STATEMENT BY THE REPRESENTATIVE OF INDIA
AT THE MEETING OF THE WORKING PARTY ON
21 SEPTEMBER 1964

The terms of reference of this Working Party are, "to examine, in the light of the relevant provisions of the General Agreement, the provisions of the Agreement creating an Association between the European Economic Community and Turkey, and to report to the CONTRACTING PARTIES." We should, therefore, have before us always the provisions of the General Agreement, and not necessarily the provisions of the Association Agreement with a view to working back to the General Agreement.

This is a third agreement of association which the CONTRACTING PARTIES have been called upon to examine during the six years or so since the European Economic Community came into being. The other two agreements were those between the EEC and the associated African and Malagasy States and between the EEC and Greece.

In the case of the Agreement between the associated African and Malagasy States and the Community, the relevant provisions of the Rome Treaty were examined with special reference to Article XXIV of the GATT. After a number of meetings, when fundamental differences persisted, it was felt that the legal issues caused by the association arrangements should be set aside for the time being, and that a commodity-by-commodity examination should be undertaken, in which the interests of contracting parties not associated with the EEC, but who were specially interested, could be studied from all angles; if possible, and it would certainly be possible if Article XXIV:5(a) and other provisions of the General Agreement were taken into account, mitigation to the damage that would be caused by these association arrangements were to be granted by the Community in the form of tariff and other reliefs. It may be recalled that these examinations took place in 1958 and that our delegation took an active part in these meetings.

We have a feeling that these deliberations were useful, and that a clear understanding of the issues evolved, thereafter. I must say, and here we record our thanks to the Community, that some solutions were found to certain of the problems posed. It may also be stated, that one of the commodities studied at that time was unmanufactured tobacco, and that at that time both the delegations for Greece and Turkey were on this side of the table.
The agreement of association between Greece and the EEC also caused some concern but the conclusions adopted by the CONTRACTING PARTIES were, in this case again, not very definite. There were, of course, some teasers in that agreement, which, we may submit, were specifically designed not to increase the imports from third countries.

It is my Government's submission that the present Working Party and indeed the GATT itself, should deal with this agreement of association between the EEC and Turkey and should not be vague or simply say that conclusions cannot be reached. Other developing countries who are not associated with the Community have an interest in one product or the other affected by this Agreement. We feel that a mere look at the Association Agreement now before us and the answers provided by the Community to the questions posed by contracting parties are enough to show that what is contemplated, at least for the next decade or so, are unilateral preferences for specific commodities imported from Turkey. Another pertinent observation is that the Community itself says, in answer to one of the questions posed, that it is not possible for it to predict exactly when Turkey's full accession would take place. In answer to a further question, the parties to the Agreement say that the Association Agreement respects the provisions of Article XXIV:5(a); they do not say that it is in full conformity with these provisions. I have heard the statement made by the representative from Turkey which was supported by the EEC. Perhaps these points have already been dealt with, and I regret going into them in some detail, but we are now dealing with a very fundamental problem, that is to say, whether this agreement is in conformity with Article XXIV or whether it is in contravention of Article I. If it is in contravention of Article I, it would be appropriate to deal with it in accordance with the provisions of Article XXV, and we would like to deal with that in that fashion.

The Association Agreement, or anything providing for the establishment of a customs union, must have a plan and schedule which would bring in the customs union within a reasonable length of time. This is a requirement of Article XXIV:5(c). The only thing we see in the present Agreement is that, after the preparatory stage which may be anything between five and eleven years, and the transitional stage which would take an equal number of years, the final stage may be reached. Turkey has, according to our information, reserved the right to decide, at the end of the preparatory stage, whether the Association should enter the transitional stage itself or not. The precise provisions to govern the transitional stage remain to be negotiated. Our reading of this is that the Agreement provides for limited preferential tariff treatment for Turkey on a non-reciprocal basis for a sufficiently long number of years.
All these features of the Turkish Agreement are radically different from those of the Greek Agreement or the Agreement with the associated African and Malagasy States, and that is why our Government is concerned at the way in which the Article XXIV is taking hold of perhaps the major field of our operations and the way in which most-favoured-nation treatment is eroded day by day.