PROPOSED ACCESSION OF SWITZERLAND

Delegations wishing to make corrections are asked to send them to the Information Officer, Conference Office, A-660, before 12 noon on Monday 29 October.
Proposed Accession of Switzerland

Following the statement given in plenary session on 26 October by Mr. Fritz Halm, Switzerland, concerning the proposed accession of Switzerland (reproduced in full in press release GATT/314) a number of delegates expressed their views on this question.

Mr. H. Stadenat, Austria, said that he had always felt that the absence of Switzerland from GATT had left a lacuna and he hoped that this would soon be filled. There were a number of problems to be settled, he said: questions of procedure, tariff negotiations, the agricultural problem and so forth. He hoped that with real goodwill it would be possible to find a solution acceptable to all contracting parties and to Switzerland. Austria, he added, does not lack goodwill since Switzerland is not only her neighbour but the best of friends.

Mr. G.A. Jockel, Australia, said that his Government was very interested in seeing a closer association between Switzerland and GATT and would like to see Switzerland become a full member. But there were several fundamental questions which had to be settled. Among the difficulties was the extent to which Swiss agricultural policy is - or can be modified to become - consistent with GATT principles and rules. Australia, he said, would have very serious reserves if modifications to the GATT rules were contemplated. He emphasized that, while Australia was very sympathetic towards Swiss participation, his Government was determined to maintain the integrity of GATT, particularly as concerns food and raw materials. He was ready to seek positive answers to these points in a working party.

Mr. F. Gundelach, Denmark, said his Government was most satisfied that the question of Swiss accession was being considered, but certain problems were involved, particularly in matters of principle. First, his Government had serious hesitations about adopting a procedure whereby a country which is so highly developed and has so strong a balance-of-payments position might be allowed to accede to GATT as an associate or provisional member on special terms which meant that Switzerland could not see her way to fulfilling certain
basic GATT obligations. Such a procedure might establish a dangerous precedent. Secondly, there was the problem of maintaining agricultural legislation contrary to the principles of Article XI. Denmark's position on the question of maintaining agricultural protectionism was well known and served to increase Danish hesitations in this particular case. Denmark had never felt able to accept waivers which went beyond the conditions and time limits laid down in the "hard core" waiver procedure, adopted at the Ninth Session. The Danish Government was unable to accept the granting to an acceding country of exceptions which were wider in scope that those which existing contracting parties, in a similar position, might expect to obtain.

Mr. T. Hagen, Sweden, welcomed the move of the Swiss Government to apply for provisional accession and said that his Government was prepared to enter into tariff negotiations with a view to accession. Regarding the special problems he would like to learn more of Switzerland's long term agricultural policy.

M. A. Philip, France, also welcomed Switzerland's application. He recalled that at the Havana Conference (1947-1948) they failed to reach an agreement with Switzerland (on the terms of the Havana Charter) because Switzerland would not be able to benefit from the numerous exceptions to the main rules granted to many other countries, then in the early stages of post-war recovery. Today many of these difficulties had disappeared and what remained were problems of a different character. He hoped it would be possible to agree to provisional accession and to find compromise solutions, particularly for the agricultural question.

M. S. Parboni, Italy, said that his Government, in welcoming the Swiss application, hoped it would be possible to find a solution, by taking a liberal view, which followed Switzerland's traditional policy. All contracting parties should contribute to seeking a satisfactory solution in the working party.

Shri T. Swaminathan, India, supported the Swiss request for provisional membership with a view to later accession as a full member. He recalled the great liberal tradition of Swiss policy and said that Swiss accession would be a source of strength to GATT. He recognized that there were difficulties but he hoped that with the goodwill of the contracting parties - and while preserving the integrity of the GATT rules - a solution would be found.
Mr. C. Corse, United States, said that he had a great deal of sympathy with the Swiss request. However, as regards tariff negotiations the United States (under the terms of the present Reciprocal Trade Agreements Act) had authority, today, to reduce tariffs by only 10 per cent, and in 1957 this would be reduced to 5 per cent. Therefore, the United States were not proposing to enter into tariff negotiations for the time being.

Mr. A.G. Pollard, United Kingdom, said that Switzerland was a country of stable and liberal principles of trade, which was admired by all. But if the price to be paid for the accession of Switzerland was to be another agricultural waiver, it was doubtful if it was worth the cost. On the other hand, he did not wish to say anything to prejudice the work of the working party.

Mr. J.B. Prendergast, New Zealand, welcomed the Swiss application, particularly in view of the importance of her trade. This was one of the most important agenda items of this Session and it should be referred to a working party to study the problem.

M. P. Forthomme, Belgium, said he was very glad to see there was a possibility of Swiss accession to GATT. Nevertheless, the status of the GATT rules must be respected.

Dr. H. Klein, Federal Republic of Germany, said he viewed the application of Switzerland with great sympathy. Switzerland was a very important trading nation. All contracting parties had had an expanding volume of trade with Switzerland in recent years and had benefitted from the sound, liberal system of Swiss foreign trade practices and financial organizations. He agreed that some questions of principle were at stake but he was confident that these differences could be resolved. The matter should be sent to a working party.

Baron C.A. Bentinck, Kingdom of the Netherlands, associated himself with previous speakers and said it was most satisfactory that Switzerland was preparing to move from the status of observer towards becoming a contracting party. There was the fullest understanding between the Swiss and the Dutch peoples and he welcomed the appointment of a working party. Swiss membership would be a most valuable asset. He sincerely hoped that acceptable conditions for accession could be worked out for a country as important as Switzerland.
Dr. J.C. Kaudé, Union of South Africa, said that at a time when member governments were reappraising their positions vis-à-vis the GATT, Switzerland's application was particularly welcome. It was evident that the Swiss had faith in GATT. Nevertheless, there were serious problems involved in the proposal for accession but he hoped that solutions would be found. The GATT family would be the better and the wiser for Swiss membership.

Mr. A.B. Hockin, Canada, said that the widest possible adherence to GATT of liberal trading countries was desirable. But a newly acceding country must accept GATT obligations, in particular the need for tariff negotiations. He recognized that the Swiss agricultural situation presented serious and difficult problems. Canada was prepared to cooperate in studies so long as they would not lead to any impairment of the basic principles of GATT. In this case there were problems of a delicate nature and the best place to seek a compromise was in a working party.

Mr. J.A. Barbosa-Carneiro, Brazil, said that Brazil would be most satisfied to see Switzerland admitted. Brazil had important close commercial ties with Switzerland and therefore her entry into the GATT club would be most welcome. Brazil fully understood the particular problems faced by Switzerland and would do her best to contribute towards resolving these difficulties.

Mr. Osman Ali, Pakistan, said that his Government regarded this request with the utmost sympathy. He fully recognized the difficulties involved, but in the light of previous experience in the GATT these difficulties should not prove insuperable, without putting too great a strain on GATT principles.

Mr. T. Carim, Turkey, agreed with the other delegations in welcoming the Swiss application and hoped that the problems raised would be resolved as soon as possible so that Switzerland could become a full member of the GATT community. The delegate of Finland, Mr. T. Tikkanen, expressed a similar view.

M. L. Caftanzoglou, Greece, said that his Government was very satisfied with the Swiss application. He hoped that the problems, especially the agricultural problem, would be solved without impairing the fundamental principles of GATT.
Summarizing the discussion, the Chairman, Sir Claude Corea, said that there was clearly a unanimous support and a warm welcome for Switzerland's application for provisional membership and a desire to see Switzerland become a full member. However, the application presented difficult problems, and it was clearly the general desire that in the solution of these problems the basic principles of GATT should not be infringed.

The Chairman set up a working party, under the chairmanship of Shri T. Swaminathan, India, "to examine, in consultation with the representatives of the Government of Switzerland, the request of the Swiss Government for the initiation of procedures with a view to accession to the General Agreement under the provisions of Article XXXIII".