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Lausanne: The Document of Notifying the Downfall of the Assassination Prepared for the Turkish Nation

The plan to fragment Türkiye religiously and ethnically, which was formulated in Western capitals and took its final shape with the Treaty of Sèvres, was abolished through the Treaty of Lausanne. The indivisible integrity of Türkiye was established during the negotiations in Lausanne, leading to the birth of Türkiye as a unitary state. It is for this reason that those who are uncomfortable with the indivisible integrity and unitary structure of the Republic of Türkiye also find themselves displeased with the Treaty of Lausanne and its architects.

We are commemorating the 100th anniversary of the Treaty of Lausanne, a historical agreement that altered the course of world history. The Ottoman Empire had been engaged in conflict since 1913. This approximately 10-year period, starting with the Balkan Wars and lasting until 1923, was characterized by immense suffering and hardship. The year 1915 stands out as the year with the highest number of casualties on the frontlines. During that year alone, 135,000 sons of the nation had fallen as martyrs. The tragedies of the Sarikamış incident and the glorious defense of Çanakkale also occurred in 1915. The total number of martyrs we lost on the fronts between 1915 and 1918 amounts to approximately 245,000.

The Beginning of the Path to Victory

The year 1919, when the defeated Ottoman Empire was occupied and its fate was discussed at the Paris Peace Conference for partition, stands as perhaps one of the most grievous years in our history. Conversely, the year 1920 marked the resurgence of hopes. It was the year when the path to victory began and when the foundation of the new state, the Grand National Assembly, was established.

One of the significant lessons to be drawn from history is the consequences of being isolated and devoid of allies. However, even more crucial is the state of economic backwardness. While Europe's industries were experiencing a transition from coal to oil-driven dynamism, the Ottoman Empire lacked notable dynamism in industry, economy, or trade. Among the major powers of Europe, the Ottoman Empire possessed the smallest economy and the lowest level of production.

An Agreement Equivalent to Colonial Subjugation through Treaty of Sevres

The war for the Ottoman Empire officially ended in 1920 with the signing of the Treaty of Sèvres, yet the Turkish nation's 'War of Independence' continued. The Treaty of Sèvres did not acknowledge



the right of the Turkish nation to exist as an independent and sovereign state; instead, it contained conditions suitable for a colonial society. The fact that Istanbul, the sole capital to be occupied, came from a country defeated in the war, illustrates the feeble position of the Ottoman administration. The Grand National Assembly in Ankara condemned the Treaty of Sèvres with a stern declaration, and the Ottoman government that signed Sevres was declared traitorous to the homeland.

The Turkish Nation, which was shattered by the Treaty of Sèvres, reclaimed its independence through the War of Independence, and with the Treaty of Lausanne, discarded Sèvres, solidifying its status as a sovereign state. The Treaty of Lausanne is also profoundly significant as an international legal document affirming our independent existence. Respected historians emphasize that Lausanne is a comprehensive package, meaning that if concessions were made in one aspect, concessions were obtained in another. They state, "Through the Treaty of Lausanne, one of the defeated states of World War I successfully managed to alter an extremely unfavorable treaty (Sèvres) that had been imposed upon it."

Lausanne did not result in notable territorial gains or losses. The territories referred to as "lost" due to Lausanne had already been effectively lost years before, such as the Aegean islands and Western Thrace after the Balkan Wars, and Iraq and Syria after World War I. Prior to the war, the Ottoman Empire, spanning roughly 5 million square kilometers, had shrunk to 400,000 square kilometers with the Treaty of

Sèvres. Even Istanbul was under occupation as the journey to Lausanne began, and it was only in Lausanne that it was liberated.

The Turkish Delegation at Lausanne Could Not Have Done More

Regarding the Mosul-Kirkuk issue, the Turkish delegation could not have achieved more. These regions had effectively fallen under British domination during the Ottoman era. The desire to control the Middle East's oil fields was one of the main causes of the global war, and the victors had no intention of relinquishing these territories. The exclusion of Mosul led to significant debates in the Meclis (the Grand National Assembly), but when Prime Minister Rauf Orbay stated, "Give the order, issue the command, we will fight," not a single person dared to say "Let's fight." The country emerged from two major wars exhausted, depleted, and severely worn out. Its industries and economy were nearly nonexistent. The risk of a new war could not be taken.

Over the past decade, after immense traumas, pains, and massacres resulting in the loss of a majority of its territories, the goal was to forge an independent nation-state from a multinational empire, and this goal was achieved in Lausanne. The most crucial aspect for the Turkish delegation at Lausanne was to establish an independent and fully sovereign Türkiye, free from the economic domination system of capitulations that had been imposed upon the country.

Türkiye encountered a united allied bloc at the Lausanne Conference. During the National Liberation War, states that had grown apart from each other came together on many issues in Lausanne. The Meriç border was up for discussion. Just as Germany did, they brought up the issue of war reparations from the Ottoman Empire. In short, what ultimately mattered was your priorities within your capabilities. The Lausanne delegation was not equipped, both in terms of naval power and in terms of territory, to reclaim islands that had effectively been lost even before the Ottoman era.

Recalling the Ottoman Finances

The financial independence of the state was lost due to the Ottoman Treasury losing its authority to collect its own taxes. This loss was initially marked by the Rüşm-u

Sitte Administration, followed by the Public Debt Administration and the Revenue Administration. It was through the efforts of the founding cadre of the Republic that we regained our financial independence. The Public Debt Administration assumed a portion of the sovereign rights, including the management of public finances independently of the state, the ability to impose or lift taxes, and to change tax rates. They began collecting public revenues and using them to pay off internal and external debts. The administration was responsible for collecting approximately one-third of the Ottoman State's revenues.

By 1912, the Ministry of Finance had 5,500 employees, while the Public Debt Administration had 9,000 employees. In 1883, another foreign-capital company was established under the name of the Revenue Administration. The Ottoman State ceded taxes collected from tobacco, salt, and coffee, which were the most significant sources of income for 30 years, to the Revenue Administration established by creditor countries. The establishment of the Public Debt and Revenue Administrations was a validation of the loss of the state's financial independence.

Economic Independence Was Crucial: Seeds of National Industry Were Sown

During the War of Independence, the Ankara government seized all revenues collected by the Public Debt Administration. With the Treaty of Lausanne, the operation of this institution was terminated. Türkiye also acquired coastal rights in Lausanne, thus achieving maritime independence. The capitulations that brought administrative and financial domination were lifted, and we completely freed ourselves from the Ottoman legacy of foreign dependencies.

In 1923, while the average per capita income in Western countries was \$6,000, it was only \$700 in Türkiye. This stands as the clearest evidence of how close we came to the brink of destruction. Thanks to the Treaty of Lausanne, the removal of capitulations that restricted our economy allowed our national industry to thrive and become competitive with foreign counterparts. The İzmir Economics Congress decided to implement the first comprehensive support measures for the private sector. This led to

the establishment of significant industrial facilities, production capacity, and culture in Türkiye.

Entering World War I with a territory of 3 million square kilometers, the Ottoman Empire lost 85% of its land after being defeated in the war. Every corner of Anatolia and even the three capitals of the Ottoman Empire - Bursa, Edirne, and Istanbul - were occupied. In a country where the army was disbanded, the economy collapsed, and there was no significant industry, an independence struggle was waged amid scarcity and dwindling hope.

The Treaty of Lausanne is the document that signifies the downfall of the assassination plot aimed at the Turkish Nation.

Had the War of Independence, led by Mustafa Kemal Pasha, not been won, Anatolia would have slipped from our grasp. Therefore, we owe the fact that these lands still remain our homeland to the "War of Independence," which began in 1919, culminated in a great victory in 1922, and was internationally acknowledged as successful through the Treaty of Lausanne in 1923. As Mustafa Kemal Atatürk stated, "This treaty is a document that announces the collapse of a grand assassination plot that had been prepared against the Turkish nation for centuries and was believed to have been completed with the Treaty of Sèvres."

The plan to fragment Türkiye religiously and ethnically, formulated in Western capitals and finalized with the Treaty of Sèvres, was abolished in Lausanne. The indivisible integrity of Türkiye was established during the negotiations in Lausanne, and Türkiye was born as a unitary state. Therefore, those who are uncomfortable with the indivisible integrity and unitary structure of the Republic of Türkiye also found themselves displeased with both Lausanne and its architects.

The most significant truth amid the catastrophes is the success of the National Liberation miracle. In the challenging conditions of those days, we remember our ancestors, especially Mustafa Kemal Atatürk, who put their lives on the line in the National Struggle to secure this homeland for us. We remember them with respect, gratitude, and reverence. May their souls rest in peace.



DEJA VU EFFECT LOOMING Lurking Threat of Financial Crises

Amid the tumultuous period within the global economy, will the presence of financial crises deepen? Or are we passing through a phase where minor glitches are being rectified? The recent downfall of Silicon Valley Bank, coupled with a series of successive bank failures, has triggered a sense of déjà vu in the markets. So, is the banking system more vulnerable now, fifteen years after the global financial crisis? Here, we need to pause and assess how a new nightmare scenario can be averted. If you don't have enough caviar to satisfy your appetite, should we consider thinking about possible developments in this manner? If you're ready, let's begin...

Before delving into the effects of a banking crisis, it's worthwhile to ponder a few questions. Are we going to discuss a financial crisis deepening due to a global recession wave and geopolitical conflicts? Or will we examine developments progressing independently from these factors, managed by arbitrary policies, with financial administrations residing in ivory towers, oblivious to the changes? Or will we establish cause-and-effect relationships due to the repercussions of rising inflation and interest rates?

PRONE TO CRISES?

Before delving into the layers of our investigation, we must share a few

sentences regarding predictions about the future of the banking system. According to a significant portion of Western economists, the banking system will always be prone to crises. This is because banks stand before us as financially structured entities designed to be inherently unsafe. Therefore, we are speaking of a system incapable of adhering to the rules of a constitutionally functioning market. With these observations, Western economists summarizing the current state of banks are making a call for the emergence of an understanding that departs from the system: "It is impossible to fix a system with too many insurmountable layers. To terminate our independence from a banking network that pursues special rent-seeking and is socially destabilizing, we should leverage digital technologies."

Of course, South American economists did not remain silent about the banking crisis triggered by Silicon Valley Bank. Admitting that banks are not vulnerable by accident but rather by design, South American economists predict that central bank digital currencies could one day completely eliminate bank deposits. Clearly, endorsing this development as imminent would be senseless. On the other hand, does a thoroughly revised financial stability framework and comprehensive deposit insurance cover up the issue? In other words, if certain sectors of the economy need to be

protected regardless, isn't it a more rational option to establish a framework beforehand, rather than attempting to rescue uninsured depositors after the fact?

CAUSE OF SECURITY VULNERABILITIES ARE THE BANKERS THEMSELVES?

Viewing the matter through the lens of Far Eastern economists, we need to shed light on another aspect of the financial instability puzzle. This pertains to a significant portion of security vulnerabilities within the banking sector being created by the bankers themselves. The decisions taken by the US Federal Reserve also contributed to this process. Therefore, it is prudent to look not only at the adverse effects of quantitative easing but also at the systematic aspects of the situation.

Of course, while evaluating an event, it is beneficial to gather information or perspectives from its source. If the incident occurs in the US, economists tend to make slightly more optimistic estimations, delivering a "No need for concern" message. This is because, at present, a series of bank liquidations across the US does not appear highly likely. US economists who highlight an overheated labor market and inflation figures reminiscent of the 1970s emphasize that, given their lack of anticipation for liquidations, the Federal Reserve's primary priority is an aggressive move on the inflation front.

Continuing our inquiry with the question "Is everyone in the US optimistic?", it is actually worth considering opposing viewpoints. According to this perspective, central banks are now facing a trilemma. Due to recent negative supply shocks such as the pandemic and the conflict in Ukraine, interest rates have been raised, achieving stability in prices. However, the details sacrificed to ensure price stability have led to both serious financial instability and an increased risk of a sharp downturn. Here, it is essential to clarify that by a sharp downturn, we refer to a state of stagnation and high unemployment. US economists pointing to the incapability of central banks to simultaneously combat inflation and provide liquidity support assert with unwavering resolve that this issue will culminate in a severe downturn and a broader debt crisis.