

The Effects of the Marshall Plan Aids to the Development of the Agricultural Sector in Turkey, the 1948-1953 Period

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ABSTRACT: The purpose of the present study is both to introduce the scope, method and practices of Marshall Aids to Turkey and to analyze their effects on agricultural sector, along with their indirect results for Turkish economy. In this regard, this paper studies how the aids supplied by the Marshall Plan were used in the agricultural sector, to what extent they contributed to the development of the sector and what impacts the contributions had on some macroeconomic values such as the development, per capita income, trade balance and income distribution of Turkey. Of the total \$184.5 million dollars supplied between the years 1948 and 1952, \$38.282 million was reserved for the agricultural sector. In addition to bringing a high performance to the sector in general, the aids brought about a number of significant contributions such as agricultural mechanization, the farmers' taking over the modern agricultural production techniques, the enlargement of farmlands and enhancement of agricultural production. Between 1948 and 1953, the economic development relied heavily on the agricultural sector. While the proportion of agricultural sector in gross national product was 38.4% in 1947, it rose to 45% in 1953. On average, Turkish Economy grew by 11% between 1950-1953 per year. At the same period, thanks to the developments in the agricultural sector, the per capita income increased at a rate of 28%.

Keywords: Marshall Aid; Agricultural Sector; Turkish Economy; Economic History

JEL Classifications: F5; N4; O1

1. Introduction

After World War II, the U.S and the Soviet Union became super powers in virtue of their military, economic and technological welfare. This led to a process called "Cold War" which was based on military, economic and political struggle between the U.S., the stereotypical representer of the capitalist system, and the Soviet Union, the main supporter of communism (Ülman, 1992:31). The Soviet attempts to spread its ideological power and to take European countries under control resulted in a number of uneasiness for the U.S. The position of Germany and a couple of unsuccessful conferences held with Soviet Union on the future of Europe paved the way for the Marshall Plan (Gimbel, 1976:16). The U.S, in the face of those affairs, decided to support the other countries, particularly the European countries, in economic and political ways. In doing so, the U.S believed that European Countries would be able to preserve their political independence only when they could stand on their own feet. In this way, the U.S aimed at blocking the Soviet advancement by integrating European countries into a political and economic cooperation (Erhan, 1996:275-276). However, some held the opinion that the Marshall Plan was a genuine plan designed by the Americans in order to establish and dominate the world economy based on post-war free trade, free foreign exchange and free market (Hobsbawm, 2003:295). Similarly, some believed that the Marshall Aid was in fact a political weapon launched despite the declining criticisms against communism in the postwar Europe (Grünbacher, 2012:697).

Through a comprehensive assistance program, the American designers of the Marshall Plan were expecting primarily to integrate the European Countries economically, to weaken Germany politically, to increase economic productivity and life standards and decrease the costs, and to ensure the security of the continent through the resultant welfare which would be to the benefit of the interests of American Economy (Hogan, 1985: 45; 1987: 39). In accordance with these economic and

political purposes, a great number of plans and rapports were prepared. The first study conducted in this way was called the Truman Doctrine which was announced by President Herry Truman at the Congress on March 12, 1947. Within the scope of the first aid assigned to Turkey, it was proposed to deliver \$250 million dollars to Greece, which was facing the threat of communism, and \$150 million to Turkey as military assistance (Kunz, 163:1997). In doing so, it was aimed to make these two countries, which had geopolitical values for the Cold War, to develop a close relationship with the Western Bloc (Sander, 2000: 232). Later on, with the law accepted at the Congress in 1948, it was agreed to aid all European countries, including Turkey, with a view to helping them develop economically and to increase their productivity.

In accordance with the American aid law of 1948, called Economic Cooperation Act, it was proposed to establish the Economic Cooperation Administration (ECA), the organization which undertook the delivery of aids reserved by the Marshall Plan Aid (Eichengreen and Uzan, 1992:21). ECA was not a public administration; rather it was a kind of organization consisting of the representatives of private sector which was associated with that sector by means of advisory committees (Erhan, 1996:283). ECA was responsible for all relief operations in all the countries receiving Marshall Plan Aids, and it determined the amount of assistance per year and submitted them to the American Congress. (Turkish Republic Prime Ministry Archives, dated January 4, 1952 with document No. 030.01.00.00.125.801.5.4).

Turkey's neutral policy during World War II isolated it in the international relations. In the isolation period, facing the Soviet Union insistent land demands in the East and its straits as a base, Turkey pursued the ways to outsource from the Western World to protect itself against the Soviet Union threats. The United States of America, trying to develop different strategies against the expansionist policies of the Soviet Union at the same period, decided to aid Turkey in accordance with those strategies and interests (Ertem, 2009:377). Accordingly, the Economic Cooperation Agreement was signed between the Turkish Government and the U.S.A on July 4, 1948, which was later submitted to the Turkish Grand National Assembly on July 8, 1948 (TRPMA, dated 4.1.1952 with document No. 030.01.00.00.125.801.5.4).

Immediately after the approval of the Marshall Plan, the council of ministers decided to establish a committee which would undertake the organization and practices of aids supplied by that plan and some others assisted by the U.S. That presidential committee was called the American Credits Committee¹ (TRPMA, dated July 15, 1948 with document No. 030.18.01.02.116.48.10.1.). Accordingly, by the verdict of the council of ministers in 1949, the financial signing authority of technical assistance and allowance of the Marshal Aids was given to Fatin Rüştü Zorlu, the General Secretary of Ministry of State (TRPMA, dated December 15, 1949 with document No. 030.18.01.02.121.87.17.). In the aftermath of the bureaucratic procedures between the two countries, the Marshall Plan Aids were started to be given to Turkey since 1948.

The purpose of the present study is both to introduce the scope, method and practices of Marshall Aids to Turkey and to analyze their effects on agricultural sector, thus to Turkey's economy. In this regard, this paper studies how those aids supplied by the Marshall Plan were used in the agricultural sector, to what extent they contributed to the development of the sector and what impacts that contribution had on some macroeconomic values such as the development, per capita income, trade balance and income distribution of Turkey. It is our concern to contribute to the discussions going on about the practices and potential consequences of comprehensive international foreign aids like the Marshall Plan Aids to tackle with the economic and political instabilities in Arab Spring countries and similar ones. The documentaries used in this study, which were obtained mostly from the Turkish Republic Prime Ministry Archives, serve as the core sources of this paper. These first hand sources enable us to reach direct data about the utilization and practices of the Marshal Plan Aids in Turkey. Furthermore, the national newspapers of the period aforementioned and not only the articles published

¹The mission of the American Credit Committee launched by the Council of Ministers was stated in the 6th article as follows: To prepare plans concerning the credit affairs in accordance with the government's opinions, to obtain and send the information requested by The United Nations Economic Commission for Europe, the Organization for European Economic Co-operation and American Relief Administration, to conduct and plan the national and international negotiations, to advocate Turkey's credit applications and to implement all affairs concerning the Marshall Plan'

in international journals but also the books about this topic were analyzed and consulted for data collection.

In light of these developments, while the second section of the present study deals with the literature review, the third part draws an outline about the assisted sectors and their scope. As for the fourth section, the Marshall Aids reserved for agricultural sector are analyzed quantitatively and the technical applications are presented in detail. Similarly, the conditions of agricultural sector before and after the Marshall Plan Aids are compared quantitatively, and thus it is aimed to determine the potential consequences of the plan. The impacts of the developments in the agricultural sector on the macroeconomic values of Turkey are analyzed in light of the data regarding the period and general results are drawn accordingly.

2. Literature Review

The international economic and political effects of the Marshall Plan are still a subject of scholarly debate in the scientific world. Although the international results of the plan have been discussed adequately, the economic and political impacts of the plan to the recipient countries have yet to be discussed sufficiently. The literature review shows that the studies on the impacts of the plan on the countries assisted are mainly those concerning England and Germany only. However, there has been an increase in the number of the studies about the other recipient countries. In this sense, the study by Chatzevasileiou (2010), 'The Impact of the Truman Doctrine and the Marshall Plan on the Reforms in Greece', is a good example. In his study, the author stresses that the Marshall Plan Aids had a great influence on the postwar economic and political reformations of Greece. Similarly, while Grünbacher (2012) studied the applications and economic impacts of the Marshall Plan in Germany, Whelan (2006; 2003) drew an outline about the effects of the plan to Ireland and Italy. The most comprehensive book published concerning the impact of the Marshall Plan on the economies of the recipient countries is the one in the article written by Faurive Tedeschi (2011). In this book, the scope of the impact that the Marshall Plan Aids have had on the industrial structure of European countries, especially in France, Italy and Ireland, is studied. The common conclusion of the articles written by various authors is the emphasis that those aids enabled Europe to use new technologies in production and thereby grew path for production efficiency.

One of the basic referential books regarding the Marshall Plan is the one written by M.J. Hogan, (1987) who was an expert in the history of diplomacy. Here, Hogan approaches the matter in a political way. Also, Gimbel (1976), writing one of the basic referential books as well, exclusively conveys the political and economic reasons underlying behind the invention of the Marshall Plan. Wexler (1983) focused on the economic aspect of the Marshall Plan only. Wexler proposes that the plan has four main economic objectives: a powerful production, foreign trade augmentation, a consistent financial structure and the economic integration of Europe. The author also claims that while the first two objectives have been accomplished successfully, the others have not been reached precisely yet.

Among the Turkish studies concerning the Marshall Aids to Turkey, a significant study called 'The Marshall Plan: Early Period and Implementation' was conducted by Erhan (1996). In this study, Erhan concludes that through the implementation of the Marshall Plan, the U.S. contributed to the economic development of the European countries and accelerated the pathway to European Union as well. One of the unique studies about the effects of the Marshall Plan, which pays special reference to Turkey, belongs to Ertem (2009). The author emphasizes the overseas political developments that urged Turkey to get the Marshall Plan Aids. Ertem, in his study, deduces that the plan helped modernize the army, accelerated the economic development and refashioned Turkey's foreign policy during the Cold War, for fifty years. Through this study we aim to contribute to the literature about to what extent the plan has affected the development of agricultural sector and how they have shaped the economic structure of Turkey. What is more, this paper puts a brighter path forward for the discussions about the potential consequences of similar foreign aids in providing the economic and political stability for the living countries today.

3. The Scope and Method of the Marshall Plan

The aids supplied by the Marshall Plan were generally operating at two levels – direct and indirect. The direct ones were those in the form of grant, credit and loan. The aids received as grant were in cash as Turkish Lira in two accounts called 95% and 5% under the control of Central Bank of Turkey. The 5% was used for the constant cost of ECA while the 95% account served as a source for the investments on Turkey’s economic development. The aids as credit and loan were the ones accepted as long-term and 2.5% interest rate debt. (TRPMA, dated January 4, 1952 with document No. 030.01.00.00.125.801.5.4; Marshall Planı ve Türkiye’deki Tatbikatı Hakkında Muhtıra, 1951:7).

On the other hand, the indirect aids were the ones called “the right of circulation”, the guaranteed purchasing opportunities for Turkey in the U.S and some other European countries as well. In other words, they were the aids corresponding to the imported goods from the U.S and a number of European countries (TRPMA, the same document). Hereunder, Turkey would deposit the value of the goods imported into an account called “the counterpart fund” in a national bank and accordingly the U.S would make the payment to the exporting country under the Marshall Plan. The money collected at the counterpart fund was used in predetermined investments. Another form of the indirect aids was technical. In accordance with that assistance, a number of technical staff, such as engineers and experts, was invited to Turkey and their expenses were compensated by the technical aids. Table 1 shows the amount of total Marshall Plan Aids to European countries and Turkey.

Table 1. The Marshall Plan Aids in Total (000 \$)

Country	Total	%	Grant	%
Total	12,992.50	100	9,290.20	100
England	3,165.80	24.4	1,956.90	21
France	2,629.80	20.2	2,212.10	23.8
Italy	1,434.60	11	1,174.40	12.6
West Germany	1,317.30	10.1	1,078.70	11.6
Holland	1,078.70	8.3	796.40	8.6
Austria	653.80	5	556.10	6
Greece	628.00	4.8	34.40	5.5
Belgium	546.60	4.2	217.30	0.3
Denmark	266.40	2.1	196.00	2.3
Norway	241.90	1.9	62.40	2.1
Turkey	184.50	1.4	18,00	0.7
Ireland	146.20	1.1	.	0.2
Sweden	107.10	0.8	-5.50	—
Portugal	50.50	0.4	15.90	0.1
Spain	26.80	0.2	—	0.2

Source:Erhan (1996:287).

Turkey received a total of \$184.5 million dollars as part of the Marshall Aids between the years of 1948-1952. Unfortunately, that was just 1.4% of the total aids of the plan and only 0.7% of that amount was given as grant. When compared to the grant amounts received by other countries, Turkey’s total is seen to be too low.²The table below details the amounts of the direct and indirect aids and their breakdown between 1948-1952.

²The idea that the Marshall Aids allocated to Turkey was minor when compared to the ones reserved for European countries became a matter of debate in the press. The President of the period, Celal Bayar, declared the background reasons for that issue in the press as “Unfortunately, we have not benefited from the Marshall Aids as desired yet. That is because of the unnecessary political debates going on within Republican People’s Party members for two years. Next year, the allocation of the Marshall Aids will be suspended. What can we do for the remaining amount of the aid must be questioned”, *Cumhuriyet* Newspaper, “Marshall Yardımının Artırılması”, September 19, 1950. In the same declaration, the criticism was going on: “It is definitely not fair that Turkey,

Table 2. The Marshall Plan Aids between 1948- 1952(000 \$)

	1948-49	1949-50		1950-51	
	<u>Direct</u>	<u>Direct</u>	<u>Indirect</u>	<u>Direct</u>	<u>Indirect</u>
1) Agriculture	22,148	14,013	1,411	8,501	—
2) National Defense	—	—	—	13,822	—
3) Public Works:					
a) Water Affairs	—	400	1,060	—	—
b) Highways	5,000	9,000	251	4,500	—
c) Railways and Ports Const.	—	—	3,500	—	—
d) Airports	—	—	—	801	—
e) Electrical Power Sources	—	—	—	60	—
4) Health	—	850	—	1,644	—
5) Transportation					
a) Maritime Lines	—	609	6,951	—	4,560
b) Railroads	—	300	11,758	—	1,360
6) Firms					
a) Sumerbank	—	—	1,680	—	1,680
b) Etibank	18,881	8,752	12,853	4,918	16,905
7) Custom Monopoly	—	—	840	—	495
8) Statistics	—	300	—	—	—
9) Map	—	800	—	—	—
10) Agricultural Product Office					
a) Meat and Fish	—	1,540	6,100	—	—
b) Wheat	—	13,821	—	—	—
11) Economy and Trade					
a) Market	—	5,520	27,817	—	—
b) Oil	2,971	—	—	—	—
12) Private Enterprise					
a) Hilton Hotel	—	—	—	210	—
b) İbrahim E. Ulugay Lab.	—	—	—	387	—
c) Cement factories in Istanbul	—	—	—	61	—
13) Mineral Research and Exploration	—	—	—	795	—
14) Ministry of Economy and Trade	—	—	—	9,301	—
Total	49,000	55,405	74,221	45,000	25,000

Source: Turkish Republic Prime Ministry Archives

The analysis of the aids shows that the received aids particularly encompassed agriculture, transportation, security, mining and private sector.³ The direct and indirect aids between 1948- 1952 were mainly used in agricultural sector and for Etibank. These funds were particularly implemented for mass motorization in agriculture and for the transfer of modern production technologies in the mining sector. Both the funds used in agricultural sector and the ones received for prospection in

neutral in World War II but whose economic situation deteriorated because of the war, has been assisted for instance less than Sweden, which was neutral before and after the war, while England, even a richer and developed country, benefited from the Aids to the utmost level to facilitate its economic development.”

³The declarations of governmental authorities in the press clarify that the allocations of the Marshall Plan on the sectorial phase had not been planned adequately in the beginning and only after the intervention of the Council of Ministers was significant envisioning implemented. Fevzi Lütüf Karaoşmanlı, the Minister of State, depicted the matter as: “... Our concern is to add new dimensions to the Marshall Aids and launch reasonable planning about receiving and implementing these aids. It is an undeniable fact that the assistant provisioned for Turkey is definitely insufficient for any developments concerning Turkish people today. Thus, envisioning the amount and manner of the aids in accordance with Turkey’s needs is a subject of urgent exigency.” Yeni İstanbul, July 17, 1950, p. 5.

mining through Etibank served generally as a source for the investments to develop the infrastructure of production.

A significant amount of the Marshall Plan Aids was invested in the infrastructures of public works and transportation. This helped the agricultural production to reach the markets, and thus had an indirect impact on the development of the agricultural sector. Through the budgeting of the Marshall Plan Aids, the main objective of focusing on private sector instead of the public sector brought together the implementation of a significant amount of the funds in the private sector. That amount known as "The Individual Venture Fund" included generally the investments to prepare the desired background for growing the products which were unfamiliar in Turkey's market at that time. The indirect assistance to Turkey under the name of market between 1949-50 and the direct aids between the years of 1950-51 under the name of private sector are accepted within that scope.⁴The money deposited in the Central Bank of Turkey through the right of circulation was occasionally used to close the budget (Yeni İstanbul Newspaper, December 24, 1949:2) and the account deficits⁵ (*Cumhuriyet* Newspaper, July 26, 1950:2).

4. The Aids Allocated to the Agricultural Sector by the Marshall Plan and Their Implementations

The main idea underlying the American experts' laying a scheme for Turkey was to design an agrarian industry rather than establishing an economy based on heavy industry. In accordance with that idea, by implementing the Marshall Aids in harmony with Turkish Economic Development Plan, they accelerated the agricultural industrialization.

Of the total \$49.7 million dollars received through the Marshall Plan between 1948-1950, \$22.148 million dollars was reserved for the Ministry of Agriculture, which constituted the 44.5% of the total assistance received by Turkey. Additionally, \$16.134 million dollars, which was equal to 13.8% of the total \$117 million aids that were received between 1949-1950, was allocated to the Ministry of Agriculture as well. Taken together, a total of \$38.282 million dollars were devoted to the agricultural sector. Of this, \$36.774 million was direct and the remaining \$1.508 million was indirect which was reserved by the right of circulation (TRPMA with document No. 030.0.001.000.000.80.507.5). Table 3 shows how that sum of \$36.774 million dollars was used in the agricultural sector.

⁴Some of the financial supports backed by the Council of Ministers in consistence with the Marshall Plan were as follows: Devoting \$500,000 dollars to Aslan and Eskihisar Cement Constructors Turkish Corporation from the 95% account deposited at the Central Bank of Turkey. (TRPMA, Document dated November 11, 1950 with document No. 030.0.018.001.002.124.89.16). Allocating \$32,000 in cash and \$68,000 as stock capital to Marshall Paint and Varnish Industry and Trade Limited Corporation in refining waste engine oil and producing chemical substances in Turkey launched by Yorgo Toprakçioğlu and Konstantin Bohçacıoğlu as corporation located in Istanbul and Marshall Oil and Chemicals Company in Chicago. (TRPMA, dated December 03, 1962 with document No 030.0.018.001.002.167.55.9). Allocating TL215.000 to Şaban Dilaver from Erzurum to help him import commodities from Germany to be used in irrigating and road (TRPMA, dated July 18, 1951 with document No. 030.0.018.001.002.126.59.12).

⁵5 million Turkish Lira of the amount deposited at the Central Bank of Turkey in Counterpart Fund was used to seal the current account deficit in accordance with the contract signed with ECA.

Table 3. Where and to What Extent the Aids Allocated to the Agricultural sector by the Marshall Plan Were Used (000 \$)

Type	1948-49	1949-50	Total
Tank-like Tractor, Smaller than 50 HP.	1,239	1,000	2,239
Tank-like Tractor Bigger than 50 HP.	687	—	687
Rubber Track Type Tractor	7,709	3,700	11,409
Rubber Track Type Tractor	217	300	517
Agricultural Instruments	3,991	4,548	8,539
Agricultural Instruments	3,261	1,910	5,171
Accessories	1,656	1,560	3,216
Accessories	557	440	997
Rubber (For Agricultural Instruments)	96	50	146
Pumps	417	250	667
Agricultural Pesticides	306	—	306
Pickup Truck	81	50	131
Chemical Substance	5	10	15
Sea Portage	1,918	613	2,551
Mobile Mechanic Shop	—	150	150
Technical Instruments	—	10	10
Manuel Instruments	8	—	8
Rubber Repairs Instruments	—	25	25
Seed	—	10	10
Total	22,148	14,626	36,774

Source: Turkish Republic Prime Ministry Archives

All of the agricultural instruments bought via the funds allocated to agricultural sector through the Marshall Plan were imported from the U.S and Canada. Tractors constituted the largest proportion of the exported goods, considering that they would bring a significant function to agricultural prosperity. Of the total fund aided by the plan in all recipient countries, \$108.3 million dollars was reserved for procurement of tractors between 1948- 1951, and 17% of that amount was received by Turkey to purchase tractors (Schipper, 2007:214). The sum of money allocated for the agricultural instruments as shown in the table was used to purchase 9,079 tractor plough, 1,439 cereal seeders, 2,732 cotton seeders and 2,516 one-way ploughs.

\$1.508 million dollars, aided indirectly by means of the circulation right, had been deposited for the agricultural sector. A great number of agricultural production tools were imported from Europe by virtue of the fund aided via the rights of circulation. Table 4 shows the imported agricultural instruments and the exporting country between 1949- 1950.

Table 4. The Imported Goods and Their Amount Purchased Via The Right of Circulation through the Marshall Plan Aids. (000 \$)

	Germany	England	Belgium	Total
Artificial Fertilizer	—	67.2	584	651.2
Tractor	150	244	—	394
Tractor Plough	34	—	—	34
Horse Drawn Agricultural Ins.	82	—	—	82
Agricultural Pesticides	—	59.8	—	59.8
Centrifugal Pumps	—	97	—	97
Grain Hangars	150	—	—	150
Lab. Tools	—	40	—	40
Total				1,508

Source: Turkish Republic Prime Ministry Archives

Within the frame of some protocols, the Ministry of Agriculture signed agreements with a number of natural-persons or artificial-persons so that it could import some urgent commodities such as agricultural instruments, machines, and medicine and chemical fertilizers through the Marshall Plan. According to that protocol, the firms willing to import goods using Marshall Credit would apply to the Ministry of Agriculture, deposit the 25% of the commodity to banks in advance and would guarantee to pay the remaining 75% with a maximum rate of 2.5% in 4 years. Indeed, the importer firms could only import the commodities with the same price as in the U.S markets and only when approved by ECA. Furthermore, maximum profit margin was limited to 35% for the imported goods (TRPMA, dated November 28, 1948 with document No. 030.0.001.000.000.80.506.8.).

Within the scope of the Marshall Plan, the imported tractors and agricultural tools were initially allocated to the Provincial Distribution Committees in predetermined provinces and only then could they be delivered to the farmers by the committee. On the condition that they proved that they are actually farmers by presenting some significant documents, they could purchase those agricultural instruments and machines as much and big as they wanted. The sales were in cash or on credit. The sales on credit were operating in two ways: either directly by the importer firm or by the shareholding of Agricultural Bank of Turkey. While the maximum number of installments was 6, a 2.5% interest rate was added onto each installment (TRPMA, with document No. 030.0.001.000.000.80.507.5). Table 5 shows the numbers of tractors allocated to the provinces through the Marshall Plan between 1948-1950.

Table 5. The Number of Tractors Allocated to Provinces through the Marshall Plan

<u>Province</u>	<u>The Number of Tractors in 1948</u>	<u>Until 1950 The Numbers Aided via The Plan</u>	<u>Total</u>
Aydın	134	265	399
Bursa	30	44	74
Diyarbakır	23	48	71
Edirne	42	93	135
Eskişehir	87	116	203
İstanbul	96	71	167
İzmir	75	194	269
Hatay	23	85	108
Konya	54	250	304
Manisa	75	201	276
Seyhan	650	790	1,440
Tekirdağ	62	202	264
Others	987	1,084	2071
Total	2,338	3,443	5,781

Source: Turkish Republic Prime Ministry Archives

The number of the tractors in the provinces almost doubled through the Marshall Plan. In 1948, while the number of those tractors was 2.338 before the Marshall Aids, it rose to a total of 5.781 in 1950(TRPMA, the same document). Those aids made a significant contribution to mass motorization. The increased number of tractors changed the manner of production as well. In addition to the diversity of products, agricultural production capacity improved as well.

The circulation right, which enabled the importing of instruments implemented in developing the background of agricultural production, was allocated to some other institutions such as the Ministry of Water Affairs and Agricultural Products besides the Ministry of Agriculture. The Ministry of Agriculture was supplying the needed commodities through the importer firms, whereas the Ministry of Water affairs would use the right of circulation directly without any commission merchant or participants, by signing contracts with the firms or their representatives in Turkey (TRPMA, dated December 22, 1949 with document No. 030.0.018.001.002.121.89.12). By implementing that right, The Ministry of Water Affairs could import a number of significant commodities such as excavators,

dumper trucks, trucks, jeep-like vehicles, drilling machines, drilling pipes, and trailer trucks to implement them in agricultural infrastructures.

The Agricultural Products Office was responsible for the regulations of aquaculture hunting at that time. Through the implementation of circulation right reserved by the Marshall Plan, the office could import the commodities regarding the sea products and industry with a reasonable price via natural persons or legal identities (TRPMA, dated May 11, 1950 with document No. 030.0.018.001.002.122.42.10). Not only the public sector but also the private sector benefited from those imported goods. In particular, the fishing sector started to implement new technologies in production.

With the aim of giving lectures about modern agricultural techniques to the farmers in Turkey, in regard with the regulations within the scope the Marshall Plan, a bilateral exchange program for technical staff was launched between Turkey and the U.S.A. Within that context, 28 professional agricultural engineers from the Ministry of Agriculture, 5 vets, 1 professor and 1 assistant professor from Agriculture Faculty visited the U.S. in 1948. Following that, in 1950, a significant number of experts specialized in cotton and cross-breed corn production and forestry visited the U.S. (TRPMA, the same document). Besides, in accordance with the plan, a remarkable number of specialists from the U.S visited Turkey to give lectures on agricultural techniques and information as well.⁶ On March 28, 1950, 7 specialists visited Turkey. They made researches in Çukurova, Aegean, Marmara, Thrace and some regions on the east of Turkey for 2 years. As a result of their studies, they prepared a new agricultural action program (TRPMA, the same document).

A number of courses on machine operating were organized to transfer technical aids about the utilization, management and repair of the agricultural commodities such as tractors and machines to the farmers. In the first instance, those courses were opened in 12 different parts of Turkey in the spring of 1949. At the end of 6 months, 1,200 staff received their certificates (TRPMA, the same document). Although, a remarkable number of courses were opened about the stated purposes for the farmers facing the imported agricultural tools and machines for the first time, still they had problems in operating and repairing the machines. They collaborated with firms within the scope of the Marshall Plan both to overcome those problems and to increase the performance of equipment and machines. Accordingly, those importer firms constructed mobile and stable repair garages for imported agricultural machines especially for tractors (TRPMA, the same document). Within that context, the importer firms such as Koç, Çukurova, Turk Inter, Zirai Donatım, Yakınođu, Neptun and Nataş constructed stable repair garages in İstanbul, İzmir, Konya, Adana and Antalya; mobile garages in Thrace, Diyarbakır, Eskişehir, Manisa, Ankara, Kocaeli and Gaziantep. Throughout the country, 11 stable and 18 mobile repair garages were constructed within the plan until 1950 (TRPMA, the same document). In addition to repairing the agricultural machines, the importer firms helped the farmers technically on how to use their machines more efficiently. Those firms provided the farmers with a free Turkish translation of the instruction booklets of the imported machines such as tractors, threshing machines and combine harvesters (TRPMA, the same document). Thanks to these developments, there occurred an increase in the agricultural productivity.

Table 6 shows the agricultural productivity increase of the Marshall Plan recipient countries 1947-1951 compared to the pre-war period:

⁶The list of experts visiting Turkey on 28 March 1950 and their professions included Mr. Elmer Starch (The specialist in agricultural organization) Mr. Gould (expert in agricultural extension), Mr. Winchester (specialist in zootechnics), Mr. Hansmeier (specialist in soil), Mr. Smith (specialist in agricultural equipment and machines), Mr. Killough (specialist in cotton), Mr. Ward (specialist in irrigated farming)

Table 6. Index of Total Agricultural Output for Human Consumption of OEEC Countries (Pre-War= 100)

Country	% of pre-war total European production(a)	1947- 48	1948- 49	1949- 50	1950- 51
Austria	1.63	53	66	79	88
Belgium- Luxembourg	2.09(b)	83	93	116	119
Denmark	1.93	84	92	113	126
France	15.72	78	100	103	111
Germany(Federal Rep.)	10.61(c)	60	76	96	106
Greece	1.21	83	79	110	93
Ireland	1.5	89	88	95	103
Italy	8.42	85	95	103	109
Netherlands	2.58	79	93	116	119
Norway	0.62	86	92	112	120
Sweden	2.08	101	111	115	116
Switzerland	1.38	95	98	98	104
Turkey	2.33	96	120	94	106
UK	5.89	95	111	114	122
All member countries	N.A	81	95	104	111

Source: OEEC Statistical Bulletins (Paris, May 1952: 66) Drawn from Brown and Opie (1953: 253); UN(1948: 11); Eichengreen and Uzan (1992: 20).

Notes: (a) Europe excluding USSR; (b) Belgium only; (c) Three Western Zones

While France was meeting 15.72% and Germany 10.61% of the total agricultural productivity of Europe in pre-war period, the contribution of Turkey was only 2.3%. When compared to the pre-war period, most of the European countries increased their agricultural prosperity by 10-15%, which was about 6% for Turkey in 1951. However, the positive effects of the Marshall Plan Aids on the agricultural sector in Turkey were only visible after 1950.

Table 7 illustrates the amount of agricultural products grown in Turkey between 1948- 1953.

Table 7. The Amount of Selected Agricultural Products Grown Between 1948- 1953 (In tons)

	Wheat	Barley	Corn
1948	4 867 093	2 167 396	695 651
1949	2 516 523	1 246 536	724 479
1950	3 871 926	2 047 018	627 987
1951	5 600 000	2 700 000	850 000
1952	6 447 000	3 189 000	837 000
1953	8 000 000	3 640 000	759 700

Source:TÜİK(2013:165).

The agricultural production over the period between 1948-1953 experienced a steady growth, except for 1949, until the advent of a severe drought in Turkey. Compared to 1948, in 1953, wheat production increased by approximately 64%, barley production by 67%,and corn production by 9%.Indeed, it is clear that these increase rates were much higher than the ones in other periods in Turkey. The Marshall Plan Aids definitely had a significant contribution on those rates. The aids reserved for the agriculture remarkably facilitated the background development of the sector. While the production was transforming into mass motorization through financial supports, the modern production methods were started to be implemented by technical aids. Furthermore, that situation brought a reasonable increase in the number of farmlands. The amount of farmlands increased from 9.5 to 14.2 million hectares by 50% between 1946– 1955 (Keyder, 1990: 107; TÜİK, 2013:163).

The development in the agricultural sector served as a locomotive for the economic development. Table 8 details the share of agricultural sector with its current prices in gross national products between 1947-1953.

Table 8. The Shares of Main Sectors with Their Current Prices in Gross National Products Between 1947-1953.

	<u>Agriculture</u>	<u>Industry</u>	<u>Services</u>
1947	38.4	15.2	46.3
1948	45.2	14.0	40.8
1949	40.1	14.9	44.9
1950	41.7	14.6	43.7
1951	44.8	13.5	41.7
1952	44.6	13.3	42.1
1953	45.0	13.5	41.5

Source:TÜİK (2013:659).

The development in the agricultural sector also reflected in the gross national product. While the share of the agricultural sector in the Turkey's gross national product was 38.4% in 1947, it rose to 45% in 1953. Also, the agricultural sector grew at a rate of 13.2% at the same period. The increase in agricultural productivity brought together the economic development as well. Thanks to the developments in the agricultural sector, the per capita income increased approximately by 28% between 1950-1953 in Turkey (Keyder, 1990:109). As for the distribution of income, significant advancements were experienced in favor of the agricultural sector. According to the analysis conducted by Keyder, the real per capita income increased by 46.5% between 1946-1953 (Borotav, 2005:105).

5. Conclusion

In the aftermath of World War II, the main purpose of the American experts' laying economic development plans for Turkey was to design an agricultural industry rather than an economy based on heavy industry. In accordance with that objective, a significant amount of the fund received by the Marshall Plan was allocated for the investments on infrastructure of the agricultural sector. In this regard, of the total \$184.5 million dollars supplied between the years of 1948-1952, \$38.282 million was reserved for agricultural sector in Turkey

The aids allocated for the agricultural sector enhanced the infrastructure of the sector. While the production was transforming into mass motorization through financial supports, the modern production methods were started to be implemented by technical aids. New production technologies implemented in agricultural sector brought together high performance in productivity. Besides, the current situation definitely increased agricultural production efficiency at the same time. In parallel with mass motorization in agriculture through the Marshall Plan, the government's economic policy which was to privatize the public lands increased the farmlands. When compared to 1946, the increase was 50% in 1955.

The performance of the agricultural economy increased thanks to the Marshall Plan Aids. Between 1948-1953, there was an increase of over 60% in the production of some agricultural products such as wheat and barley. Indeed, the agricultural sector grew at a rate of 13.2% at the same period. The increase in the agricultural productivity put a brighter path forward for the economic growth. The economic development heavily relied on agricultural sector between 1948-1953. While the share of the agricultural sector in the Turkey's gross national product was 38.4% in 1947, it went up to 45% in 1953. On average, the economy of Turkey developed at a rate of 11% between 1950-1953 per year. At the same period, thanks to the developments in the agricultural sector, the per capita income increased approximately by 28% in Turkey. The development in the distribution of income was observed to be to the benefit of the agricultural sector. According to an analysis, the real per capita income increased at a rate of 46.5% between 1946-1953.

In conclusion, the Marshall plan Aids have had significant effects on the economic and political formation of Europe up to now. Thus, considering the reconstruction periods of the Middle Eastern and Northern African countries, it is highly likely that a number of comprehensive international aid organizations similar the Marshall Plan could contribute to the national and regional stability of these countries in terms of economic and political developments.

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