Translated from the Russian by Samuel J. Hirst.

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SURVEY OF SOVIET ECONOMIC RELATIONS WITH THE TURKISH REPUBLIC based on an investigation of trade with the Near East conducted by the People's Commissariat of Workers' and Peasants' Inspection, January-March 1925.

A. Modern Turkey's political-economic state and its future development.

United around the National Assembly under the leadership of the Halk Party,[1] the New Turkey has secured at the Lausanne Conference its rights to the Straits, Constantinople, and Eastern Thrace (Adrianople). This success followed a lengthy struggle for independence and was achieved with support from the USSR. It comes after the establishment of friendly relations with the USSR, through which Turkey received a number of provinces (Kars, Ardahan, and Artvin) in the Moscow and Kars agreements. Thus, the country has also significantly expanded in the East. After defending and protecting its independence from foreign threats, Turkey now enjoys more peaceful conditions and is beginning to put its domestic political and economic affairs in order. The year 1923 has shown undeniable signs of recovery and growth, and the country's economy will only strengthen with time. One of the most telling indicators is Turkey's foreign trade, which reached 141.2 million Turkish lira in the first half of 1924, a figure 53 million lira higher than in the same period in 1923.

Recovery is likely to continue, despite unpredictable setbacks (for example, the poor grain harvests in Anatolia in 1924). Alongside economic growth, and in part because of it, the New Turkey's politics are becoming clear: abolition of the Sultanate and the establishment of a Republic, with the National Assembly at its head (1922–1923); abolition of the Caliphate and the separation of religion from both state and schools (March 1924); a number of other legislative acts that encourage new forms of social activity (including laws liberating Turkish women, allowing them into educational institutions, factories, etc.).

[1] The party would add another word to its name and become the People's Republican Party (*Cumhuriyet Halk Partisi,* CHP); this was Mustafa Kemal Atatürk's party.

Throughout, Turkey's revolutionary government is firmly committed to strengthening national independence, fostering national homogeneity, and relying in its politics and its economics almost exclusively on Anatolia's agricultural population (the peasantry, but also the petty-to-middling agricultural bourgeoisie and the trading bourgeoisie that is connected to it).

II

The economic policy of the National Assembly and the ruling Halkists (the Kemalists)[2] is designed to accomplish the following goals: 1) develop agriculture, since agriculture is the primary occupation of the majority of the population; 2) commercialize agriculture; 3) develop the handicraft and artisanal industries that are based on agriculture as well as potentially larger industrial enterprises that process agricultural and primary products for both domestic consumption and export; 4) on the basis of the above, achieve a surplus in the balance of trade, if not immediately, then at least achieve a healthier trade balance. This latter goal involves stabilizing finances, which have been shaken by war and ruined by the sultans, and it means freeing the country from the oppressive financial-economic dependence on foreign capital (*Dette Publique*).[3]

The measures being taken are:

1) Abolition of the aşar (an agricultural tithe), a measure only recently been approved by the Meclis and only partially implemented. This decision will significantly accelerate the commercialization of agriculture and free the peasants from tax farmers, but the financial burden on the peasants is unlikely to decrease. The establishment of an income tax and other new requisitions may even increase the financial burden on the peasants.

2) The development of agricultural technology and the primary processing of agricultural products: where this is possible, tractorization and the mechanization of agriculture; the dissemination of better seeds, the establishment of nurseries, and selective breeding; aid in the form of agricultural credit through a state-supported network of local branches of the Agricultural Bank (*Agricole Banque*). The government is offering some support to agronomical and general education, as well as to the first signs of agricultural and artisanal cooperative movements.*

3) The creation of markets for agricultural surpluses, which will stimulate new patterns in regions that had previously been cut off from ports and centers of domestic consumption due to the distances and difficulties of transport in a mountainous country. This is particularly true for the Central, Eastern, and Southeast Anatolian provinces (Sivas, Elazığ, Diyarbakir, Bitlis, and Van) and to a lesser extent for regions close to the Black Sea (Kastamonu, Samsun, Trabzon, and parts of the

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[2] The parenthetical "Kemalists" is in the original, establishing an equivalence with "Halkists."

[3] The use of French words indicates that this means not only sovereign debt in the abstract but also the Ottoman Public Debt Administration.

northeast that are connected by road and railroad to our ports in the Caucasus but unable to find sufficient outlet through them). These markets for agricultural surpluses will be created by a network of railways, with the trunk line running from Ankara through Sivas and Erzincan to Erzurum, with a spur to Diyarbakir and Bitlis. There will be lateral lines for Samsun-Sivas-Ankara-Konya and Trabzon-Erzurum, as well as to the Persian border, and a few smaller lines like the one that is apparently already under construction from Samsun to Bafra. At one point, the Turkish government planned to carry out this construction almost exclusively with foreign capital; but, a number of failures (in particular, the infamous Chester Concession) exposed the colonial aspirations and exclusive appetites of foreign capital, and the Turkish government has now cut back its railroad-building programs and sought to find domestic financing for only the most necessary railroads, including: Ankara-Sivas, Erzurum-Trabzon, and the narrow-gauge lines from Erzurum to Sarıkamış, Konya to Aksaray, and others.

*Nevertheless, we should not exaggerate the significance of these first attempts at workshop-like organizations in the cities and unorganized associations in the villages.[4]

Measures are being taken to strengthen and renovate the merchant marine. The goal is to use domestic resources (including cabotage associations like *Seyr-i Sefain*) to create regular service for the country's own ports and to establish links with the closest neighbors: Syria, Palestine, Egypt, Greece, Bulgaria, Romania, and the USSR. According to data from 14 November 1923, the entire Turkish merchant marine consisted of 456 ships with a total displacement of 682,948 tons. The majority of Turkish steamships are heavily used and antiquated.

4) Railway construction has additional goals: the Turkish trading bourgeoisie hopes to develop a transit route from Persia through Anatolia, and there is also a strategic goal of defending the southeastern border from the penetration of English capital (and perhaps in the distant future preparing for aggressive measures against our Azerbaijan).

5) The concessionary and foreign trade policies of the Turkish government are designed to strengthen and develop extractive enterprises (coal, oil, and copper) and processing industries (grain, dairy, cotton, silk, tobacco, and the drying and preservation of fruits), in particular those related to agricultural commodities. The Turkish government's protectionism is a key element of these policies, and it has covered the domestic bread, coal, and cement industries, even though they are weak and ruined by war. Furthermore, the Turkish government is extremely cautious and fearful when concluding deals with foreign capital (in particular, this regards concessionary rights). Although the government makes mistakes, sometimes exaggerates, and sometimes wavers (like, for example, with respect to bread supply for Constantinople or the Chester railway concession), it is

[4] This footnote is in the original.

generally consistent in following its line and avoids transferring concessions fully into the hands of foreign capitalists, instead attracting foreign capital through contract work.

6) The government is doing everything to expand exports in the short-term, especially from the richer regions of Western and Southern Anatolia (Aydın, Manisa, Bursa, Kütahya, Karahisar, Adalia, Konya, Adana, Mersin, etc.) as it seeks to reduce the trade deficit; it is also trying to restrict the imports of certain kinds of goods, raising tariffs to prohibitive levels to combat the luxurious tastes of the port bourgeoisie.[5]

7) Finally, the Turkish government and local authorities are doing everything possible to rebuild cities and villages destroyed by war, along with transportation links, ports, and enterprises, etc. (there are extensive programs of municipal construction), and they are trying to raise the general population's standard of living, cultural levels, and productivity.

III

Nevertheless, in its implementation of the above economic policies, the Turkish government and the Halkists confront extreme difficulties that are, at this moment, insurmountable. The most significant challenge is the extreme poverty and backwardness of the country, especially Central and Eastern Anatolia. For centuries, these areas served as a reservoir for the sultans' treasury and army. This was especially true during the most recent wars, which almost entirely exhausted the Old Turkey.

Destitution is a prime factor in the economic, technological, and cultural backwardness of all provinces, with the exception of the West, Southwest, and those coastal regions of Anatolia that are more inhabited and more culturally and economically developed. Cultural and economic backwardness intensifies as one moves towards the East, and it becomes especially pronounced towards the Southeast, where it merges into almost entirely primitive conditions as one gets to Kurdistan (on the border with Persia).

The country has been exhausted by the sultanate and by almost uninterrupted war in the first two decades of the twentieth century. The process led to the revolutionary rebirth of Anatolian Turkey, but the country cannot in current conditions find enough domestic resources, capital, and skilled labor to wage an independent economic policy or fully undertake the economic program described above. Over Turkey hangs the shameful burden of the *Dette Publique*, which is administered by an Allied commission. In reality, the debt is controlled by France, as the French invested most in the Sultan's Turkey in the form of loans to municipalities and state-run enterprises. Today, France is trying to use this debt to gain influence over the Turkish government. The tobacco monopoly and

[5] The committee's explanation of this term comes later in the document; for the various ways that it was used in Soviet analysis of Turkey, see Samuel J. Hirst *Against the Liberal Order: The Soviet Union, Turkey, and Statist Internationalism, 1919–1939* (Oxford: Oxford University Press, 2024), Chapter 4 (especially the section that begins on page 111).

several other taxes (for example, the tolls on Constantinople's bridges, the fishing tax, and the revenue from various enterprises) are still managed by the *Dette Publique*. Recent arguments about the currency in which Turkey's debt should be repaid were decided against Turkey, and they show, on the one hand, how dependent Turkey still is on the Entente and in particular on France, and, on the other, how acutely and painfully the Ankara government feels this dependency. Overall, payment of the public debt costs Turkey 7,170,255 lira each year.

Large and influential banks (for example, the Ottoman Bank), steamship lines, railway companies, and other valuable enterprises are still owned by foreign capital, which draws significant profit from them. Foreign capital often treats Turkey like a colony or a semi-colony[6] (the most recent example of this is the Anglo-Turkish conflict over Mosul, which has not yet been resolved). Foreign capital holds in extreme economic dependence the venal (international)[7] port bourgeoisie (especially that of the Straits), and it owns the press, the sciences, and political groups (like, for example, the recently formed progressive-republican party).[8] The Turkish government's valiant efforts to liberate itself from this dependence—buying back concessions, paying off debts, creating its own banks, and balancing the budget, all of which entails extreme austerity and self-sacrifice—cannot produce immediate results, unless a revolutionary attempt is made to cut the noose. And peasant Anatolia, with its military-bourgeois government and its corrupt port bourgeoisie in Constantinople, is not strong enough to take that step. The Treaty of Lausanne makes a revolutionary resolution of the problem impossible.

In the immediate future, Turkey cannot expect aid from a third party, like the economic and military assistance that it received from the Central Powers (Germany) when the latter were competing with the Entente. Nor for the moment can Turkey expect to receive significant support from the USSR.

IV

The Turkish government lacks support for its creative programs among the masses, as the absence of conscious social groups does not allow the government to maintain a consistent line. Significant opposition exists among the former Unionists (Enverists), supporters of the Sultanate and the Caliphate, Eastern feudal lords who fight against the centralization of power and the commercialization of the economy, and among smaller military and bureaucratic groups who receive

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[6] See *Against the Liberal Order*, Chapter 2 (especially the section that begins on page 57).

[7] The Russian word used in the original is интернациональный. This is not the same word as "foreign," which is used repeatedly in the text to describe "foreign capital." The word international here will have had the connotation of multiethnic, alluding to the prominence of non-Turkish minorities.

[8] A reference to the Progressive Republican Party (*Terakkiperver Cumhuriyet Fırkası*), which existed briefly in 1924–1925. Soviet observers regularly described the party as "pro-Western" and in favor of compromise with "foreign capital."

support from the discontented port bourgeoisie, as the latter's economic interests are being threatened by the ruling party. This opposition forces the Turkish government to make tactical maneuvers, to find compromises and to avoid open conflicts of interest. The government must make concessions to foreign capital, trying at best to exploit the divisions among the imperialist powers. It is forced to give handouts to the port bourgeoisie in compensation for its protectionism (for example, the removal of import tariffs on bread). And it is forced to make sacrifices in local government (for example, the recent elections of the patriarch in Constantinople). All of this explains the zigzags in domestic Turkish politics that are difficult for us to understand, the changing behavior towards us, the variations in foreign and domestic orientation, and the insufficiently forceful policy towards the peasantry. It is almost certain that there are more zigzags to come, including perhaps even a compromise between the Halk Party and the elements of the port bourgeoisie that are closer to it. One can see these tendences towards compromise in the composition of Fethi Bey's[9] last cabinet and in Recep Bey's[10] resignation as Minister of the Interior. Equally, however, the pendulum could swing back abruptly in the other direction, and the same can be said of Turkey's foreign policy. The negotiations with Chamberlain[11] and Herriot[12] in November–December of last year, along with the change in French attitudes towards Turkey (the uncompromising position on debt), have led to a significant cooling of Turkish diplomats' hopes for support from the Entente. This disappointment has led the Turkey to again seek rapprochement with us, with the hope that we will help them stand down the English demands for Mosul.

V

Amidst these frequent changes of orientation, in the maneuvers of the Turkish government and the Halkists, we can nonetheless see a relatively clear trend (described in point II above).

The struggle between Kemal's group, which is firmly in power, and the center of the opposition, which is in Constantinople, is ultimately a struggle for the very existence of an independent Turkey. The bourgeoisie of the Straits, in contrast with some other parts of the port bourgeoisie, is ready to hand Anatolia over to foreign capital for exploitation, on the condition that foreign capital runs its trade with Anatolia through Constantinople's profit-seeking middlemen. This bourgeoisie cannot feel any sympathy towards the USSR because the USSR is responsible for Constantinople's reduced importance as a trade port, and this opposition will readily support any government that can be used by the Entente against the USSR, especially if that government opens the road to the Caucasus and Baku to British imperialism. On this latter question, the positions of the Halkists and the opposition cannot converge, as the Halkists are representatives of the national bourgeoisie and see their historic mission in the rebirth of Anatolia. Most importantly, the Halkists are firmly committed to Anatolia's

[9] Fethi Okyar, Turkish prime minister between 1924 and 1925.
[10] Recep Peker, Turkish interior minister between 1924 and 1925.
[11] Austen Chamberlain, British foreign secretary from 1924 until 1929.
[12] Édouard Herriot, French prime minister between 1924 and 1925.

development, as they would gain very little if they agreed with the Straits bourgeoisie to the colonization of Turkey.

We should note that the so-called "port bourgeoisie" cannot be classified as opposition in its entirety. The group includes all of the port cities' merchants, who make their living on foreign trade, but there are fundamental divisions. Schematic descriptions of modern Turkey often underappreciate the differences within the group. Constantinople's "Straits" bourgeoisie straddles that waterway and profits both on the maritime transit of foreign goods and on the flow of goods between Europe and Asia (the Vienna-Baghdad railway). This bourgeoisie makes no contribution to Turkey's economy, or, if it does, it is only in small amounts through Haydarpaşa and the Anatolian Railway. It does consume Anatolian agricultural produce, but it can easily switch to imported goods. In contrast, the port bourgeoisie of Trabzon, Samsun, Adana-Mersin, Adalia, and especially Smyrna fulfills an important function, acting as agents of large foreign firms in the collection and export of Anatolian agriculture. In contrast with the bourgeoisie of the Straits, this port bourgeoisie is strongly connected to the peasantry and the organism that is the country's economy, and it is dependent on the development of this organism. This dependence should not be forgotten as we assess the influence of various opposition groups on the fate of Turkey. This port bourgeoisie, in contrast with the bourgeoisie of Constantinople, is more nationalist and has more sympathy for the USSR. The USSR is a potential market for Turkish agricultural products, and it is also a potential source of metal and energy at good prices. These resources would allow the ports to develop their processing industries. Parts of the port bourgeoisie thus share something with the Halkists in their approach to the peasantry and the development of Anatolian agriculture. Of the ports, the one most connected to its hinterland is Smyrna (its road network incorporates almost all of Western and Southwestern Anatolia, up to Bursa, Eskişehir, Konya, and Aydın). Trabzon, Samsun, and several other northern ports are much less developed, and they depend on transit and speculation. As the transportation network extends into the interior of the country, these ports' nature will unquestionably change. This port bourgeoisie has the most in common with the Halkists, and, if the conflict between Ankara and Constantinople intensifies, they are likely to choose the former. The Halkists, for their part, seem to be seeking rapprochement with certain elements of the Turkish bourgeoisie (some of whom can even be found in Constantinople).

VI

The general tendency in Turkey's political-economic development is towards the gradual strengthening of newly won political independence and the establishment of a stable economic foundation for that independence. The economic foundation, in turn, consists of capitalist-organized, commercialized agriculture and industrial production. Turkey, especially if it cooperates with the Soviet Union, has the necessary requirements to develop its economy, both in the sense of its agricultural potential and in the sense of its natural resources for industry, including energy resources. The absence of domestic sources of iron means that the country cannot on its own develop a fully industrialized capitalist system, but, if we provide metal and energy, we can imagine the achievement of this kind of economic completeness.[13]

B. THE GENERAL FORMS AND METHODS OF ECONOMIC COOPERATION BETWEEN THE USSR AND THE TURKISH REPUBLIC

The above points not only to the New Turkey's potential but also to the need for economic convergence with the USSR. A mutual tug pulls the two countries together. Our Ukrainian coal and metal, along with Caucasian oil—these are the elements that Turkey lacks for the development and mechanization of its agriculture, and for the general industrialization of the country. The geographic proximity of these resources and the ease of transporting them by sea creates the possibility of convergence. In the immediate future, in a period of up to a decade, our bread will also be necessary for Western Anatolia—our grain and corn have no rivals on the Turkish market in terms of quality, ease of transport, and price. Until Eastern Anatolia's railway network is finished, domestic grain will not suffice for the growing industrial and commercial regions, even if production slowly increases. The only factor that might significantly change supply and demand would be the further decline of Constantinople as a trading port and a subsequent decrease in its demand for food, as the city remains the largest consumer of bread in the country. Yet as the USSR's exports grow, they will flow through the Straits, and Constantinople's economy is unlikely to change further. Along with bread, Turkey could be a market for our sugar, alcohol, cement, timber, steel, and various chemical and silicate products. If we can lower our prices to pre-war levels, our goods will find few rivals on Turkish markets, especially in Northern Anatolia and in the Marmara Sea.

As Turkey's agriculture develops, it will be able to provide us with commodities that we cannot produce in sufficient quantities. This will include cotton (especially if Turkey switches to higher grades of cotton), valonea, animal skins, wool, etc. Our interest in economic cooperation with Turkey is heightened by the fact that our most important trade routes pass through Turkey (the Straits) and out into the Mediterranean Sea.

Our economic relations with Turkey are one-sided, and, ultimately, Turkey is more dependent on us than we are on it (if we exclude the Straits). Yet this does not mean that we should seek to economically subjugate the country to our state capital and force it into *kabala*.[14] We can watch calmly as Turkey develops economically and provide support, gaining enough by the export of our coal, oil, and other materials to compensate for any loss in our exports of grain, or, in the future, perhaps even manufactured wares. There can be no reason for us to oppose the economic and political development of the New Turkey; its development is in our interests. This is particularly

[13] In Russian, "целостность."

[14] Broadly, *kabala* means peonage or debt-bondage. On the particular Soviet usage of the word to describe aspects of modern international relations, see *Against the Liberal Order*, 77–78.

evident when you consider the significance for the entire Near East. This is the first case in modern history where a semi-colonial country that had fallen into imperialist *kabala* emerges, and, albeit with great difficulty, stands on the path not only of independent political development but also economic. This is an invaluable case, a major example for all the colonial countries of the East. And it can only be welcomed that, in the most basic political sense, the Turkish Republic recognizes and appreciates the need for convergence with the USSR—at the very least, Turkey recognizes our common goals in relation to the imperialist countries of the West.

II

In what directions should our economic connections—and, through them, our political connections—with Turkey develop?
Our primary efforts should be the following:

1. Exports of our energy, metal, and manufactures, and also bread. Turkey is nearby and an advantageous market for us. Many of the interests are mutual (coal, oil, metal, and timber), some of them are unilateral, and some may even be opposed by Turkey (tariffs on bread, on some construction materials, and on some kinds of timber).

2. Imports from Turkey of commodities and primary products for our industries (cotton, valonea, wool, animal skins, sesame, and others). The interests here are mutual, although at the moment they are weak. We should also take note of Turkish copper (Artvin, Ardahan, and Kurdistan), which might be of interest to us in the future.

3. Construction of ports, railways, roads, and municipal buildings. The USSR's construction enterprises could operate on contract-based or concessionary grounds in Turkey at prices that would be attractive (see the first weak attempts of our Gosstroi). The interest here is mutual, as the demand in Turkey is high and the terms offered by foreign capital poor. Even if we were only to bid on Turkish tenders, this could have the positive effect of driving down the prices and demands of foreign capitalists (see the recent case of the match concession). In the future, if we acquire any capital of our own, we could take on the role of a pioneer in the industrialization of the New Turkey, relying on our southern machine-producing industries. Turkey is unquestionably of interest to us because we could receive orders for our metal, energy, chemical, silicate, and construction industries that are operating below capacity. We should not, however, get carried away by these thoughts, as we do not yet possess the resources for significant participation in Turkish economic development—we do not have the capital that would allow us to make significant investments. Without capital, Turkey has little use for us, as the country has little capital of its own and is in desperate need of financial resources and credit. Another factor that will limit our potential in Turkey is the high prices of our industrial goods.

4. Development of Anatolia's agriculture, as our more advanced forms (in Ukraine, in the Caucasus, and elsewhere) could provide Turkey with seeds, saplings, breeding cattle, and, especially, agricultural machinery. The most beneficial for Turkish agriculture would be tractors, if we can develop our own production. The interest in tractor exports would come first and foremost from the Turkish side.

5. Commercial-transit connections. This is first and foremost Constantinople and the Straits, which is a crucial storage and distribution center for us. Secondly, it is the trans-Caucasian railway network, including Batumi and the Çoruh River, as outlets for the agricultural and mineral products of Eastern Anatolia (areas that border us and were once the territory of Tsarist Russia). The interests in each of these two cases are unilateral, although the side across whose territory the transit route runs receives obvious benefits. The trans-Caucasian railway will become less important with the completion of roads from Erzerum to Ankara and Trabzon, and with the construction of a highway from Artvin to Rize.

6. Financial-credit connections. This would involve opening a bank branch in Turkey and investing capital, but this is a question to return to in the future.

All of these possibilities are realistic and, with a bit of effort from both sides—especially from our side—can greatly accelerate and strengthen the trade between our two countries.

III

The circumstances in which economic ties between the two countries are developing cannot be considered entirely favorable. We already pointed above to the major obstacles from our side: a dearth of resources, in particular of the capital that is necessary to push our goods on the Turkish market and win share from foreign capitalists; a dearth of surplus goods available for export (for example, manufactured goods and sugar); most importantly, our high prices, which prevent us from eliminating competitors from Turkish markets and establishing our products (although some of our goods, including bread and kerosene, are able to withstand competition). On the Turkish side, the greatest obstacle is also a lack of resources, and in particular a lack of credit that would allow them to deliver us raw materials. Additionally, they are wary of the forms of our economic organization and the way we manage our foreign trade, which is understandable given the many mistakes our state institutions have made in the past (some of which continue to the present day). The Turks are prone to see our state monopoly on foreign trade as an attempt to establish a new form of the Capitulations[15] in Turkey and to economically subjugate weaker states.

IV

[15] See *Against the Liberal Order,* Chapter 2.

Regarding the methods and forms of our trade with Turkey and our participation in the country's development, we recommend the following:

1) Encourage our trading organizations in Turkey to establish direct contact with Turkish capital. This is imperative to our further penetration of Turkish markets, especially Anatolian ones.

2) Encourage our trading organizations to develop ties with middling and smaller wholesalers (without entirely avoiding large wholesalers), and, for certain goods, directly with retailers.

3) Consider undesirable our economic organizations' attempts to control retail and win market share from Turkish merchants. Instead, measures are necessary to draw Turkish merchants closer to our state organizations, taking as a model the experience of the Russian-Turkish joint-stock company Russotürk,[16] which involved Turkish merchants and Turkish banks connected to them.

[…page missing…]

8) On the question of the location of the Trade Delegation,[17] recognize that formally it should be considered Ankara but technically it should be Constantinople. The latter holds all the commercial threads of the country, and the Trade Delegation's commercial and banking network is located there.

The trade delegate should oversee the delegation's network, spending as much time in Constantinople as necessary. He should have two assistants, one in Constantinople and the other in Ankara.

9) To coordinate work in the Eastern provinces (Atvin, Erzurum, Kars, and Trabzon), we should recognize that, although the Trade Delegation is responsible for all economic ties with Turkey, in the East our organizations in the Caucasus play a dominant role. We should thus give real responsibility to the Caucasian organizations and encourage them to open offices in the Eastern provinces as quickly as possible. To coordinate trade in the Eastern provinces, the Trade Delegation needs to have a representative based in Trabzon with direct contact with Batumi and Tiflis. The Caucasian organizations should send regular reports to the Trade Delegation in Ankara.

10) To simplify the organizational forms of our trade with Turkey and to give our trading network more flexibility, we need to eliminate the separate representations in Constantinople for Caucasian and Ukrainian organizations, incorporating their representatives into the Trade Delegation.

11) To free our trade from financial-credit dependence on foreign banks, we should direct our operations, to the extent possible, through a branch of our Foreign Trade Bank in Constantinople.

[16] See *Against the Liberal Order*, 94–97.
[17] See *Against the Liberal Order*, 128.

12) We must take measures to receive permission from the Turkish government to send our representatives into the Eastern provinces.

13) So that they can provide goods on credit to Turkish merchants, our organizations that export to the Eastern provinces need access to long-term credit.

14) We recommend that Rabkrin explore ways to compensate the unprofitability of our exports in Turkey (discounts, incentives, etc.).

15) The question might be considered of allowing imports into the USSR of foreign goods (sugar, manufactures), so that the profit on import sales can cover the losses on exports to Turkey.

16) Likewise, there is a question of how to expand exports to Turkey of goods like coal, metal, timber, chemicals, and other goods whose prices make them unprofitable to sell.

17) We should calculate a system of fares for the transport of export-import goods between Soviet and Near Eastern ports. For large-scale shipments, there should be set rates. For small-scale shipments, the rates should be approximate.