GENERAL AGREEMENT ON TARIFFS AND TRADE
Ninth Session of the Contracting Parties

Statement made by Mr. F. Halm, Observer for the Government of Switzerland, at the Ninth Session of the Contracting Parties

Permit me, in the first place, to thank you, Mr. Chairman, for allowing me to say a few words on the eve of the completion of your task when the delegates, after long months of work, have a rightful desire to finish the Session and return to their homes with the least possible delay.

I have asked for the floor because I would like to remind you before you separate and go your various ways, that Switzerland has always shown a very great interest in the work undertaken by GATT since its inception. My country depends to a very great extent on commerce with other countries, and obtains more than one-third of its revenue from foreign trade. It must export more than one-third of its national production. The value of its foreign trade per capita of the population is one of the highest, if not the highest, in the world.

Switzerland has therefore a vital interest in the establishment and maintenance of free economic relations with all countries, and is in full agreement with the objectives of the General Agreement in respect of customs tariffs and trade. It is therefore not content to hope that other countries will observe liberal practice, and for its part adopts a very liberal policy in connexion with the regulation of its imports, its customs duty and its currency.

The complete freedom of world trade is an ideal which the nations endeavour to achieve in practice, without ever attaining it completely. It would, therefore, be an error to call attention in the General Agreement only to the defects which leave a gap between the principle of commercial freedom and hard facts, just as it would be equally false to ignore the progress already made in connexion with the reduction of customs barriers. Let us hope, in this connexion, that the Government of the United States of America will obtain the powers which it has demanded so that it may be in a position to contribute further to the reduction of tariffs and that a new step forward will thus be made towards the general reduction of tariff barriers.

Switzerland realizes that the annual meetings of the Contracting Parties provide a good example of how problems of commercial policy can be discussed in amicable fashion. The wide development of the consultation procedures, envisaged in the Review, will certainly help to improve this very important section of the General Agreement. For their part, the Swiss authorities have always endeavoured to encourage international economic collaboration and, whenever possible, to play an active part in the solution of the problems with which we all have to cope.
If Switzerland has not yet acceded to the General Agreement, the reason is to be found in the economic and social structure of our country. In a sub-committee I have already had occasion to discuss one of our most serious problems, namely the support which Swiss agriculture requires. Article 3bis of the Federal Constitution obliges the Confederation to take the necessary steps to ensure the maintenance of a healthy agricultural system. Parliament was thus led to bring in a law, subsequently approved by a people's referendum. This law states what steps shall be taken to assist Swiss agriculture in overcoming the disadvantages due to the topography and climate of our country and to prevent the peasant population, which in less than two generations has fallen from 50 per cent to 17 per cent of the total, from decreasing still further. Among other things, this law even prescribes the quantitative limitation of imports of certain agricultural products. These restrictions are, however, applied in as liberal a manner as possible, and in a large measure take account of other countries' interests. Proof of this is to be found, for example, in the fact that in 1951 Switzerland imported 41 dollars worth of agricultural products per capita, whereas the average for the eighteen countries of the Organization for European Economic Co-operation was only 12 dollars.

From all we have heard during the current Session, we believe that the Contracting Parties will be able to understand the special position in which Switzerland finds itself. They will be aided in that by the fact that Switzerland practises in all sectors of its economy an extremely generous commercial policy and, with a fully convertible currency, limits in no way its foreign payments. Thus it is that the Swiss market is wide open to imports and richly stocked with foreign products.

Still another reason - a purely technical one - has also contributed to prevent the accession of Switzerland to the General Agreement. As you are all aware, we are at present carrying out a much-needed revision of our customs tariff which, dating back to 1902, is completely out of date. For the present, Switzerland would not be in a position to take an active part in the tariff negotiations necessary for accession to the General Agreement. The work of revision will be completed during the course of this year. In the meantime my Government will examine with the greatest care the revised General Agreement, and it hopes that during this period also it will be authorized as in the past to follow at close quarters the work of the Contracting Parties.

The Swiss Government wishes to express its sincere thanks to you, Mr. Chairman, and to the Contracting Parties for the cordial and generous welcome you have given to its observers. It has thus had the possibility of following, step by step and in detail, the revision of the Agreement, and it will thus be in a position to study the effects of that revision on the possible accession of our country to the General Agreement.

My Government hopes, in conclusion, that all the delegates from far and near who have honoured Switzerland with their visit and friendship, will have a pleasant return journey.