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The Deputy Director,
Central Intelligence Agency



Washington, D.C. 20505

May 11, 1979

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INTERAGENCY SECURITY CLASSIFICATION APPEALS PANEL,
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Withheld under statutory authority of the
Central Intelligence Agency Act of 1949 (50
U.S.C., section 403g)

Honorable John Brademas
House of Representatives
Washington, D.C. 20515

Dear John:

Thank you for your letter of 27 April 1979 to
the Director raising a number of questions on the
Turkish presence and investment in Cyprus since 1974.

Our responses are listed on the enclosed classified
report. Should you wish further information we will be
pleased to provide you with a briefing.

Sincerely,

A handwritten signature in dark ink, appearing to read "Frank C. Carlucci".

Frank C. Carlucci

Enclosure

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What is the current size of the Turkish military force on Cyprus?

We estimate the Turks currently maintain between 27,000 and 31,000 troops on Cyprus. We arrive at this range by [redacted]

[redacted] 25X1, E.O.13526 [redacted] analyzing the Turkish force structure on Cyprus and applying likely manning levels to that structure, and assessing reports by UN observers on the movement of troops in and out of the port of Famagusta. [redacted]

The Famagusta reports are particularly valuable but are not conclusive or precise since there are other, unmonitored transit points in the Turkish-held zone that are used by departing and arriving Turkish troops. The most recent Famagusta report cites a Turkish strength of nearly 33,200 troops as of 23 April. [redacted]

[redacted] 25X1, E.O.13526 [redacted]

The recent announcement by Turkish leaders that they intend to withdraw 1,500 men, comprising two units, from Cyprus probably refers to some of the troops to be replaced. [redacted]

[redacted] 25X1, E.O.13526 [redacted]

Our uncertainty about the precise strength of Turkish forces does not change our basic judgment concerning the predominance of Turkish military power on Cyprus. Nor does it reduce seriously our ability to assess the impact of any large-scale changes in Turkish forces. [redacted]

What has the Turkish government expended since 1974 on that force?

We cannot determine how much the Turkish government has spent on its forces in Cyprus [redacted] 25X1, E.O.13526 [redacted]

[redacted] Turkey's annual defense budget is reported only in aggregate terms, and we have no breakdown of expenditures by service or units. Moreover, during the course of a fiscal year, the Grand National Assembly will occasionally vote additional defense funds that are not reported. Since 1974, the Turks have carefully restricted access to military information and have not answered NATO Defense Planning Questionnaires in detail. [redacted]

[redacted] 25X1, E.O.13526 [redacted]

These difficulties notwithstanding, we believe that maintaining some 27,000 to 31,000 troops on Cyprus adds relatively little to the costs Ankara would incur by retaining them in their regular garrisons on the Turkish mainland. The units involved were not newly formed for Cyprus duty, and because of Turkey's universal conscription system, [redacted]

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the troops almost certainly would have been drafted, trained, and equipped whether or not Ankara intended to send them to Cyprus.

The additional costs to the Turks are primarily for support -- transportation, garrisons, and special allowances -- and for keeping the Cyprus-based forces in a higher state of combat readiness instead of their normal peacetime posture. Even these costs are probably quite limited. For example, Turkish officers and NCOs serving on Cyprus reportedly receive an extra \$8 to \$16 a month. Most of the units on Cyprus are from the 2nd Army and would ordinarily be stationed in south central Turkey which is relatively near Cyprus.

What is the current size of the Turkish civilian settlement in Cyprus?

We estimate that there are 15-20,000 Turkish mainland settlers in northern Cyprus. It is difficult to be more precise because at least some of the migrants were temporary laborers sent to Cyprus in the aftermath of the Turkish intervention to alleviate the acute labor shortage in the north. Almost all the transfers took place between 1975-76. The Ecevit government terminated the resettlement program when it returned to power in January 1978.

What has the Turkish government expended since 1974 to support this population?

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appear to have been minimal. Most migrants were given housing and land formerly owned by Greek Cypriots to live in and to farm. The temporary laborers worked on state-run farms and were probably paid from the proceeds of those enterprises. The main costs were incurred in transporting the migrants to Cyprus and in administering the resettlement program, including the state enterprises.

What other types of aid has the Turkish government provided to the Turkish Cypriot population or its "governmental" structure? What has the Turkish government expended on this aid?

Note: All aid figures are imprecise due to incomplete and sometimes inconsistent reporting. The estimates presented here are more likely to be too high than too low. Annual aid totals are based on the Turkish fiscal year, which begins 1 March of the stated year.

Prior to 1974, the Turkish government furnished welfare-type assistance to Turkish Cypriots living in enclaves (and perhaps as much as half the total Turkish Cypriot population was living in enclaves). This assistance was probably paid in Turkish lira and converted into Cyprus

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pounds on receipt. It was administered by the Turkish Cypriots. From 1963 to 1974 Turkey gave aid worth roughly \$220 million, an average of \$18 million yearly. Aid was increasing over the period, so that in the early seventies Turkey probably gave about \$25 million each year.

Since 1974, the aid provided by Turkey has changed in nature and value, with current aid below the pre-1974 level. Ankara gives most of its aid to the TFSC administration as budgetary support, primarily for development projects and maintenance of the Turkish Cypriot military. Although no breakdown is available, small amounts may have been provided as general or unallocated budgetary support. All budgetary support is provided in Turkish lira, not hard currency; we estimate the assistance was the equivalent of \$25-30 million yearly in 1975 and 1976 and no more than \$10-15 million yearly in 1977 and 1978. For 1979, Ankara has budgeted aid worth about \$30 million, approximately the amount budgeted (but substantially more than the amount disbursed) in 1977 and 1978. The budgeted aid figure is less than 0.2 percent of planned Turkish government expenditures for 1979. As in 1977 and 1978, the TFSC has no guarantee that it will receive the full amount budgeted. In 1978, actual Turkish aid to Cyprus constituted less than 0.1 percent of actual Turkish government outlays. (Beginning with the 1978 budget, Ankara came under pressure from the International Monetary Fund (IMF) and other foreign lenders to reduce deficit spending. Turkey's 1978 IMF loan conditions included limits on monetary expansion and public sector borrowing.)

In addition to budgetary support in Turkish lira, Ankara has given small amounts of hard currency aid to the TFSC since 1974. We estimate \$5-15 million in hard currency aid was spread over 1975 and 1976, and perhaps another \$2.5 million was given in 1977 -- half the amount originally intended. Turkey's payments crisis worsened steadily through 1977, and Ankara now is in an extremely poor position to extend further hard currency assistance.

What is the size of the Turkish Army of the Aegean?

We estimate that the Aegean Army has a current strength of no more than 80,000 men. We cannot determine its precise size or status because of the restrictions the Turkish government has imposed on travel into the area.

We believe this army's principal combat units are the 19th Infantry Division, the 11th Infantry Brigade -- both constituted from training divisions -- and the 58th Infantry Training Division. A naval infantry regiment also may be subordinate to the Aegean Army, although the Turkish Navy retains operational control. In time of national emergency,

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the Aegean Army probably assumes control of several unidentified
Jandarma units -- essentially light infantry formations. The actual
strength of the Aegean Army in terms of combat-ready troops is open
to question, and we believe that it has relatively fewer than other
Turkish field armies.

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What has the Turkish government expended since 1974 in support of the Army of
the Aegean?

We are unable to determine Turkish expenditures for the Army of the
Aegean since 1974

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As noted above, Turkish defense budget data are available to us only
in an aggregate form that is not suitable for costing relatively small
fractions of the Turkish military.

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