US escalates trade war against Turkey as Ankara moves to attack workers

Alex Lantier
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As Turkey's currency plunges after initial US trade war measures targeting its aluminum and steel exports to the United States, Washington is pledging more sanctions. Coming as Turkish President Recep Tayyip Erdogan's government moves to attack the workers in response to the collapse of the lira, Washington is signaling that it intends to strangle Turkey's economy and achieve the regime change it failed to carry out in the 2016 attempted coup.

On Wednesday, Washington confirmed that the steel tariffs, nominally imposed in response to the jailing in Turkey of American pastor Andrew Brunson on charges of complicity in the coup, would remain in effect whether or not Brunson is released. "The tariffs that are in place on steel would not be removed with the release of pastor Brunson. The tariffs are specific to national security," said White House spokeswoman Sarah Sanders.

Even after Sanders made clear that Washington's demand for the release of Brunson only serves as a pretext for economic war on Turkey, US Treasury Secretary Steven Mnuchin threatened yesterday to slap new tariffs on Ankara, supposedly to free Brunson. "We have more that we're planning to do if they don't release him," Mnuchin reportedly told a cabinet meeting.

The policy of attacking Turkey, nominally a NATO ally of the United States, enjoys broad support across the US political establishment, well beyond the Trump administration. In an editorial titled "Trump is right to push Turkey, he's just doing it wrong," the *Washington Post* insisted that the collapse of the lira is due to "none other than Mr. Erdogan himself." While acknowledging that "the use of tariffs as a political weapon is a dangerous breach of political norms," it nonetheless argued for a harder line.

"The decision to get tough with Mr. Erdogan is nevertheless the right one. Analysts who worry about a fracturing of relations with a key NATO ally ought to recognize that Turkey has not been behaving as an ally," the *Post* wrote, adding: "Mr. Trump evidently believes that he has decisive leverage over Mr. Erdogan, and he is probably right. He should use it not just to free one Christian pastor but also to show an unhinged ruler the costs of playing dictator..."

Washington is sadistically waging trade war on Turkey even as the financial collapse tears apart its economy. Prices of critical staple goods are doubling or tripling as the Turkish lira collapses, but the banks and the Erdogan government are nonetheless announcing measures to further attack workers.

In a conference call with 6,000 global investors yesterday, Turkish Finance Minister Berat Albayrak announced plans to impose 10 to 30 percent budget cuts on all government ministries.

While Erdogan has claimed that he is waging a "national war for independence" against the Trump administration, it is clear that this war mainly targets the workers. Albayrak pledged not to impose capital controls, in a bid to reassure the financial aristocracy that Erdogan will not take any measures threatening its interests. Amid speculation that Turkey may turn to an International Monetary Fund (IMF) bailout, which would be predicated on IMF "structural reforms" and austerity, he said Turkey had made "normal contacts" with the IMF.

Albayrak's pledges failed to satisfy the banks, however. The *Financial Times* of London, the voice of European finance capital, said that he "stopped short of announcing other plans that strategists have said are critical in more permanently stabilising the economy. Analysts reckon it will take a sharp interest rate increase to stop the surge in inflation that is expected to be worsened by this year's fall in the lira, but President Recep Tayyip Erdogan has long opposed high interest rates."

With interest rates at 17.75 percent and inflation at 16

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percent amid the plunge of the lira, the financial press is demanding a surge in interest rates to boost investor profits and slash jobs.

"Turkey needs to hike rates by 5 or 10 percentage points, to something like 25 percent, in order to create a 'real' interest rate on cash above the rate of inflation," *Business Insider-Germany* wrote. It added, "The downside, of course, is that a reduction of cash in circulation would also trigger an increase in unemployment..."

A decade after the 2008 Wall Street crash, the economic and military conflicts of world capitalism are even more intractable. The danger is mounting of a crash in Turkey that could spread financial instability to currency markets across the world, and inflame the rapidly spreading Middle East war, particularly in neighboring Iraq and Syria and also the US war threats against Iran. The only progressive way forward is the class struggle.

This year has seen mounting social anger and strikes not only in Turkey, but across Europe and the Middle East as well as North America. An essential task that falls to this emerging movement in the working class is to oppose the financial aristocracy's use of trade war and open military intervention to further plunder the Middle East and accelerate their attack on living standards internationally.

None of the bourgeois factions critical of US tariffs against Turkey have a fundamentally different policy. Currently, Erdogan is maneuvering closely with the European imperialists who, while they are enthusiastic about financial attacks on Turkish workers, have increasingly bitter conflicts with US imperialism over how to divide the spoils in the Middle East. In particular, there is deep opposition in Europe to US moves to isolate and set the stage for war with Iran, at the expense of European corporations operating there.

Erdogan spoke on the phone to French President Emmanuel Macron yesterday, after having spoken to Angela Merkel, the Chancellor of Germany, Turkey's most important trading partner in Europe. Macron and Erdogan "underscored the importance of further reinforcing economic and trade relations as well as investment between France and Turkey," Erdogan's office told *Paris Match* .

German Finance Minister Olaf Scholz also spoke to Albayrak yesterday, after Erdogan and Merkel spoke and agreed to "work to reinforce economic cooperation" between Ankara and Berlin.

In *Die Zeit*, Günter Seufert of Germany's influential *Stiftung für Wissenschaft und Politik* (SWP) warned that Erdogan could retaliate against Europe by breaking his reactionary deal with the European Union and allowing Syrian and Iraqi refugees to seek asylum in Europe. "We could open the sluices of the refugee flood so wide that everyone in Europe would fall asleep packed in standing up," he imagined Turkish officials threatening.

He provocatively indicated he does not believe there is a "democratic" alternative to Erdogan's increasingly authoritarian rule because Turks are too mistrustful of imperialism to be democratic: "The hope that a deep economic crisis would automatically weaken Erdogan and lead to the rebirth of democratic relations is not realistic. Broad parts of the population are too deeply cocooned in an outlook that sees the West as conspiring against Turkey."

Washington and Berlin united to back a failed July 2016 coup that nearly led to Erdogan's murder, both fearing that Erdogan was moving too close to Russia. US-European tensions have exploded since Trump's election, however, as he scraps the Iran nuclear treaty and threatens to slap tariffs on European exports to the United States. There are increasing signs that factions in Berlin and Paris are also considering moving closer to Moscow, Tehran or Ankara.

With Russian President Vladimir Putin set to begin an official state visit to Berlin tomorrow, on Monday the Russian Foreign Ministry invited Berlin and Paris to attend talks with Moscow and Ankara on September 9 on the future of the war in Syria. Washington was pointedly not invited.

On Wednesday, US State Department spokeswoman Heather Nauert indicated Washington's preference for the stalled, US-led talks in Geneva: "Nothing is replacing Geneva."

"We see the Geneva process, the UN-led process, as the only viable way forward for a long-term political solution in Syria," she said, adding: "Perhaps that process needs to be goosed again, but I think you'll be hearing in the coming days that we are doubling down our efforts and supporting that process going forward."

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