GENERAL AGREEMENT ON TARIFFS AND TRADE
Fifteenth Session of the CONTRACTING PARTIES

SPEECH BY MR. V. ASIROGLU, ASSISTANT DIRECTOR-GENERAL IN THE DEPARTMENT OF FOREIGN ECONOMIC AFFAIRS OF TURKEY AT THE PLENARY MEETING ON 29 OCTOBER 1959

1. It is a great privilege for me to represent Turkey at this important session of the CONTRACTING PARTIES to the General Agreement on Tariffs and Trade in which so many political and trade leaders of the world are participating today.

The Minister for Foreign Affairs of my country, who had intended to participate personally in these Ministerial meetings, has been prevented at the last moment from coming to Tokyo for unforeseen reasons beyond his control. It is therefore a great honour for me to thank on his behalf the Imperial Government of Japan for their efforts to organize this conference and for the generous and courteous welcome which has been extended to the Turkish delegation.

2. Mr. Chairman, the fifteenth session of the CONTRACTING PARTIES coincides very happily with a widespread economic and monetary recovery in the industrialized countries, a recovery which had also been expected, not without impatience, by the less-developed countries, in order to market their primary commodities in favourable conditions.

As is indicated by the excellent report prepared by the secretariat, the most characteristic feature of the year 1958 has been the return to more favourable conditions in the field of international trade. In 1958 the industrialized countries as a whole have been able to improve their balance-of-payments situation, a major convertibility operation at international level has been successfully carried out, and fourteen European currencies have now been restored to full convertibility. International trade has recorded, in particular in the case of industrialized countries, a considerable upsurge and substantial progress has been achieved towards the establishment of a truly multilateral system of payments and exchanges.

This has not been the case for the non-industrialized countries whose trade has not participated in this general upward trend and they have not been able to benefit to any desirable extent from this exceptional expansion of international trade. The instability and continuing decline of prices of primary commodities, agricultural protectionism in import markets and the deterioration in the terms of trade are mainly responsible for this situation, which raises very serious problems for those countries which depend on export of primary commodities and of agricultural products. These problems have been examined in a detailed manner in the report from the secretariat and I do not intend to dwell at any great length on this particular matter.
3. However, Mr. Chairman, I wish to say a few words about the situation of my country which, as you know, is an exporter of a very limited number of primary commodities and agricultural products. International trade is of considerable importance for Turkey, having regard to the fact that trade expansion is one of the main factors for economic development of all under-developed countries. The less-developed countries can only secure the necessary currency earnings if the level of their external trade is fully adequate.

For this reason, the Turkish Government has been endeavouring for a number of years to provide the country with a normal economic infrastructure and has endeavoured to further industrialization in various branches of industry.

Our endeavours to achieve the economic investments which factors of a social, economic or other nature require have of course affected our balance-of-payments situation in the last few years.

In order to remedy such a situation, the Turkish Government since August 1958 has been implementing a general stabilization programme which includes important provisions in the field of external trade. Within the framework of these new provisions, the consequences of which have soon been felt, the individual licensing system has been fully eliminated and global quotas which make it possible to eliminate discrimination, have been introduced. Imports of certain groups of items under the global quota system have been liberalized to the extent of 15 per cent. The extension, to the greatest extent possible, of these liberalization measures to other items is being envisaged.

Thanks to the efforts undertaken by the Turkish Government, in order to place our financial situation on a sounder basis, prices have substantially declined and exports have been increasing. The Turkish Government is firmly determined to carry out its stabilization programme, and will not spare any efforts to improve further the situation of the country and achieve a balanced budget for the next fiscal year.

4. I should now like to say a few words, Mr. Chairman, on the fundamental question of assistance to the less-developed countries. I wish, in this connexion to refer to the recent decision by the annual assembly of the Governors of the International Monetary Fund and the International Bank to set up an International Development Association in response to the generous initiative of the United States Government. We cannot but rejoice at the setting up of such an institution.

It seems to me, Sir, that when we deal with the development of the less-developed countries, the opportunities which can be afforded them are not very many. It is clear that we can mainly rely on two solutions: (1) the possibility of increasing the export trade of the less-developed countries; (2) direct external assistance. It is essential that at least one of these solutions should be forthcoming. What is desirable above all is that we should provide those countries with the means likely to increase their
export capacity and to stabilize their export levels by eliminating sharp
and excessive fluctuations in the prices of primary commodities and obstacles
to an expansion of the trade in such commodities. Only a dynamic external
trade, supplemented if necessary by external assistance, can allow such adequate
expansions in the economies of such countries.

5. In the light of these considerations, I should stress further still the
importance of the initiative taken by the CONTRACTING PARTIES at their
thirteenth session with a view to promoting an expansion of international
trade within the framework of a special programme.

My Government attaches the utmost importance to the various aspects
of this programme which is a well-balanced and realistic one.

The CONTRACTING PARTIES at this session will receive reports from
the three Committees on the Expansion of International Trade. The report
of Committee I, as a whole, deals with the question of the new round of
tariff negotiations. Although the work of Committee I has brought about
some notable progress, a number of problems, however, are still awaiting
adequate solutions. Those should be forthcoming after the deliberations
of this session.

The Turkish Government welcomed the idea of a new round of tariff
negotiations, because the lowering of tariffs on a reciprocal and mutually
advantageous basis fully conforms to the general principles of the
Agreement. However, the substantial tariff concessions which Turkey has
granted and the nature and composition of our trade, do not make it possible
for us to participate effectively in this tariff conference.

Mr. Chairman, the Turkish tariff is an ad valorem one and the average
rate of duty is very reasonable. Our GATT bindings represent about
43 per cent of our tariff, the fiscal or protective nature of which is
really negligible in respect of many items.

The work of Committee II, on the expansion of international trade, has
stressed the existence throughout the world of a widespread agricultural
protectionism which hampers the expansion of international trade in primary
commodities. My Government, as an exporter of agricultural products,
attaches the greatest importance to the work of the Committee, which is
very complex and very arduous. We hope that the Committee, after com­
pleting its consultations on the agricultural policies, may proceed in a
positive manner with the tasks which have been entrusted to it.

As regards Committee III, which has to examine measures likely to
increase the export proceeds of the less-developed countries, may I say
that some progress has also been achieved. However, important questions
still have to be examined. An adequate solution will have to be provided
at this session, at least for the most urgent problems. In this field
new formulae deviating from the traditional patterns should be attempted.
6. Mr. Chairman, concerning now the question of economic integration, I wish to say that plans for economic integration involving liberalization of trade at regional level, and the harmonization of these programmes with the basic objectives and philosophy of the General Agreement, are, in many respects of considerable importance to all contracting parties. The advantages which can accrue from such regional groupings, for the participating countries, are obvious. My Government welcomes the setting up of such regional economic entities subject to the relevant provisions of the General Agreement. We also believe that such entities should be outward-looking if they are to promote international trade. This consideration is one of those which have been adduced in justification of the GATT's recognition of such regional groups.

7. As regards now the treatment to be accorded to industrialized countries with low levels of wages, I wish to say that my delegation recognizes the extreme complexity of this problem. We believe that this question, which is of particular interest to the Government of Japan, should be examined further by a panel of experts, as proposed by the representative of the United States.

To conclude, Mr. Chairman, allow me to express the wish that the fifteenth session of the CONTRACTING PARTIES which will have to deal with important problems will be a major landmark in the attainment of the objectives of the General Agreement.