It is a great honour for me to represent at this eminent assembly the Turkish Minister of Commerce, who was unfortunately not able to attend this important Session of GATT because of the general elections.

1. The Turkish Government has always considered GATT as one of the most important pieces of international machinery for furthering close cooperation in international trade. GATT's role during the ten years of its existence has been particularly important in the lowering of customs duties and the elimination of discriminatory quotas. The Turkish Government sincerely hopes that the discussions held during this Session on the important economic problems of the day, such as the agreements for economic integration, trade in primary commodities, and consequently the problems of the under-developed countries, will lead to the finding of practical and constructive solutions. This result will greatly increase the prestige and effectiveness of GATT.

2. Economic development, which in our time must be considered as an international problem, is, as you know, one of the long-term purposes of the General Agreement. It is also one of the most characteristic features of the economic scene in modern times. The economically more backward countries, to ensure their development, and to absorb their surplus manpower, must industrialize. Today we are perfectly well aware that there can be no economic balance without an adequate and simultaneous development of industry and agriculture. However, the financing of this development is one of the sources of the major difficulties which face countries in process of economic development. These countries, indeed, which are dependent for their foreign trade on a few primary commodities, must meet the heavy expenditure required for economic expansion out of their limited receipts for their exports. The lack of balance noted during the last few years between the exports of primary commodities and the imports of manufactured goods creates in those countries serious difficulties in the balance of payments, and this lack of balance and the consequences of it, must, in the opinion of the Turkish Government, henceforward have a particular claim on the attention of the Contracting Parties. Disparities between the prices of agricultural products and the prices of manufactured goods have changed the terms of trade sharply in favour of the industrialized countries. Thus the investment efforts of these countries have, in general, had extremely successful
effects on the balance-of-payments position, whereas in the countries in process of economic development, on the contrary, the same efforts have brought about an adverse balance of payments, which has consequently reduced their chance of obtaining the necessary foreign currency for the purchase of capital goods and the maintenance of the rate of expansion. For that reason the under-developed countries are obliged, if they wish to ease their balance-of-payments difficulties, to resort to internal measures and to seek external assistance, and this foreign aid and assistance, Mr. Chairman, looked at as a means of financing development, has so far been at too low a level.

3. During the last few years many countries in process of economic development have taken various sorts of steps to promote and encourage the investment of foreign capital. On the other hand in the developed countries, which have capital available, similar measures destined to encourage the export of capital have not been taken.

4. During the consultations under Article XII of the General Agreement several contracting parties described the difficulties met with in their trade and balance of payments. In the opinion of the Turkish delegation these consultations have been extremely useful. Thanks to them the Contracting Parties have been able to obtain clear information on the causes of the difficulties and have gained a more definite idea of the respective position of each country applying restrictions. However, the function of GATT must not be confined to the passive recording of certain facts. These consultations should constitute the beginnings of effective action by the Contracting Parties to eliminate these difficulties in the balance of payments.

5. The Turkish Government greets with satisfaction every new step towards the economic integration of Europe. Indeed, it believes in the necessity of uniting Europe as quickly as possible and sees in the Rome Treaty a new and great hope for the achievement of the purposes which the European countries must set themselves. The idea of the European Economic Community has, therefore, the entire support of my Government. However, Turkey, as a country exporting agricultural produce, could not remain indifferent to the agricultural provisions of the Rome Treaty. Indeed, my country, which for several years past has made enormous efforts to develop its economy in order to ensure a higher standard of living for its people, has no receipts of foreign currency other than those obtained from its exports, of which 87 per cent consists of agricultural produce. These exports, despite their importance in Turkey's balance of trade, are, in truth, only a very small percentage of the total volume of imports of agricultural products by the OEEC countries.

Because of the above the Turkish Government declared itself at Paris in favour of the establishment of a free trade area to include a special provisional scheme in respect of countries in process of economic development and aimed at introducing a policy of wider co-operation among the OEEC countries in the matter of trade in agricultural produce. Indeed the idea of a free trade area constitutes the only solution, the only remaining possibility of giving a country like Turkey the means necessary to protect its vital interests in its trade with the countries concerned, including the Six.
With regard to the association of the overseas territories with the Common Market, I must state that while we appreciate the economic, social and political considerations which led the Six countries of the Rome Treaty to associate these territories with the Common Market in a free trade area, we consider, however, the demands and comments made in this respect by a number of contracting parties to be fully justified.

The Turkish delegation sincerely hopes that the discussions on the Common Market Treaty, with the assistance of the eminent members of governments here present, will lead to success in finding constructive solutions and compromises, to the general satisfaction of all the countries concerned.