurde die Türkei oft sowohl von den Alliierten als auch von den Achsenmächten scharf kritisiert, eben nicht neutral zu sein, sondern im


Diese Untersuchung erörtert, dass der Wirtschaftskrieg der Alliierten im Bezug auf den Chromhandel in der Türkei als Ergebnis einer Verkettung von Fakten und Ereignissen auf Seiten der Alliierten, der Achsenmächte und der Türkei selbst scheiterte.

Erklärung an Eides statt

ich erkläre hiermit an Eides statt, dass ich

1.) die eingereichte Abhandlung selbständig und ohne unerlaubte Hilfe angefertigt habe,

2.) außer den im Schriftumsverzeichnis angegebenen Hilfsmitteln keine weiteren benutzt und alle Stellen, die aus dem Schrifttum ganz oder annähernd entnommen sind, als solche kenntlich gemacht und einzeln nach ihrer Herkunft unter Bezeichnung der Ausgabe (Auflage und Jahr des Erscheinens), des Bandes und der Seite des benützen Werkes in der Abhandlung nachgewiesen habe,

3.) alle Stellen und Personen, welche mich bei der Vorbereitung und Anfertigung der Abhandlung unterstützt, genannt habe,

4.) die Abhandlung noch keiner anderen Stelle zur Prüfung vorgelegt habe, und dass dieselbe noch nicht anderen Zwecken – auch nicht teilweise – gedient hat 1),

5.) mich nicht in Erlangen oder anderswo ohne Erfolg einer Magister- oder Masterprüfung unterzogen oder zu promovieren versucht habe 2),

6.) mich nicht in Erlangen oder anderswo einer Staats- oder Diplomprüfung ohne Erfolg unterzogen oder eine dieser beiden Prüfungen versucht habe 3).

1) Ich bin darüber unterrichtet, dass die von mir zum Zwecke der Promotion abgegebene „Wahrheitsgemäße Erklärung“ im Fall ihrer Unrichtigkeit oder Unvollständigkeit eine Bestrafung wegen Betrugs zur Folge haben kann.

2) Nichtbestandene oder ohne Erfolg versuchte Prüfungen im Sinne von § 7 Abs. 1 sind auf gesondertem Blatt genau anzugeben.

Erlangen, den ................................................20.... ...........................................................

Unterschrift