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

PROPOSED ACCESSION OF SWITZERLAND

Statement given in plenary session on 26 October 1956
by Mr. Fritz Halm, Commerce Division, Swiss Federal Department
of Public Economy

Following informal consultations between the Executive Secretary of GATT and the Swiss Commerce Division, the Federal Council has instructed the Commerce Division to request the Contracting Parties to authorize its representatives to initiate the accession procedure at the Eleventh Session, in accordance with Article XXXIII.

With your permission, I should like to add some brief comments to the letter from the Commerce Division which has already been communicated to you.

Switzerland, which depends to a large extent on its foreign trade, has a vital interest in the establishment and the maintenance of free economic relations with all countries; she can therefore support the aims of the General Agreement. Switzerland pursues a very liberal policy with regard to the control of imports, customs duties and currency. In addition, the Swiss authorities have always believed in international economic co-operation and have, whenever possible, taken an active part in solving the problems with which we are all faced. My country has always regretted its inability, until now, to take a more direct part in the important work of the Contracting Parties. Switzerland has not yet acceded to the General Agreement because of the economic and social structure of the country. In particular, the provisions of Articles XI and XV have hitherto prevented my country from acceding to the Agreement. Switzerland has not let pass any opportunity to express its point of view to the other contracting parties. It did so as far back as the Havana Conference. One of the main reasons for our abstention from the General Agreement has been the fact that under Article XI, it would be impossible to continue to provide Swiss agriculture with the protection it receives under Article 31 bis of the Federal Constitution. In order to keep a sound rural population, as well as to assure our broad supply and to fight against alcoholism, the people of Switzerland have accepted various laws on which they had to vote and which make provision, inter alia, for quantitative import restrictions. It would be unrealistic to believe that the Swiss Parliament and the Swiss people would approve an amendment to the Constitution and to these laws in order to eliminate agricultural protection. Consequently, it would be equally erroneous to imagine that the Swiss Parliament might decide in favour of Switzerland's accession to the General Agreement if that accession implied the elimination of import restrictions on agricultural products within a limited time. In addition, Switzerland limits imports of lorries. The reason for this measure is to be found in the military system of our army.

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Every Swiss citizen has to perform military service, and similarly every lorry in Switzerland can be mobilized by the army. It would be impossible for the army to establish stocks of spare parts for several dozen makes of lorries, and that is the reason for Switzerland's only restriction on imports of industrial goods. Further, Switzerland is not a member of the International Monetary Fund and would prefer to abstain from concluding a special exchange agreement as provided under Article XV.

Finally, a purely technical difficulty has hitherto prevented Switzerland from collaborating more closely with the GATT. Several years ago we began a total revision of our 1902 customs tariff, which is quite out of date. We believe that this revision will be completed by the end of this year or the beginning of 1957. Switzerland would therefore be ready to initiate the necessary tariff negotiations with the contracting parties to the GATT during the second half of next year or in the first six months of 1958. That would also afford an opportunity for us to harmonize our new customs tariff with those of our principal trade partners. We should like to express our hope that the solution of Switzerland's special problems, which I have just mentioned, will be reserved during the tariff negotiations, without the way being barred for our country to enjoy a closer, provisional association with the work of the GATT. As one possibility, instead of accepting the provisions of Articles XI to XIV, Switzerland might give the Contracting Parties an undertaking to act towards the Contracting Parties in accordance with the OEEC liberalization measures. Since 1947, Switzerland has gradually eliminated certain quantitative restrictions both in the industrial and the agricultural sectors, and has also granted considerable relaxations in the latter. In fact, our agricultural imports are the highest per capita of all European countries.

My Government would be grateful if the terms for the provisional accession of our country to the General Agreement could be agreed between the Contracting Parties and the Swiss representatives at the present session. In view of the particular difficulties of the case, my Government does not wish to ask the Contracting Parties to initiate lengthy tariff negotiations without knowing the terms for provisional accession. During the period of provisional association a final solution could be sought. The Swiss representatives are prepared to supply the Working Party which may be established with any information which it might desire.