

GENERAL AGREEMENT ON
TARIFFS AND TRADE

RESTRICTED

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MINUTES OF MEETING

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on 25 October 1972

Corrigendum

Page 9

The third sentence of the second paragraph should read as follows:

There were differences of view, however, concerning the consistency of some provisions of the Additional Protocol with the G.I.T.T.

Pages 9 and 10

The fourth paragraph on page 9, continuing on page 10, should be replaced by the following text:

The representative of Turkey noted that his country and the EEC had submitted the Additional Protocol to the CONTRACTING PARTIES in September 1971 pursuant to Article XXIV:7(c) of the General Agreement and paragraph (c) of the conclusions adopted by the CONTRACTING PARTIES when examining the Ankara Agreement, in March 1965, at the twenty-second session. The Additional Protocol constituted a decisive step towards the achievement of the final objective which was the accession of Turkey to the EEC. When a customs union was established among developed and developing countries, the modalities and length of time for its formation, while remaining consistent with the provisions of Article XXIV, had to take into account the special conditions of the developing countries, whose development and welfare were one of the main objectives of the General Agreement, especially Part IV. To require a short length of time for the formation of a customs union between developing and developed countries would only have the effect of eliminating a possibility legally afforded to developing countries under Article XXIV of the General Agreement. The plan and schedule contained in the Ankara Agreement for the achievement of the customs union and the time schedule laid down for that purpose in the Additional Protocol appeared to be reasonable and justified when considering the different levels of development of the EEC and Turkey.

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After the third paragraph the following new paragraph should be inserted:

The representative of Israel pointed out that the procedure under Article 7 of the Long-Term Arrangement was not mandatory. Moreover, the Cotton Textiles Committee was far too large a body to go into the details of the matter and would probably establish a small sub-group to investigate the question and to report back to the Committee. This would be a time-consuming procedure. Israel felt that the establishment of a panel of independent experts, in accordance with Article XXIII:2, would be a more expeditious procedure; it could be established immediately and could report to the Council reasonably soon. He asked the United Kingdom to reconsider its position.

Pages 17 and 18

The first six sentences of the last paragraph beginning on page 17 should be replaced by the following text:

The representative of Turkey said that the Decision of 24 August 1969 by the CONTRACTING PARTIES under Article XXV:5 of the General Agreement concerning the application by Turkey of a stamp duty on imports would lapse on 31 December 1972. That stamp duty had been introduced as part of a series of economic and financial measures and its purpose had been to help the Turkish Government to deal with certain fundamental problems under its Development Plans. The intention was to create an adequate volume of savings for investment purposes, to prevent a deterioration in the balance-of-payments situation and to maintain internal prices at a stable level. His Government was still faced with considerable problems immediately before the entry into force on 1 January 1973 of the new period of the Third Five-Year Plan. During the application of the Second Five-Year Plan, Turkey's imports had increased by 15.5 per cent annually, while the Plan's anticipated growth had been only 7.4 per cent. The growth of exports had been less than expected in the Plan, and the deficit in the trade balance had continued to increase. The trade deficit amounted to US\$268 million in 1968 and increased to US\$494 million in 1971. Due to the negative situation of its trade balance, and in a desire to achieve economic development in stable conditions, Turkey had decided to maintain the application of the stamp duty until the end of the Third Five-Year Plan, i.e. 31 December 1977