

EUROPEAN PARLIAMENT

Working Documents

1978 - 1979

7 March 1979

DOCUMENT 644/78

Report

drawn up on behalf of the Committee on External Economic Relations

on the/Recommendation adopted by the EEC-Turkey Joint Parliamentary
Committee in London on 27 October 1978 (Doc. 428/78)

Rapporteur: Mr J. van AERSEN

At the request of the Committee on External Economic Relations of 28 November 1978, by letter of 20 December 1978 the President of the European Parliament referred the recommendation adopted by the EEC-Turkey Joint Parliamentary Committee in London on 27 October 1978 to the Committee on External Economic Relations as the committee responsible and to the Political Affairs Committee for its opinion.

On 23 January 1979 the Committee on External Economic Relations appointed Mr van AERSSEN rapporteur.

It considered the draft report at its meeting of 27 February 1979 and adopted the motion for a resolution and explanatory statement unanimously.

Present: Mr SCHMIDT, chairman; Mr van AERSSEN, rapporteur; Mr BAAS, Mr BAYERL, Mr McDONALD (deputizing for Mr L'ESTRANGE), Mr FITCH, Mr MONT, Mr E. MULLER, Mr ROSSI, Mr VANDEWIELE and Mr van VELTHOVEN (deputizing for Lord KENNET).

The opinion of the Political Affairs Committee is attached.

C O N T E N T S

	<u>Page</u>
A. Motion for a resolution	5
B. Explanatory statement	8
I. Introduction	8
II. Political and economic aspects of the current situation in Turkey	9
III. Progress report on the review of the EEC-Turkey Association	12
IV. Conclusions	15
Opinion of the Political Affairs Committee	16
 <u>Annex</u>	
Final communiqué and Recommendation	18

A

The Committee on External Economic Relations hereby submits to the European Parliament the following motion for a resolution together with explanatory statement:

Motion for a Resolution

on the Recommendation adopted by the EEC-Turkey Joint Parliamentary Committee in London on 27 October 1978

The European Parliament,

- having regard to the Recommendation adopted by the EEC-Turkey Joint Parliamentary Committee at its XXIIIrd Meeting held from 25 to 28 October 1978 (Doc 428/78),
- referring to the resolution adopted by the European Parliament on 5 July 1978 on the reactivation and updating of the EEC-Turkey Association and the present state and future prospects of relations between Turkey and the European Community¹,
- having regard to the report of the Committee on External Economic Relations and the opinion of the Political Affairs Committee (Doc. 644/78),

1. Welcomes the resumption, after an interruption of nearly two years, of the activities of the EEC-Turkey Joint Parliamentary Committee and approves the Recommendation it adopted;

regarding the review of the Association

2. Refers to the proposals which Turkey submitted in October 1978 and hopes that the necessary review of the Association will be carried out as soon as possible on the basis of these proposals;
3. Calls on the Community institutions to take generous account of Turkish wishes, and appeals to the political will of the Member States of the Community to promote the development of the Association in a manner appropriate to Turkey's political importance;
4. Is concerned about the effects of the Community's restrictions on Turkish textile products, although they are equally applicable to other countries, and recommends the Commission to adopt a flexible approach at the present stage of negotiations;

¹OJ No. C 182, 31.7.1978, p.26

5. Welcomes Turkish plans for a Code to encourage foreign investment that will help to break down existing administrative barriers in the country and hence contribute to the development of the economy and the creation of new jobs;

regarding Turkey's current economic difficulties

6. Refers to the extraordinarily difficult economic problems and especially to the balance of payments problems facing Turkey;
7. Strongly opposes the attitude of the Commission and the Council of the European Communities which refer requests for the assistance required to other international institutions but fail to act themselves in the spirit of the Association Agreement by taking appropriate action without delay;
8. Supports, therefore, the call made by the Joint Parliamentary Committee to the Community's institutions and the Member States to implement an emergency aid programme to help solve Turkey's foreign payments problems;
9. Relies on the Turkish Government to take the necessary economic policy measures in both the domestic and foreign sectors to ensure that the international aid programme is successful and makes a lasting contribution to the recovery of the Turkish economy;
10. Notes that the Turkish Grand National Assembly has concluded the ratification procedure for the Third Financial Protocol which provides for a sum of 310 m EUA, and hopes that its early implementation and its medium-term effects on the country's economic development may be consolidated by the preparation and implementation of a further Financial Protocol;

regarding political questions of common interest

11. Calls for Turkey to be kept fully informed on the negotiations for the accession of Greece to the Community pursuant to the provisions of the Additional Protocol and as recently requested by Turkey;
12. Notes the statements made by the Commission and the Council of the European Communities that the accession of Greece to the Communities will in no way compromise the development of relations with Turkey under the Association;
13. Hopes that a negotiated settlement will soon be found to the outstanding problems in the Aegean Sea and Cyprus;

o

o o

14. Instructs its President to forward this resolution and the report of its committee to the Council and the Commission of the European Communities, the Turkish Government, the Grand National Assembly of Turkey and the parliaments of the Member States of the Community.

EXPLANATORY STATEMENTI. Introduction

1. In the light of the revolutions in Afghanistan and Iran, the extraordinarily difficult problems facing Turkey assume special significance. Efforts to launch an international aid programme show that Turkey is at last being given the attention it deserves as a major partner for the West and that its political importance, to which the European Parliament has repeatedly referred, is finding recognition.

In view of the topicality of these matters, the Committee on External Economic Relations has taken the recent activities of the EEC-Turkey Joint Parliamentary Committee as the basis for an own-initiative report to inform the European Parliament of the trends in relations between the Community and Turkey and to encourage certain economic support measures for Turkey by means of a debate in plenary sitting.

2. After an interruption of nearly two years - as a result of the Turkish elections held in 1977 and delays in the appointment of the delegation from the Turkish Grand National Assembly - the XXIIIrd Meeting of the EEC-Turkey Joint Parliamentary Committee was held from 25 to 28 October 1978 in London. The participants included the President-in-Office of the EEC-Turkey Association Council, the President-in-Office of the Council of the European Communities and Minister of State for Foreign Affairs of the Federal Republic of Germany, Mr von Dohnanyi, Mr Ökcun, Turkey's Minister for Foreign Affairs, and Mr Noel, Secretary-General of the Commission of the European Communities.

During the meeting the Committee considered the Twelfth and Thirteenth Annual Reports of the Association Council and also discussed the new proposals for the reactivation of the Association which Turkey had submitted to the Community. Other important in-depth discussions centred on questions in the trade and social sectors and on economic and financial cooperation. Finally, problems relating to the enlargement of the Community and developments in the Eastern Mediterranean and the Aegean Sea were discussed.

A further informal meeting of the two delegations of the Joint Parliamentary Committee took place on 15/16 January 1979 in Strasbourg, during the European Parliament's part-session. This meeting took the form of an exchange of views with various committees of the European Parliament, a discussion with Mr Haferkamp, Vice-President of the Commission, and contacts with the political groups.

II. Political and economic aspects of the current situation in Turkey

3. Balance of payments problems must always be seen against their political background. The European delegation therefore asked a number of questions about Turkey's internal and external situation as well as its economic situation.

Some changes had indeed occurred in Turkey after the elections of 5 June 1977. The numerically largest Republican People's Party (with 213 of the 450 seats in the Turkish National Assembly) was unable to form a government at its first attempt. The new government, formed from the previous coalition parties (the Justice Party, the National Salvation Party and the National Action Party) under Prime Minister Demirel, was unable to retain power beyond the end of 1977 and he was replaced by the leader of the Republican People's Party, Mr Ecevit, who was eventually able to obtain the support of various independent members.

The problems which Turkey has faced over the past few years have now taken on increasingly disquieting proportions: extreme left-wing and right-wing terrorist groups claim new victims every day, and their activities finally led to great unrest, so that by the end of 1978 martial law had to be introduced in 13 cities and provinces.

4. In the economic sector it is mainly Turkey's balance of payments which has dramatically deteriorated with the result that international bodies are constantly seeking ways to maintain Turkey's ability to pay. As a result of the import restrictions that had to be introduced, many factories are now operating at only 50% capacity and production has fallen by roughly 25% compared with 1977. The consequent redundancies are making the already critical situation on the labour market even worse (unemployment is running at about 15%). Furthermore, the 1978 inflation rate has been estimated at 70%.

5. Import restrictions and an improved export performance have reduced the trade deficit, but the OECD estimates that the 1978 trade deficit will still amount to US \$ 2,600 million (compared with US \$ 4,000 million in 1977).

Even allowing for transfers made by migrant workers (1978: approx. US \$ 900 million) and revenue from tourism and services, Turkey's 1978 trade deficit will still amount to some US \$2,000 million. This situation is aggravated by the accumulated external debt which is now running at US \$ 14,000 million, of which US \$ 7,000 million are repayable in the short term.

6. Attempts are being made to help Turkey through the International Monetary Fund (IMF), the OECD, NATO and international bank consortia. At the recent Summit Meeting held on Guadaloupe between the USA, Great Britain, France and the Federal Republic of Germany, agreement was reached on support for and coordination of the various international measures. However, the IMF is highly dissatisfied with Turkey, having gained the impression that the Turkish Government is not prepared to take the necessary back-up economic measures to ensure that loans are used effectively. For example, the IMF complains that nothing is being done to improve Turkey's external competitive position or to bring the large public sector deficit under control.

After the 40-50% wage increases early in 1978, it would have been absolutely essential, according to an IMF report, for Turkey to devalue the lira in order to remain competitive. The Ankara Government did nothing in this respect. The IMF also noted that the private sector of the economy was exporting at a loss and that public finances were in complete disorder.

The critical attitude of the International Monetary Fund, which is interested only in the practical measures which Turkey takes and not in its promises, is having an inhibiting effect on commercial banks.

7. In this context, the Committee on External Economic Relations welcomes and supports the international aid measures. It is disappointed that the Community has done nothing to help Turkey and failed to respond to the request made by the Joint Parliamentary Committee for an emergency aid programme. At the same time, however, it considers it essential that Turkey should support these international measures by fulfilling the basic economic requirements so that lasting consolidation can be achieved in the economic sector and, more particularly, in the credit sector.

For example, it is not exactly encouraging for the Community institutions, which at present are attempting to raise further finance for Turkey, to note that it has only just, as the last country to do so, ratified the Third Financial Protocol - which provides, after all, for a total of 310 m EUA - and has hitherto delayed its implementation (not to mention the absence of any measures on the Turkish side to release the remaining 47 m EUA from the Second Financial Protocol).

8. In view of the abovementioned economic problems in Turkey, the individual objectives in the fourth Five-Year Plan (1979-1983) announced late last year seem very ambitious. The plan provides for an annual economic growth rate of 8%. In order to achieve this, a total investment amounting to US \$ 63,000 million is estimated for this period, of which the national economy is to provide US \$ 48,000 million and external sources US \$ 15,000 million (US \$ 8,100 million from the Community and its Member States).

The Community has already stated that it regards these assumptions as unrealistic and beyond its means.

9. The promised Investment Code will be of crucial importance for the encouragement of foreign investment. In this sector the extremely liberal Law 6224 applies, but it was so hedged around by formalities introduced by the Turkish administration that foreign investors were frightened away rather than encouraged to invest in Turkey. Some years ago the Committee on External Economic Relations referred to this unfortunate situation¹, and it would be most welcome if the Turkish Government's intentions in this sector were implemented at the earliest possible opportunity. This applies especially to the promise to speed up administrative procedures and the possibility of capital repatriation.

10. As regards foreign policy, the long-awaited lifting of the American embargo on arms supplies and the reopening of some of the American bases in the country brought a certain relief. However these measures seem to have had no effect on the spreading anti-Western attitude among the Turkish people, which is exerting increasing pressure on the Government and could influence its actions.

Nor has any substantial progress been made in the Cyprus conflict or in the problems with Greece in the Aegean Sea, although both sectors of the Cypriot population have declared their readiness to resume negotiations at an early date on the basis of the recent proposals made by the UN Secretary-General.

¹ See, inter alia, Klepsch report, Doc. 182/75, 5 July 1975, pp.13 ff.

On the other hand, a new Greek-Turkish negotiating round on the Aegean question early in January 1979 resulted in stalemate.

The Turks protest that the Western nations support the Greece cause and reference is made to the forthcoming accession of Greece to the Community, the possible implications of which Turkish public opinion is only gradually becoming aware. In particular, they fear that the Greeks might be able to veto any Turkish request made under the terms of the Association or any future Turkish application for accession to the Community. Furthermore, Turkey has now submitted an official request, under the terms of the Additional Protocol, to be kept informed of the accession negotiations with Greece.

III. Progress report on the review of the EEC-Turkey Association

11. For years now, Turkey has protested at the basic principles of the Agreement and their application in its relations with the Community, but have not submitted comprehensive proposals for amendments. This situation has now changed: on 9/10 October 1978 in Brussels, representatives of the Turkish Government submitted a package of proposals which, as was to be expected, were the focal point of the Joint Parliamentary Committee's discussions in London and in Strasbourg.

In essence, the Turkish proposals can be divided into the following major categories:

1. A suspension of Turkish commitments under the association agreements in the sphere of customs duties and trade for a five-year period backdated to 1 January 1979;
2. a comprehensive list of Turkish requests submitted over the past few years relating to industrial and agricultural products and social questions;
3. a comprehensive financing programme to reshape and extend cooperation between the partners in the Association.

12. As regards the suspension of its commitments, Turkey wishes to invoke Article 22 of the Association Agreement for the suspension of measures in the following sectors:

- the planned abolition of customs duties and the consequent progressive alignment on the Common Customs Tariff,
- a number of provisions which prohibit Turkey from introducing certain customs duties, taxes or quantitative restrictions,
- provisions which oblige Turkey to grant automatically to the Community the customs concessions which it grants to other third countries.

It is also planned that during the first three years of the stipulated period, the Additional and Supplementary Protocols should be reviewed on the basis of appropriate Turkish proposals.

13. The area covered by the 'list of Turkish requests' can be subdivided as follows:

- exemption from customs duty and/or the abolition of quantitative restrictions on sensitive Turkish industrial and processed products such as textile products or refined petroleum products,
- the renewal of preferences originally granted to Turkey in the agricultural sector (concessions for Turkey which are at least equivalent to those granted by the Community to other third countries; continued maintenance of a preference margin for Turkish products on the Community market ...),
- improved Community measures for Turkish migrant workers in the Community countries (introduction of freedom of movement for Turkish workers already employed in the Community; access to employment for their families; improved language tuition; implementation of the provisions of Article 39 of the Additional Protocol ...).

14. The abovementioned financing programme, which had already been discussed, is based on the new Turkish Five-Year Plan and is designed to strengthen the Turkish economy's competitive position on the Community and world markets. The loan expected from the Community and/or its Member States of US \$ 8,100 million is to be broken down as follows:

- direct financial aid from the Community	US\$ 4,400 million
- private capital investment	" 1,200 "
- Community emergency aid programme	" 1,000 "
- share of the Community countries in the OECD consortium	" 1,500 "
	<hr/>
	<u>US\$ 8,100 million</u>

As mentioned at the outset, the Turkish Government considers that these proposals are interrelated and therefore form an indivisible whole and that they should be backdated to 1 January 1979 on the grounds of urgency.

15. Late in November 1978 the Commission of the European Communities sent a delegation of senior officials to Ankara in order to obtain additional information on the Turkish proposals. As Mr Haferkamp said on 16 January 1979 in Strasbourg, and according to other press reports, the Commission's reply will make the following points:

- Turkish requests for a suspension of its commitments under the association agreements will very probably be accepted,
- improved access for Turkish industrial and agricultural products to the common market will pose certain problems since it is largely sensitive products which are involved. Only limited concessions are likely here,
- as regards a comprehensive financing and cooperation programme, the Commission points out that now that the Third Financial Protocol has been ratified, it is prepared to draw up a considerably more comprehensive Fourth Financial Protocol.

16. These answers already show that the Community is having great difficulty in satisfying Turkey's high hopes because the Member States are still not prepared to make even fairly limited economic concessions in order to counteract possible far-reaching political consequences in Turkey.

This is particularly apparent in respect of imports of Turkish textiles into the Community. Since Turkey had found good outlets on the Community market, previously it was not prepared to discuss voluntary restraint measures. In view of the current discussions on the whole subject of the Association, the Commission has taken a flexible attitude to this problem. However, the Association Committee had to be convened for the end of January 1979 because the United Kingdom was not prepared to accept such a flexible attitude in this specific area and instead was urging import ceilings specifically for Turkish cotton yarns.

It can be safely assumed that such measures are grist to the mill of those Turks who are opposed to the Community. Furthermore, the Community's reply to the Turkish proposals, which will certainly be considered unsatisfactory, will fan the criticism of Prime Minister Ecevit's pro-Community line.

IV. Conclusions

17. The Committee on External Economic Relations has repeatedly stressed Turkey's significance. In its plenary debate on 4 July 1978 the European Parliament, too, unanimously stressed the importance of the EEC-Turkey Association.¹ However, these appeals were ignored by the Member States, whose governments have not been sufficiently aware of the critical state of the Association over the past few years.

If we bear in mind the relatively small amounts involved in Turkey's requests in the industrial and agricultural sectors and the generous concessions which the Community is continually making to other third countries, then it is impossible to understand how the so-called experts in the Council and the governments of the Member States can undermine the political will that exists and how they can be so short-sighted. In this instance, a few relatively insignificant concessions could relieve tension and counteract the increasingly anti-Western tendencies in Turkey.

18. The same is true of the Community's attitude to Turkey's economic crisis. Of course, the Commission's attempts to draw up a more generous Fourth Financial Protocol at this stage are to be welcomed, but in view of Turkey's short-term debts, which run into thousands of millions, these measures will be too late, and it is simply not good enough to refer Turkey to other international bodies for the finance it requires. Turkey is associated with nine more or less wealthy European industrial nations, and it is impossible for the Turkish Government and even more the Turkish people to understand why these Community countries are unable to draw up an emergency aid programme already requested by the Joint Parliamentary Committee in London to prevent the Turkish economy from collapsing. The cooperation of the Turkish Government with such international measures would nonetheless be an essential condition for this.

¹See OJ No. 23?, July 1978, pp. 95 ff.

OPINION OF THE POLITICAL AFFAIRS COMMITTEE

Letter from the committee chairman to Mr Gabriel KASPEREIT, chairman of
the Committee on External Economic Relations 28 February 1979

Dear Mr Kaspereit,

At its meeting of 28 February 1979 the Political Affairs Committee held a wide-ranging exchange of views on the recommendation adopted by the EEC-Turkey Joint Parliamentary Committee in London on 27 October 1978, on which it has been asked to deliver an opinion for your committee.

After the discussion it adopted the following conclusions unanimously¹.

The Political Affairs Committee welcomes the fact that contacts between the European Parliament and the Turkish Grand National Assembly under the Association Agreement, have been resumed after a lengthy interruption.

It confirms the importance which it attaches to the reactivation of the Association Agreement between the EEC and Turkey, a potential future member of the EEC, and to the continuation and strengthening of reciprocal economic and political relations in an atmosphere of mutual trust and cooperation.

The committee feels that the Community has a duty to give concrete evidence of its attachment to this associated country and urges the Commission and Council to take steps to adjust the Agreement in line with the requests made by the Turkish Government.

The committee also calls on the Member States, at both Community and bilateral level or within other international organizations, to contribute towards immediate financial aid sufficient to meet the urgent and dramatic requirements of the Turkish economy, taking account also of Turkey's political and economic importance.

¹ Present: Mr Radoux, vice-chairman and acting chairman; Mr Bangemann, Mr Berkhouwer, Mr Covelli, Mr Fletcher-Cooke, Mr Granelli, Mr Hamilton, Mr Holst, Mr Klepsch, Mr Mitchell, Mr Pintat, Lord Reay, Mr Rippon, Mr Ryan, Mr Scelba, Mr Seefeld, Mr Sieglerschmidt and Mr Vergeer.

The Political Affairs Committee is aware of Turkey's concern about the economic implications of the enlargement of the Community. It recognizes that the forthcoming accession of Greece to the Community should not politically or in any other way prejudice Turkey's legitimate hopes of strengthening its ties with the Community with a view to future accession.

The committee hopes that the recent discussions between Greece and Turkey on the demarcation of the continental shelf of the Aegean Sea will represent the first step towards a fair and negotiated settlement of the dispute between the two countries, and therefore urges the parties to continue their efforts to achieve an overall solution to all bilateral problems in the eastern Mediterranean. The committee feels that the Community, which is linked by preferential agreements with all the countries in this area, should confirm its readiness to mediate, at the request of the parties concerned.

The Political Affairs Committee is concerned at the difficulties of Turkey's internal political situation, which it hopes will improve and which it reserves the right to assess at a later date, in particular in the light of the Commission's recent proposals to the Council for emergency aid to Turkey.

Finally, the committee welcomes the procedures for consultation and the exchange of information between the Community and Turkey in the context of political cooperation and considers that here too attempts should be made to strengthen the political links between the EEC and this associated country.

Yours sincerely,

(sgd.) Alfred BERTRAND

XCI Meeting
25-28 October 1978
LONDON

FINAL COMMUNIQUE

The EEC-Turkey Joint Parliamentary Committee met in London under the chairmanship of Mr Orhan VURAL, Chairman of the Delegation from the Turkish Grand National Assembly, and Mr F. HANSEN, Chairman of the Delegation from the European Parliament.

At the meeting, in which Dr von DOHNANYI, President-in-Office of the EEC-Turkey Association Council, President-in-Office of the Council of the European Communities, and Minister of State for Foreign Affairs of the Federal Republic of Germany, Prof. Dr. OKÇUN, Minister of Foreign Affairs of Turkey, and Mr NOEL, Secretary-General of the Commission of the European Communities took part, the committee examined the 12th and 13th Annual Reports of the EEC-Turkey Association Council and took into consideration the recent Turkish proposals submitted to the Commission which aim at the reactivation and strengthening of the Association relations. The realisation of these proposals will prepare the ground for the achievement of the final goals of the Association. It also emphasized the necessity of improving trade and social relations as well as the establishment of a broad economic and financial cooperation between Turkey and the European Community.

The EEC-Turkey Joint Parliamentary Committee also discussed matters relating to the enlargement of the Community and developments in the eastern Mediterranean and the Aegean.

At the close of its discussions the EEC-Turkey Joint Parliamentary Committee adopted the following recommendation:

Recommendation

The Joint Parliamentary Committee of the EEC-Turkey Association,

- having regard to the Twelfth and Thirteenth Annual Reports of the Association Council,
- referring to the requests and appeals made by the European Parliament on 4 July 1978 regarding the reactivation and up-dating of the EEC-Turkey Association¹;
- having regard to the statements made by the President-in-Office of the Association Council, the representatives of the Turkish Government, and the Council and Commission of the European Communities,
- emphasizing the commitments of the Community under the Association Agreements and its willingness to contribute, without any counter concessions, to the efforts being made by Turkey with a view to overcoming the present serious economic crisis which affects all sections of the Turkish economy and to assist in the necessary conditions for Turkey's eventual accession into the Community,

regarding institutional relations

1. Welcomes the resumption of parliamentary activities after an interruption of nearly two years and hopes that they will contribute constructively to the reshaping of the Association according to the needs of Turkey;
2. Requests a comprehensive reexamination of the principles and approaches that govern the relations between Turkey and the EEC, taking into account the effects of a possible future enlargement on the EEC-Turkey Association in the political, economic, commercial, social and financial fields;
3. Urges the Association Council to work out prior to a possible enlargement of the European Community concrete solutions which will meet Turkey's requirements;
4. Expresses its deep satisfaction that following the intensive discussions between the Prime Minister of Turkey and the President of the Commission of the European Communities on 25 May 1978 in Brussels, exploratory talks were held between the Delegations of Turkey and of the Commission during which a very useful exchange of views took place on the Turkish proposals; and hopes that the discussions within the Associations's institutions will soon result in a reactivation and development of the Association;

¹ OJ C 182, 31.7.1978, page 26

5. Underlines the indivisibility of the Turkish proposals which contain --
a minimum five-year grace period during which certain obligations of
Turkey will be suspended,

- an intensive economic cooperation accompanied by effective and substantial
financial support including private capital from the EEC countries,

- an amelioration of concessions for Turkish agricultural and industrial
products as well as the necessary improvement in the social field;

6. Urges the member countries and the Commission to give most favourable
consideration to the Turkish proposals which are in full conformity with
the goals of the Association Agreements and aim at creating the necessary
conditions for Turkey's eventual accession to the Community;

7. Hopes that the negotiations will rapidly be concluded on all aspects
of the Turkish proposals and the necessary measures will be put into force
as early as possible, preferably before the end of 1978;

regarding political questions

8. Is of the opinion that the problems currently facing the Association
must be considered and solved in the light of Turkey's importance for
the Community;

9. Hopes that the discussions recently started in Brussels upon the
presentation of the Turkish proposals will lead to a process of negotiations
which aim at reactivating the Association relations between Turkey and
the Community and will also produce a similar impetus in devising ways of
political consultation;

regarding economic and trade relations

10. Notes with deep concern the insufficiency of assistance by the
Community in helping Turkey to solve the problems of the Turkish trade
deficit and foreign payments which have become much more severe in recent
years;

11. Reiterates its call, for a comprehensive up-dating of the Association,
not only to help Turkey overcome its present economic difficulties but
also to make additional effective contributions to economic and social
development in that country, with particular reference to unemployment,
which will facilitate her future accession to the Community;