

# GENERAL AGREEMENT ON TARIFFS AND TRADE

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## REVIEW OF THE GENERAL AGREEMENT

### Proposals of the Turkish Government

#### I. OBSERVATIONS

The Turkish Government recognizes that during the six years it has been in operation the General Agreement has greatly contributed to the development of trade between the nations and that on that account and in view of its objectives it still remains the most important instrument of international trade. Yet, it is not perfect. For example, it does not pay sufficient attention to the differences in the level of development and structure existing between the various national economies. Indeed, the Agreement imposes the same obligations on industrialized countries and those in an undeveloped state whose economic structures albeit show fundamental differences. This is why, in the interest of the work which the CONTRACTING PARTIES intend to carry out, that it is necessary to introduce certain changes and a certain number of new rules into the present text of the General Agreement, so as to provide the underdeveloped countries with means of speeding up their economic development and protecting their existing industries and those in an early stage of development. The fact that the General Agreement does not provide any special measures for the countries in question is an omission which should be one of the main concerns of the CONTRACTING PARTIES in their Review of the General Agreement.

In view of the foregoing, the Turkish Government considers it necessary that the CONTRACTING PARTIES should incorporate in the new text of the General Agreement a number of special provisions in favour of the underdeveloped countries in order to meet the requirements of their special economic situation.

#### II. PROPOSALS OF A GENERAL NATURE

##### 1. Reinforcement of the powers of the CONTRACTING PARTIES

(a) The Turkish Government considers it necessary to maintain the established procedures for the renegotiation of concessions whenever the CONTRACTING PARTIES recognize the existence of "exceptional circumstances".

(b) The principle of unilateral withdrawal of concessions should not be included in the new text of the Agreement.

(c) The modification or withdrawal of concessions authorized by the CONTRACTING PARTIES must not lead to measures of reprisal by the parties concerned, such as the unilateral withdrawal or modification of such concessions.

2. Equivalence of tariff concessions

(a) It would be both useful and necessary to seek a formula ensuring equivalence of concessions which would take account of the respective volume of bilateral trade as a factor of rectification, it being understood that an arithmetical equivalence is not a measure on which to base real equivalence between the values of the negotiated concessions.

3. Import Restrictions

(a) Prohibition of all restrictive measures on the import of agricultural products, irrespective of their motives including the balance-of-payments situation.

(b) No restrictive measures designed to protect national agricultural programmes should be authorized by the Agreement.

(c) Abolition of all import restrictions other than those which underdeveloped countries would be authorized to impose by way of exception.

4. Measures designed to protect industries in underdeveloped countries

(a) Recognition of the underdeveloped countries' right to take protective measures for all existing branches of industry and those in an early state of development.

(b) The conditions justifying special treatment in virtue of which the underdeveloped countries would be entitled to introduce restrictive measures shall be determined by those countries themselves, provided a report is submitted in each case to the CONTRACTING PARTIES, which would examine the merits of the steps taken by the countries concerned in the light of the provisions of the General Agreement.

5. Subsidies

The provisions of Article XVI as it stands at present should not be strengthened by a total prohibition of national export subsidies. The new provisions should envisage the possibility of granting such subsidies in certain conditions.

6. Relinquishment of preferential tariffs

The existence of preferential tariffs, by introducing numerous exceptions to the principle of equal treatment for all member States makes it difficult to achieve the goals fixed by the General Agreement.

If the CONTRACTING PARTIES do not decide to abolish preferential tariffs, certain compensatory advantages should be granted to the underdeveloped countries in accordance with a "coefficient of rectification" established by the CONTRACTING PARTIES with a view to ensuring equivalence of concessions.

7. Definitive application of the General Agreement

(a) The Turkish Government considers that the definitive application of provisions of the General Agreement must be envisaged and that in consequence the CONTRACTING PARTIES should take a decision on the subject during the course of the present session.

(b) The compulsory length of the concessions schedules should be defined in advance by the CONTRACTING PARTIES.

III. ORGANIZATION

1. The Turkish Government is in principle in favour of converting the present institution into a permanent international organization, provided that the Assembly of the CONTRACTING PARTIES remains the sovereign body, and that the choice of members of the new permanent organization shall take account of the economic structure of member countries and their geographical distribution.

2. There should be set up to resolve intersessional problems a special body composed of representatives of member countries elected by the Assembly of the CONTRACTING PARTIES for a definite period of, say, 3 years, of whom one third would be re-elected in rotation, retiring members being eligible for re-election. The system of permanent seats is incompatible with the spirit of the General Agreement. In order to ensure satisfactory representation capable of meeting requirements as they arise confidence must be placed in the wisdom of the CONTRACTING PARTIES.