GENERAL AGREEMENT ON TARIFFS AND TRADE

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REMARKS MADE BY MR. HANS SCHAFFNER, DIRECTOR OF THE TRADE DIVISION,
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This is rather a great moment for my delegation and my country. It has always been Switzerland's wish to join this very distinguished organization which has seen the light of day on Swiss soil as early as 1947. Let us not forget that my country was a participant in the Havana conference and that the special case of Switzerland - the world, has, I am afraid, become accustomed to the fact that we are a very special country indeed - was extensively discussed at the conference. If our efforts then failed to reach a solution acceptable to Switzerland and her partners, this was no reason for us to despair. When it became apparent that the Havana Charter would not go beyond the drafting stage, we tried to find ways and means to become a member of the General Agreement which has so competently upheld the idea - more than that: the reality - of a world trade organization ever since. And it is a living proof of what perseverance joined to mutual good will can achieve that finally in 1956 the ground was laid for Switzerland's provisional accession to the General Agreement which is now embodied in the Resolution just accepted by the Contracting Parties.

Why should Switzerland be so happy to become an associated member of GATT? The reasons are easy to understand for anyone in the least familiar with the character and the traditions of our country. GATT is a world-wide organization, and Switzerland, this small land-locked alpine republic in the heart of Europe, belongs, strange though it may seem at first sight, to the whole world, not only to the European continent. No wonder, then, that the principle of organizing trade on a world-wide basis, which GATT stands for, not only strikes a familiar cord with us but reflects the very foundation of our existence.

I hardly need to stress the fact that Switzerland is a country entirely deprived from any raw materials and whose arid soil cannot produce food enough to nourish our ever-growing population for more than a few months of the year. So we must vitally depend on the importation of a large variety of goods which can only be paid for by exports, services and the proceeds of our investments abroad. To our export trade in particular we owe it that Switzerland is known to be an economically healthy and stable country.

Consequently, it is not going too far to call Switzerland a world trading nation "par excellence". The most distant regions of the globe are in a certain sense as close to our borders - and, with it, as close to our hearts - as if
they were a neighbour country. Nor have we any difficulty either in understanding the situation of our friends in those parts of the world which have to cope with problems of economic development. They are among our most cherished trade partners, and I am particularly pleased to greet their representatives here.

Another consequence arises from the fact that Switzerland, by force of nature, is a trading nation. It is our deep-felt conviction that world trade can only grow and prosper to the benefit of all countries if it is based on the principle of freedom for all. This means in more technical language: low tariffs, absence of all quantitative restrictions that are not absolutely indispensable, and - last but not least - non-discrimination. Not only has it always been Switzerland's pride to live up to these requirements: we have also done everything in our power to make the ideals of free trade prevail in the world at large.

This our "world trade philosophy" has acquired new significance in the light of the events that have recently taken place in Europe, where, as you know, great efforts are made by Switzerland and her European partners to supplement the Common Market Community of the Six by a Free Trade Zone. As we saw it - and still do see it - these efforts have as their principal objective to avoid discrimination in Europe and to keep the old continent's doors open to the trade of the whole world.

It is not my intention to elaborate in any detail on the very considerable difficulties that confront the European nations in their endeavour to find a way out of the present "impasse" in the Free Trade Zone negotiation. Let me simply say this: Switzerland certainly understands the courageous plan of the six countries to achieve greater economic and political unity. We are very happy that some old antagonisms that have divided Europe in the past should be so happily overcome for the greater benefit of Europe and the whole world. For reasons, though, which are both economic and political - just remember Switzerland's traditional policy of permanent neutrality and independence - my country could not think of associating itself with this enterprise.

What very pertinent economic reasons there were for our attitude can very easily be deduced from what I said before. Switzerland's economic interests are almost equally divided between Europe and the rest of the world. We would not like to alter - let alone to compromise - our friendly relations with our extra-European partners. On the other hand, as a country firmly committed to the policy of non-discrimination, we are seriously concerned with the dangers of an economic break-up in Europe. That is why the project to establish a European Free Trade Zone greatly appeals to us, more than that: why we consider it an absolute necessity. But a European Free Trade Zone can only make a genuine contribution to the development of world trade - that is to say, to live up to the ideals of the General Agreement - if it is built as a bridge connecting Europe with the outside world and not erected as a wall against it.
I know that it is not the intention of the founders of the European Economic Community to make it into a protectionist bloc. But it is an undeniable fact that discrimination is for all non-members a most unfortunate consequence of the establishment of the new community. So it should be, in our opinion, in the well considered interest of our six pioneering friends themselves to temper the undesirable effects - which their enterprise would necessarily have on the rest of the world - by including, as a first step, all other OEEC-countries in the gradual demobilization of their trade barriers within the framework of a Free Trade Zone. Since the eleven countries joining the European Economic Community to form the Free Trade Zone would preserve the autonomy of their tariff policy towards the outside world, they could act as a kind of outward-looking partner of the Common Market. In this way, if I may use my favourite metaphor just once more, they would most efficiently serve as a bridge between the Community and the rest of the world. I am convinced that both stand to benefit by it greatly.

Furthermore, the Six countries will, by teaming up with the non-Six, set an example of their willingness to co-operate in the great cause of achieving a steady and systematic expansion of world trade. This would be, at the same time, doing full justice to the spirit and the letter of the General Agreement.

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