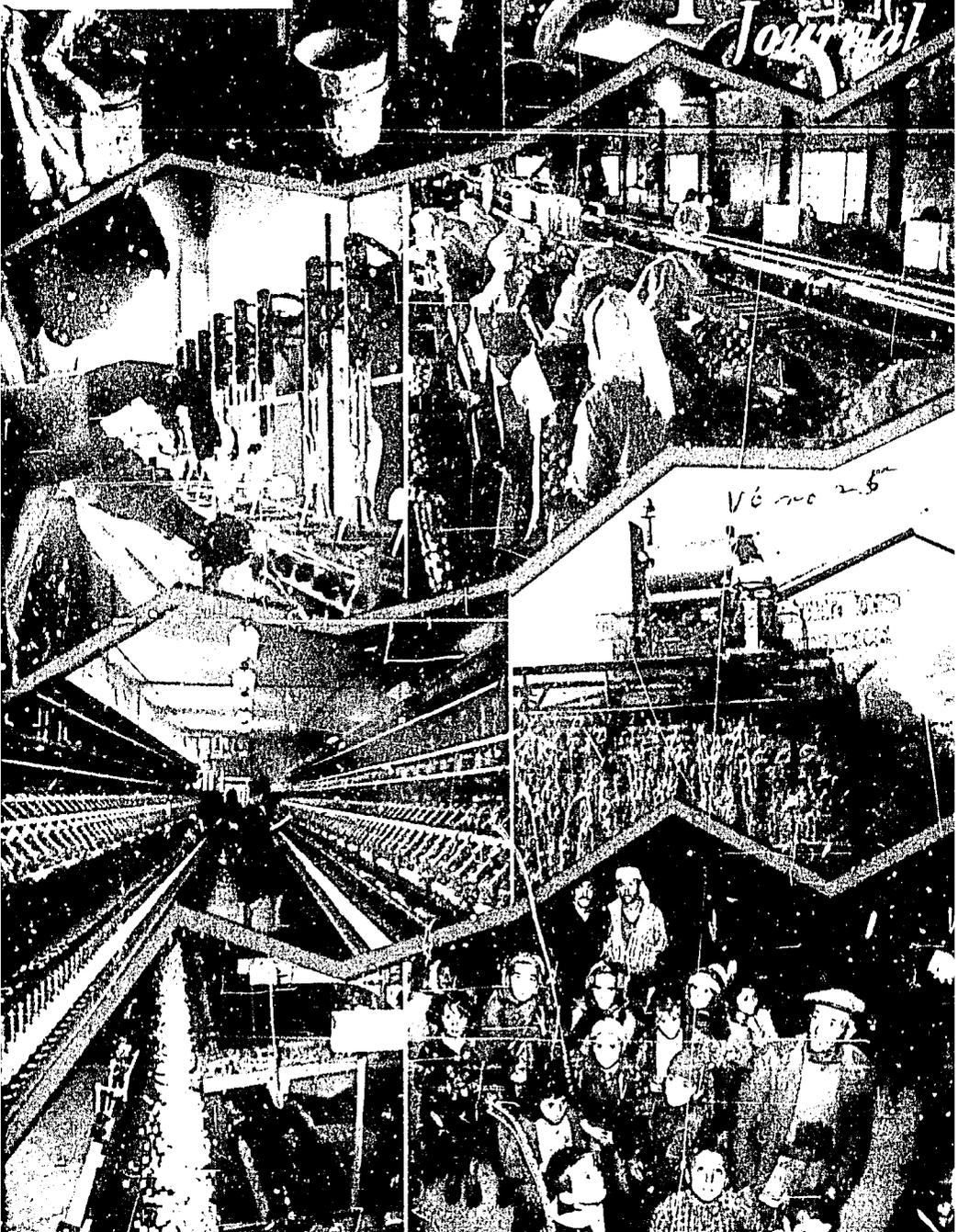


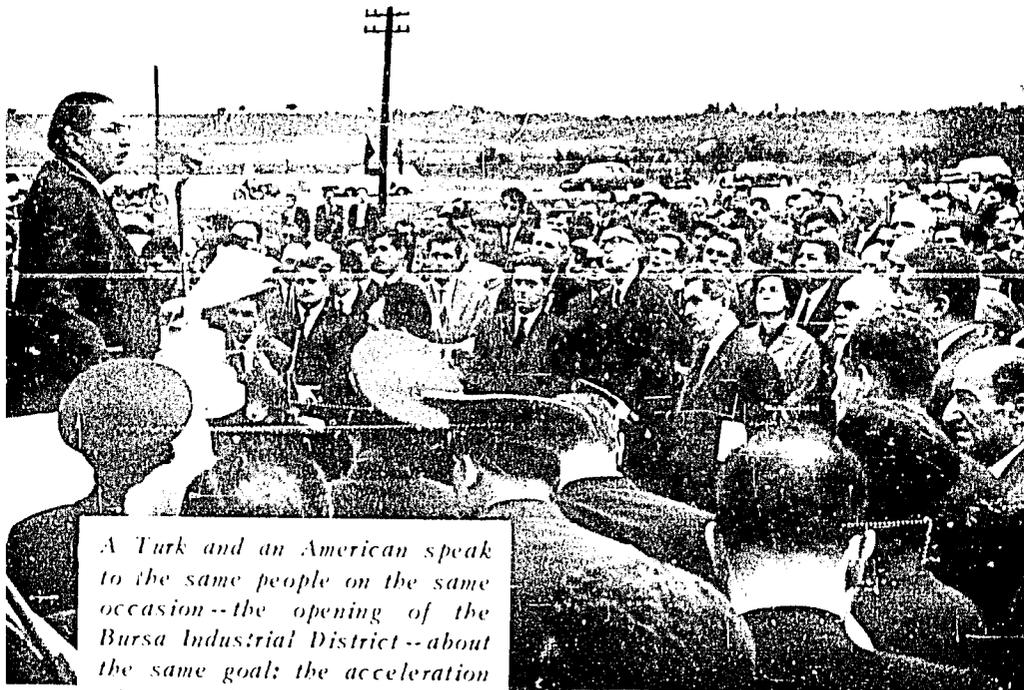
Participant Journal



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A Turk and an American speak to the same people on the same occasion--the opening of the Bursa Industrial District--about the same goal: the acceleration of economic growth in Turkey. Above, Minister of Foreign Affairs Ihsan Sabri Çağlayangil and below, USAID Director James P. Grant.



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Accelerating Economic Growth through Encouraging Multiple Sources

By *James P. Grant*
Director, USAID/Turkey

Wherever one goes in Turkey today – to Istanbul or to Van, Adana or Samsun, Kayseri or Izmir, Bursa or Trabzon – the traveler can see and feel the gathering momentum of Turkey's economic progress. This progress frequently is striking. In the manufacturing sector, for example, the great majority of industrial establishments that my colleagues and I have visited in recent months are operating on either a two or three-shift production basis and are engaged either in major expansion or in firm planning for doing so.

There can be no question that Turkey now is a country which is moving forward rapidly. The big issue for the future is how this

"If what we call our land had been made up of bone, dry mountains and stones, swamps and raked plains, or if our land had not consisted of anything but cities and villages, there would have been absolutely no difference between it and a prison. But this country of ours is one that is not only fit, but most suitable, to be made into a paradise for our children and grandchildren." ATATÜRK

of Initiative and Creative Energy

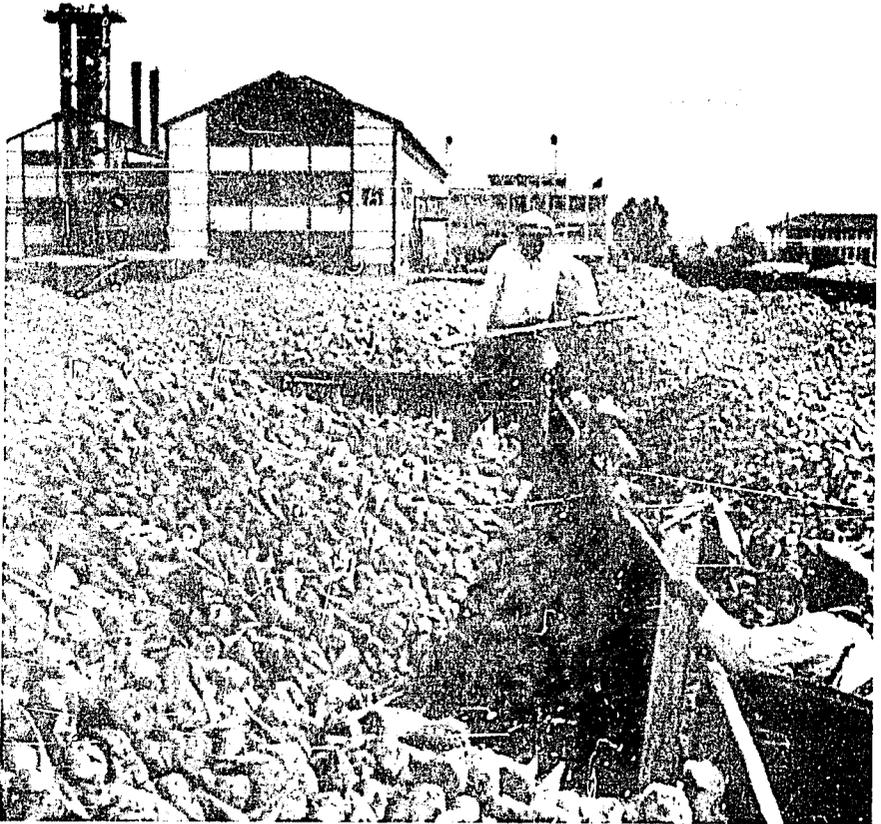
"In this new period of Turkish history, the highest place and the greatest privileges will belong to those who work hard!" ATATÜRK

momentum can be maintained and accelerated. Today, less than half of Turkey's economy is contributing 99 per cent of the progress we see in Turkey. Large numbers of working Turks, particularly in certain sectors such as livestock, are not yet caught up in a pattern of constantly increasing productivity. The great challenge is both how to make those who are productive even more productive and to secure the creative energy of all Turks – and not just some – in support of progress.

There is now ample evidence and a growing consensus among the experts in the development process supporting the proposition

that those countries which can rely heavily on multiple sources of local and private initiative and energy will develop the fastest. Proper emphasis on stimulating the use of initiative and creative energy by all components of the society in the development process should produce accelerated growth.

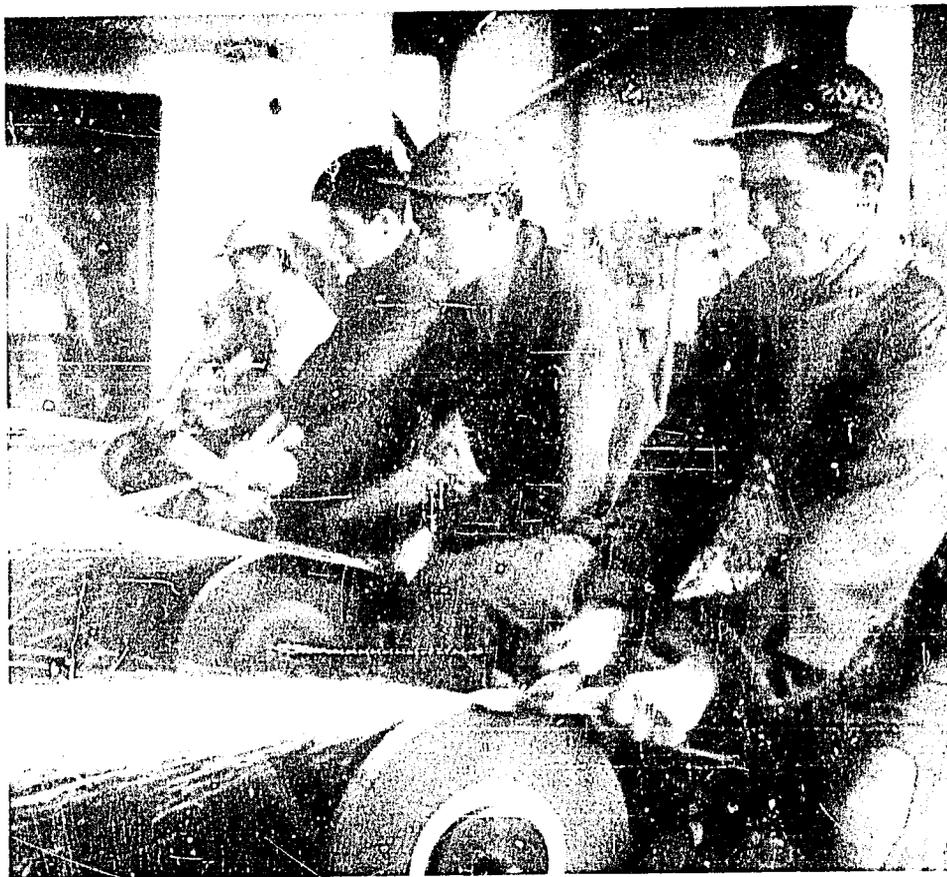
Sugar--the industry where all Turks work together.

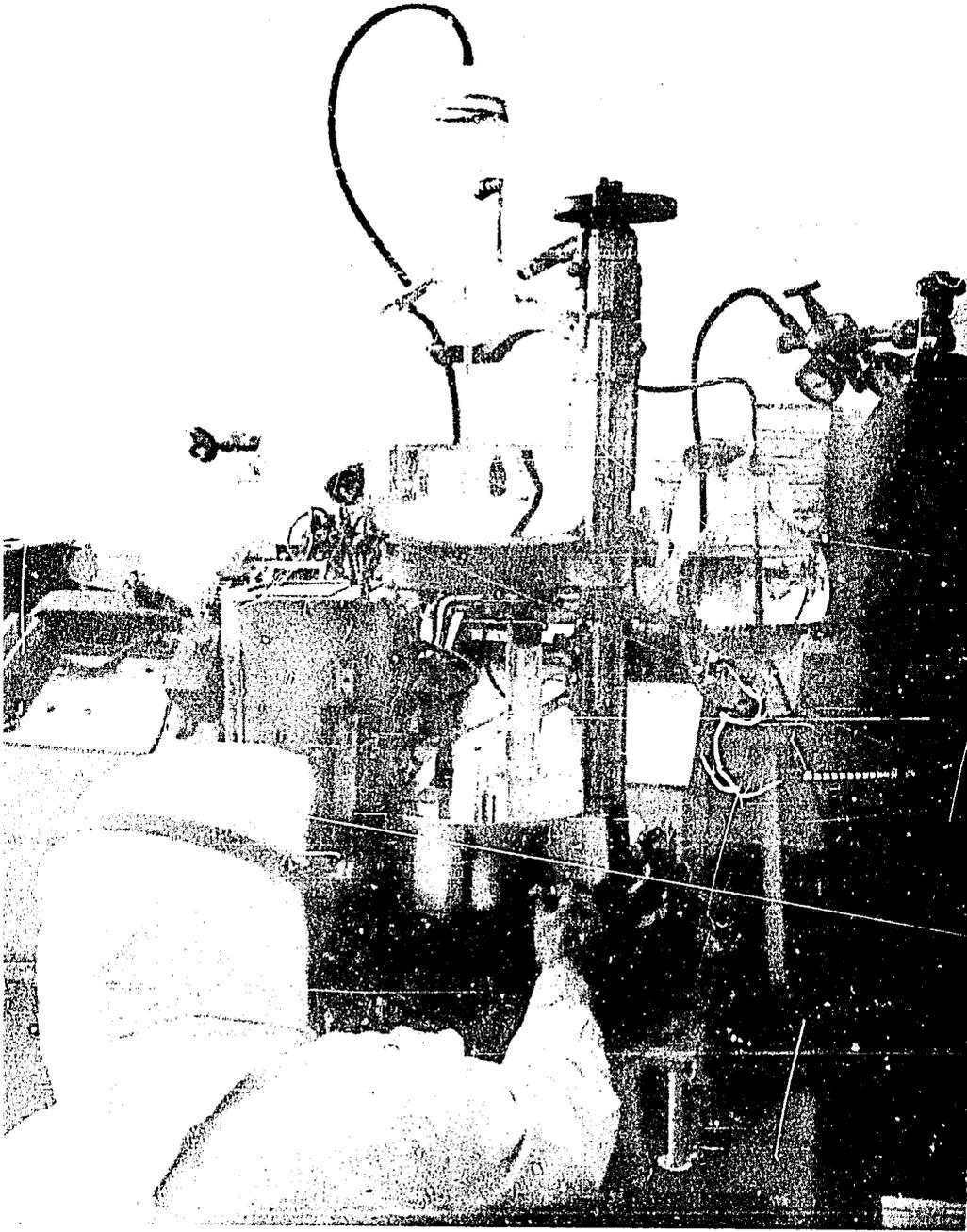


Turkey will have the great advantage during the Second Plan period of the much stronger human resource base developed throughout Turkey during recent years. There are not only far more people with technical and management skills, but equally important, there are more people who are receptive to using new techniques and ideas for progress.

Thus, by the start of the Second Plan, there will be far more farmers, cities, and manufacturing enterprises with the capacity, and the desire, to undertake development projects of their own. The increased use of fertilizer by the farmers of Ankara Province in recent years—from less than 1,000 tons in 1960 to well over 150,000 tons in 1966—is a graphic indication of the growth in the readiness of Turkish farmers on the Anatolian plateau to put new ideas to work for progress. Private manufacturing output will have more than doubled since 1960. The three large new cement corporations established in 1966 are illustrative of the increasing capacity of the private sector to take on bigger and bigger projects in support of development. Some government entities such as the Highway and Irrigation Departments have now developed a remarkable capacity for performing their tasks efficiently.

Small industry -- wants to grow big.





Pharmaccuticals -- both local and foreign enterprise...

All of this is encouraging because it was when this stage of widely dispersed but strongly functioning centers of development was reached that other free world countries entered into sustained periods of accelerated economic development. This was the case in Western Europe and Japan and, more recently, in the 1960's, in Israel, Greece, Korea, Taiwan, and in other rapidly developing countries.

National planning in a developing country seems to me essential, not only to establish national policies on fiscal and monetary matters, educational priorities, etc., but also to establish those policies and systems of incentives which will in fact bring forth maximum local and private initiative over a period of time. A sensible national development plan can and should be aimed at building a society which can lead to the utilization of the creative energy of tens and hundreds of thousands of entities and not just the creative energies of a relative few.

*...and insecticides--both local and foreign enterprise--
work together to accelerate economic growth.*



HEKTAŞ

Furthermore, encouraging the efforts of many diverse people and institutions is not a distinction between public and private activities. There are many examples in developing countries of private activities which are centralized and monopolized to an extent that greatly hampers growth. There are at least as many examples around the world of national governments which are over-centralized, thereby stifling the enormous potential energy of state entities and of local government. The point, therefore, relates to the great importance in both the public and private sectors for establishing arrangements and incentives which will call forth the initiative and energy of the individuals, groups, and small units which are now in a position to contribute to the development process.

There can be no doubt of the importance of this concept, but economists are only beginning to examine its implications and to build them systematically into programs and administrative processes. For example, much early planning in many countries has not given enough weight to the goal of simplifying import controls. These measures would permit hundreds and thousands of private businessmen and farmers to make better decisions and to take more rapid actions, resulting in quicker and sounder investment and growth. Steps of this kind have had such results in the more developed countries and in those developing countries which in recent years have freed themselves of the requirements for further foreign aid. It is important not only to simplify regulations and replace physical controls with those working through the market-place, but also to avoid frequent changes in the rules so that large numbers of decision-makers, whether farmers, businessmen or civil servants, can act with reasonably firm expectations about the future.

Institutions also need to be strengthened and developed to encourage local initiative. The administrations of state economic enterprises need greater autonomy to maximize efficiency and initiative and to operate under the yardstick of market conditions. Large numbers of farmers' associations and cooperatives need to be developed so that farmers are able to do much more to help each other without being so dependent on governmental financial assistance. Towns and cities need increased authority to raise revenues locally so that they can do more to help themselves in meeting their needs in such fields as water, streets and power.

This process is already well started in Turkey as part of the progress during the First Plan period. It is an approach which encourages people to work harder than ever before for progress. The stories of individuals and organizations you will read in this issue of the *Participant Journal* are all case histories of local or individual initiative for progress. They are living proof that Turks from all walks of life, including each reader of this Journal, have the capacity, with proper encouragement, for making a creative contribution toward accelerating Turkey's progress.

The big issue for the future is how the move forward can be maintained and accelerated.



“Eğer vatan denilen şey kupkuru dağlardan, taşlardan, merzağî sahalardan ve vatan; şehir ve köylerden ibaret olsa idi onun zindandan hiç bir farkı olmazdı. Halbuki bu vatan evlât ve ahfadımız için cennet yapılmış lâyık, elyak bir vatandır.”

ATATÜRK

Inisiyatif ve Yaratıcı Enerjinin Çeşitli Kaynaklarını Teşvik Yoluyla EKONOMİK GELİŞMENİN HIZLANDIRILMASI

James P. Grant

“Türk tarihinin bu devrinde en yüksek mevki ve en geniş imkânlar çok çalışanlara ait olacaktır.”

ATATÜRK

Bugün Türkiye'de bir kimse nereye giderse gitsin—İstanbul'dan Van'a, Adana'dan Samsun'a, Kayseri'den İzmir'e, Bursa'dan Trabzon'a—Türkiye'nin iktisadi kalkınmasındaki gittikçe artan hızlanmayı görebilir ve hissedebilir. Bu ilerleme özellikle imalât sektöründe göze çarpmaktadır. Mesai arkadaşlarım ve ben son aylarda ziyaret ettiğimiz sınai tesislerin büyük bir kısmının iki veya üç vardiya çalışmakta ve hepsinin ya büyük çapta genişleme halinde, veya bunu kat'i olarak düşünmekte olduklarını müşahede ettik.

Hiç şüphesiz Türkiye hızla ileriye doğru giden bir ülkedir. Gelecek için büyük sorun bu hız alışın nasıl korunacağı ve buna nasıl daha fazla hız kazandırılacağıdır. Bugün Türkiye'de gördüğümüz gelişmenin yüzde 99'unu Türkiye ekonomisinin yarısından daha azı aktif olarak desteklemektedir. Çalışan Türklerin büyük bir kısmı özellikle hayvancılık gibi belirli kesimlerde sürekli olarak verim arttırma durumuna şimdilik erişememişlerdir. Büyük problem, verimli olanları nasıl daha verimli duruma getirmek ve kalkınmayı desteklemede yalnız bazılarının değil, bütün Türklerin yaratıcı enerjisini temin etmektir.

Kalkınmamın özel ve mahalli inisiyatif ve enerjinin çok yönlü kaynaklarına dayandıran memleketlerin daha çabuk kalkınacakları fikrini destekleyecek nitelikte bir çok delil ve bu hususta kalkınma işi ile uğraşan uzmanlar arasında gittikçe artan bir fikir birliği mevcuttur. Kalkınmakta olan bir toplumun bütün unsurlarının inisiyatif ve yaratıcı enerjisinden yararlanmaya verilecek önem kalkınma hızını arttırır.

Son yıllarda bütün Türkiye'de ulaşılan çok daha güçlü insangüclü seviyesi dolayısıyla Türkiye II. Plan döneminde daha avantajlı bir durumda olacaktır. Bu artış yalnızca teknik ve idari yetenekleri olan kişilerin sayısında değildir. Eşit derecede önemli olan nokta kalkınma için yeni teknik ve bilgileri uygulamaya istekli kişilerin sayısındaki büyük artıştır.

Böylece İkinci Plan döneminin başlamasıyla kendi kalkınma projelerini deruhte edecek kapasitede ve istekli çok daha fazla çiftçi, şehir ve sanayi işletmeleri mevcut olacaktır. Anadolu yaylası üzerindeki Türk çiftçilerinin yeni bilgileri ilerleme için uygulamaya hazır bir duruma geldiğini Ankara ili çiftçilerinin 1960'da 1.000 tondan azken 1966'da 150.000 tondan fazla gübre kullanmaları göstermektedir. Özel

sektör imalât üretimi 1960'a kıyasla iki mislinin de üstünde bir seviyeye erişmiş olacaktır. 1966'da özel sektör tarafından kurulmak üzere olan üç yeni çimento fabrikası, özel sektörün yurt kalkınmasını desteklemek için daha büyük projeler deruhte etmek hususunda artmakta olan kapasitesini göstermektedir. Karayolları ve Devlet Su İşleri gibi bazı kamu kuruluşları görevlerini başarıyla yapma hususunda dikkate değer bir kapasite yaratmışlardır. Bütün bunlar cesaret vericidir; çünkü bu oldukça dağılmış, fakat güçle işleyen kalkınma noktaları diğer hür dünya ülkelerinde ortaya çıktıktan sonra ancak bu ülkeler devamlı bir "hızlı ekonomik kalkınma" dönemine girebilmişlerdir. Bu batı Avrupa ve Japonya'da, daha yakınlarda ise 1960'larda İsrail, Yunanistan, Kore, Milliyetçi Çin ve diğer hızla kalkınan ülkelerde böyle olmuştur.

Kanaatimce kalkınmakta olan bir memlekette millî planlama sadece malî ve para ile ilgili mevzularda, eğitimle ilgili önceliklerde ve buna benzer diğer hususlarda bir millî politika tesis etmek bakımından değil, fakat aynı zamanda özel ve mahallî inisiyatifi uzun vadede azami çapta ortaya çıkaracak teşvik edici politika ve sistemlerin teessüsü bakımından da gereklidir. Makul bir millî kalkınma planı, nispeten çok az olan bir kaç kişinin değil, onbinlerce, yüzbinlerce ferdin yaratıcı enerjisinden yararlanmayı başarabilen bir toplumun kurulmasını amaç edinebilir ve edinmelidir.

Bundan başka, çeşitli fertlerin ve kurumların çalışmalarını teşvik etmek kamu ve özel faaliyetler arasında bir tefrik yapmak demek değildir. Kalkınmakta olan memleketlerde gelişmeyi büyük çapta engelleyecek şekilde merkezileştirilmiş ve tekelleştirilmiş özel sektör faaliyetinin bir çok misalleri vardır. Diğer taraftan kamu kuruluşlarının ve mahallî idarelerin muazzam potansiyel enerjisini körelten haddinden fazla merkezîyetçi hükümetler için de aynı miktarda misaller mevcuttur. Bu bakımdan önemli olan nokta gerek kamu sektörü, gerekse özel sektörde kalkınma için küçük ünitelerin, grupların ve fertlerin inisiyatif ve enerjisini gayrete getirecek düzen ve teşvikin sağlanmasıdır.

Bu kavramın ehemmiyetinden şüphe edilemez; fakat iktisatçılar

bunun tesirlerini incelemeğe ve bunları sistematik olarak program ve idari sisteme uygulama faaliyetine henüz başlamaktadırlar. Meselâ, bir çok memleketlerde daha evvel yapılan planlar ithalat kontrolünün basitleştirilmesi amacına yeteri kadar ehemmiyet vermemişlerdir. Bu tedbirler, yüzlerce ve binlerce iş adamı ve çiftçinin daha süratli ve sağlam yatırım ve kalkınma ile neticelenecek isabetli kararlar vermelerini ve derhal faaliyete geçmelerini sağlayacaktır. Bu çeşit tedbirler hem iktisaden kalkınmış ülkeler ve hem de kalkınmasını dış yardımsız idame edebilecek duruma gelmiş olan memleketlerde yukarıda bahsedilen neticeleri vermiştir. Sadece mevcut yönetmelikleri basitleştirmek ve fiziki kontrolleri piyasa mekanizması ile değiştirmek mühim değil, aynı zamanda karar verme durumunda bulunan şahısların, —ister çiftçi, ister iş adamı veya devlet memuru olsun—istikbal hakkında oldukça kesin ümitlerle hareket etmelerini sağlamak için yönetmeliklerin sık sık değiştirilmesinin önlenmesi gereklidir.

Müesseselerin de muhtelif seviyelerde ve yerlerde inisiyatif teşvik için kuvvetlendirilmeye ve geliştirilmeye ihtiyaçları vardır. İktisadi Devlet Teşekkülleri idarecilerinin verimi ve inisiyatif azami hadde çıkarmak ve piyasa şartlarına göre çalışmak için artan muhtariyete ihtiyaçları vardır. Bir çok çiftçi dernek ve kooperatifleri hükümetin mali yardımına muhtaç olmadan çiftçilerin birbirlerine çok daha fazla yardım yapabilmeleri için geliştirilmeleri gereklidir. Şehir ve kasabaların su, yol ve elektrik gücü gibi sahalarda ihtiyaçlarını karşılayabilmeleri ve kendi kendilerine yardım edebilmeleri için mahallî olarak gelirlerini temin etmeğe salâhiyetli olmalıdır.

Bu sisteme Türkiye'de ilk plan döneminde iyi bir başlangıç yapılmıştır. Bu, kalkınma için insanları evvelce olduğundan daha fazla çalışmaya teşvik eden bir davranıştır. Participant Journal'ın bu sayısında okuyacağınız yazıların hepsi şahıs ve teşekküllerin kalkınma için gösterdikleri mahallî veya şahsî inisiyatiflerinin hikâyeleridir. Bunların hepsi, bu derginin bütün okuyucuları da dahil olmak üzere muhtelif işlerle uğraşan Türklerin uygun bir teşvikle Türkiye'nin kalkınmasını hızlandırma yolunda yaratıcı yardımlar yapabilecek kapasitede olduğunu gösteren canlı delillerdir.



On his hill of thoughts he dreams...

THE INITIATIVE AND CREATIVE ENERGY OF

THE MAN WHO COULD NOT DIE

"...He told us many a tale that night and also the next day, but what I now record was born out of the bitterness of his days though he himself was kindly, and these tales are of the dust and patience of his road."

Kahlil Gibran (The Wanderer)

One meets creative energy and initiative in Turkey under many guises. The extent and shapes change. The people who personify this creativity change. But when you come to the tiny province of Rize the impact confronts you. And the man whom incentive and drive fits like a cloak, is a man who almost died of cancer but who still lives—according to him and anyone you care to ask in Rize—because the people of Rize pray for him. He is Ekrem Orhon, Mayor of Rize.

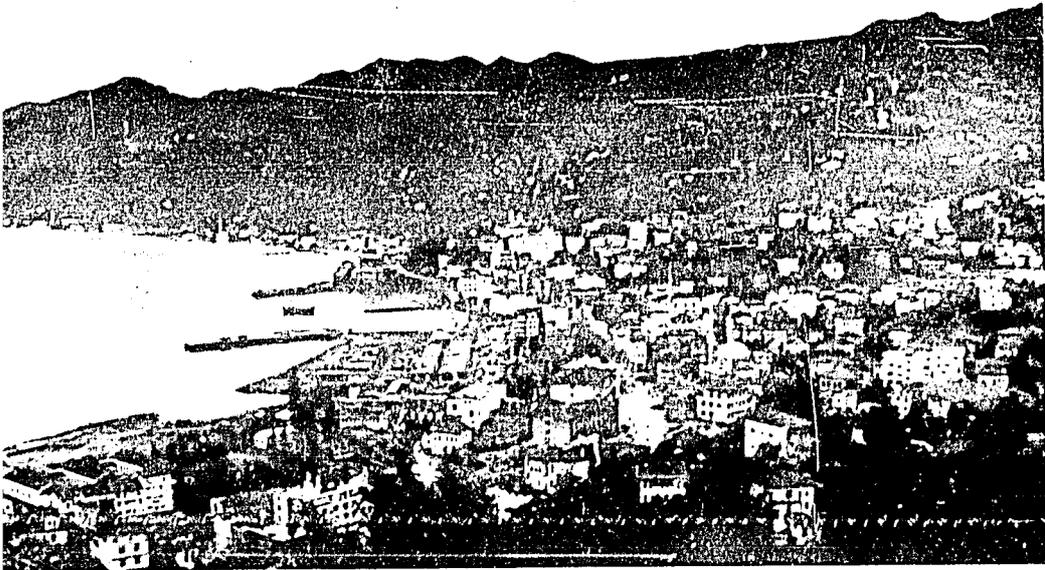
"...Come to me with the dreams that you behold in your wakefulness and I will tell you their meaning."

Kahlil Gibran (The Wanderer)

"He has his own hill," say his colleagues and friends, "which he has named 'the hill of thoughts.' From his hill he can watch over the town of Rize. His Rize. He can see the white breakers of the Black Sea sometimes fondly caressing, often angrily flagellating the rocky shores of his city. Here he dreams. Then he comes down and begins to build."

Ekrem Orhon, 55, was born in Rize. His father was Abdülgafir Efendi, a leading businessman who sold construction materials. Ekrem was one of twelve children—seven daughters and five sons. Of the twelve only Ekrem professed interest in securing an education. In 1926, Abdülgafir Efendi sent Ekrem to Robert College in Istanbul. After graduating with a BS degree in 1935 Ekrem Orhon went to Illinois University where in 1936 he got his MA as a construction engineer. The same year his father died and Ekrem Orhon's long ordeal began.

...then he comes down to Rize—his Rize—to build.



"Rize was poor at the time. What my father left was not enough even for my brothers and sisters. I had to look after myself. After all why was I the educated one?" recalls Ekrem Orhon.

For many years he worked as a private builder, as a construction engineer for private contractors, always in the most difficult regions of Turkey. He built roads, bridges, tunnels and buildings. Because he was often a few steps ahead of reality he frequently was penniless. In 1948 he took his first job with the Government. He became Maintenance Engineer of the State Highway Department's Trabzon region. In one year he became the director of the region. And in another year politics forced him out. Again he joined his contractor friends, this time as advisor engineer.

"Life went on until life nearly went out," said Ekrem Orhon. "Cancer struck. After three operations and skin grafting in London I was still alive. 'What now?' I asked myself. Then one day when I was sitting in a coffeshop in Ankara and thinking of Rize, my Rize, two friends from Rize walked in. They were looking for me. They sat at my table and they entered my mind. They wanted me to run for mayor.



*He has to
transform sea
into land
and land into money.*

The people wanted me, they said. The people needed me, they said. I accepted."

In June 1963 Ekrem Orhon won more than two-thirds of the votes of the mayoralty election of Rize. In the general elections the people had voted predominantly for the Justice Party, Ekrem Orhon was a member of the opposition Republican People's Party. But the people of Rize knew their man—whom they call Baba (Father) or Reis (Chief). They knew that the chief had in him what all leaders of men needed—the ambition to shape the future—in his case the future of Rize.

Albert Camus once said: "to revolt is to live." The chief revolted against all the mistakes of the past and all the things left undone. He revolted against indifference, negligence and idleness. With his revolt Ekrem Orhon lives on. He has promised the people of Rize to leave them only in a coffin. "Not even then," he says, "for I will be buried here."

"...Said a tree to a man, 'My roots are in the deep earth, and I shall give you of my fruit.' And the man said to the tree, 'How alike we are. My roots are also deep in the red earth. And the red earth gives you power to bestow upon me of your fruit, and the red earth teaches me to receive from you with thanksgiving.'"

Kahlil Gibran (The Wanderer)

Rize was always poor. Most of the menfolk spent many months of the year as migratory workers, as crews on ships and fishing vessels, in forests and as laborers on the lands of others. Each man owned only a few decares of land in hilly Rize. And what could be grown but corn? Many settled in other provinces of the country. The people of Rize were very poor, but very proud. Never could you hear one of them complain.

In 1923 someone planted tea in Rize. No one but the Government noticed and for many years the Government had tried to convince the people of Rize to plant tea on their meager lands. "You can't eat tea," said the stubborn peasants of Rize and they continued to grow and eat corn. Only in 1935 when the Government promised 350 TL. worth of corn to all who would plant one decare of tea did a few farmers begin to grow tea—and shape the future of Rize.

In 1938 Rize produced 30 kilograms of tea. In 1946 Turks consumed 900 tons of Rize tea. In 1966 the amount rose to 12,000 tons. A factory was opened in 1946 and has been growing each year. It is estimated that in the year 1966 the farmers of Rize sold 355 million TL. worth of tea to the monopoly factory. Fifteen years ago the per capita tea consumption in Turkey was 40 grams. Today the per capita consumption is 360 grams—still about one-tenth of tea consumed by the British. In 1965 and 1966, Turkey experimentally exported 2 million TL. worth of tea yearly. Rize intends to grow more and better tea. With increasing consumption and exports the people of Rize hope to increase the yearly income from tea to one billion TL. within a few years.

The town of Rize has 27,000 people. Many people of Rize live outside the province. The families of eighty-six of Turkey's present Senators and Deputies came from Rize. And all are proud of the fact. Although thousands of people from Rize live outside, no one from outside lives in Rize. He could not survive the highly competitive atmosphere. Many of Turkey's private ship and factory owners, importers and exporters, sea-captains, fishing vessel operators, doctors, university professors are from Rize. They all love Rize and are proud of their city of origin. Most when they grow old, come back to live in Rize.

The farmers of Rize are thrifty people. Their greatest goal is to make money to be used to make more money. They do not hoard gold. Since tea has made many of them prosperous they first build better homes. The houses in the villages of Rize can be compared to the best houses in the provincial centers of Turkey. Their next expenditure is the purchase of real estate in the town of Rize.

Ten years ago Şevki Aksu was a woodcutter working for Hüseyin Kardal, a member of the Rize City Council. From income from tea sales he had bought real estate worth 240,000 TL. from the Rize Municipality and was spending another 260,000 TL. building two shops on his land. He was working with the builders. "Why do you still work like a laborer?" we asked him. "What do you want me to do, sit at home with the women?" was his rejoinder.

Ekrem Orhon at Rize's Tea Institute. In 1966 the farmers of Rize sold 355 million TL. worth of tea.



Hüseyin Kardal is a rich man. He is partial owner of several factories in Istanbul and other places. Asked why he preferred to live in Rize, he answered: "Can you show me a more beautiful place to live? Can you show me a more agreeable job for a middle-aged man than helping our mayor build this city? Can you show me something more satisfying than seeing your birthplace grow?"

Real estate in tiny Rize has soared sky-high since Mayor Ekrem Orhon came to shape Rize's future. Today rich men—who were born in Rize—are now selling in Istanbul and Ankara and buying in Rize. The prices in Rize are often higher than the most expensive places in Istanbul, İzmir or Ankara.

"I need one billion TL. to build this city as I want it built," said the Mayor. "The sea will give it to me," he added.

The chief plans to spend 100 million TL. to fill in the sea. "The land I will fill in will bring in one billion TL. The tea-money of the farmers will pay for it. The farmers will own the most valuable land in Rize. That is how it should be," he says.

Half of that billion the Chief intends to spend for highways, touristic establishments, water, electricity, sewerage and a harbor for Rize. The other half will be the capital of the municipality. "Then they can do without me," said Mayor Orhon.

The Chief has already extended several groins into the Black Sea to fill up the shores. He has already filled up and sold a considerable amount of sea. "These buildings you see, which the chief built in the past two years," said Salih Denizci, another city council member, "were once the sea. We used to pull the fishing boats out here."

"What is it that makes this chief of yours what he is?" we asked his closest friends and colleagues. "He is one of us. He is part of us. He is like the pearl in an oyster," they replied.

The soul of Ekrem Orhon is in Rize. "He always says his morning prayers," says his wife, a specialist in midwifery at the State Hospital in Rize. "Sometimes he is in a hurry and asks me to ask God to do this or that for him. He thinks even God owes Rize something."

“...Only this I know: The philosopher’s soul dwells in his head, the poet’s soul is in his heart...”

Kahlil Gibran (*The Wanderer*)

The soul of Ekrem Orbon is in Rize.





Electricity comes to the thirty-fourth district of Rize...

The Chief invariably gets up in the middle of the night and reads. Mostly he reads the *London Economist*, *Time*, *Readers's Digest* and many technical journals. His two sons, who both attended Robert College, are now in the University in Istanbul. His younger daughter is with him at home studying to become a teacher, "not because she is to teach for a living," says the chief, "but because she will be a better mother if she has learned how to bring up a child."

The man is an altruist, a dreamer. He also is a realist and a doer. He is a complex man. But in his very complexity lies his simplicity.

In his office is a picture of Carl Fisher, the creator of Miami Beach. The slogan of Fisher was: "If you can dream it you can do it." "There can be no copyright for a dream," said the chief, "it is my slogan too."

Rize may be a small town. For the Chief there are no boundaries for its future. For tourism he looks toward the Middle East and Pakistan. "I have much to offer people who have had too much sun," he says. He wants roads that link Tehran, Karachi and Bagdad to Rize. "Once I built the Erzurum-Rize Road. Now I intend to build the Rize-Bagdad road," he says. The chief does not think in terms of his neighboring provinces. He thinks in terms of Champs Elysees, Miami Beach, Hyde Park and Daytona Beach.

...and now they have light.



"...Said one man to another, 'At the high tide of the sea, long ago, with the point of my staff I wrote a line upon the sand; and the people still pause to read it, and they are careful that naught shall erase it.'

"And the other man said, 'And I too wrote a line upon the sand, but it was at low tide, and the waves of the vast sea washed it away. But tell me what did you write?'

"And the first man answered and said, 'I wrote this: 'I am he who is.' But what did you write? And the other man said, 'This I wrote: 'I am but a drop of this great ocean.'"

Kahlil Gibran (The Wanderer)

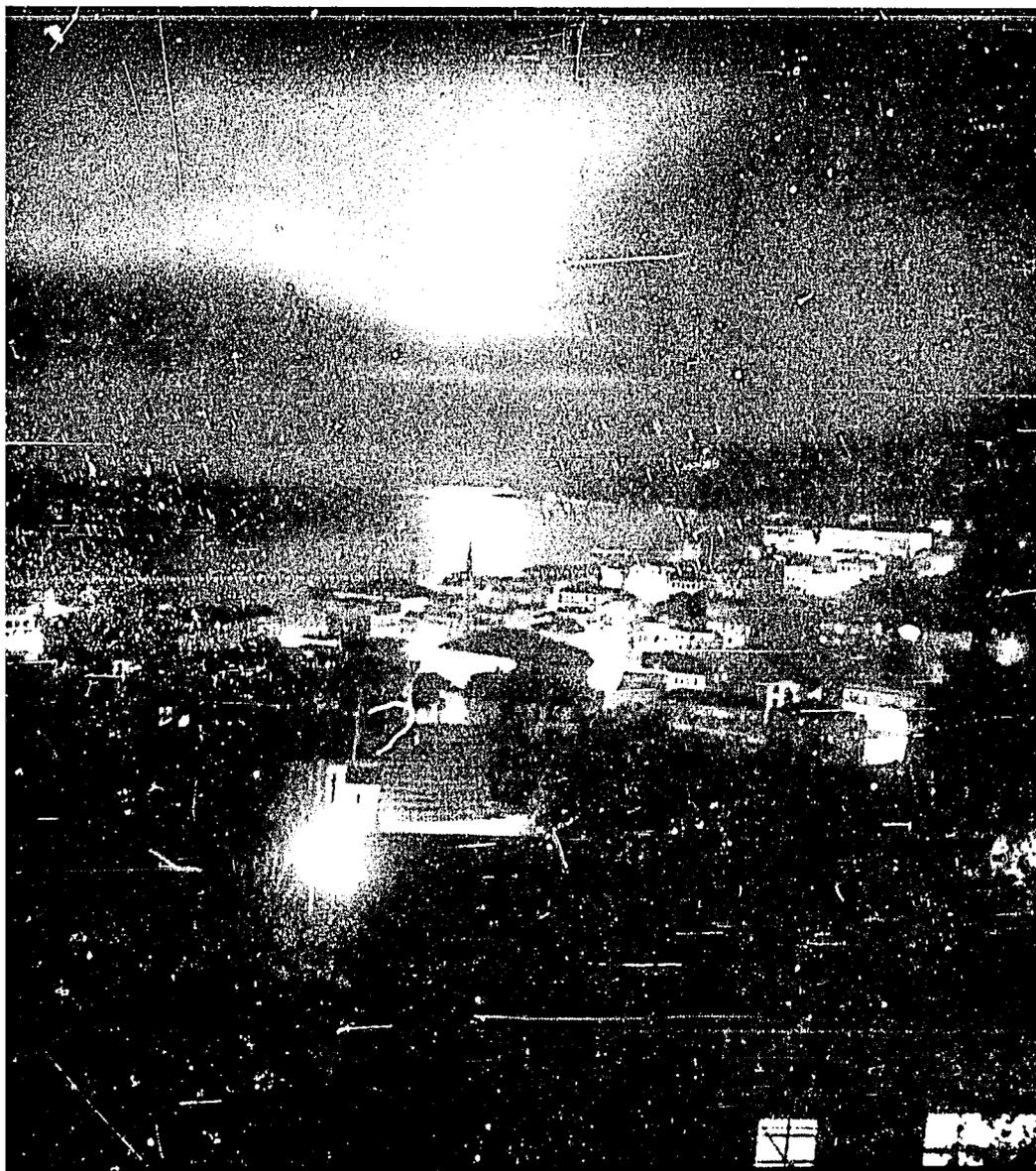
On the top of a hill from where one has a bird's eye view of Rize there are the remains of a Genoese Castle. We climbed up and sat down and watched Rize. There were no words. The Chief looked down upon his city. To some of us he probably looked like a poet. To others he may have looked like a pirate. "What are you?" we asked him. "I am only a fortunate man who was born in Rize," he answered.

In the three days we were with the chief we saw him in gaiety and anger; in a teasing mood and a killing mood; in tears and laughter; a man's man with a man's job; the man who could not die because his people needed him and prayed for him.

Together we drove up the winding hilly roads to inaugurate electric power for the thirty-fourth of the 38 districts of Rize. The other four were to receive electricity the following week. The people of the thirty-fourth district were jubilant. Guns were emptied into the night. "The applause of the people of Rize" they called it. These simple people were happier for him than he was for them. Said an old man: "Allah gave him sickness, then he gave him life and strength. He

has deserved happiness for he has brought so much to others. When his time comes, as it will come to us all, may he close his eyes with laughter on his lips."

*Late at night the Mayor of Rize,
often awake, plans for his people's
tomorrow.*



INITIATIVE
AND
CREATIVE
ENERGY
FOR
PROGRESS



Hacettepe's Dr. İhsan Dođramacı

HACETTEPE- Wistful Dream Becomes Mammoth Reality

When people speak or write about the Hacettepe Medical Center in Ankara they usually stress that it has become a glorious new temple of learning for Turkey. Only a few realize that Hacettepe today is a dream come true for one man—Dr. İhsan Dođramacı.

Dr. Dođramacı, president of the Hacettepe Medical Center and professor of pediatrics at the Hacettepe Medical School, is, to those

who know him well, an altruist whose ambition for Hacettepe is boundless. He is an impassive man whose impatience rises to high peaks when Hacettepe is the cause, a man whose satiety turns into sheer greediness when Hacettepe can gain.

It is a good thing that Dr. Dođramacı is all his friends say he is. A man with lesser urges, drive and insight into the reality that is Turkey would probably have continued to dream and never would have succeeded in making others see and believe in what he saw and believed. He would never have induced so many able men to join in his quest to build for Turkey a temple of learning which has become today a medical center of the highest international standing.

Dr. Dođramacı advocated the establishment of a children's hospital or a children's medical center as far back as 1948. No substantial progress was made until 1954, and it was only in 1957 that the Hacettepe Children's Hospital was established as a private institution.

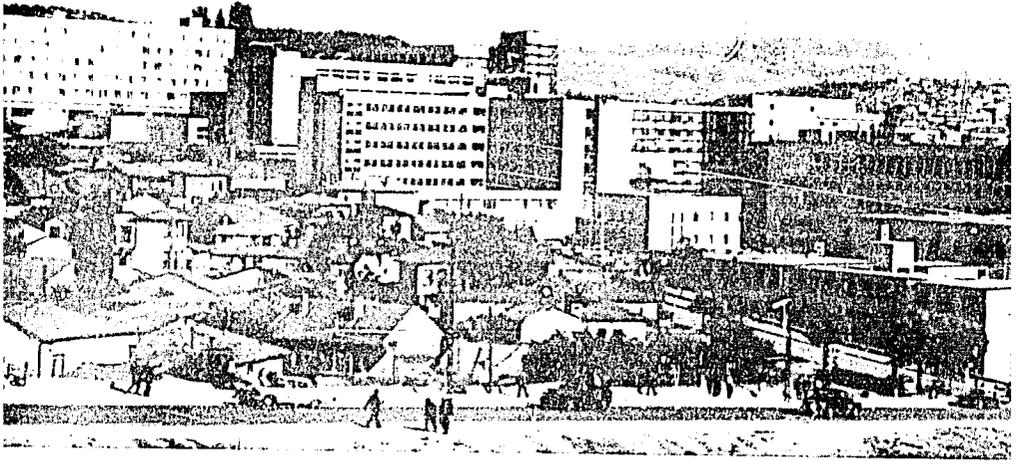
In a statement written by Dr. Dođramacı in 1951, and circulated among influential people in Turkey and abroad who could be "interested enough to awaken to the stark reality of where Turkey stood in the field of pediatrics," he made the following proposal: "...that a modern children's medical center be established in Ankara for the purpose of rapidly raising pediatric standards, both in the practice of medicine and in the public health service. In addition to providing desperately needed children's medical facilities in Turkey, this Center would offer the most modern pediatric training, constitute a demonstrational technical assistance project, serve as a medical referral center, and undertake research work in pediatrics..."

"...A half finished building and a dream..."

"...One of the best institutions of its kind in the world..."

In its Annual Report of 1961 the Rockefeller Foundation wrote: "...When the foundation officers first visited the Director of Hacettepe

Children's Hospital, Dr. İhsan Dođramacı, in 1955, his clinic consisted of a half-finished building and a dream of creating a new pattern in medical education and training that would permit the development of modern clinical teaching and research services of the highest international standards. Within two years after it was opened, the clinic, comprising the Research Institute of Child Health and the Hacettepe Children's Hospital, had developed a service providing top quality medical care and a program for teaching that were unparalleled in the Middle East, and possibly even in a far wider area."



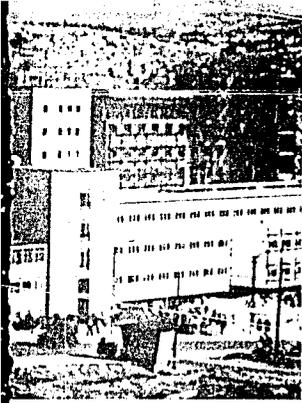
"Toward the Well Being of Mankind," is the title of a book recounting the fifty years of the Rockefeller Foundation. In this book of selfless achievement one can read this statement about Hacettepe—the realization of a selfless man's dream: "...one of the best institutions of its kind in the world."

The original three-story Hacettepe Children's Hospital caught fire in 1961, was declared unsafe to restore and rebuilt from the foundation. Three shifts worked twenty-four hours a day to rebuild completely six stories in six months. Recalls an associate of Dr. Dođramacı:

"Every day for six months one could see the doctor walking among the construction crews, in every one of the three shifts, like a benevolent ghost, never uttering a word, never asking a question; like a bereaved father watching the resurrection of his only child."

The predecessor agency of A.I.D. made a grant of 800,000 TL. for building the children's hospital and contributed an additional 2.5 million TL. for the reconstruction after the fire. Financial help to establish a nursing school came about in another A.I.D. grant of 4 million TL.

*Hacettepe
Science
Center*



After the fire: nursing, physiotherapy, rehabilitation, medical technology and dietetics. And then Hacettepe School of Medicine.

This is the story after the fire as told by Dr. Dođramacı:

"In 1961, after the fire, concrete steps were taken to achieve what was written 10 years previous!y. University degree-granting schools of nursing, physiotherapy and rehabilitation, medical technology and dietetics were established and students were admitted to these newly founded institutions.

"In 1964, three years later, the Hacettepe School of Arts and Sciences also started, and its students were admitted to departments of Natural and Social Sciences and Humanities.

"For such a large program of education and training, adequate hospital facilities were desperately needed. In 1961, other than the 150-bed Children's Hospital and a 50-bed adult unit, no facilities existed. This total of 200 beds was insufficient. So we made plans to expand the general hospital.

"To house 300 pediatric patients and 1,000 adult patients a general 1,300 bed hospital was planned. A large outpatient clinic also was needed. New buildings for basic medical sciences and medical research were needed.

"Today the 1,000-bed adult hospital and the outpatient clinic have been completed, the children's hospital will soon be extended to 300 beds, and the medical school is training medical students.

"At present the school of dentistry is under construction and should be completed in the spring of 1967.

"The Hacettepe educational institutions are jointly supported by Ankara University and the non-profit Hacettepe Science Center Foundation."



*Dr. Ihsan Doğramacı
with visiting United
States Representative
Jeffrey Cobelan.*



Dr. İhsan Doğramacı with United States Ambassador Parker T. Hart.

All this necessitated financing of more than 100 million TL. The Treasury made available the greater part of this amount. A.I.D. provided about 28.3 million TL. of this financing in long-term loans. The rest came from private and foreign grants.

Neither public funds nor private funds alone could make Hacettepe work. The various schools and institutions are financed within the public sector. For example, graduating students receive degrees from Ankara University. Buildings that house classrooms, laboratory, library facilities and professors' and administrators' offices are owned by the Government of Turkey. The teaching hospital and its related facilities, owned by the private, non-profit Hacettepe Science Center Foundation, serves to give clinical experience to the students. An imaginatively creative mixture of funds from public and private sources is Dr. Doğramacı in action.



Mrs. Eren Kun, director Hacettepe Nursing School (head of table left) with Dr. R. Louise McManus, consultant, formerly of Columbia University (right) and USAID participant nurses at the Hacettepe Nursing School.

From all over the world they came to see the dream come true.

From all over the world specialists come to see Dr. Dođramacı's dream come true. The most recent group of visitors were members of the British Royal Commission for Medical Education. They were impressed with what they saw. They marveled at the enormous strides that have been made in medicine, medical education and hospitalization in Turkey. Dr. Dođramacı was frankly proud that he had impressed his British conferees. In the November 4, 1966 issue of the *Medical News* published in London, Sir Brian Windeyer, Dean of London University Medical Faculty told the *Medical News* correspondent, "the educational system we are trying to implement in England is being used at Hacettepe Medical Center.

"There is an undisputed principle in medical education. Students should be taught first to love humanity and then serve it to the best of their ability. This is what they are doing at Hacettepe. Believe me, we were impressed by the progress achieved at this newly-founded institution."

Another member of the group, Dr. Charles Mann Fleming, Dean, Faculty of Medicine, University of Glasgow, said that the achievements at Hacettepe are an unbelievable success.

Dr. Dođramacı never seems to be satisfied. "There is so much to be done," the doctor says, "and the moment we are satisfied with what has been done, we are apt to stop. We in Turkey cannot afford to stop.

"The human element in the development of our country's economy is of the greatest importance. The dividends obtained from investments depend largely on the capacity and energy of the human labor force working in the industries of a developing country," added Dr. Dođramacı. He stressed that, "No one can doubt that the productivity of a healthy man is far superior to that of an ailing man. What is surprising is that it is only in recent years that the health element of the individual has been taken into consideration as an important economic factor, even in many developed countries.

"It is only a high-level education system in health and medicine," claims Dr. Dođramacı, "that can maintain a high level of health of a nation. Only in the last decade in most countries of the world including Turkey, has education received the attention it deserves—this is particularly true in the fields of medicine and health sciences."

A new system of medical education.

Hacettepe has brought a new system of medical education to Turkey. The men who teach at Hacettepe were not satisfied with the system by which they themselves were trained. Recalls one Hacettepe physician: "There was such lack of coordination between different departments and such unnecessary repetition of material that we lost a great deal of valuable curriculum time. We did not get in touch with patients until after the second and sometimes even the third year of training. Therefore we tended to look only for the ailing organ and failed to consider the patient as a whole. We became more like technicians than physicians. We looked at a patient more as something to be repaired, rather than as a human to be healed."

The new system applied at the Hacettepe Medical School depends on coordinated team work and an integrated teaching program making the greatest use of curriculum time. It emphasizes community health and trains the students not only at the hospitals and clinics, but in the rural health centers as well. Every medical student is assigned responsibility for the health of a family from the start of his medical education. Typical of the significant contributions Hacettepe has made to the health and medical fields in Turkey is its sponsorship of the country's newest medical school at Erzurum.

The Medical School at Atatürk University, Erzurum, opened in April 1966. A group of 50 professors and instructors from Hacettepe volunteered to go to Erzurum to become the first faculty members of the medical school, the first in Eastern Turkey. The system at Atatürk Medical School is very much like that at Hacettepe, except for a greater utilization of rural health centers. In fact, a network of 40 health centers within the province of Erzurum is now affiliating



with the Atatürk Medical School, which also serves as a graduate training center for the doctors and ancillary health personnel of the province. Other provinces in Eastern Turkey also are taking advantage of the facilities of this medical school.

During the earthquake in Eastern Turkey one of the first groups of people to reach the stricken districts were students and teachers of the Atatürk Medical School. For them each man, woman and child in Varto, Hınıs, Muş and other disaster areas were people to be cared for, people to be saved. Not only those who were hurt physically—for the doctors and pupils of Atatürk Medical School were there not only to cure sick bodies but also to salve injured spirits.

Dr. Dođramacı's dream is coming true. He not only has seen Hacettepe firmly on its feet, he also has seen Hacettepe beget a new medical school. And so the story is coming full circle. To quote a Latin phrase: "E Pluribus Unum"—one from many. Might we not say hopefully, from one, many?

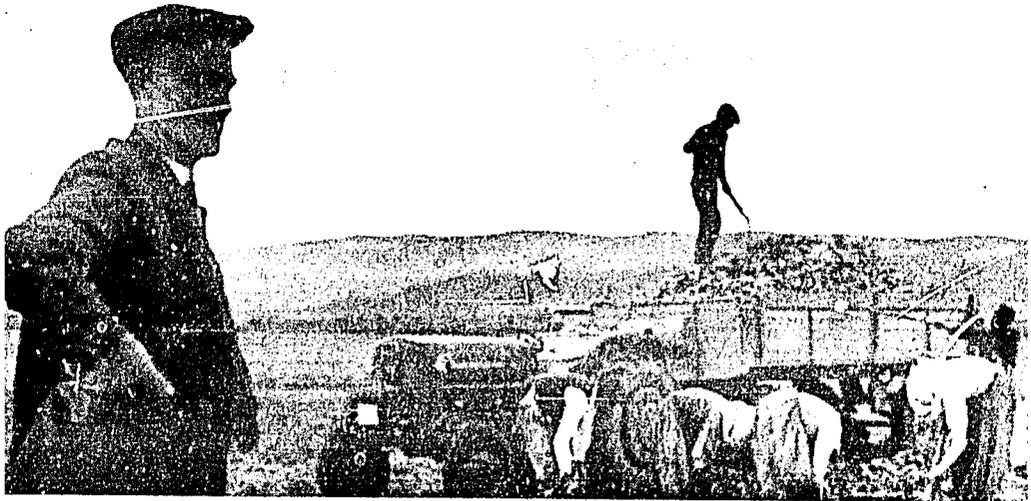


VARTO—when disaster struck, the Hacettepe doctors of Atatürk University's Medical Academy and their students were among first to arrive not only to cure sick bodies but also to salve injured spirits.

SUGAR FACTORIES – Partnership

Since 1923 when a 60-year old pioneer named Nuri Ağa built the first private sugar factory in Uşak, the industry and the sugar-beet growing farmers have developed and grown together. Today, 17 sugar factories have a yearly capacity of over 500,000 tons which are manufactured from sugar beets brought in by 250,000 farm families, estimated to add up to 1.5 million people.

The sugar factories of Turkey are controlled by the State through the Sugar Refineries Corporation of Ankara. The first four, Uşak, Alpullu, Eskişehir and Turhal, were the only factories until 1953. Between 1953 and 1955 five more factories were built by private enterprise with the Sugar Refineries Corporation participating. These were: Adapazarı, Amasya, Konya, Kütahya and Kayseri.



Farmer Nuri Kırkoru has worked 33 years...

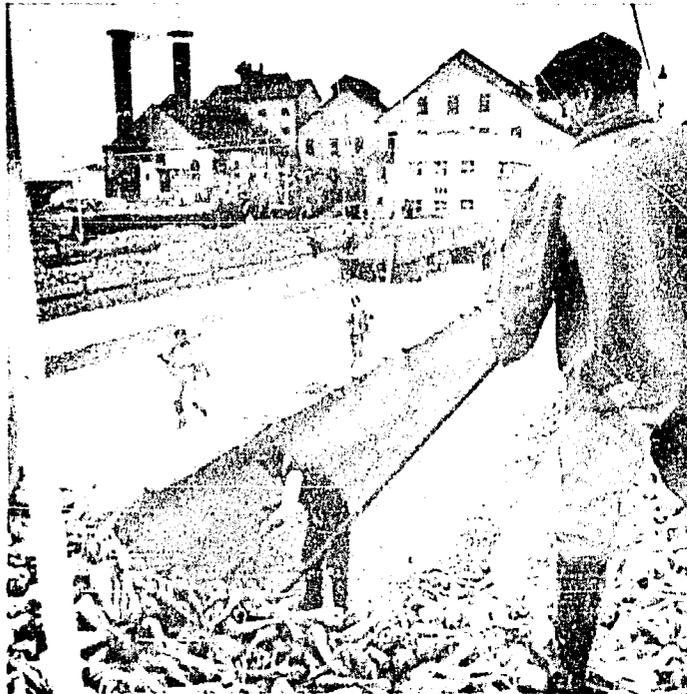
between State Enterprise and the Farmer

The Corporation administers the sales of these private enterprise sugar factories. The other eight factories at Susurluk, Burdur, Erzurum, Erzincan, Elazığ, Malatya, Ankara and Kastamonu were built in 1955 and 1956.

The sugar industry of Turkey is carried out by two independent operations. The first is the agricultural section which deals with seeds, planting, hoeing, fertilizing, pest control,

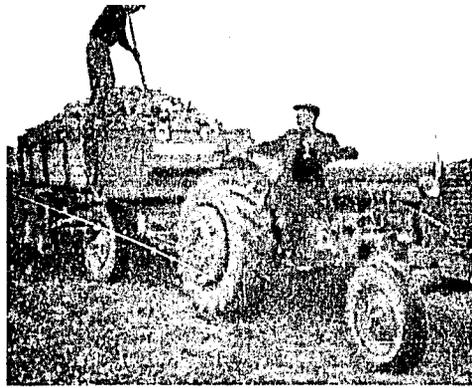
research and soil analysis up to the day the farmer puts his sugar-beets on a factory-owned weighing machine. The second is the industry itself which makes sugar out of the sugar beet.

Farmer Nuri Kırkoru began to grow sugar beets in Eskişehir in 1933 as soon as the factory was built. "This is what the sugar factory did for me and for all other farmers who are now



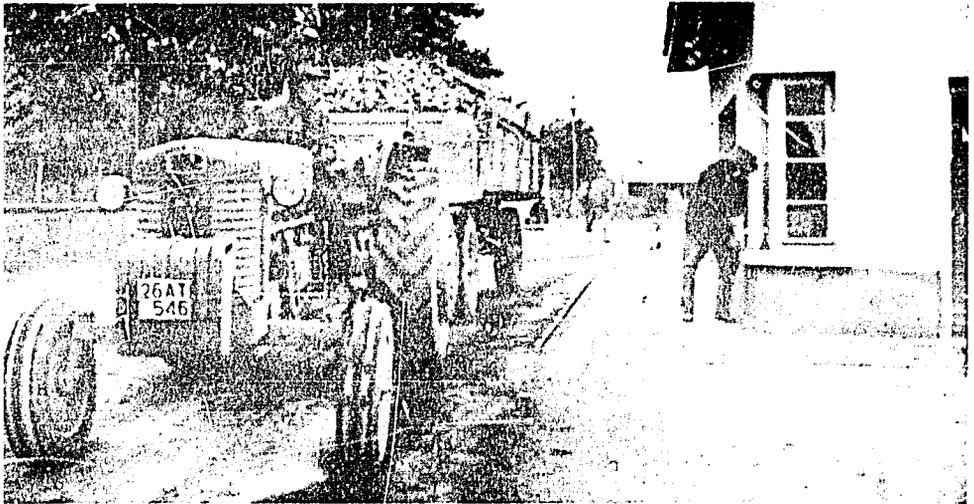
*...for, with,
and in
partnership with the
Eskişehir
Sugar Factory.*

growing sugar-beets in 57 provinces in Turkey," said Nuri Kırkoru. He added: "I did not know what fertilizer was. It took me twelve years to learn. Although the sugar people insisted from the very first, I would not listen. Now, not only do I use fertilizer on the sugar-beet fields, but on all my crops. I did not know what irrigating my field was. The sugar factory men came and opened wells and made motor-pumps available. Now I irrigate



The Sugar Factory taught farmer Nuri Kırkoru irrigation, rotation, use of fertilizer and agricultural machinery.

Today Kırkoru owns his own tractor.



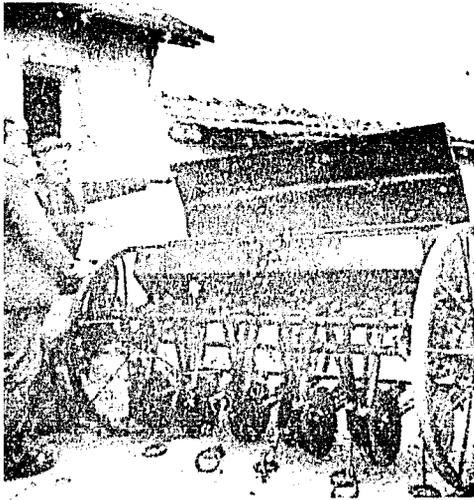
all my land, not only the sugar beets section. Every farmer in Eskişehir has learned irrigation now. I did not know what rotation was. I planted one field one year, and let it lay idle the next year. The sugar people taught

me rotation. Now I only grow beets on a particular field every fourth year. And when I grow grain on a field where sugar beets were planted a year ago I get thirty per cent more grain from that field. And what

is most important of all is that I grow sugarbeets in seasons when previously my family and I were idle. We were inactive in April and May when we now do our hoeing and in August and September which is now harvest time."

In Eskişehir alone 20,000 farm families cultivate 140,000 decares (10 decare - 1 hectare)

Kırkoru also owns his own seeder and other essential agricultural machinery.



It took Nuri Kırkoru many years to become what he is today. Now the Sugar Factory needs him as much as he needs the Sugar Factory.

of sugar-beets. As one decare necessitates about 22 - 23 work days this would entail 3,000,000 days for sugar beet cultivation in Eskişehir alone. Taking into consideration that 250,000 farm families work in sugar-beet cultivation in Turkey, the total time spent on sugar-beets would be about 37 million work days in seasons when otherwise these farmers would be idle.

Turkey's sugar industry begins in the laboratory. The first research institute was established on a very small scale in Uşak in 1933. This was followed by an institute opened



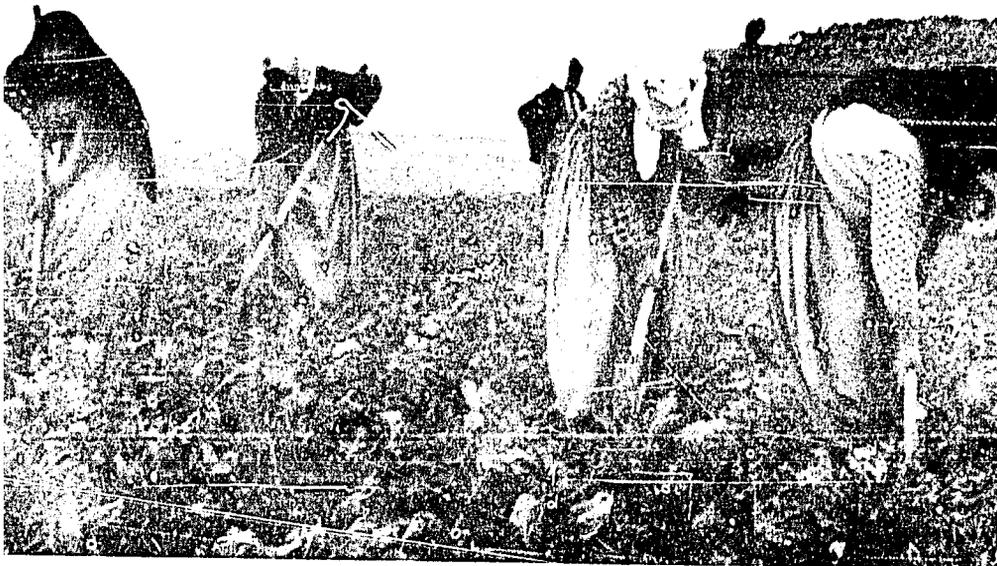
in Eskişehir in 1935. Finally, in 1965, all research operations were moved to the newly-constructed buildings in Ankara which comprise the Sugarbeet Research Institute and the Sugar Technology Research Institute.

In the Sugarbeet Research Institute there are seven sections: agronomy, biometry, entomology, phytopathology, nematology, agricultural chemistry and soil classification and agricultural mechanization. Under Dr. Rıza Güray ten specialists with doctorates from foreign countries, 11 assistants and 20 laboratory technicians work to "bring the most modern know-how to the very doorsteps of the farmer," says Director Güray.

In this Institute 5,000 soil analyses are made annually. These soil samples are submitted by the regional field technicians of Turkey's 17 sugar factories. From these, decisions are made regarding types and amounts of fertilizer to be used in the sugar beet regions in 57 of Turkey's 67 provinces.

"If," said Director Güray, "we had acted just as an industry and not as full-time partners of the sugar-beet growing farmer, we would have remained a static industry, not one that has grown with the farmer."

In the Ankara Sugar Technology Research Institute there is a miniature sugar factory that has all the components of a full



scale factory. Here all production trials are made and instead of wasting tons of raw material on a test, a few kilograms suffice. "The techniques to be adopted in any of our 17 factories are decided in this small trial factory," said the assistant director of the Institute.

In these institutes also all sugar-beet seeds are tested and sent on to the agricultural sections of the individual factories. From there the agricultural section directors of the factories take over.

The *Participant Journal* team interviewed Eskişehir Agricultural Section Director, Tevfik Kömürcüoğlu, and the Assistant Director, Mehmet Yıldırım, both

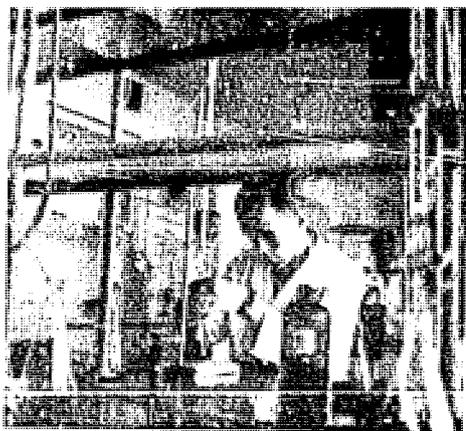
agricultural engineers who had been with the Sugar Factories Corporation for many years. "What I did on horseback many years ago my assistants in the regional branches now do in jeeps," said Kömürcüoğlu. "I did what they are doing, only now they do it better. They show the farmer what to do, when and how."

The Eskişehir Sugar Factory's agricultural section has eight regions under its jurisdiction. At each of these regional stations a technician is posted. In Eskişehir's eight stations four regional technicians are engineers and the other four agricultural technicians who have had extensive training. Each has a jeep at his disposal.

Together with the agricultural section director and his assistant, the *Participant Journal* team visited two of these regions - Bozüyük and Inonu. It was sugar-beet delivery time and



In all of Turkey the total time spent on sugar beet cultivation is about 37 million work days in seasons when otherwise these people would be idle.



Laboratory work at the Ankara Sugar Factory's Research Institute.

activity was at its peak. Each farmer knew the regional technician, and many of them knew one of the directors. "In the agricultural sections you will never meet people at their desks, unless you have an appointment," said Mehmet Yildirim, "our job is with the farmer—in the field."

In Eskişehir 20,000 farm families signed a contract with the sugar factory. Because the yield of each field is not commonly known by most farmers this contract stipulates on which field and how many decares of sugar-beets the farmer will grow. Levelling the land and ploughing the field must meet certain specifications. The sugar beet factory's technician assists the farmer and visits all farmers after ploughing to declare the

land satisfactory or make improvement recommendations. Then the sugar-factory's technicians bring the seed and the expensive seeding equipment and follow through on the seed planting process. The farmer does not pay for this service, but he assists the seeding operator. The type and amount of fertilizer to be used by the farmer is recommended by the regional agent. The fertilizer is made available to the farmer, while the cost will be paid without interest from the following year's sugar-beet income. The farmer does his own hoeing. When insecticides are needed the sugar factories make these available at no cost to the farmer. The farmer's only overhead is the cost of the worker who does the spraying.

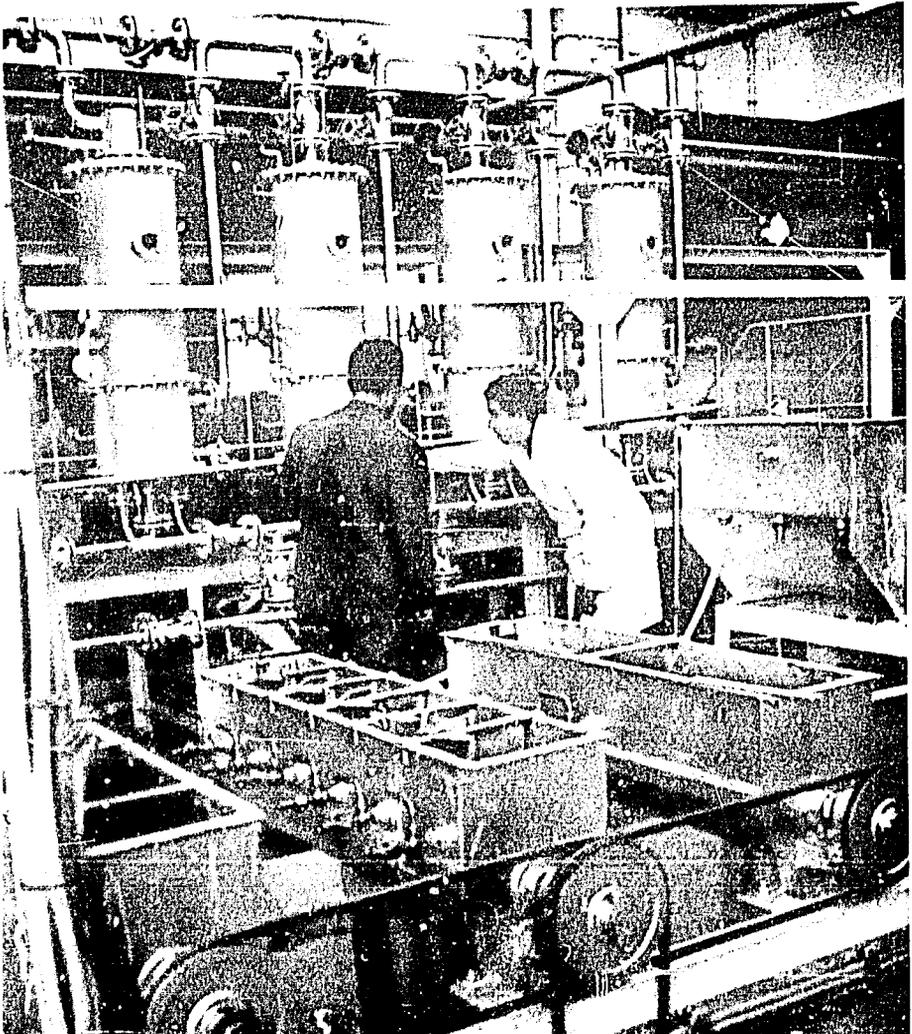
The story of what the sugar factories and the sugar-beet farmers have achieved would fill a large book. Here we can give only a few highlights showing how people in State enterprise can work with private entrepreneurs—in this case individual farmers—and how this cooperation can lead to the joint success of people who have learned to help themselves.

In 1951, the sugar-beet growers' cooperatives were

formed. Today more than 98 per cent of sugar-beet growers are members of these cooperatives. In August 1966 the cooperatives in the 17 provinces where sugar factories were operating had 345,326 members. These cooperatives help the farmers obtain

machinery, waterpumps, fertilizer for non-sugarbeet crops, and other necessities at costs lower than market prices and on an instalment-paying basis. The sugar factories have members in these cooperatives, but these, too, are elected by the farmer

In the Ankara Sugar Technology Institute this miniature sugar factory is used for production trials.





Eskişehir Sugar Factory's Tevfik Kömürcüoğlu and Mehmet Yıldırım inspecting fertilizer stocked for distribution to farmers at the Bozüyük Regional Station.

members. The cooperative in Erzincan is a typical example of one of these cooperatives. The cooperative desired to see its members use manure as fertilizer and not as fuel. They bought lignite coal and distributed it to their members on credit, payable with the following year's sugarbeet crop. They did the same with cheap lignite stoves. Now few of the sugar-beet cooperative members

of Erzincan use manure as fuel.

In the Eskişehir factory and in several others there are livestock breeding farms. The Eskişehir factory farm breeds some of the best pure-blood Brown-Swiss cattle in this part of the world. The bulls and calves are distributed all over Turkey and are even made available to the Ministry of Agriculture for distribution. Trials on breeding İvasi sheep from

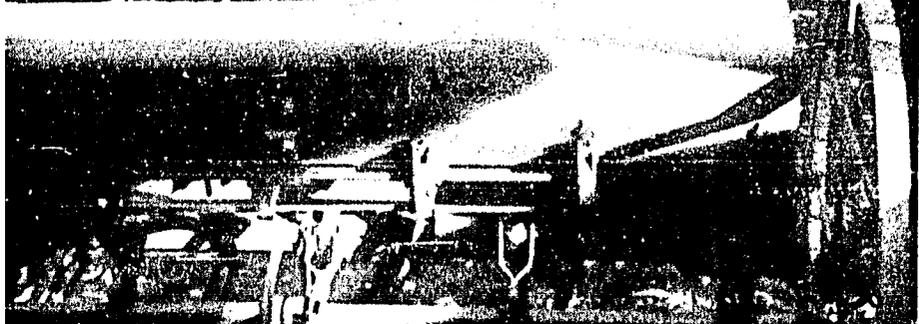
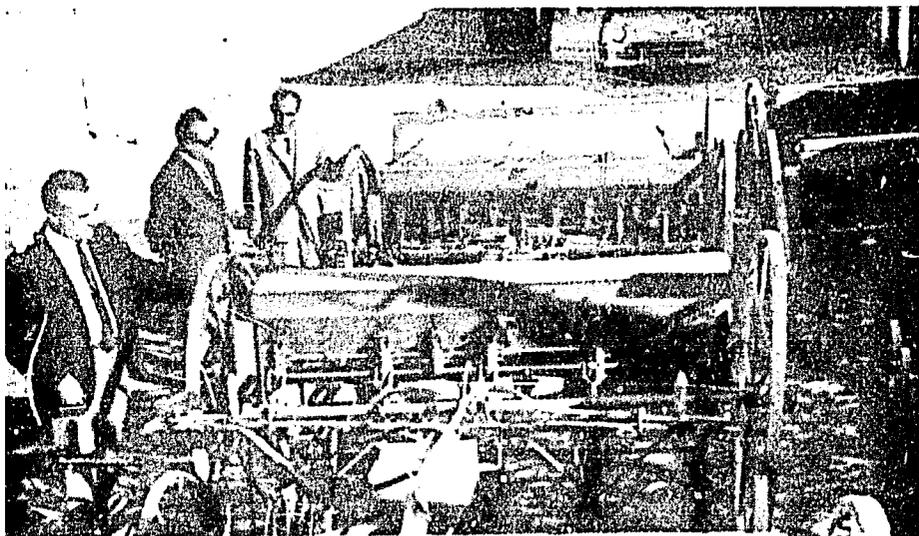
Mesopotamia also have been successful. These sheep give as much milk daily as the weaker breeds of cows now found in Turkish villages. Left over pulp and molasses after sugar beets are processed are used for feeding this livestock which contributes to the superiority of the breeds.

By contract every sugar-beet producing farmer receives free of charge 40 per cent of the pulp of the sugarbeet he has delivered. The rest of the pulp

and available molasses are sold to farmers and breeders. Most of the molasses goes to the alcohol plant of the Eskişehir Sugar factory, which is the largest in Turkey and produces a great deal of the alcohol used by the monopoly factories.

Animal breeders have made it a habit to establish their farms near sugar factories. With the pulp they can buy at very low cost from these factories, they find it expedient to operate as near as possible to the fac-

The two agricultural directors of the Eskişehir Sugar Factory inspecting seeders at the İnönü Regional Station.



tories. The last two factories, opened in Ankara and Kastamonu, are surrounded by breeders.

In the Eskişehir Sugar Factory, the machine repair, maintenance and production shop is as big, if not bigger, than most factories of its type in Turkey. Sixty-five per cent of all machines and equipment of the Ankara and Kastamonu factories were built in this mammoth workshop. Shortly, it is hoped, nearly 90 per cent of all needed machinery will be built there. This workshop serves all 17 factories and is available for

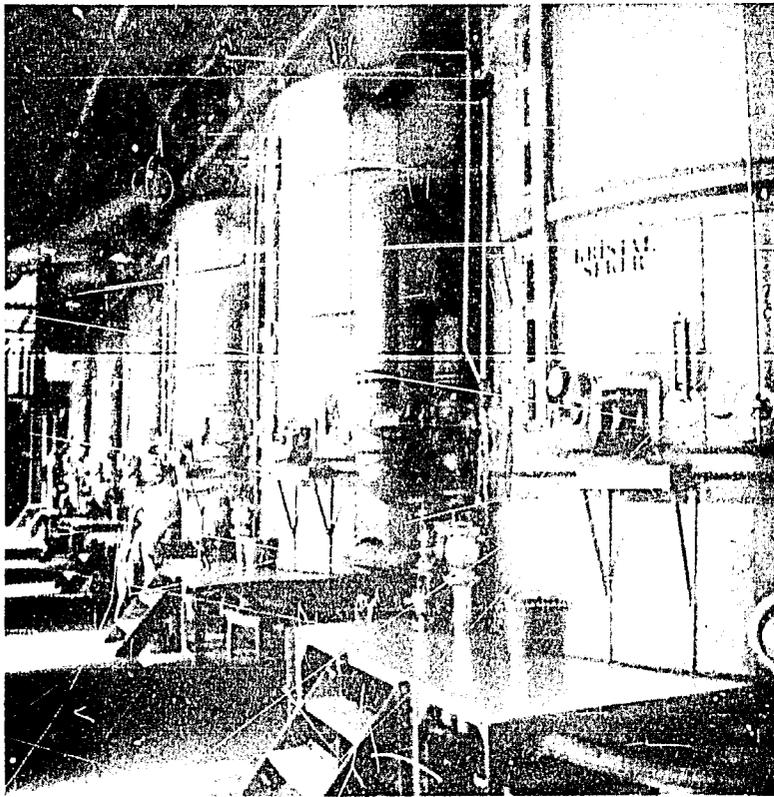
emergency work seven days a week, 365 days a year. It also does work for DSI and other Government agencies.

Probably of even greater importance are the indirect benefits of the efficient sugar enterprise. It is teaching some 350,000 farmers to use scientific techniques on all types of agricultural crops, not just sugar beets. And the success of each of these farmers is an example being followed by neighboring farmers who do not grow sugar beets - and thus the ripples of progress spread.

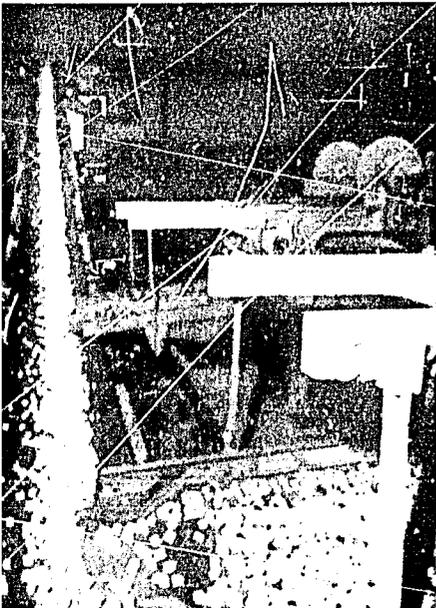
Turkey's sugar industry has grown with the Turks.

The following table is an indicator of this growth:

<u>Year</u>	<u>Turkey's Population</u>	<u>Turkey's Sugar Production</u>	<u>Sugar Consumption Tons</u>	<u>Per Capita Consumption - Kg.</u>
1927	13,648,000	5,162	62,720	4.6
1930	14,554,000	13,074	70,672	4.9
1940	17,821,000	88,669	99,299	5.6
1950	20,947,188	137,430	128,006	6.1
1960	27,809,831	643,498	297,868	10.7
1966	32,000,000	600,000	540,000	16.4



ESKİŞEHİR Sugar Factory at work.



From the headquarters in Ankara to the farmer who grows the sugar beets this partnership in progress encompasses all personnel in the administrative, research and technical fields, skilled workers and agricultural advisors—an outstanding example of initiative and creative energy within a public sector.

GÜMÜLDÜR -- The Village Which Revolted Against The Past

In 1950 the farmers of Gümüldür were satisfied with their lots. They were not wealthy nor were they hungry. The yearly income of the whole village was between 250 and 300,000 TL. They grew grain and tobacco where possible. There were bad years and good years. They had no aspirations, few hopes and no ambition. Their past impeded their future. Their fatalistic conservatism bordering on lethargy was their misfortune, and the quiet, numb, inactive acceptance of this status was the malady which obstructed all progress.

And then in 1951 an agricultural laborer named Nusret Ağa came from Rize on the Black Sea and Gümüldür revolted. Nusret Ağa had brought seedlings of the Rize tangerine named Satsuma. For the first time a few farmers of Gümüldür planted small plots of tangerines.

Tangerine cultivation needed water. Since time immemorial the Tahtalı River had meandered through the very middle of the Gümüldür village. But no one had been able to cultivate one decare of land in the village. Then Topraksu (Soil and Water



In 1950 the total income of the village of Gümüldür was between 250-300,000 TL. Sixteen years later it was 11 million TL.—a 3,700 per cent increase.

Conservation General Directorate) built a regulator on the river and Gümüldür obtained 500 liters of water per second to use in its citrus cultivation through the five-kilometer-long canal.

Soon most farmers in Gümüldür began to have their own tangerine groves. Topraksu taught them how to use fertilizer and pesticides and how to irrigate their groves. "But as soon as our trees began to bear fruit and our groves became gardens of gold," said an old farmer who prefers to remain unnamed, "the vultures

came: moneylenders, middlemen and wholesale dealers."

These middlemen bought up the fruit on the trees at a ridiculously low price, and the growers did not realize how truly profitable their new produce was. It was only after a few farmers in the village got together and formed the Gümüldür Fresh Fruit and Vegetables Production and Sales Cooperative that they woke up to the reality that prosperity would only come to them when they learned to help themselves. This was the first citrus cooperative of its kind in



The cooperative organizes picking and packaging of tangerines for the cooperative members.

Turkey set up according to Commercial Law without any form of Government control or subsidy, or ties with any bank or organization.

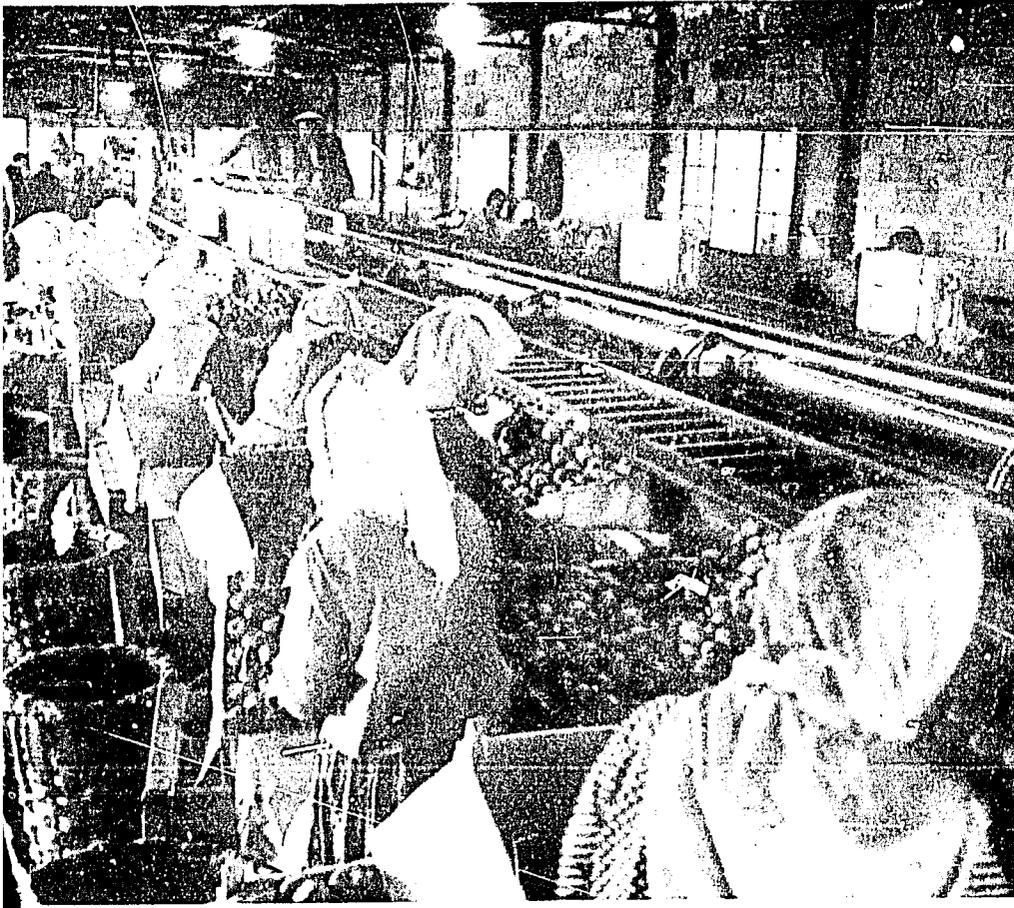
In 1964, its first year, the Gümüldür Cooperative made its first trial-export sale. The price the cooperative farmers received was 150 kuruş per kilogram

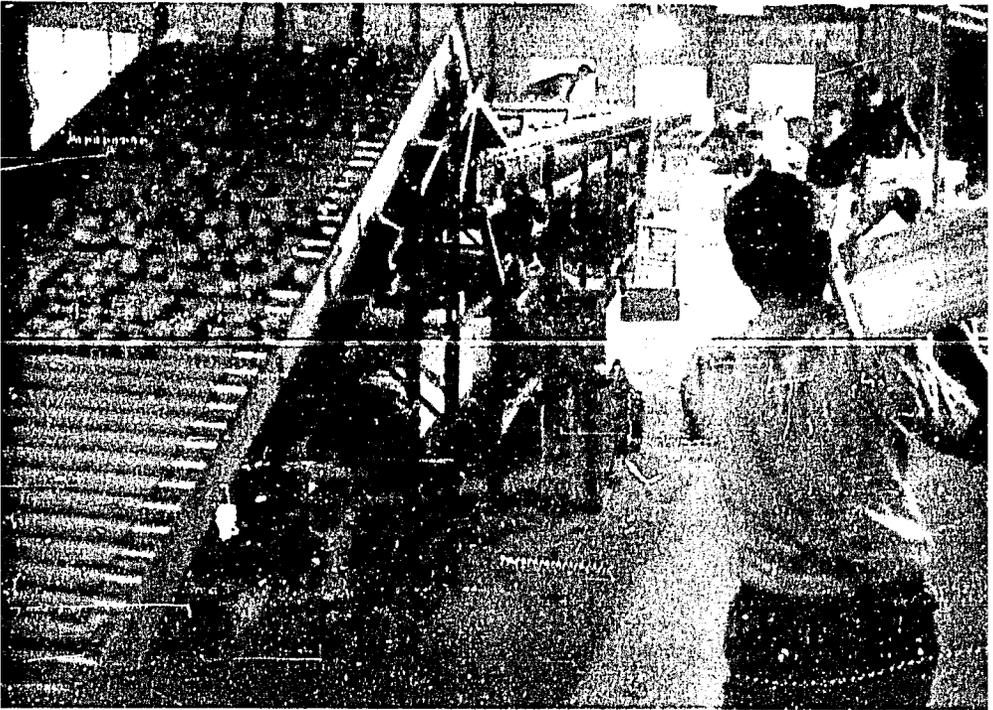
delivered to the truck sent out by the German buyers. The same year Gümüldür farmers who were not in the cooperative sold their tangerines at 50 kuruş per kilogram on the trees to middlemen and Izmir wholesale dealers who in turn exported these to German and other foreign buyers. The following year the cooperative exported its total output at the same price to Western Germany.

The non-cooperative farmers again sold their tangerines at 50 kuruş.

Thereupon there was a general rush on the part of all non-cooperative farmers to join the cooperative. But the cooperative would not accept any farmer unless he was completely solvent. Anyone who owed money or had obligations to deliver his output to a special person or group was

Village women work for cooperative selecting tangerines.





Cooperative-owned sampling selector.

banned. This attitude caused two reactions: every farmer tried to pay off all debts so that he would become acceptable to the cooperative, and the middlemen who, for many years, had made a great profit for themselves at the expense of the farmers, began all sorts of maneuvers to dissuade farmers from joining the cooperative and to convince those in the cooperative to leave it.

“These middlemen thought that all means were fair,” said

a cooperative member. “But the truth was out. Every farmer in Gümüldür had decided to fight with his past. Every farmer in Gümüldür had decided to fight for his future.”

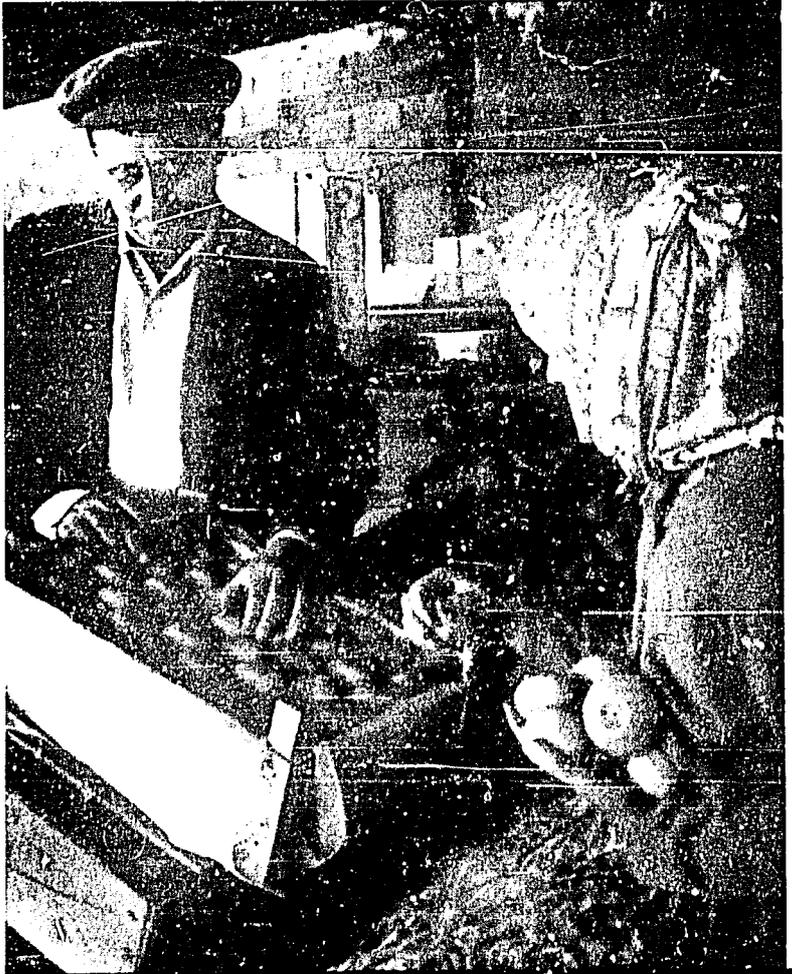
In 1966 the Gümüldür cooperative members sold all their crop of tangerines to a West German firm. The company sent its own chartered trucks to the village and here the graded and selected tangerines, packed in standard boxes by the Cooperative in its own sampling and

packaging house in the village, were loaded on the West German firm's trucks. The Gümüldür Farm Cooperative had become an exporter. The cooperative members sold their tangerines at 150 kuruş per kilogram delivered to the truck and were paid in foreign currency. As foreign currency earners they had not only helped themselves;

they had also helped the nation.

They have aided the other farmers in the village who had not been able to enter the cooperative. The middlemen could no longer force the farmers to sell at low prices, however much the farmers were indebted to them. This year these middlemen bought the tangerines of the Gümüldür farmers at 100 kuruş

Muhtar (headman) of Gümüldür village and member of cooperative examine tangerines.



per kilogram on the trees, which when compared to the 150 kuruş obtained by the Cooperative, left very little difference in price when expenses of picking, grading, packaging and hauling to the truck were considered.

In 1966 the gross income of the Gümüldür village was more than 11 million TL., a 3,700 per cent increase when compared with the village's yearly income of 1950.

There are now 25 farmer-members in the Gümüldür Cooperative. It is estimated that this membership will be doubled in

1967 and will reach the figure of 175 in 1968. Every cooperative member uses fertilizer, pesticides and all other MUSTS of modern agriculture. "We are small farmers, but we are modern farmers now," said the Muhtar (head-man) of Gümüldür village.

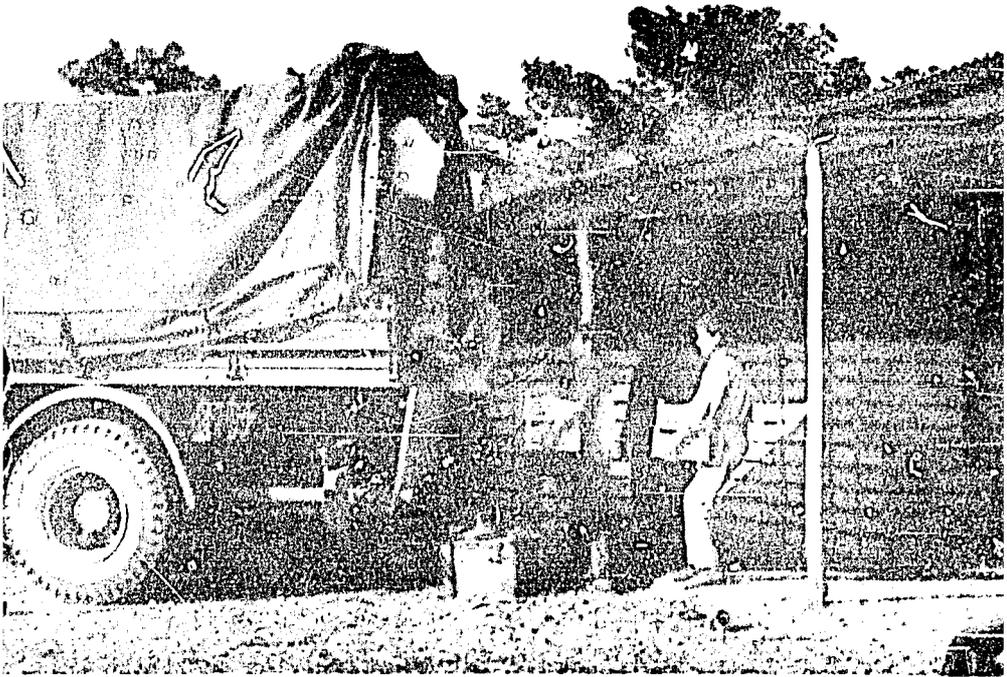
They are proud farmers now because they are exporters and bring in foreign exchange to the



Gümüldür—The village which revolted against the past. Tangerines being exported to Western Germany by village cooperative.

State. Only one-third of the land in the village suitable for tangerine growing has been used for that purpose. A farmer has to wait—and work—for five years before his groves begin to become money-makers. “Now that most of us can afford it,” said the eldest member of the village cooperative, “every lira we can spare goes into so many more planted tangerine trees.”

“We can,” said the youngest member of the cooperative, “expect to treble our exports in five years. Our trees are growing and are becoming more productive while others are being planted. Imagine if one village in Turkey can bring in 30 million TL. in foreign exchange, what all Turkey could do if all farmers woke up as we did and helped themselves.”



BURSA INDUSTRIAL DISTRICT

Investment in the Future

One of the best and most striking examples of State and private enterprise cooperation to bring a new economic concept to Turkey is the Bursa Industrial District inaugurated in November, 1966. It is now far easier for an entrepreneur to establish a new factory in Bursa.

The initial step for the "new idea" first came from the Government of Turkey in 1961 when the Ministry of Industry requested USAID to recruit a team of American specialists

who would evaluate the benefits that might be achieved for private industries through the development of industrial districts in Turkey.

In the same year USAID/Turkey hired Checci and Company of Washington to conduct a 20-week feasibility study to determine whether establishing industrial districts in Turkey would stimulate the growth and development of private industry.

USAID also instructed the consulting firm to choose a

favorable site for a pilot district and prepare engineering cost estimates for such a development. Plans were presented to the AID Mission in October of 1961. The consulting firm selected Bursa as the pilot district.

In July 1962 USAID provided a loan of 25 million TL to the Ministry of Finance for development of the industrial district. The Ministry of Finance, in turn, granted a loan for a like amount to the Bursa Chamber of Commerce and Industry. By 1965 enough of the infrastructure of the Bursa Industrial District was completed so that four industrial firms began working there.

Before the Bursa pilot project was started the concept of industrial districts was new in Turkey, and some industrialists had the misconception that moving into an industrial district would cause one to lose his individuality. However, the industrial firms which have moved into the district and those which are planning to move in have proven that one does not lose his individuality by "profiting collectively" from the services available in an efficiently operated system. Rather, it is only through such services that industries can cut down costs. This cost reduction will become

Opening of Bursa Industrial District. Ribbon being cut by Foreign Minister İhsan Sabri Çağlayangil, as James P. Grant, Director USAID/Turkey and others look on.



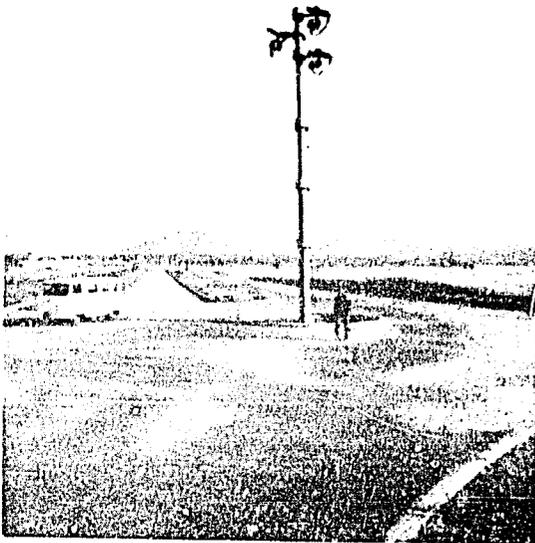
a MUST factor when in 11 years Turkey enters the European Common Market as a full-fledged member. Turkish industries will be subject to the competition of their European counterparts.

"In the future no industry in Bursa will be built outside the boundaries of the Industrial District," said Ergun Kâğıtçıoğlu, the young and energetic Secretary General of the Bursa



Ramney-System well supplies water for Bursa Industrial District.

Roads in Bursa Industrial District.



Chamber of Commerce and Industry. "Not because they will not be allowed to do so," he added, "but because they will not find it expedient to do so. The Industrial District is a new concept and method for Turkey. We in Bursa are proud that we were chosen to be the vanguards of this investment in the future."

The infrastructure of the Bursa Industrial District was completed in June 1966. This includes streets and curbing, sewerage and drainage, water supply and distribution, electric power and a telephone system. The total district comprises 127 lots for individual industries on two million square

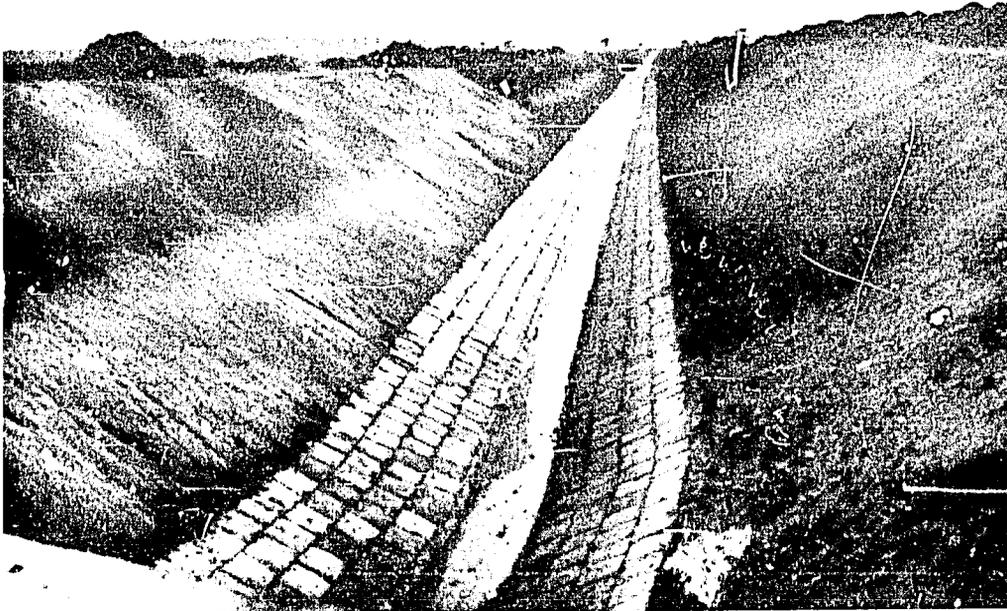
meters. Adjoining land totaling one million square meters has been bought by the Bursa Chamber of Commerce and Industry for future expansion.

It is estimated by the Bursa Chamber of Commerce and Industry that lots averaging 100,000 square meters will be sold annually. Six firms have purchased 160,000 square meters. Sifaş, synthetic fiber company which is working in three shifts, 24 hours a day; Aygaz, butane gas regional filling plant; Ipeker, textile industry; Yıldız, woolen yarn factory and SKT, a motor-car-parts factory now under construction. The sixth, Oto Montaj ve Karoseri Sanayii A.Ş., has only recently been established

by 269 shareholders with 5,250,000 TL. capital. The firm was established by some 50 small auto body builders who have been working independently in Bursa. With the purchase of a lot in the Bursa Industrial District these men will soon be working together in a modern factory under far better conditions and with increased revenue. The company, was organized to build bodies for various types of vehicles, particularly busses, expects to produce 500-600 bus bodies annually.

Opposite the district site the Ministry of Reconstruction and Settlement has bought land to settle the future labor force of the industrial district. Work-

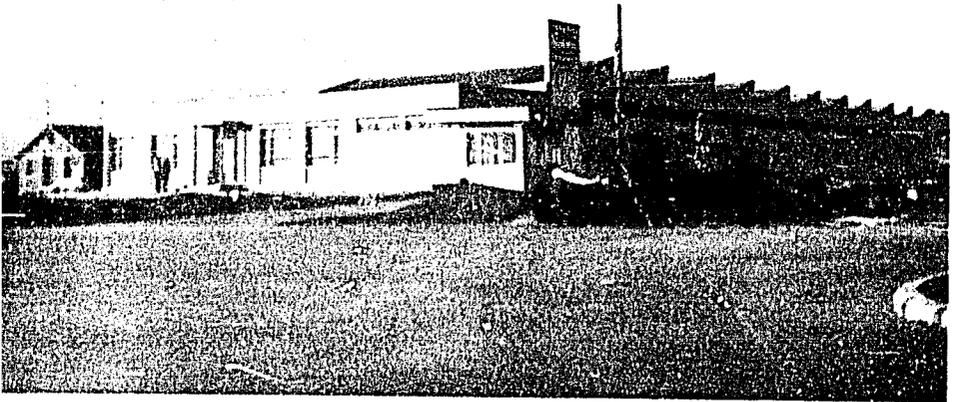
Canal for used water disposal in Bursa Industrial District.





Guests visit site of car and bus body factory soon to be built at opening of Bursa Industrial District.

Yıldız woolen yard goods at Bursa Industrial District.



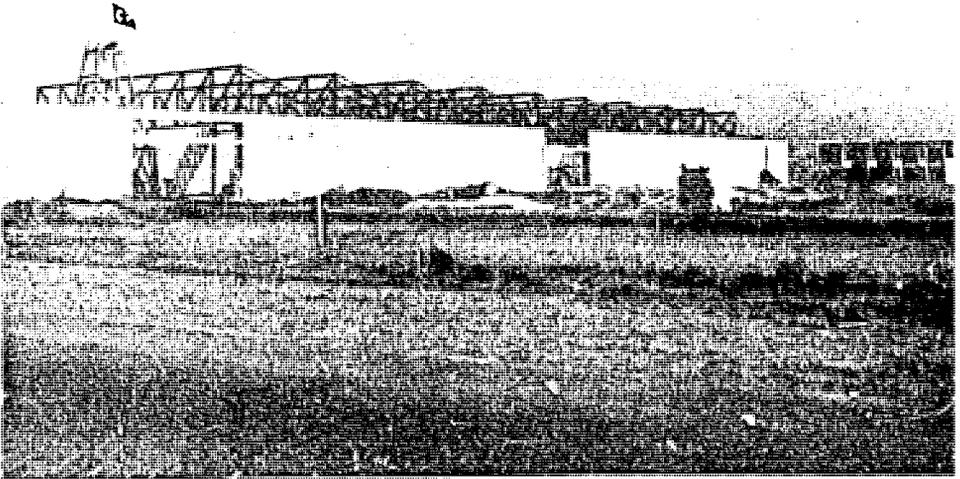
ers will be able to buy lots at cost price to the Ministry. The Bursa District will make available cheap water and electricity.

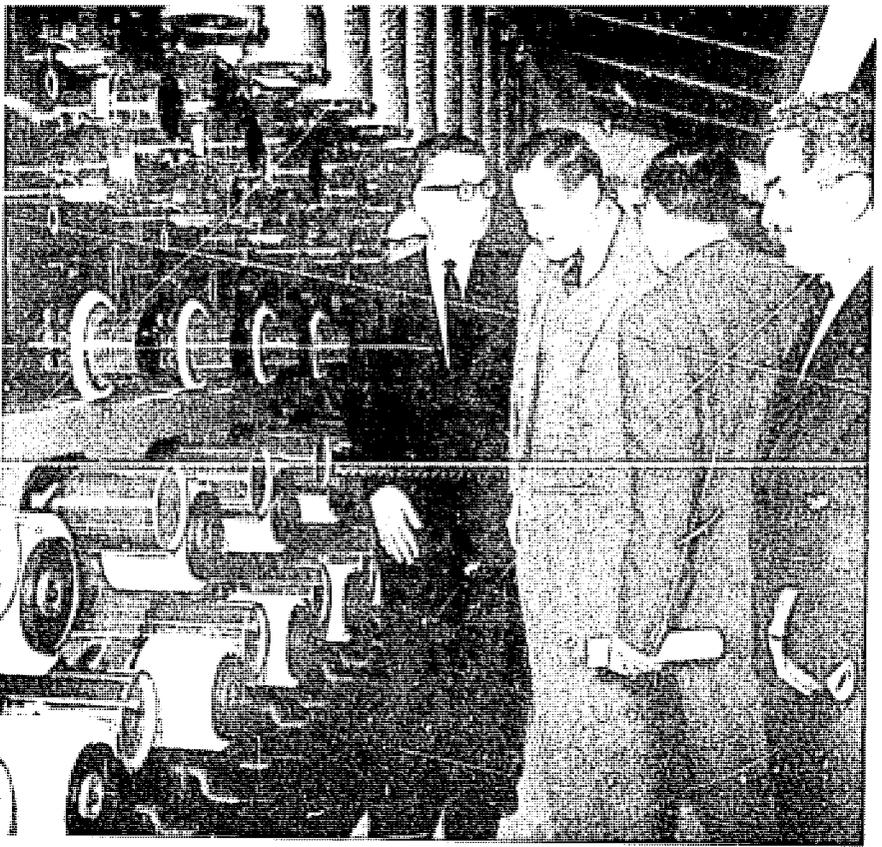
A Rarney-System well was built for the first time in Turkey for the industrial pilot project. Nine meters deep with horizontal tunnels, the well has a capacity of 600 liters per-second, about 70 per cent of Bursa's total water supply. Water at the district site costs 29 kuruş per ton compared to 65 kuruş per ton in Bursa. Electricity in the district is 14½ kuruş KWH compared to 21 kuruş KWH in Bursa. The

Sifas synthetic fiber factory consumes 400,000 KWH per month. One factory alone is saving 250,000 TL. per year on electricity.

Every day big, middle and small industrialists are coming to the Bursa Chamber of Commerce and Industry asking for technical information regarding the industrial district. In the regional meetings of the Marmara area Chambers of Commerce and Industry held in Bursa, the pet subject discussed during breaks is the Industrial District.

SKT motorcar parts in stage of construction in Bursa Industrial District.





USAID Director James P. Grant (center), accompanied by Governor of Bursa Celâlettin Ünseli (left), visiting SİFAŞ synthetic fiber factory at opening of Bursa Industrial District.

The utility of industrial districts is being increasingly recognized by local governments and community business groups as a means of assisting industrial growth in Turkey. The Bursa Industrial District was developed as a demonstration of this type of land use and manage-

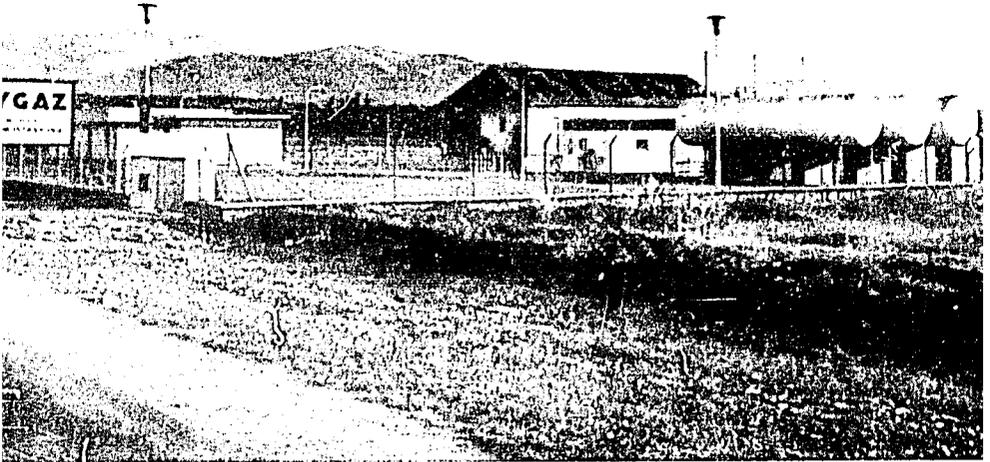
ment system. At this time the Government of Turkey is actively engaged in a program for the development of similar and smaller development districts throughout the nation. Twelve communities have already proposed the establishment of such districts to the Industrial Dis-

tricts Section of the Department of Industry of the Union of Chambers of Commerce, Industry and Commodity Exchanges in Ankara.

"This has been a successful program," said Muhittin Gürbüz, Director of the Industrial Districts Section in Ankara and a USAID participant. "Nowhere in the world are the results of such a program the immediate and readily measured

achievements which point to success. There is no such thing as an instant industrial district despite wishes to the contrary."

"The Bursa Industrial District," said Ergun Kâğıtçıoğlu, "is an organized industrial space which is complete with all the infrastructure systems required by modern industry. The district will undoubtedly influence the development of industry throughout Turkey."

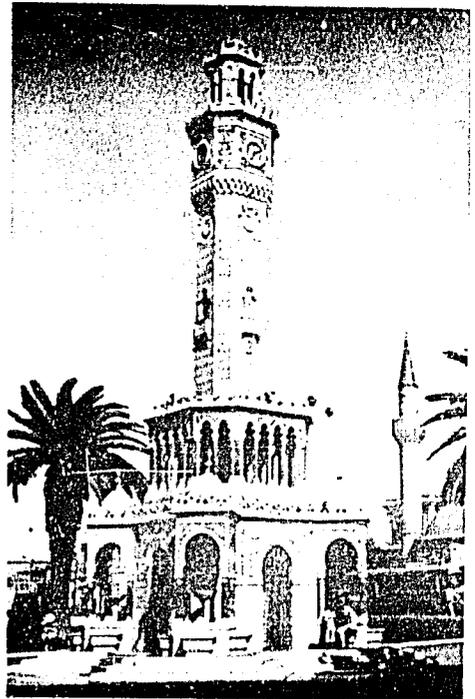


AYGAZ Butane gas drums filling factory at Bursa Industrial District

TOURISM— Resurrection of Ancient Times through Initiative and Creative Energy

Representatives of West Germany's two major travel agencies—Turopa and Scharnow—recently left Izmir after reserving all the accommodations in several hotels and motels in the Izmir area for the 1967 tourist season. Turopa and Scharnow went so far as to help finance—and thus speed up—the building of several other hotels and motels which could not guarantee completion. The financing the agencies extended was in the form of advance payment for room reservations.

During the past season these two West German agencies had reserved only 250 beds for the entire April to October sea-



Izmir's historic watch tower.

son. No limitation seems to exist for the coming season. They are reserving all they can get.

Until recent years no one saw the touristic potential of the private swimming pool of Diana in Izmir which is the source of the city's fresh water supply. Today Turks, and especially the people of Izmir, realize that history never remains buried and that all these remnants of the past – and there are historical remnants of twelve civilizations in the Izmir area – are the economic magnets of one of the greatest industries of all time – tourism.

When the thirty-third Congress of International Fairs met in Izmir, October 18-22, 1966, the 157 members from 30 countries were impressed with the swimming pool of Diana and the other attractions they saw. Said the Congress's president in his opening speech at Izmir's Grand Hotel Efes: "If the Mayor of Izmir, our host here, had not played up Izmir with so many colorful words we probably would not have been here. But, I must confess that he did not exaggerate. We found all and more than he had promised in this pearl of a city."



A view of Izmir and the bay

In the Middle Ages Izmir (Smyrna), Bergama (Pergamum) and Efes (Ephesus) were the greatest cities of Asia Minor. Even in those days these wondrous places enticed thousands from all over the world.

Today the international tourist who comes to Izmir by air, land or sea can, within a few hours, visit any of the following historic touristic sites: Çeşme, Bergama, Kuşadası, Efes, Selçuk, the Shrine of the Virgin Mary, Ayvalık, Marmaris and Bodrum (Halicarnassus).

The roads are all asphalt and in excellent condition except the roads to Bodrum and Marmaris which will be completed in the late 1960's. In conjunction with the completion of the highways in this area, new hotels and motels are increasingly in evidence.

In the 1966 season the Izmir touristic center had 3000 beds of international standards to offer the visiting tourists. In the 1967 season two new hotels will be completed in Izmir, a motel in Çeşme, another motel in Gü-

Tourists at historic Ephesus Gate.



*From left to right:
Minister of Commerce Sadık Tekin Müftüoğlu and Minister of Tourism and Information Nihad Kürşad attending 33rd Congress of International Fairs in Izmir's Grand Efes Hotel.*



müldür and two vacation villages, one each in Foca and Kuşadası. These additional facilities will account for at least another 2200 beds – an increase of more than 70 per cent. The Ministry of Tourism, Izmir Regional Office, estimates that a further 3000 beds will become available in the 1968 season with the completion of buildings now underway but which will not be ready for operation in the 1967 season.

About one-third of the nearly 200,000 foreign tourists who came to Izmir this season came from West Germany. About 28 per cent came from France, 14 per cent from Britain and ten per cent from United States. The Scandinavian and miscellaneous other countries accounted for

the additional visitors. Besides these, by the end of July 1966, 166 foreign vessels had brought tourists to Kuşadası, as compared to 150 vessels during the entire season the previous year. These numbers constitute roughly a 100 per cent increase over the previous 1965 season.

For the 1967 season a great number of tourists are expected from Holland and Austria. Britain's restriction on foreign exchange for outgoing travelers probably will increase the number of tourists coming from Britain because prices in Izmir are considerably lower than those in other countries.

Holland's airway is doing its own promotion for Izmir's tourism development. The airline has requested and obtained from



New ferryboat Truva (Troy) carries passengers and cars from Turkey to Italy and Greece.

the Turkish Ministry of Tourism slides, films, posters and other literature and is showing these in several Dutch towns. Austria's Union of Travel Agencies has followed suit and expects an increasing number of Austrians on its Izmir circuit.

Once again Izmir, Bergama and Efes have become the attractions they were in ancient times. Thousands of people are coming to see how the ancient Greeks, Romans, Selçuk and Ottoman Turks built their societies. The number of tourists to come will certainly increase considerably. Izmir is aware of

this potential industry that is growing like a benevolent avalanche. From the Governor and the Mayor down to the most insignificant bellboy in the smallest motel, everyone is aware of this potential and proud of it. Everyone is doing his utmost to satisfy the guest-tourist. They all know now that although tourism in Turkey is an industry with an unlimited future, the chief prerequisite of success is the satisfaction of the customer-tourist.

Tourism will only become a success as a national industry when those who come depart

Tourists in Tusan Hotel at Kuşausı, Izmir.



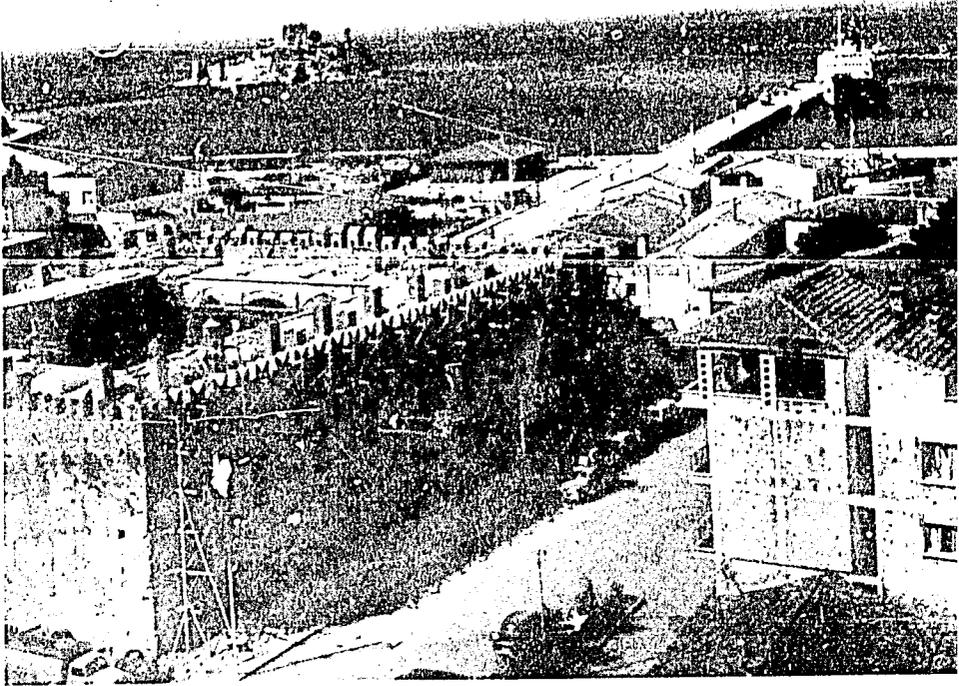
satisfied with what they have been offered and with what they have found. No one should take credit for the beauties nature has bestowed on this country or the interesting sites of past civilizations. Because tourism is a national industry, it is imperative that all segments of the public, from the simple farmer in the village situated on a tourist road to the top men in the government of the tourism ministry, do their best as hosts and guides to accommodate Turkey's guests.

In Kuşadası the historic caravanserai of Öküz Mehmet Paşa is being restored. Recently the president of the Negrescu Hotel Chain and his wife, a decorator, visited this caravanserai. Both were enchanted with what they saw. They decided to

approach the General Directorate of the Religious Fund under whose jurisdiction the caravanserai lies. The Negrescu couple desire to operate this caravanserai, if necessary jointly with the General Directorate, as a luxury hotel decorated exactly in the style of the Öküz Mehmet Paşa period, when guests came with caravans and stayed at these seraglios.

Nothing may come of this dream-wish of the Negrescu couple. What is important, however, is that people inside Turkey, have begun to think in such terms. It is only through such creativity, repeated hundreds of times, that Turkey will be able to meet the second-plan goal of increasing its foreign exchange earnings ten-fold between 1966 and 1972.





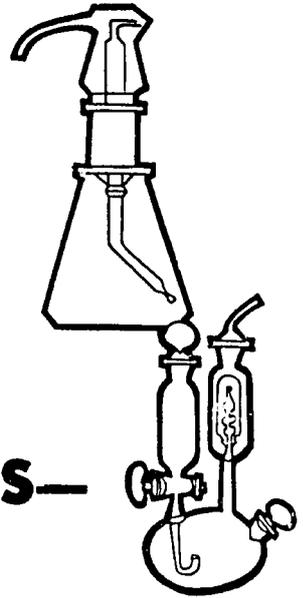
Izmir, Kuşadası. Foreground historic caravanserai of Öküz Mehmet Paşa.



All motels and hotels in Kuşadası have a different type of beauty.

Partners in Progress

PHARMACEUTICALS—



Thirty-two Million Customers

In Istanbul, on Levent Boulevard which links the main city with the Bosphorus, two factories face each other on opposite sides of the street: Eczacıbaşı and Squibb. Eczacıbaşı is the first and largest Turkish firm. Squibb is the first and largest foreign pharmaceutical factory in Turkey.

The two factories are stiff competitors. They are both pioneering a comparatively new

industry which has grown in unexpected proportions in the last two decades—and which is continuing to grow in step with Turkey's total development.

Eczacıbaşı and Squibb are only two of many Turkish and foreign pharmaceutical factories which have begun operating in Turkey in the last twenty years. If Turkey's population is increasing by one million each year it is partly due to the health-improving and life-saving products manufactured by this new industry. Today, family planning is becoming possible through products manufactured by Eczacıbaşı, Squibb and others. The pharmaceutical industry serves everyone who wants and needs help in Turkey.

ECZACIBAŞI

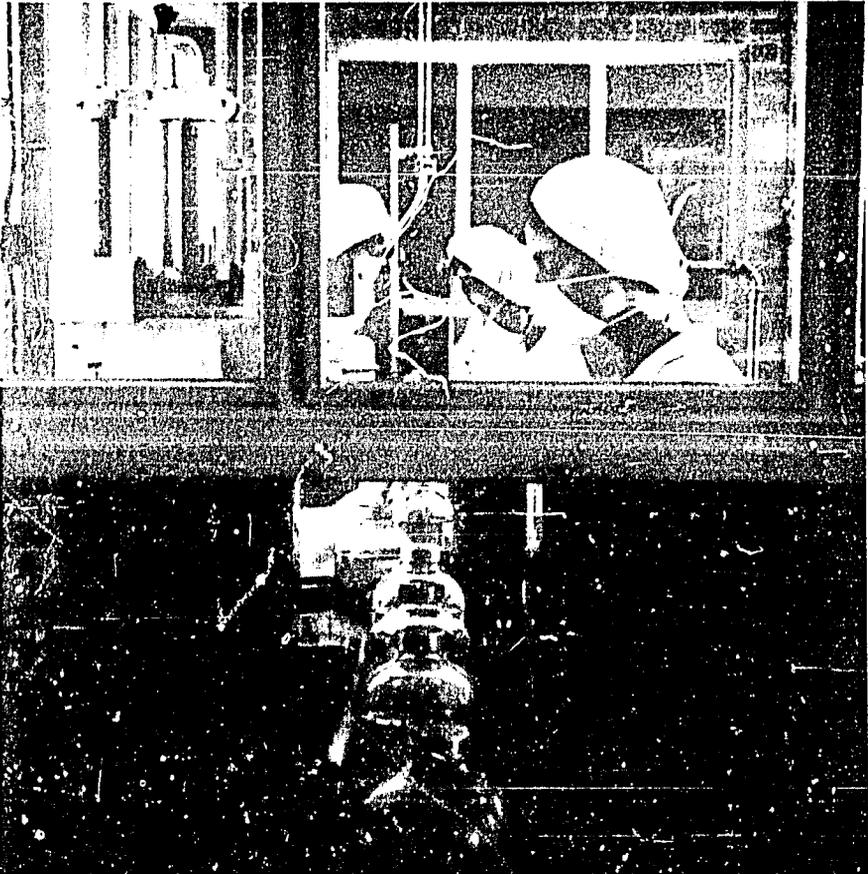
The name of Eczacıbaşı in pharmaceuticals dates back to 1910, when pharmacist Ferit Eczacıbaşı, with borrowed money, opened the Şifa pharmacy in Izmir. Eczacıbaşı in Turkish means chief pharmacist and Şifa means healing. The Eczacıbaşı family have been in the pharmacy business for 56 years.

In 1941 Ferit Eczacıbaşı's eldest son, Dr. Nejat F. Ecza-

cıbaşı, began producing one pharmaceutical product at night in a four-room flat in Lâleli, Istanbul. During the day he had to make a tour of the medical doctors' offices to place his product. Dr. Nejat Eczacıbaşı had begun an industry which has not stopped growing.

Today pharmaceuticals in Turkey hold an important position in the economic structure of

Eczacıbaşı: Modern workers in a progressive industry.



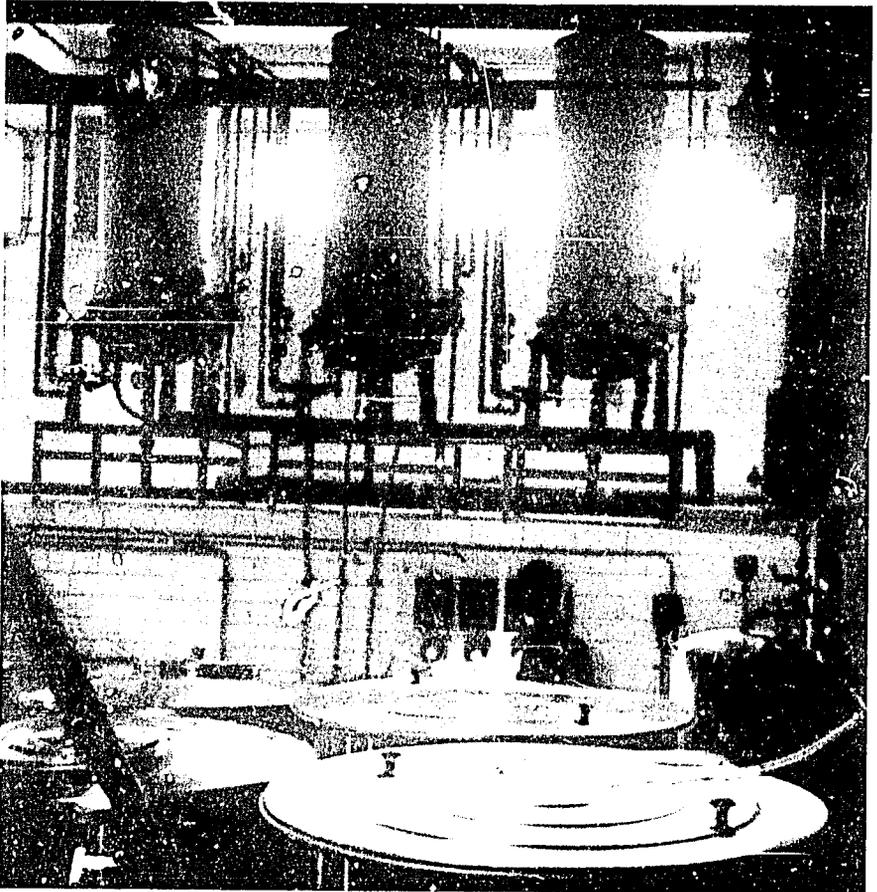
the country. Dr. Eczacıbaşı has been one of the foremost pioneers who have brought it there.

The factory, which now is at Levent, has 900 employees and produces 310 different products. It was built in 1952. But even then the factory continued to grow. The capital of the factory was 4,400,000 TL. in 1955

with the total sales being 7,250,000 TL. In 1966 the capital of Eczacıbaşı increased to 78,700,000 TL. and the sales increased to 106,000,000 TL.

Quality control, standardization and presentation are absolute MUSTS at Eczacıbaşı. Dr. Nejat Eczacıbaşı is the general director. There are

Eczacıbaşı: Distilled water boilers and containers.



directors for factory, marketing, propaganda, legal advice, book-keeping, planning, personnel, production, research, quality control and purchasing. Everyone knows his responsibility, and unlike many other industries in Turkey, "decentralization" is an accepted system at Eczacıbaşı. Technically the factory works like clockwork. There is one technician for every five

workers.

Eczacıbaşı has grown because it is a well organized and well run organization. Not only have its products been successful on the market, but various foreign factories, which in the outside world operate under highly competitive conditions, have become licensors of Eczacıbaşı and are having their products manufactured here.

The following are the licensors of Eczacıbaşı. This list tells the Eczacıbaşı story better than any writer can.

Pharmaceutical Licensors

ASTRA INTERNATIONAL
Sodertälje, Sweden

P. BREIERSDORF & CO. AG.
Hamburg, Germany

BIOCHEMIE G.M.B.H.
Kundl/Tirol, Austria

BRISTOL LABORATORIES
Syracuse, New York, USA

CHEMISCHE WERKE ALBERT
Wiesbaden-Biebrich, Germany

COLLET & CO. A/S
Oslo, Norway

CHEVRON CHEMICAL COMPANY
(ORTHO)
Richmond, California, USA

DON BAXTER, INC.
Glendale, California, USA

EATON LABORATORIES
New York, N.Y. USA

ENDO DRUG CORPORATION
Garden City, N.Y. USA

PARKE-DAVIS & CO.
Detroit, Michigan, USA

PHARMACIA INTERNATIONAL
Uppsala, Sweden

PHILIPS-DUPHAR
Amsterdam, Holland

RICHARDSON-MERREL, INC.
New York, N.Y. USA

SCHERING CORPORATION
Bloomfield, N. J. USA

S.P.E.C.I.A. (SOCIETE PARISIENNE
D'EXPANSION CHIMIQUE)
Paris, France

UPJOHN INTERNATIONAL, INC.
Kalamazoo, Michigan, USA

J.R. GEIGY, S.A.
Basel, Switzerland

Cosmetics Licensers

BRISTOL-MYERS INTERNATIONAL
New York, N.Y. USA

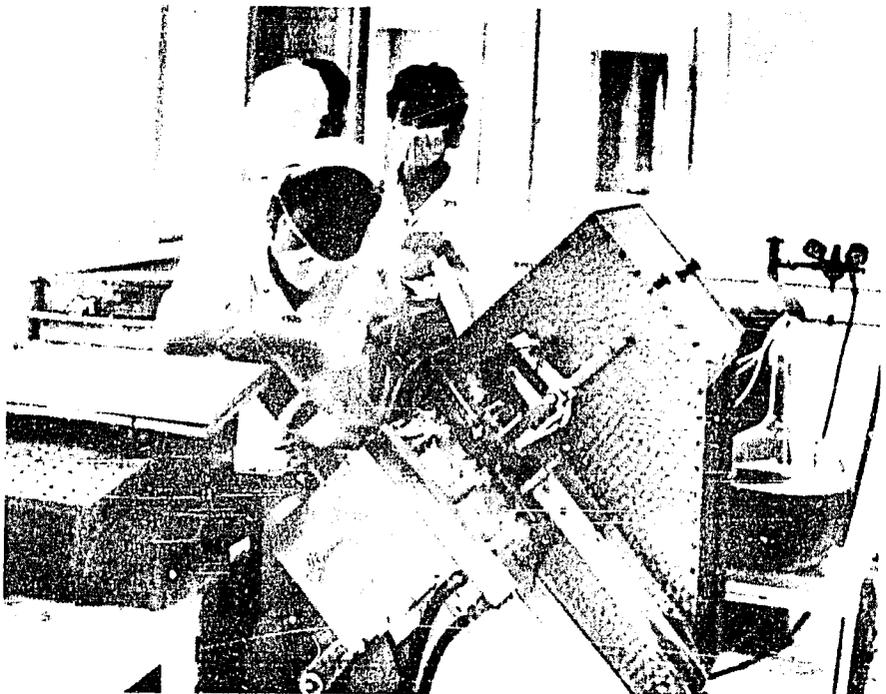
CHEMIRO A.G.
St. Gallen, Switzerland

J.G. MOUSSON & CO.
Frankfurt a/Main, Germany

PROMONTA G.M.B.H.
Hamburg, Germany

HANS SCHWARZKOPF
Hamburt-Altona, Germany

Eczacıbaşı: Vial filling machines operated by specialists.





Squibb: Stopping of vials of injectable powders.

SQUIBB

When Squibb first came to Turkey there were ten American and foreign specialists working in the factory. The last American on the team was the General Manager. He left three months ago and Nahit Alpar who has been with the factory since the early days is now the General Manager. Squibb has become a foreign enterprise run by Turks.

Royalties are regularly sent to the United States company. But these royalties represent a small fraction of the value of import substitution gained.

Eczacıbaşı's Dr. Nejat Eczacıbaşı and Squibb-Istanbul's Nahit Alpar are friends. They are competitors. One manages a major purely Turkish pharmaceutical private enterprise factory;

the other manages an American-Turkish-owned private enterprise factory. They are partners in progress.

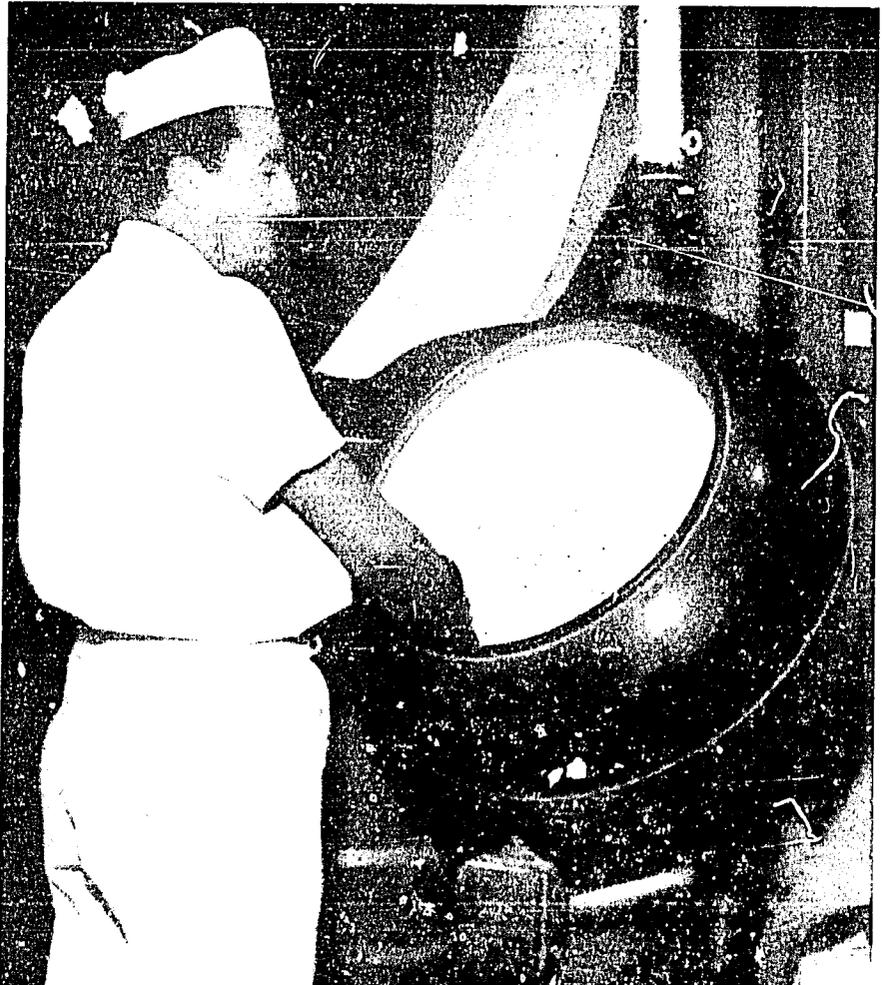
Squibb came to Turkey in 1951 as an affiliate of E.R. Squibb and Sons of the United States. A 70 per cent American and 30 per cent Turkish firm, Squibb-Istanbul began operating with a 1,400,000 TL. capital.

Today Squibb's capital has risen to 6,400,000 TL. and the

firm's reserves are 10,000,000 TL. The 16 types of pharmaceuticals manufactured in 1951 have risen to 62 in 1966. From 1953 to 1960 the sales of Squibb trebled from 5 million TL. to 15 million TL. per-annum. From the years 1960 to 1966 sales doubled from 15 million TL. to 30 million TL.

Unlike local pharmaceutical factories, Squibb, which came to Turkey under the Foreign

Squibb: Tablet coating operation.



Investment Encouragement Law, is not allowed to manufacture licensed products of other factories. Neither are such by-products as cosmetics, fruit juices and agricultural drugs permitted.

The number of workers in Squibb has risen from 175 to 300. The relations with the labor force are excellent. Squibb also has 40 detail men working under five inspectors who tour the country informing and introducing Squibb products to medical doctors and pharmacists.

Squibb manufactures in Turkey every product of the United States mother company. However the processes in Turkey are cheaper. "The prices of all pharmaceutical products in Turkey," said Nahit Alpar, General Manager of Squibb-Istanbul, "are much cheaper than in the United States, Europe and the Middle East countries."

A one-hundred-tablet box of Nydrozid, produced by Squibb to be used in tuberculosis cases, costs 4.2 TL. in Turkey and \$1 in the United States. The difference in price of Squibb products in Turkey and the United States range from 1-4. The prices, in fact, are so low compared to other countries that there is a considerable amount of contraband of drugs to the

Middle East countries. Pharmaceutical factories, Squibb among them, are trying to stop this contraband by organizing exports to the Middle East countries. They are finding it difficult because these countries are restricting imports from Turkey.

Squibb-Istanbul relies on the tremendous research facilities of the United States company. Even so the chemists of the Istanbul factory are working on an injection for birth control. This is in the clinical trial stage at present. The research specialists are planning to work on two syntheses starting in 1967. If successful, even exports to Europe will be possible.

The pharmaceutical industry of Turkey also has opened vistas to many other industries. The State controlled Paşabahçe Glass and Bottle Factory manufactures antibiotic bottles for Squibb and other pharmaceutical factories. Several smaller factories make metal and rubber metal caps for drugs. The Izmit paper factory makes cartons for pharmaceuticals. And the wrapping industry also works for the pharmaceutical factories. These partners in progress Squibb and Eczacıbaşı will continue to accelerate the expansion of industry in Turkey.

PEST CONTROL—

Destroy to Improve



The Turkish farmer is aware that one million Turks are born each year and that it is he who has to feed them. The Turkish farmer knows that there is little more arable land to be opened to cultivation. He has learned that the only solution is increased yield per unit of land.

Farmers have achieved this all over the world—in Japan, Taiwan, the United States, Canada, and in all Western and many Eastern European countries. The farmers in Turkey know that the potential for improvement is there and that when this potential is reached, Turkey will have joined the ranks of the developed countries.

In the developed countries, where yields are many times greater than Turkey's, this achievement has been attained by the judicious use of physical inputs, the tools of modern agriculture. Fertilizer, irrigation, seeds, pest control and farm machinery are the principal inputs which transform a backward agriculture into a market economy.

In this issue of the *Participant Journal*, with its theme of joining together multiple sources of initiative and creativity, we have found a pertinent example in pest control, because in this area private industry, the State and the farmer work hand-in-hand to achieve a common



goal – total development.

Before 1950 all insecticides used in Turkey were imported. The amount was insignificant and used mostly on State-controlled farms. When the Marshall Plan brought modern agricultural machinery into Turkey and thousands of new decares (4 decares – 1 acre) of land were put under cultivation, pest control became a must. It was essential to destroy the insects, the diseases and the weeds that threatened new crops, trees and plants. It

became imperative to destroy to improve.

From 1950 to 1966 seven Turkish and foreign industries have opened insecticide and pest control factories in Turkey. These are: Koruma, Hektaş, Bayer, Agromerck, Mudiltipi, Kimyagerler and Shell. The eighth, Sandoz, will begin production shortly.

The agricultural chemicals industry has grown in the last 16 years. Now that Turkey's farmers have recognized what

A new industry—an ever growing industry—to destroy an ages old but ever growing danger.





insecticides and weed killers can do for them, it is inevitable that the insecticide industry must grow in proper ratio to Turkey's agricultural progress and development. While once used only in demonstration plots on State farms, insecticides are now sought by all large and most small farmers. In import substitution, the insecticides and weedkillers manufactured by this new industry account for several millions of Turkish Lira. In the benefits from pest free grain, fruits, vegetables, tobacco, cotton, sugarbeets and other crops, insecticides save many hundreds of crops worth millions of Turkish Lira.

The insecticide industry in Turkey, although comparatively new, is evidence that local and foreign enterprise and capital can work side by side in fair competition to benefit the majority of farmers. It is also proof that in no way does one hamper the other from progressing and improving the products.

Here we will take Shell and Hektas as two examples. The work of all others is just as outstanding.

SHELL

In Turkey, Shell entered the chemical field in 1947. At that time the chemicals for industrial and agricultural use were imported. In the chemical division there were only two men — one in the industrial section, the other in the agricultural section. The first product on the market was Shelltox, a domestic insecticide.

In 1952 and 1953 Shell assigned an independent unit to insecticides at its center in Beykoz, Istanbul. With the development of chlorinated hydrocarbon, agricultural chemicals promised to become one of the big industries of the world, Shell was destined to be one of the leaders. The small unit at Beykoz was in a position to profit from the research of the top-notch Shell research centers in Britain, the United States and Germany. Thus the insecticide industry of Shell began to grow in Turkey.

First came Endrin E.C. for cotton pests and Dieldrex 15 for domestic pests. In 1963 the Agricultural Chemical Department of Shell moved into its



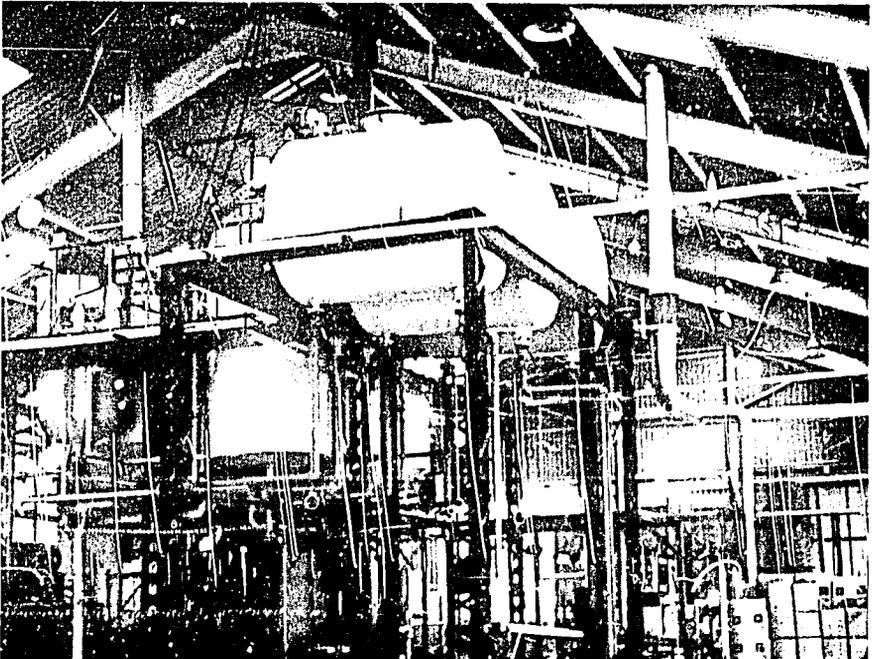
new ultra modern insecticide factory in Derince, Izmit. Here, emulsion derivatives, emulsion concentrates, agricultural insecticides dusts, weedkillers, and Shelltox aerosols are all products of the large insecticide factory that has grown at least tenfold in production capacity since the early days of 1952-53.

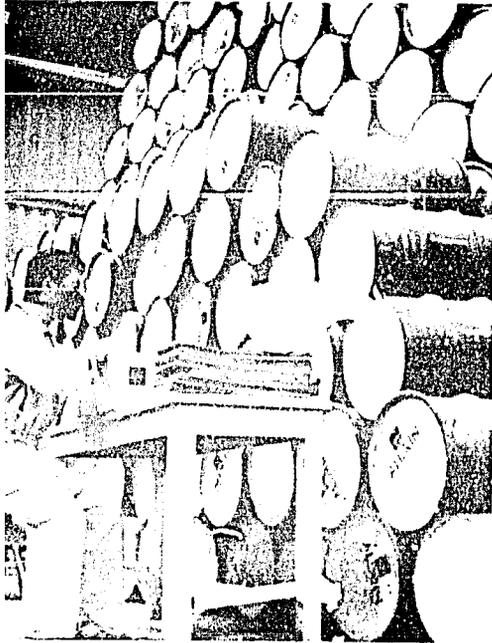
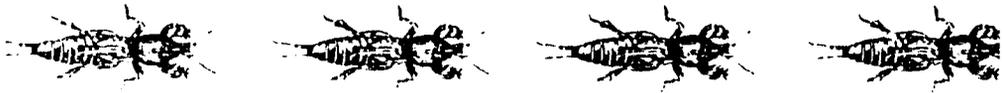
Several USAID participants work for the Shell chemical complex. Ismail Denkleştirici is the assistant agricultural chemicals division head. Emin Çiftçi is the service division head. Ali Rıza Baysan is chemical district manager of the

southern Turkey district. And Hüseyin Arısoy is chemicals sales representative in Ankara. They were all 1954 USAID participants. In addition, Aziz Tanrısever, the agricultural chemicals division head, is a 1952 International Farm Youth Exchange student.

These top men in a large commercial enterprise know only too well that they are pioneers in the fight against hunger. They realize that they are marketing a commercial product which also will serve the development of the country and the progress of more than two-thirds of

Shell: Liquids plant.





Shell: B'rrrels of Aldrin.

Turkey's population.

Shell is now contemplating construction of a new unit for the production of organo-phosphorous compounds. This will be an addition to the fungicides, insecticides, weedkillers and nematocides presently being produced and distributed all over the country.

Turkey's hazelnut growers, citrus growers, viticulturalists, grain growers, tobacco and cotton growers, sugar-beet farmers,

rice-farmers, and other men in all other branches of agriculture now fare better because Turkey has a new industry whose business is to serve them, help them, and teach them to help themselves. Fifteen years ago farmers only watched insecticides applied on demonstration plots in State farms. Today they charter small planes to fly over their own fields and kill the weeds that hamper the growth of wheat. Fifteen years ago the farmer watched his pest-infected fields and said "it is kismet." Today he fights every pest, plague and insect because he has learned that disaster can be checked once you have the will and energy to do something about it.

HEKTAŞ

Hektaş Corporation is the child of a collective idea. It has grown tenfold in ten years. It is the product of the minds of 400 Turks who decided that all their savings would be best spent if they served the majority of farmers in Turkey.

In 1956 Hektaş Corporation was formed with 2,000,000 TL.



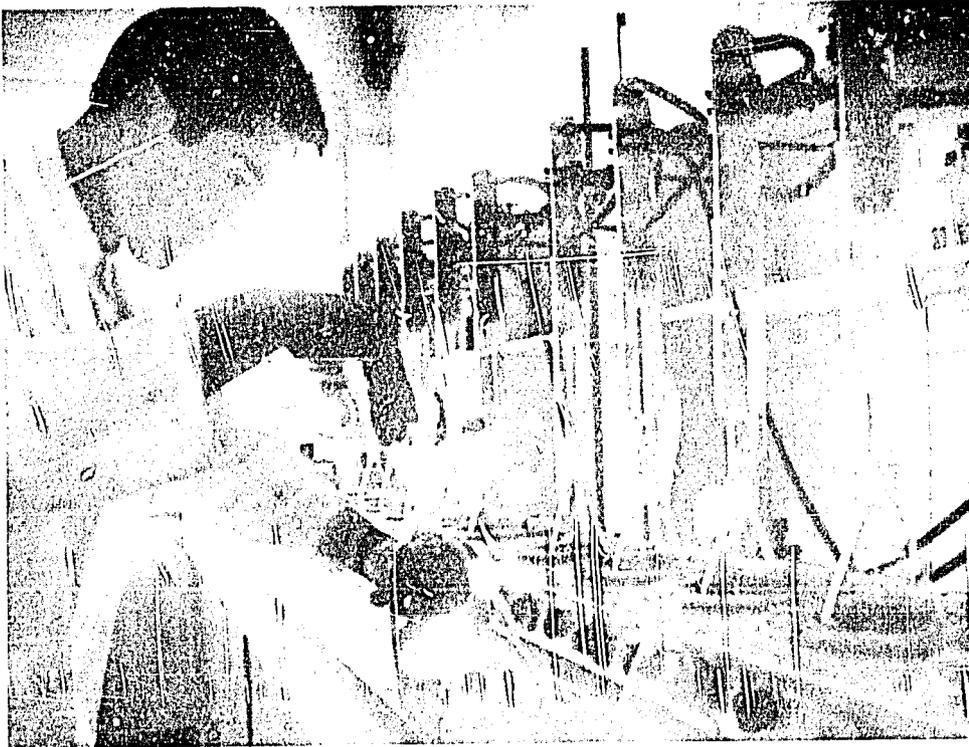
capital as a pharmaceutical corporation. The capital was subsequently raised, first to 6,000,000 TL and then to 10,000,000 TL. The shareholders were 400 medical doctors, chemical engineers, chemists and representatives from other fields of science. It was a company where intellectuals put their savings together and decided to do a good job for their country and for themselves.

The partners at the very beginning changed the concern from a pharmaceutical to an in-

secticide factory. The Hektaş factory, on the Asiatic side of Istanbul, covers an area of 8,650 square meters. The factory is equipped with the most modern machinery. Mustafa Şevket Sipahi, the General Director, says, "I am not bragging when I say that we have one of the most modern and best equipped factories in Europe or Asia."

The fillers plant, the dust plant, the mercurial plant, the emulsion plant, the weed-killers plant, the refrigerating plant,

Hektaş has one of the most modern laboratories for pest control research.





Specialized workers, engineers and chemists not only work for management but for all farmers of Turkey.

the boiling plant and the control laboratories comprise the different sections of the Hektaş factory which produces some of the best known and widely used insecticides in Turkey.

Besides its own products, Hektaş is the licensor of the fol-

lowing: Britain's Imperial Chemical Industries; United States' Union Carbide, Diamond Alkaline, Hercules Powder, Rohm and Haas; Europe's Sariaf, Sipcam, Bibrini Paradi and Cheminova.

Hektaş is so meticulous about its quality control, says



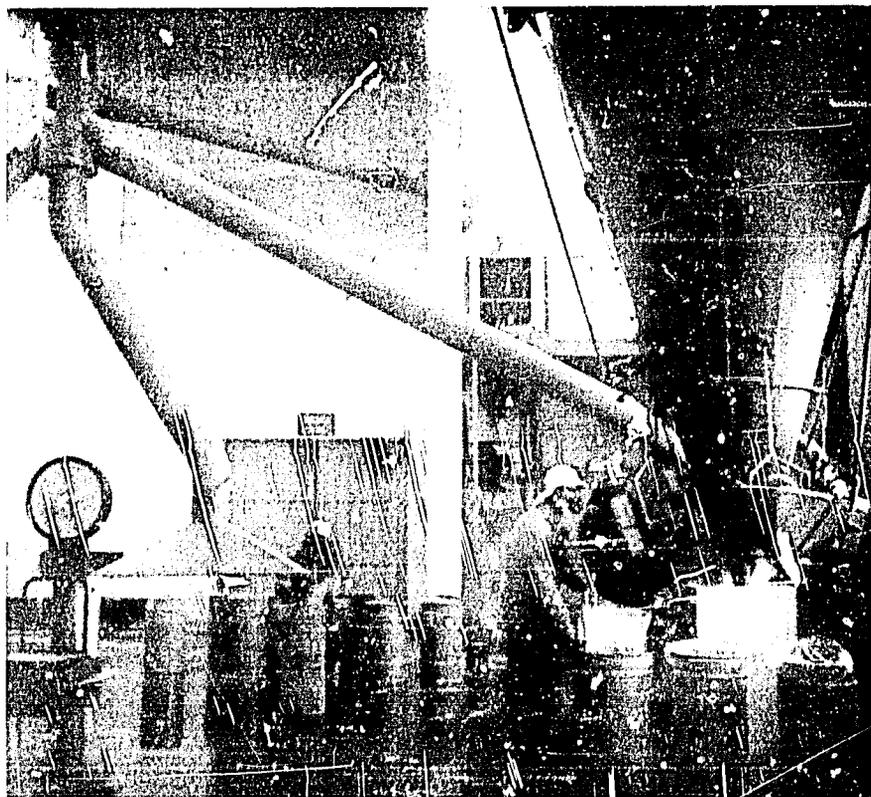


Mustafa Şevket Sipahi, "that sometimes we exasperate our own customers."

The laboratory and research section is the pride of Hektaş. Every year Istanbul University's chemistry faculty sends several of its students to the factory for practice.

Ten years ago Hektaş was an idea. Today it is a successful industry. Ten years ago the doctors, chemists and engineers who own Hektaş had no links with rural Turkey. Today the 400 shareholders are partners in progress with the 20 million farmers of Turkey.

At the Hektaş factory the investment of 400 Turks works for the well being of 32 million people.



SMALL INDUSTRY

Wants to Grow BIG

EDREMIT

If, before I was transferred here, I had been told that three Turkish craftsmen were building truck trailers of such high quality that even Western Germany was using them, I would not have believed it," said Teoman Barlas, the young Halk Bank director in Edremit.

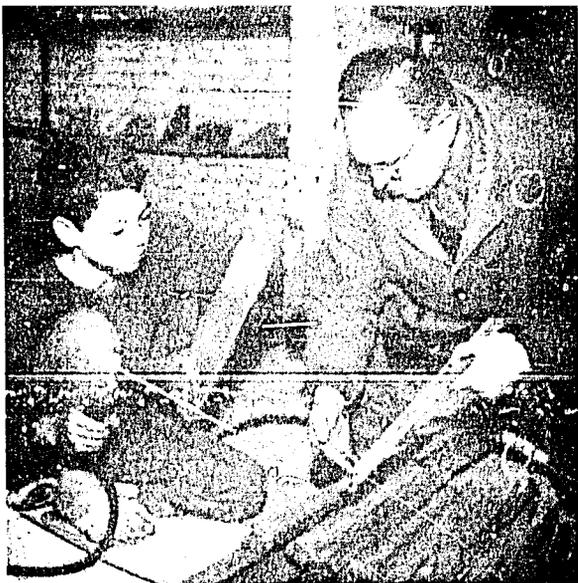
It was true. The Transan West German Transport Company's trucks working between Tehran, Istanbul and Munich were pulling 10-ton truck trailers bearing the mark SKŞ, built for them by the Sanayi Komandit Şirketi (Industrial Limited Company) of Edremit.

"For over ten years I have traveled all over the country as

an inspector of the Halk Bank," said Director Barlas. "I was never so impressed as I was by these people. They had not requested credit from my bank. But I could not resist coming back again and again to see how they were faring and what novelty they were producing. At my insistence they at last requested a 500,000 TL. industrial expansion loan. The figure was far too high for our banking facilities. I sent their request to my headquarters in Ankara together with a full report regarding this outstanding operation. Ankara has not yet replied."

In 1956 two graduates of the Edremit Trade School, Kemal

*Thirteen-year-old
Kemal Filiz,
with boss and
teacher Sait Edgü,
is already a
craftsman.*



Akçay and Ağâh Yakin, opened a small motorcar repairshop. Soon they were doing a good business. Their former teacher in the school, Sait Edgü, acquired a turning lathe for them from an old friend of his – without charge. Their business continued to prosper. The two partners asked their old master to join them and soon the three entrepreneurs were operating one of the most successful small industrial plants in the country.

Today on a twenty-five unit assembly line three, four and five-ton standard and dumper type tractor-trailers are being manufactured. Their output is now 500 trailers per year and

there are more than 4,000 trailers bearing the SKŞ mark now being used in Turkey. The firm also builds small 500-1000 kilogram trailers as well as 8-10-12-ton truck-drawn trailers. The partners plan to increase their trailer output to 1,000, 1,500 and 2,500 in 1967, 1968 and 1969 respectively.

The SKŞ plant also is manufacturing 350-kilogram Jeep-drawn water-tank trailers for the Gendarmerie Command and selector trailers for the Arçelik Factory. This year they plan to build small trailers to satisfy local small-car-owner demands.

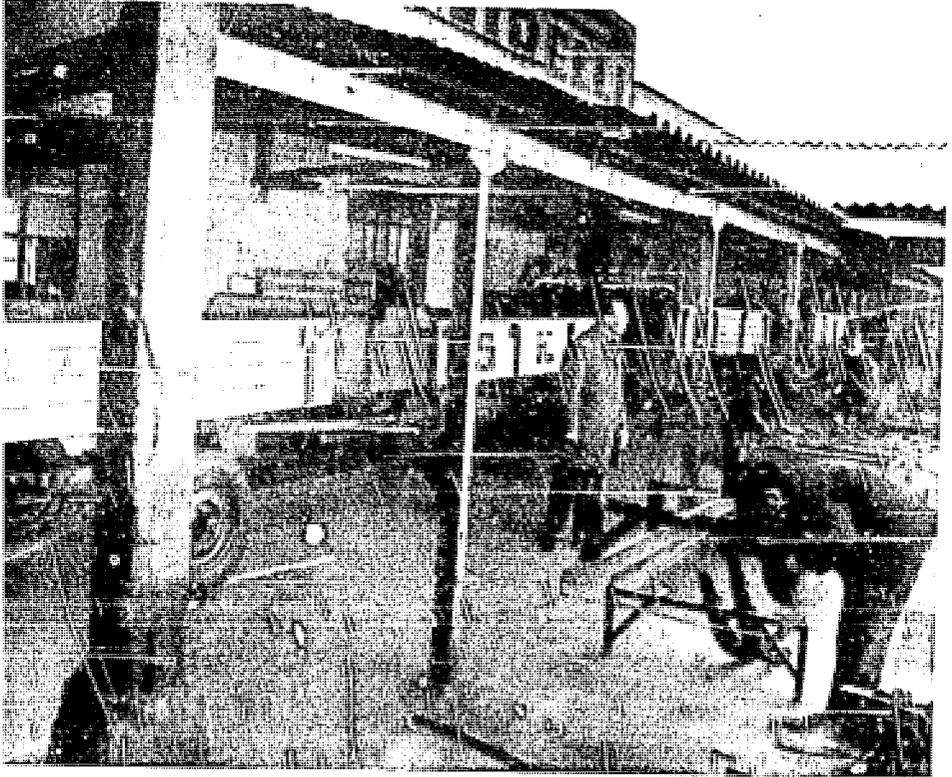
The SKŞ plant operates on strict rules. Work begins at

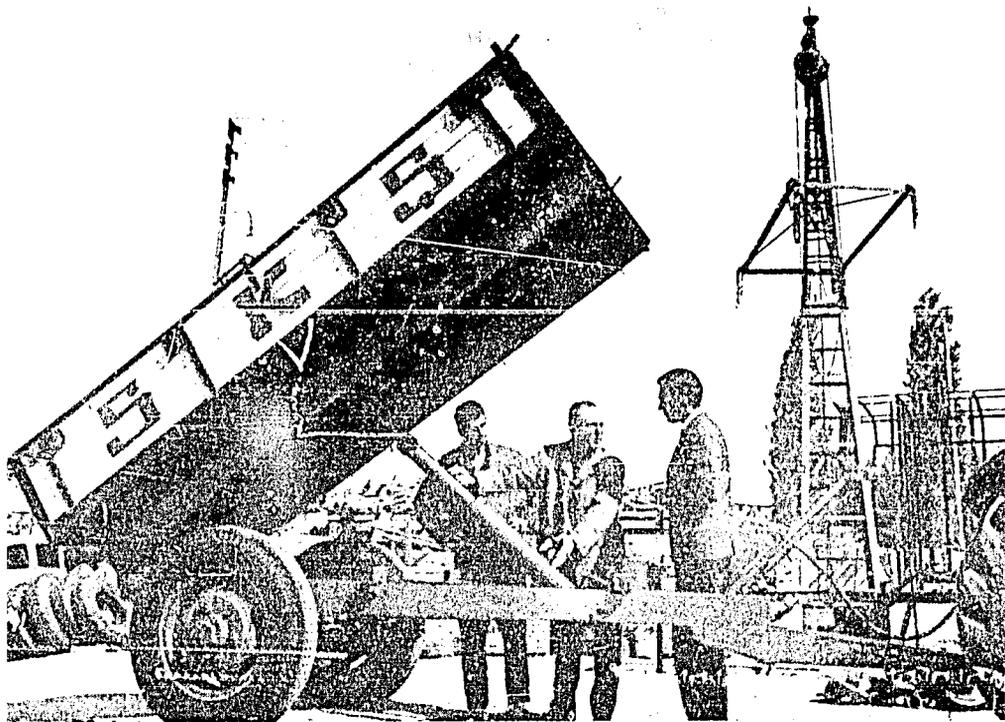
7:30 a.m. Any worker who is even five minutes late is not permitted to work that day even if his specialized work is absolutely essential. Most workers are graduates of the Edremit Trade School. Every worker contributes 100 TL. of his monthly salary to a joint account. When the SKŞ partners transform their firm into an incorporated stock company, and they hope this will be soon, all accumulated money in the joint account will be transferred to shares and every worker will automatically become a stockholder.



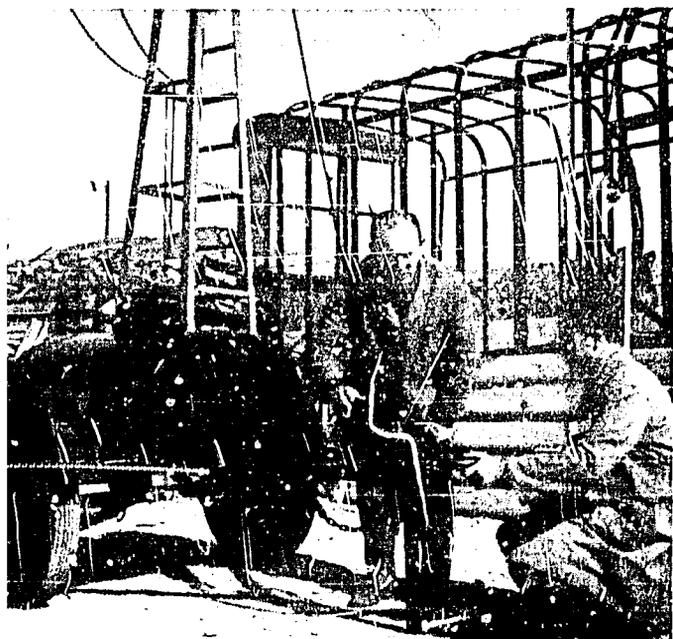
Edremit Vocational School graduate at work at Sanayiciler Kolektif Şirketi.

Sait Edgü in front of SKŞ assembly line.





Standard SKŞ trailer. From left to right: Firm partners Kâmil Akçay and Sait Edgü with Edremit Halk Bank Director Teoman Barlas.



Water tanker manufactured for Gendarmerie Command.

"We also successfully build 12-and-one-half-ton refrigerated truck bodies here," said Sait Edgil. "We even own one which we have rented out. But we did that only to prove to ourselves that we could do it. Our job is to build trailers and we intend to continue. Also, we plan to grow. If you come back here in two years you will see our hundred-trailer assembly line."

BURSA

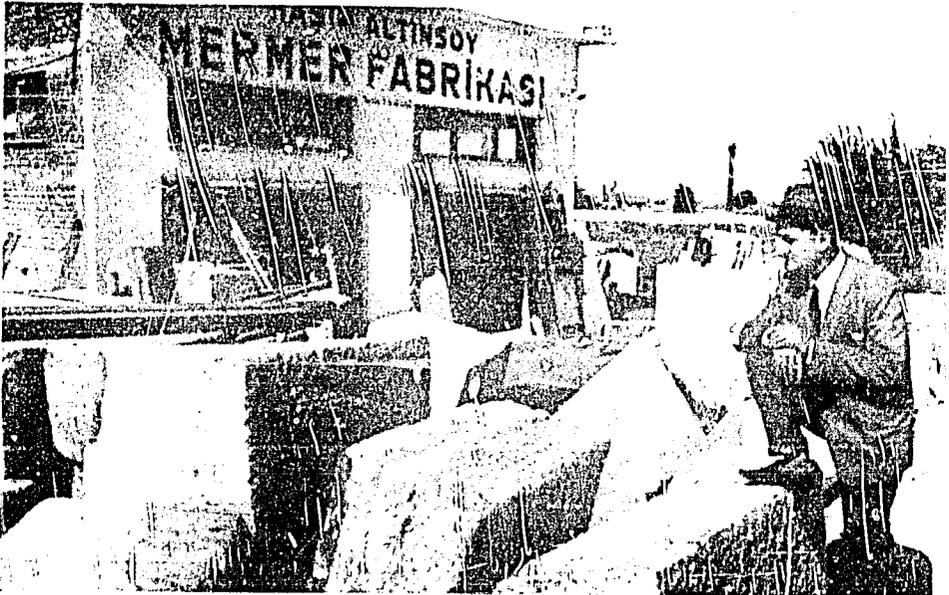
The Halk Bank is the bank chosen to help small industry in Turkey. Although since 1961 this Bank has received 30 million TL. from the USAID Small Business Development Loan

Fund, and its working capital has now risen to 300 million TL., it has difficulty satisfying the ever increasing demands of small industry.

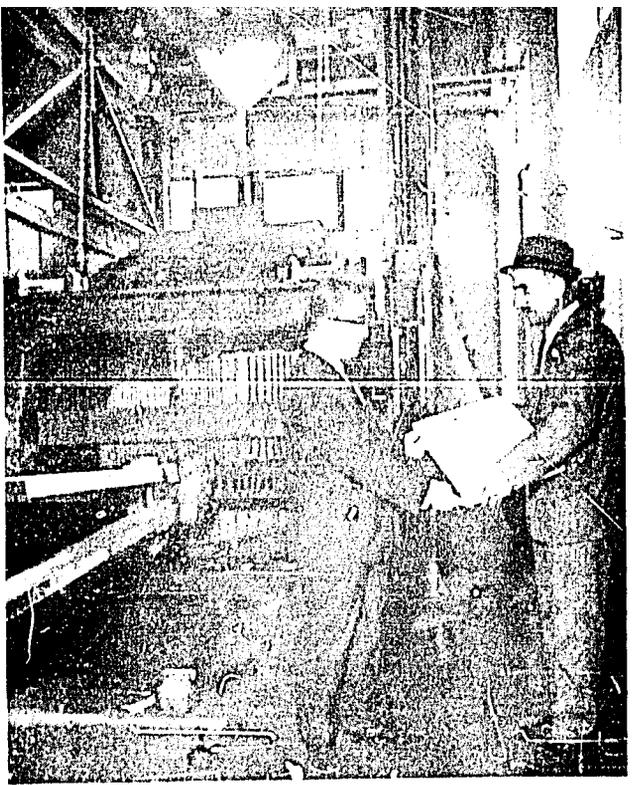
As of October 15, 1966 the Halk Bank had helped 1,507 small industrialists to purchase 2,658 machine tools through the USAID Loan Fund. "We are a frustrated lot in this bank," said Assistant General Director Sıtkı Özen, in Ankara. "We have to help about 20 per cent of the population with only two per cent of the total credit extended by the banks in Turkey."

There are half a million small craftsmen in the 67 provinces of Turkey. In villages the one or two man workshops number another million. Most of

Haşim Altınsoy has been in the marble business for 36 years.



Halk Bank Director Orhan Aziz Yazar (left) with Haşim Altınsoy in front of newly acquired marble saw.



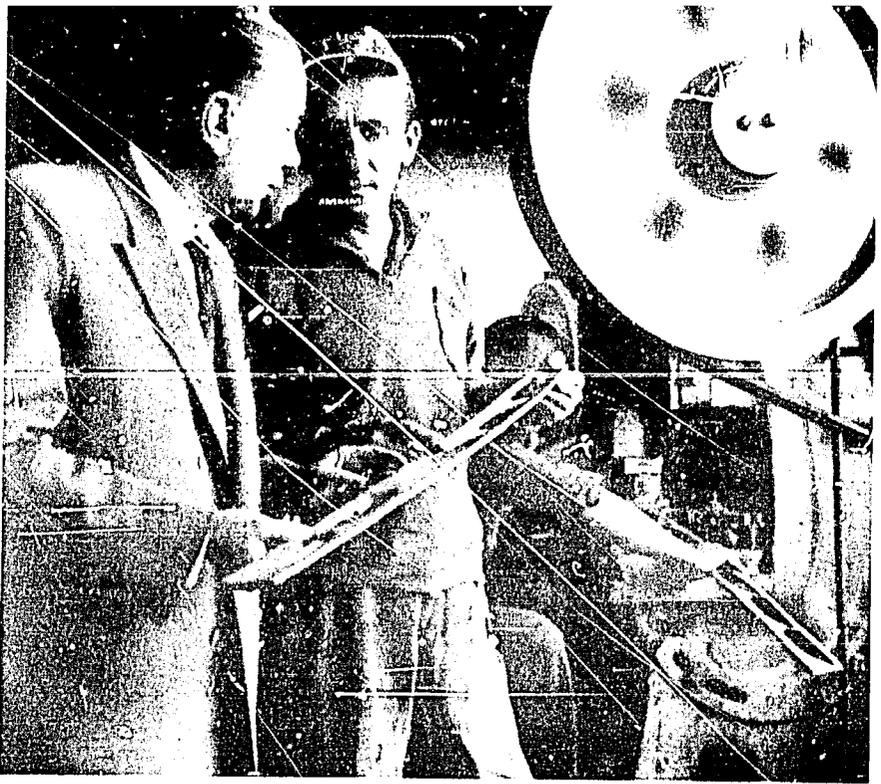
these are growing.

"It was you who caused me to sell my apartment," said Haşim Altınsoy of Bursa, to the visiting Participant Journal team and Bursa's Halk Bank director Orhan Aziz Yazar. He added: "I got 50,000 TL. from the AID fund and I got another 60,000 TL. from the Halk Bank as operational credit. I secured this money to buy a saw to cut the marble which before I had to buy already cut. I bought the saw in Istanbul, 100 per cent local material. And I built this factory for it. The whole thing cost me 400,000 TL. Thus I had

to sell my apartment."

Haşim Altınsoy has been in the marble business 36 years. His business has always prospered. Now he has built this factory on 1,010 square meters. In the factory he has reserved space for a second marble-cutter saw. He has also another 1,060 square meters of adjoining land to add an annex to his factory.

"I've grown for 36 years; I certainly don't intend to stop now," he said. "That's the trouble with our bank," said Director Yazar, "we help them to grow, and always they want to grow more."



Halk Bank Director Cevdet Selçuk (left) with Veli Ovaci, part owner of Eskişehir work-shop.

ESKİŞEHİR

In Eskişehir the director of the Halk Bank is Cevdet Selçuk, o. "Cevdet Baba" as the directors in the other provinces affectionately call him. He acquired the name because he has been with the Halk Bank since its inception in 1938 when the bank began operating with a capital of 1,200,000 TL. With small industry the bank has grown. While in 1956 the bank had 462 employees, this number has

risen to 556 in 1961 and to 1,121 in 1965.

Director Selçuk took the Participant Journal team to the brothers Veli and Hüseyin Ovaci in the small industry sector of Eskişehir. The brothers had received 25,000 TL. from the AID Loan Fund to purchase necessary tools and equipment. The Halk Bank gave them an extra 25,000 TL. operating credit. Now these two brothers man-

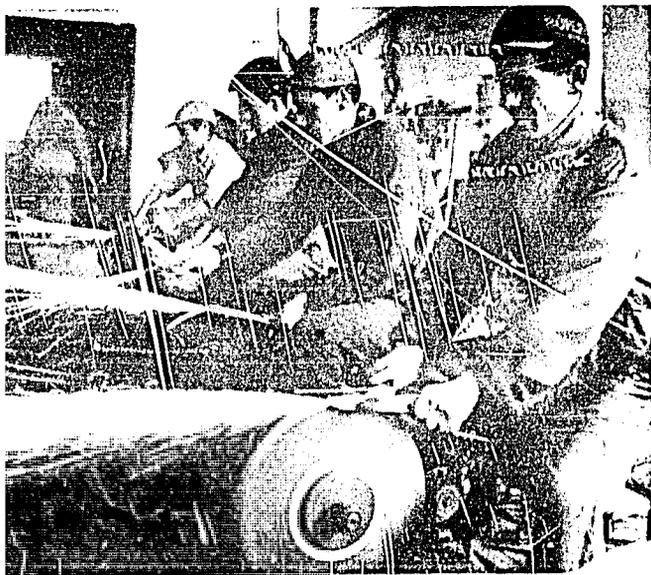
*Tools
manufactured by
brothers Veli and
Hüseyin Ovacı.*



ufacture highest quality steel plasterer's trowels, steel scissors, steel hammers and steel sickle knives. Again these men wanted more money to enlarge their plant.

Cevdet Baba wanted to give them more money, but was pre-

vented from doing so. "When the desire to expand and the willingness to work is there, it is indeed unfortunate that more credit cannot be extended," said Cevdet Baba, "but even banks are limited in the amount of credit they can extend."



*Workers not only work,
but also learn in the
Eskişehir work-shop.*

INDUSTRY—Men on the Move

Wherever one goes in Turkey one sees new buildings of all types and sizes mushrooming all over the country to house new industries, or others feverishly being built to expand existing facilities. This is in itself an impressive sight. But it is even more exhilarating to meet the people who run these industries—and to hear how others such as the Industrial Development Bank have helped make it possible for them to contribute so much to Turkey's progress.

Twenty years ago, few of these industries existed, and those that did, made little use of modern technology. Today those which have arrived, are arriving, and those still beginning, are

all in a hurry. They have learned that modern technology is advancing with such giant steps that the slightest hesitancy in following will mean lagging sorrowfully behind.

A young engineer who is the general manager of an industrial firm specializing in packaging said: "In ten years we grew threefold. At the beginning I was a mechanical engineer. Today I have become a packaging specialist. I had to teach myself. Neither my collaborators nor I knew a thing about this industry when we first began. In these ten years we have all learned a great deal. But I believe that the most important thing we learned is that

**Today those who have arrived,
are arriving, and those still
beginning, are all in a hurry.**

we will never know enough.”

The general manager of a thriving wood-pulp products industry could only see the *Participant Journal* correspondent beside a new press being mounted in a new building still under construction. The annex they were building was three times as large as the adjoining mother factory. The new machines were mostly automatic. They would manufacture in this annex with 20 men, twice that manufactured by the mother factory where 200 men were working. The status quo at the mother factory would continue, said the young director, “because it is the work of these 200 men which has made us what we are.”

In a factory that manufactures more than two-thirds of all the gas and butane gas cooking stoves used in Turkey one meets determined men who are too tired to speak, but too proud to keep silent. While production continues unhindered, new machines are being set up to increase output. “We did not know this would happen,” said the general director of the factory. “When we began production in 1958 we reckoned on a probable annual sale of six to seven million TL. In 1966 our sales surpassed the 50 million TL figure.”

One of the reasons industry is on the move is the role that two banks are playing in Turkey to accelerate progress.

The Industrial Development Bank

In 1950 the Industrial Development Bank of Turkey was founded to help Turkish private industry. "Our big trouble is," said a senior director of the bank, "that we cannot help enough to satisfy the demands of many new and existing industries which need and deserve help. We just do not have the available funds."

The statute creating the Industrial Development Bank of Turkey says that the Bank was founded to perform the following activities:

- 1- To support and stimulate the establishment of new

SİFAŞ

In Turkey's industrial district at Bursa, the first factory set up promises to become one of Turkey's major and most successful industries. The Sifaş synthetic fiber factory began production in 1964 and has not stopped producing for one hour since—the factory works in three eight-hour shifts. In 1961 Sifaş was a commercial company in Bursa importing synthetic fibres. The shareholders decided that they, and Turkey, would fare better if they manufactured the fibers instead of importing them. They asked the Turkish Industrial Development Bank for help. After studying the request, the Industrial Development Bank decided that to be an industrial unit SİFAŞ needed technical and industrial know-how. Thus financing for the first Sifaş Synthetic Fiber Company Inc. was formed in the following way:

11,200,000	Original shareholders of old stock company.
1,800,000	West German Firm (specialist ZIMMER, according Law No. 6224, Foreign Capital Encouragement)
3,000,000	Participation, Industrial Development Bank.
2,000,000	New shareholders
18,000,000	TL. TOTAL CAPITAL

The Industrial Development Bank also made available 9,400,000 TL in foreign exchange and Turkish Lira for construction and purchase of essential machinery. The factory began operating in 1964 and became

an immediate success. Since it manufactured nylon thread of a quality superior to European standards, demands were such that it could only meet the needs of one out of five customers. Therefore it had to ration its sales and deliver only 20 per cent of the requested amounts. It was inevitable that Sifaş would grow. The company decided that it needed its own polymerization factory to manufacture polycaprolactam from imported caprolactam which would save the company over \$1 million per-annum in foreign exchange on raw material imports. For this Sifaş needed \$2.4 million in additional financing. Industrial Development Bank could not do it alone. However, Sifaş had been so successful that others decided to help. The European Investment Bank, through the Industrial Development Bank, offered to make available credits for \$1.2 million. The International Finance Corporation offered to put up the remaining \$1.2 million in credits and participation in the expanded factory.

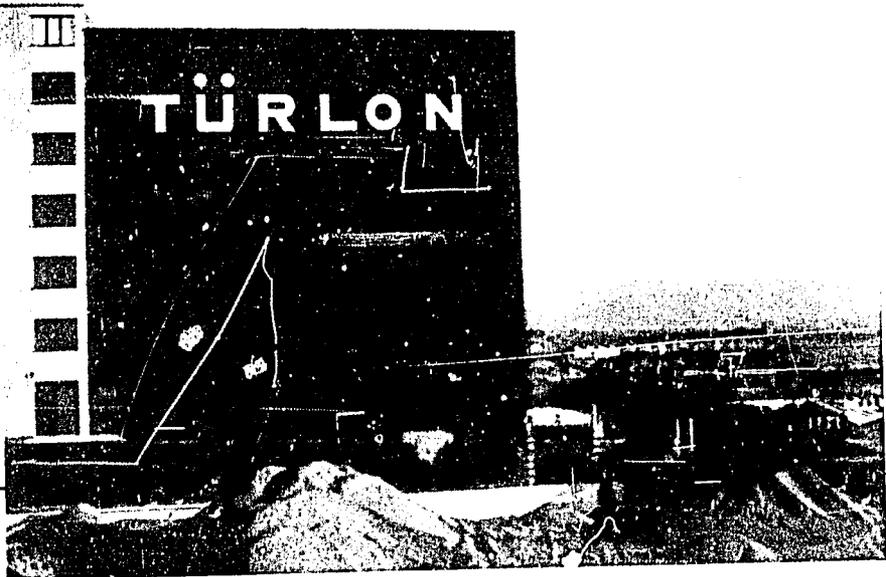
In 1965 the new Sifaş Corporation was formed, this time with capital of 40 million

TL. Today the new corporation's shares are distributed as follows:

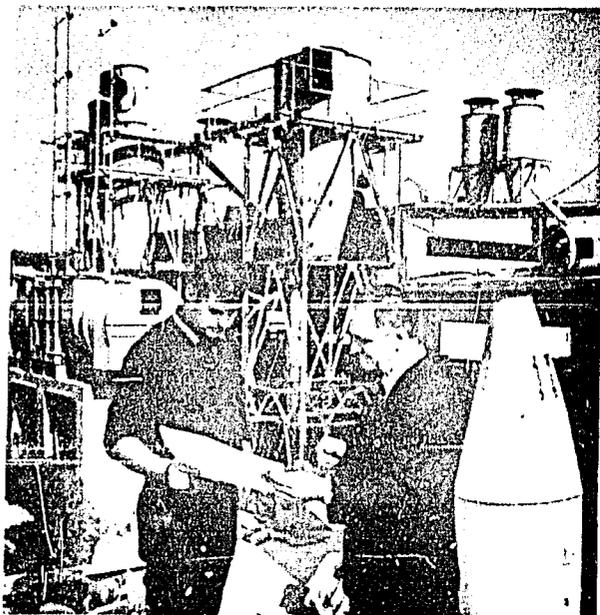
- 10.55 per cent International Finance Corporation
- 9.25 per cent the Turkish Industrial Development Bank
- 4.50 per cent Zimmer-Company
- 5.00 per cent Badische Anilin und Soda Fabrik (the original) raw material producing factory - thus guaranteeing the necessary raw materials at all times)
- 70.70 per cent original and new shareholders. The Sifaş shares are quoted on the market.

The new factory will begin producing nylon and other synthetic threads in 1967. This is a factory where private enterprise, State controlled enterprise and foreign capital work together in harmony and understanding. The directors of the Industrial Development Bank proudly point at Sifaş as the ultimate in achievement, cooperation and individual effort.

Sifaş synthetic fiber factory in Bursa Industrial District.



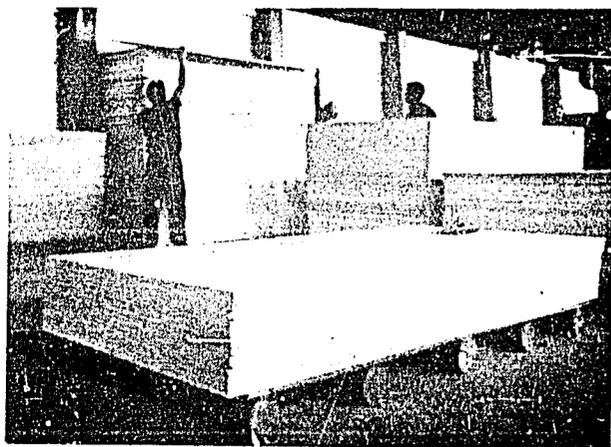
Sunta factory director Erol Türk (left) discussing construction problems of new Sunta factory.



SUNTA

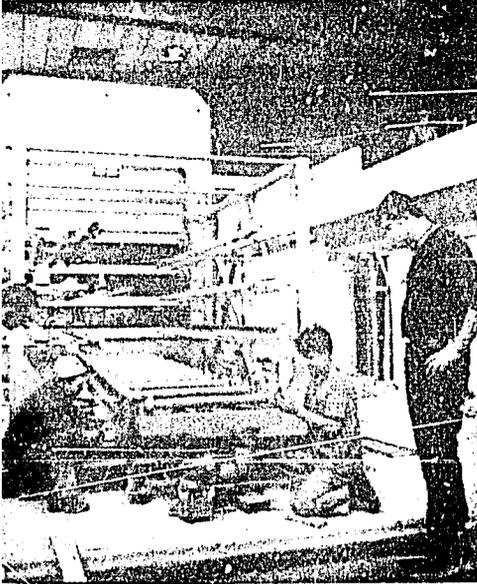
Construction of the Sunta Wood pulp product factory began in 1953 on the Asiatic side of Istanbul. It began production in 1955. At that time five to six cubic meters of boards were manufactured daily.

This continued until 1961 when production increased to 12 or 13 cubic meters daily. Raw material was simple firewood obtainable anywhere in Turkey. The necessary glue had to be imported. In 1964 production



Sunta wood pulp production.

rose to 35 cubic meters daily. More production led to lower cost prices and the company reduced its prices by 35 per cent. But sales were all made by payment on delivery. Even so the company could not meet the increasing demand. Therefore it was decided to build an annex that would treble the production of Sunta wares. The factory annex which will produce an additional 60 cubic meters of wares will begin operating early in 1967. For the extension Sunta received \$450,000 credit from the Industrial Development Bank to purchase the necessary machinery and 600,000 TL from the Industrial Investment and Credit Bank to be used as operational capital. The new annex will be practically automatic. Twenty men will operate this additional factory. The old factory, where all production is hand-operated, will continue to function and its 200 workers will remain at their posts.



New press being mounted at Sunta.

private enterprises and the extension and modernization of existing private enterprises in Turkey.

- 2- To encourage and assist the participation of private capital, both domestic and foreign, in industry established in Turkey.
- 3- To encourage and promote the private ownership of securities pertaining to Turkish industry and to assist in the development of a securities market.

To attain these purposes, the Bank will engage in the following:

- extend credit facilities on short and long term loans.
- participate in all types of private industrial enterprises.

Resources of the Industrial Development Bank of Turkey consisted mainly of its capital and reserves, long-term loans provided from various international finance institutions and funds administered by the Bank. The Bank's capital and reserves as of the end of 1965 reached 76.1 million TL. The administered funds which were estab-

lished from USAID counterpart funds were 382,234,000 TL. at the end of 1965.

These resources were from three separate funds which were administered by the Bank. These were:

- 1- TL. 277,590,000 from the Marshall Plan Private Enterprise Fund established in 1951 from counterpart funds.
- 2- TL. 70,196,000 from the Capital Participation Fund established in 1961 from AID counterpart funds.
- 3- TL. 34,148,000 from a special fund also established from AID counterpart funds with the object of encouraging the export of industrial products in order to improve Turkey's balance of payment situation.

The Industrial Development Bank of Turkey secured three foreign currency loans from the World Bank to be reloaned to private industrial enterprises. These loans were made in 1951, 1953 and 1966 amounting to \$28 million. Additional loans totalling \$35 million were secured in 1962, 1964, 1965 and 1966 from the International De-

velopment Association, an affiliate of the World Bank.

The World Bank loans were followed by a \$10 million loan from the Development Loan Fund (AID predecessor agency) after the establishment of this fund in September 1958. Another \$5 million loan was secured in November 1964 from USAID in order to enable industrialists to meet the cost of the machinery and equipment to be purchased by them in the United States.

The Industrial Development Bank of Turkey has also secured a \$6 million loan from the European Investment Bank on a project by project basis.

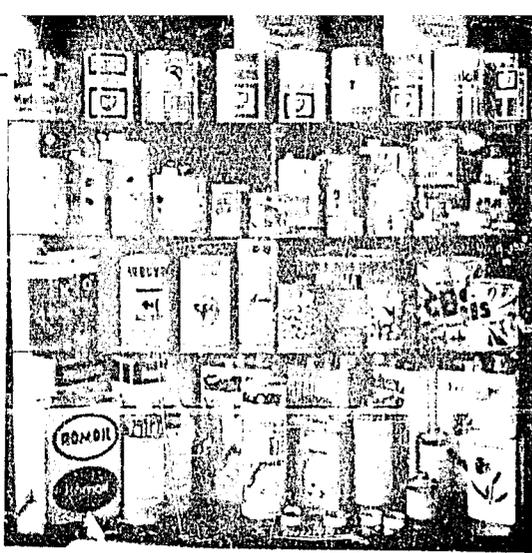
Thus, the total resources of the Bank have reached 458.3 million TL. in local currency and 84 million dollars in foreign currency.

The operating activity of the Industrial Development Bank of Turkey has made considerable progress in recent years. In 1965, the total financing, either in the form of long-term loans or equity participations, had reached its highest level since the Bank's establishment.

Loans for which agreements have been concluded up to the end of 1965 are shown on the following page by industry groups.

INDUSTRIAL DEVELOPMENT BANK LOANS 1950-1965

<u>INDUSTRY GROUP</u>	<u>AMOUNT (T.L.)</u>	<u>PERCENTAGE OF THE TOTAL</u>
Textiles	176,383,000	20.78
Stone, earthenware, glass and ceramics	153,949,000	18.14
Food and food products	122,972,000	14.49
Metal smelting	106,644,000	12.56
Chemicals	71,746,000	8.45
Metal goods	52,519,000	6.19
Machinery and mechanical equipment	45,328,000	5.34
Timber and wood products	26,908,000	3.17
Beverages	13,277,000	1.56
Transport vehicles	12,686,000	1.50
Rubber goods	11,133,000	1.31
Wood pulp and wood pulp products	7,562,000	0.89
Repair and maintenance shops	6,874,000	0.81
Printing and publishing	5,734,000	0.68
Products derived from coal and petroleum	3,006,000	0.35
Leather and leather products	2,681,000	0.32
Mining	2,057,000	0.24
Others	27,393,000	3.22
TOTAL	848,854,000	100.00

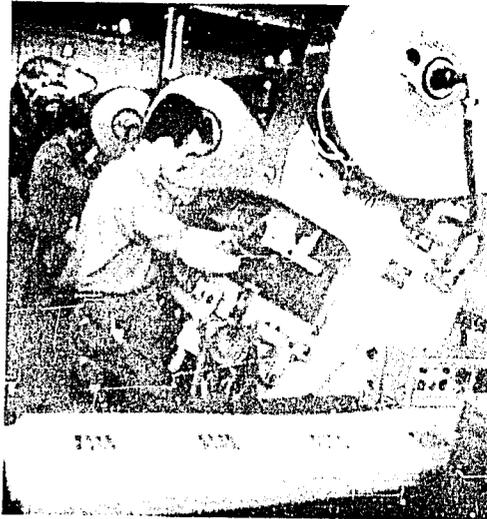


Turkish packaging industry samples.

AMBALAJ SANAYII

The Türk Ambalaj Sanayii (Turkish Packaging Industry) began production late in 1957. In its first full year—1958—the packaging industry built seven types of tin containers and sold products totaling 3,001,240 TL. gross. In 1966 the factory sold 150 types of tin and plastic containers. The yearly gross sales were more than 11 million TL. In 1958 the factory had five customers; in 1966 it had dealings with 70 major firms.

The factory is principally a tin container factory. Although the plastic section is complete in itself, its original function is to produce the auxiliary parts needed for tin container production. New wings as well as new machines are constantly being added to the existing operational units. Each year the director of the factory travels abroad to gain new ideas. Each year the factory adds new machinery worth \$50,000



From five customers in 1958 to 76 major firms in 1966.



New machines are added to constantly expanding factory.

to \$60,000. All this could never have been possible without the help of the Industrial Development Bank and the Industrial Investment and Credit Bank, according to the directors of Ambalaj Sanayi. The following is a list of credits the firm received for extensions:

- 1957 - 1,000,000 TL. from the Industrial Development Bank
- 1962 - \$141,000 from the Industrial Development Bank
- 1963 - 474,000 TL. from the Industrial Development Bank
- 1964 - 750,000 TL. from the Industrial Investment and Credit Bank
- 1965 - \$140,000 from the Industrial Development Bank
- 1966 - \$104,000 from the Industrial Development Bank

The Industrial Investment and Credit Bank

In 1963 six major Turkish Banks—all private capital—founded the Industrial Investment and Credit Bank. The primary object of the formation of this bank is to provide already existing private industry or industry to be established with medium-term investment loans and working capital credits. In addition the I.C.C.B. encourages the participation of local and foreign capital in industry to be set up in Turkey by private enterprise, and assists in the creation and development of a security market in the country.

The capital of the Industrial Investment and Credit Bank is 40 million TL. of which 50 per cent has been subscribed. In 1965 USAID/Turkey made a loan of 60 million TL. from counterpart funds to this Bank. The distribution of the loans made by using the Bank's resources and AID funds is shown on the following page.

LOANS OF THE I.C.C.B.

INDUSTRIAL GROUP	TOTAL NUMBER OF LOANS UNTIL END OF 1965	TOTAL AMOUNT PAID OUT UNTIL END OF 1965
Food products	20	13,863,170
Beverages	5	2,950,000
Textiles (including spinning, dyeing and finishing)	39	51,919,000
Garments	6	1,950,000
Lumber and wood products	2	700,000
Pulp and paper	1	500,000
Rubber products	9	10,486,380
Chemicals	11	12,098,000
Plastic products	5	4,350,000
Construction material made of fired clay	2	300,000
Pottery, tile, chinaware	1	200,000
Glass and glassware	2	450,000
Cement products	5	5,150,000
Iron, steel, metallurgy	16	17,470,000
Metalware	25	14,108,500
Manufacture machinery and equipment	5	5,279,000
Electric machinery, equipment	9	9,450,000
Manufacture and repair vehicles	1	2,000,000
Miscellaneous	5	2,225,000
TOTAL	169	155,444,850

AUER

The Auer Imalat T.A.Ş. was established according to the Foreign Investment Law No. 6224 in 1966 with a fully paid capital of 3,060,000 TL. Fifty per cent of this capital was put up by the Turkish company Sanayi Tatbikat T.A.Ş. and the remaining 50 per cent by Societe par Incandescence - Breve Auer, Paris.

The principal products of the factory are town gas, butane cooking stoves and enameled heating stoves.

When the factory first began production in 1958 the directors estimated that yearly gross sales would be around six to seven million TL. But sales were so unexpectedly high that the firm decided to expand. The Industrial Investment and Credit Bank made 1.5 million TL. available to Auer as working capital. The sales of Auer in 1965 were 48,539,000 TL. with a gross profit of 5,506,000 TL. The 1966 sales will surpass the 50 million TL. figure.

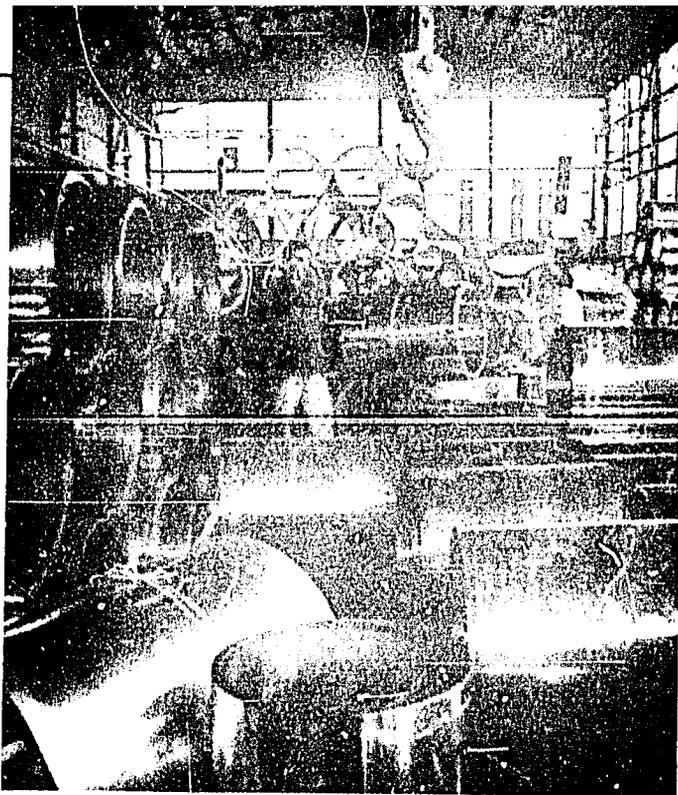


All workers in this 50 per cent foreign-owned firm are Turkish.

Eighty-five per cent of all the raw material used at Auer is obtained in the country. Only enamel is imported. The 650 to 750 employees and the seven full-time engineers are Turks.

Auer sales exceeded the 50 million figure in 1966.

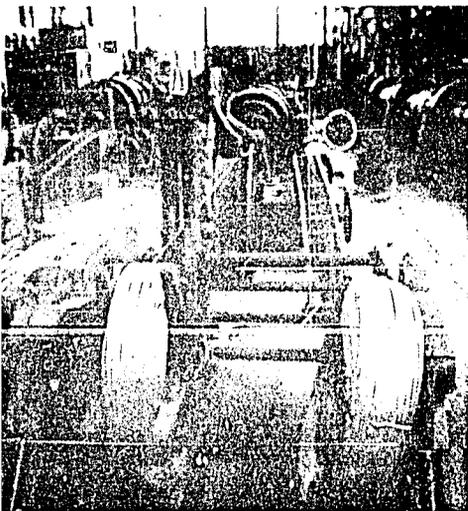




RABAK

Rabak Electrolytic Copper Wire Factory is the largest of its kind in Turkey. It is also one of the most successful factories built in this country. Almost fully automated, Rabak has a cadre of 500 employees. Construction of Rabak started in 1957 and the factory began production in 1959. The Turkish Industrial Development Bank participated with 25 per cent of the financing. Remaining portion is owned by many shareholders. Shares are quoted on the market. In 1959 Rabak produced 325 tons of copper wire. Until 1966 the yearly increase in production amounted to about 23 per cent. It

was 5,500 tons in 1966. This wiring was formerly imported from foreign countries. At today's prices this manufacturing constitutes 130,000,000 TL worth of import substitution. Rabak receives its raw material from the Murgul Copper Mines operated by Etibank. Previously all this copper was exported as blister copper and then imported manufactured materials. Not only does Rabak contribute to this import substitution, but newly built factories such as Kaval, which manufacture underground and serial wiring for electric energy, now function with the wiring which they purchase

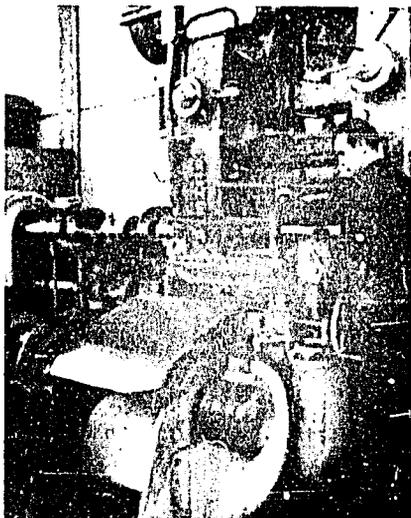


Electrolite copper wire manufactured at Rabak factory.

Five hundred skilled employees work at Rabak.



locally from Rabak. Copper wiring constitutes 95 per cent of Rabak's production. Besides copper wiring and tubing, the company manufactures 3,000 tons of bronze products and almost 1,000 tons of aluminum plates, sheets and discs annually. Rabak's sales for 1966 totaled more than 160 million TL. Rabak's other important product is copper sulphate. Rabak, the largest producer of this product, delivers 1,500 tons of copper sulphate to Zirai Donatim, the



Copper plates formerly used to be imported.

Ministry of Agriculture's distribution agency. This copper sulphate is then distributed to farmers all over the country to be used as detergents in viniculture, viticulture and horticulture.

Rabak hopes to increase electrolytic copper wire production to 8,100 tons in 1967. With changes in the factory and the addition of essential new machinery, there is no reason why this figure should not be reached, company representatives believe.



Altinyıldız yarn production.

ALTIN YILDIZ

Altinyıldız textile factory is a privately-operated textile factory which has made outstanding progress since it began operating in 1953. This year, by exporting cloth to foreign countries, even to the United States and Britain, Altinyıldız has proved that total development can be reached when total effort is expended. Altinyıldız is a combined woolen and worsted textile mill which began with ten million TL. capital in 1953 and increased to 20 million TL. in 1965.

In 1963 Altinyıldız decided that it could compete in the world markets. But because its yarn production and finishing capacity was higher than its weaving capacity, and because its weaving needed modernizing if export was to be considered, the factory concentrated on improving its weaving plant by adding new, automatic machines. For this a great deal of financing was essential. The mill's outstanding record made this possible through the Industrial Development Bank. The following

table shows the financing credits and the credits for machinery Altinyıldız has received from the bank since the early days of the factory. Most of these credits have been repaid.

May,	1953	432,462 TL.
May,	1953	1,067,538 TL.
August,	1956	\$ 15,242
May,	1962	\$ 150,000
February,	1963	\$ 18,200
December,	1964	\$ 163,000
June,	1965	\$ 29,310
August,	1966	\$ 580,000

The last \$580,000 credit from the Industrial Development Bank is for new



weaving machinery which will make exports a major effort for Altinyıldız. For the past two years Altinyıldız has exported about \$200,000 worth of material yearly to Lebanon, Western Germany, Romania, Britain and the United States. Requests for 1967 are over the \$1 million mark. Altinyıldız is planning to export over \$7 million worth of material in 1970 after it synchronizes its weaving capacity to its yarn production and finishing capacity.

"To be able to compete in world markets," said Kerim Kerimol, Scotland-trained chief engineer of Altinyıldız, "we must be at least as good as others and our materials must cost less than others."

Chief Engineer Kerim Kerimol inspecting material intended for export.



Like unending avalanches—

These two banks have helped Turkey's expanding private industries which have invested even greater amounts of their own funds into these new and expanding plants. But these two banks do not, and they admit they do not, suffice to meet the demands that descend upon them like unending avalanches.

"It is frustrating to say no," said a high-ranking Industrial Development Bank official, "when one very much wants to say yes. It is very difficult to tell a man whom you yourself have spurred on to relax. It is to have to preach patience to people whom you have asked to be impatient. And it is maddening to have to ask a man to go slow when it was you who incited him to hurry."

Participant Journal, a quarterly publication, is designed to provide a continuing story about Turkish-American economic cooperation, other joint projects and economic and development events of Turkey. The Journal is intended for USAID Participants, Turks who have visited the United States under other American exchange programs and other interested persons. We welcome suggestions and comments from our readers. Notices of changes of addresses and other correspondence should be addressed to:

TALÂT GÖNENÇ
Legally Responsible Editor,
USAID/TURKEY

Dr. Vali Reşit Caddesi No. 16
Kavaklıdere, Ankara, Turkey

Editorial Writer: