The following reply was received today by the Executive Secretary from the Government of Switzerland in answer to the invitation to participate in the 1950 tariff negotiations:

"I wish to convey to you my sincere thanks for your telegram of 30th September, 1949, asking us, on behalf of the Contracting Parties to the General Agreement on Tariffs and Trade, whether Switzerland would be prepared to participate in the Tariff Negotiations scheduled to open in the autumn of 1950, with a view to acceding to the General Agreement. In this connection, I have the honour to set forth the following considerations:

"There is hardly any country today which sets up as few barriers to international trade in goods through its customs and trade policy as the Swiss Confederation. With very few exceptions, Switzerland does not impose any quantitative import restrictions; the transfer of payments is completely unrestricted and our customs tariff, based on specific duties and dating back to 1921, does not on the average impose on our imports a tax of more than 8%. That is the reason why our country, whose economy depends to a great extent on exports, follows with close attention any attempt aimed at the elimination of trade barriers and would be anxious to participate in such efforts within the means at its disposal.

"We have noticed, however, that in spite of the efforts undertaken at the Geneva and Annecy conferences, countries which import a considerable amount of Swiss products have lately raised or are raising their customs tariffs. Furthermore, on account of the many recent devaluations, the exportation of Swiss products is even more difficult than before and imports of foreign products into Switzerland are likely to be facilitated. Thus, Switzerland too might have to adjust to some extent her extremely low tariff to take account of present circumstances. That is why she might have to invoke the exception indirectly provided for in Section III, paragraph 3, of the Memorandum on Tariff Negotiations. In other words, she could not possibly take as a basis for negotiations the Swiss rates of duty in effect on 15 November, 1949."
"Furthermore, another problem arises which is still more difficult to solve. As a rule, the provisions of the General Agreement are nearly identical with those of the Havana Charter. It will be remembered that, during the Havana Conference, Switzerland explained all the reasons why she could not accept some of the provisions of the Charter, on account of her very special position. On the basis of the discussions held in an ad hoc committee, the Conference took account of the special position of our country. The Interim Commission was then instructed to attempt to find, in consultation with the Swiss Government, a solution that would make it possible for the latter to adhere to the Charter. To that end, the Interim Commission appointed a sub-committee which entered into negotiations with a Swiss representative in the autumn of 1948. These negotiations have not been resumed since 6th January 1949, the date on which a Swiss Memorandum was submitted to the Chairman of the Sub-committee, and we have not yet received the answer that we were promised. The point as to whether, and possibly how, our recognized special position with respect to the Havana Charter can be taken into account is therefore of primary importance with a view to determining our position with respect to the invitation that has been extended to us. Further, the Swiss Government does not clearly see whether and how the Havana Charter can enter into force after 30th September, 1949.

"In these circumstances, it would be appreciated if we could be informed whether the special situation of Switzerland, as recognized with respect to the Havana Charter, can also be taken into account with respect to the general provisions of the General Agreement, either through a resumption of the talks initiated under paragraph 2 (g)(4) of the Annex to the Resolution establishing the Interim Commission for the International Trade Organization, or through other methods of negotiation. We should be extremely grateful if you would kindly let us know your answer on this point."