

of the old-fashioned station, she fingering about in her bag and at every moment flashing her eyes up at him, he bloated, gloat-eyed, mumbling heaven-knew-what salivary intimacies. It crossed Harry's mind how strange was the phenomenon of these shipboard passengers one never sees until the last moment, these cabin mysteries — and it struck him again horribly how this applied to those two, the odd slug lying down there in the comfortable depths of the ship with his fair, fresh girl.

The girl looked up and met Harry's eyes. She immediately smiled, it seemed in relief, and came up to him. She spoke excitedly, apologetically, in Swedish: "Oh, please do excuse me —

but it's funny I remember distinctly I once saw you in Haga, you speak Swedish? You see, my father and I — we've lost our seat reservations. Could you tell me what is best to do? We're new here . . ."

Harry's heart leaped. The lights in the station seemed to turn up; it was suddenly almost sunny. With delight he showed them to the end of the train where he knew there were empty carriages. Together they traveled to London and never stopped talking. He insisted on driving them to their hotel.

Harry and his lady have now been married some seven years. He has never, as far as can be known, regretted the requital.



## TO THE QUEEN

by ROBERT GRAVES

I REMEMBER, Ma'am, a frosty morning  
When I was five years old and brought ill news,  
Marching solemnly upstairs with the paper  
Like an angel of doom; knocked gently.  
"Father, the *Times* has a black border. Look!  
The Queen is dead."

Then I grew scared  
When big tears started, ran down both his cheeks  
To hang glistening in the red-grey beard —  
A sight I had never seen before.

My mother thought to comfort him, leaned closer,  
Whispering softly: "It was a ripe old age. . .  
She saw her century out." The tears still flowed.  
He could not find his voice. My mother ventured:  
"We have a King once more, a real King.  
'God Save the King' is in the Holy Bible.  
Our Queen was, after all, only a woman."

At that my father's grief burst hoarsely out.  
"Only a woman! You say it to my face?  
Queen Victoria only a woman! What?  
Was the orb nothing? Was the sceptre nothing?  
To cry 'God Save the King' is honourable,  
But to serve a Queen is lovely. Listen now:  
Could I have one wish for this son of mine. . ."

A wish fulfilled at last after long years.

Think well, Ma'am, of your great-great-grandmother  
Who earned love, who bequeathed love to her sons,  
Yet left one crown in trust for you alone.



To Atlantic's monthly  
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Chairman of the Board of Inland Steel and for five years its President, CLARENCE B. RANDALL was projected into international affairs when Paul Hoffman invited him to be the Steel Consultant for ECA in its first year. This assignment brought Mr. Randall into close association with the steel masters on the Continent and in Britain; and with this experience he is well qualified to evaluate our investments abroad. The trenchant article which follows was written on his return from Turkey this September. Atlantic readers who enjoyed Mr. Randall's book, *A Creed for Free Enterprise*, should watch for its sequel, *Freedom's Faith*, which has just been published.

## CAN WE INVEST IN TURKEY?

by CLARENCE B. RANDALL

### I

A FEW weeks ago I flew out to Turkey. Partly, I admit, I went because it seemed like an exciting thing to do, but also because I hold the deep conviction that American businessmen cannot play the part they should in forming public opinion unless, through personal experience, they come to have an understanding of what goes on in the world outside the United States. No matter what we produce or manufacture, there is no single cost under our control that equals the concealed cost of our share of our national budget which deals with foreign affairs, and few among us try to probe this cost as intensively as we do others.

I particularly wanted to see a so-called underdeveloped country, and to find out for myself what are the obstacles that impede the flow of private investment capital to such an area.

Believing, as I do, that the vitality of our American economy rests upon the preservation of private initiative, I felt a strong urge to ask the obvious question of whether that source of strength could be exported by the removal of whatever obstacles are obstructing the play of natural economic forces. There are strong differences among Americans on such controversial subjects as the tariff and agricultural quotas. However, we surely could all agree that if Americans began to open mines and build factories in underdeveloped areas because by so doing they could make money for their stockholders, everybody would gain and the free world would advance toward stability and well-being.

Turkey seemed like an ideal country in which to think about such things, and the flight out was an excellent mental conditioner. History flows beneath you in a day. First the eastern part of France and the Route Napoleon, along which the Emperor came back from Elba to what he naively believed would be world stability based upon his superior

will and intelligence; then the Alps and the unconquerable spirit of the Swiss nation that has never known the loss of freedom; then Rome and Athens, symbols of the decay from greatness — leading one to wonder what it is that causes the torch of world leadership to pass from nation to nation in succeeding centuries. Does the United States, for example, which has had world leadership thrust upon it, possess a formula for greatness so infallibly imbued with genius that our day will never pass? Or will the pilots of the spaceships of the future point out our ruins as they wing over for a better look? Because of my grandchildren, that question gives me pause.

But arrival in Ankara dispels all gloomy thought. The rolling Anatolian plateau stretches off in magnificent vistas like the San Rafael valley in Arizona. The sky is bright, the days are warm and dry and are followed by cool evenings. The melons are magnificent, and there is adventure in the air.

My welcome as an unofficial representative of the American business community was almost overwhelming in its cordiality, and the conferences which I was privileged to have with government officials and industrialists left no doubt whatever in my mind about what I most wanted to know: the question of where Turkey stands today as between bureaucratic social planning and the development of private initiative. The answer was clear. Turkey is now aggressively and enthusiastically on the side of free enterprise, which is very warming to the heart of any American businessman who has seen the dead hand of socialism laid on industry in some parts of Western Europe. Nor is this a passing whim of political leaders. It is the will of the people, and both political parties have embodied it in their creeds.

This is, of course, a break with the immediate

past. After the First World War, in a burst of national pride, the country set about the task of large-scale industrialization; and having no reserves of private capital, it established a series of government-owned banks and then built the railways, the steel mill, the cement and sugar plants, with public funds. Etatism is the name economists have given to this period of the nation's development.

Looking back to that phase, however, merely points up more sharply the astonishing about-face of recent years and the favorable climate now existing for the development of closer relationships between our business communities and theirs. It is an historical fact of inspiring significance, in my opinion, that modern Turkey is the first country to turn resolutely back from collectivism by decisive voluntary action. She has done this, moreover, by bold strokes that have won resounding approval from her people. So sure is the result that no government could survive which tried now to go back the other way.

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BUT a satisfactory business climate will not of itself bring the flow of foreign investment capital which the country so urgently needs. There are many difficulties in the way, and they have not been fully recognized as yet by this robust nation. The Turks are fiercely proud of their new progress, and rightly so, but that very pride has tended somewhat to blind them to the fact that capital is difficult to obtain even in the United States. They have expected our spigot to open with a rush, and it hasn't, for reasons that are more obvious to us than to them.

Here are some of the obstacles.

First there is the ever-present danger of war. Each prospective American entrepreneur must appraise that for himself, each company must hedge that risk. For myself, I do not accept government guarantees as the answer. They are concealed subsidy, and free enterprise must never depend upon government. Perhaps this is a field that private insurance can and should enter, and perhaps the risk is less than it seems. Certainly, if my money is to be risked in any foreign country, I would take a chance on Turkey. The Turks are tough, two-fisted fighters, with a modern army whose courage has been proved at the side of our troops in Korea, and they have a tradition of dignified firmness in dealing with Russia that is magnificent.

But there are psychological factors that stand in the way of private investment which are very real. There is no well-established tradition in Turkey that provides for the accumulation of private savings and the funneling of the proceeds into the establishment of the plant and equipment required for modern industrial production. Yet this is absolutely essential, whether the country is to finance its own industrial development or be assisted by

others. I am quite sure, for example, that the prevailing viewpoint among management men in the United States is that the American company which is considering a foreign investment prefers to have native capital associated with it, to share the risk and to assist in making the necessary community and commercial adjustments. But unless the people are taught to save and invest, there will be no large pool of native capital on which to draw for such partnerships.

Nor has Turkey a well-established tradition of using the corporate form of doing business as the medium of grouping in one enterprise the savings of a great many citizens. Her people are unfamiliar with transactions in corporate shares, and the equity form of ownership as we employ it is only vaguely understood. Her laws that govern the formation and functioning of corporations are of the most rudimentary sort, based on antiquated French forms. Clearly, if Turkey hopes to attract American companies, she must give them laws comparable to those with which they are familiar. Her officials have their minds on modern machines, whose power and speed and efficiency attract them greatly. They must also get their minds on the modern methods of owning and managing large affairs without which the machines cannot be cheaply produced or operated.

The next roadblock is that Turkey has no managerial class as we know it — in fact, no tradition of entrusting the management of one's affairs to anyone but oneself. The Turk has never been one to tell his neighbor what he possesses. I suspect that even wives seldom know how rich their husbands are, and certainly such confidences would seldom extend to any degree of consanguinity beyond that of son or brother. A Turkish proverb expresses this well when it says, "A cat, once boiled, fears even cold water." It is a revolutionary concept, therefore, that the organization of large enterprises can be achieved only through the surrender to others of control over the wealth of hundreds or thousands of individuals. Few even among the business leaders understand thoroughly and accept as normal the relationship of stockholder to management which is the *zinc qas non* of American large-scale industry.

This lack is reflected in two further ways. First, there is no professional class comparable to our management engineers, men who are skilled in studying all phases of an investment opportunity and preparing the documents required for presentation to those having capital to send abroad. Secondly, no particular emphasis is being placed upon training young men in the skills of management. Turkey has good economists, good engineers, and good technicians of many kinds, but relatively few experts in organization and administration, as applied to industry. She sends bright young men to Cornell for agriculture, and to M.I.T. for chemistry and engineering, but few to Wharton or the Har-

vard Business School to learn the principles of managing large affairs. At the moment, she needs managers even more than she needs technical experts.

Another professional group which is entirely lacking in Turkey, and which we take as much for granted as we do the telephone, is certified public accountants. Much needs to be done to bring order and discipline and standardization into the keeping of accounts and statistics. And much needs to be done to educate the business community to the soundness of the simple proposition that he who expects others to invest in his enterprise must himself make a full disclosure of his own financial stability. But this will take a long time, and foreigners entering Turkey will have to be very firm to overcome the Turkish habit of mind that it is normal and proper to keep two sets of books. The idea that a corporation should publish a report of its affairs periodically, and do it candidly, is still a pretty hearty diet for the Turkish business stomach.

I am also sure that many Americans, before investing in Turkey, will want to know what is being done to repatriate the native Turkish capital which has sought safety in Switzerland, South America, and even the United States. I am not suggesting for a moment that Turkish citizens have behaved more badly in this respect than those of other countries that have received American aid. In fact, I suspect that they have behaved much better; but it is a problem for underdeveloped countries everywhere. Take Greece, for example. Everyone knows that among the richest men in the world today are some of the Greek shipowners, yet they make highly publicized investments in France, and give fabulous prices, while their country looks to us for its very lifeline. It is hard to expect that investors in other nations will venture their capital in an underdeveloped area when its own people do not themselves consider their own country a good business risk.

Then, of course, Turkey must reform its foreign investment law which now severely limits the amount of money which may be withdrawn each year in earnings and amortization of capital. This again is a problem common to all underdeveloped areas, and the solution must always be the same. The principle is clear. American private capital is not going to Turkey unless the opportunity is greater there than it is in the United States. The whole world wants our money, and it will flow to those places where the chance for gain is greatest and the investment climate the freest. To seek our capital, and then to restrict its use, is to stop with the left hand what the right is reaching for.

An intangible but nevertheless very real restriction on the flow of our capital is the presence of state competition. It is not likely that a private company will enter Turkey to erect a plant in a field of production that has been pre-empted by the government. We wouldn't do it at home, so why

would we there? But the present government sees this, and has turned its face resolutely in the right direction by appointing an able minister whose job it is to turn back the state industries to private enterprise.

Turkey has one peculiar handicap that I had not appreciated until I began to do my homework before my flight. She has no substantial groups of her nationals living in other countries who would be natural sources of information about her ways or would form natural foci of propaganda. Take Chicago, for example. I know many successful businessmen who are of Greek birth or ancestry; I have known some Armenians; but I have never known a Turk. Other Mediterranean peoples have emigrated in large numbers, but not the Turks, and now they have no natural advocates among us.

This means that before our money will start flowing to their country, the Turks must organize themselves to present aggressively to us the opportunities that they believe exist in their land. No one can do that for them. Turkey must be sold to Americans by Turks. Unhappily, I am afraid they do not yet fully realize this, for they are so rightly proud of all that they are doing that they are inclined to stand on their record, forgetting that even the best soap has to be advertised.

But Americans can afford to be patient about all of these things, and to stand by helpfully while Turkey goes forward putting her house in order, for here is definitely a country with a future, and our kind of future. The thrilling thing about modern Turkey is not the area of our differences, but rather the things we have in common.

First of all, here is a classless society. Turkey is not top-heavy with a hereditary aristocracy that no longer pulls its weight, but each man is free to rise to any height to which his own ability may carry him.

Secondly, here is a country that really practices democracy as we understand that word, that has already produced in both political parties an amazing number of able leaders who are wholly dedicated to the public service, and that has an extraordinarily stable foreign policy which is in harmony with ours.

Finally, here is a nation that has resolutely turned its back on collectivism and has recognized private initiative as the only sound source of economic well-being for a free people.

For all of these things Turkey stands resolutely in a position of leadership in the critical Middle East.

And she stands there looking to the future. Some of the older countries in Europe have their heads turned over their shoulders toward the past, but here is a virile young nation that has broken with its past, and which flexes its muscles impressively while its eyes dance with excitement over things to come. Turkey is a country that merits American friendship.