

THIRD COMMITTEE: COMMERCIAL POLICY

SUB-COMMITTEE G (SWISS PROPOSAL)

NOTES ON FOURTH MEETING

Held on Wednesday, 21 January 1948, 10.30 a.m.

Chairman: Mr. L. P. THOMPSON-McCAUSLAND (United Kingdom)

The delegate of Venezuela stated that the situation of his country resembled that of Switzerland in that it had a convertible currency, monetary reserves and a very unfavourable balance of trade. He did not consider oil as coming under exports, because apart from royalties the country derived no benefit from it. When the oil was exhausted the country would be faced with ruin, since it did not produce and, consequently, did not export anything.

The delegate of Uruguay stated that all Latin-American countries were in the same situation. Those which had no oil were entirely dependent upon the production of one, two or three commodities.

In the debate which followed several delegates expressed the view that Article 21 in its present form hardly covered any of the factors which had been agreed to be relevant. The delegate of Switzerland insisted that his country could not accept any solution which would take care of the Swiss situation in Article 21 and 23; even if they were amended, or in Article 40. The delegate of Belgium thought it should be recognized that since considerations deriving from the fundamental conditions of trade at the present time had led to allowing restrictions to be applied in most cases, notably that of countries in balance-of-payments difficulties, Switzerland should be entitled to use similar measures to solve her problems.

The Chairman summed up the opinion of the Sub-Committee

1. that a country with a sound currency, which has no recourse to Article 21, may find itself in difficulties resulting from restrictive measures being applied by other countries and may require to be permitted to defend itself;
2. that the import aspect of the problem might in some instances, be taken care of under the Emergency Provisions;
3. that the case

3. that the case presented by Venezuela differed from that of Switzerland in at least one respect, namely that exports were not a relevant factor.

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