

THIRD COMMITTEE: COMMERCIAL POLICY

SUB-COMMITTEE G (SWISS PROPOSAL)

NOTES ON FIFTH MEETING

Held Friday, 23 January 1948, at 6.00 p.m.

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

The delegate of France, referring to the evaluation of factors agreed on at the third meeting thought that a situation corresponding to those factors was not covered in the Charter.

The delegate of Switzerland stated that according to latest information the deficit in the Swiss trade balance was rapidly increasing. In reply to the United States delegate he insisted that the question of imports of essential materials was not relevant because there was no need or intention to apply restrictive measures to them. There was no difference, however, between imports of non-essentials which competed with similar domestic products, and non-essentials not produced domestically, in regard to both of which it was equally important that restrictive measures should be available. It was not possible completely to eliminate the protective element, one among many, from the application of such measures. In the view of his government, tariffs or anti-dumping duties did not offer a solution of the problem.

Several speakers considered not without relevance the fact that an economy subjected to import pressure from large countries was itself small.

The Chairman summing up stated that there seemed to be a measure of agreement that there was a case to allow a country in the situation described to defend itself (1) in an emergency resulting in a threat to employment from a sudden flood of imports, (2) by applying such powers as are necessary for bilateral arrangements.

The discussion then turned to the second point on the agenda, the limit of measures to be envisaged.

The delegate of Switzerland made it clear that, to be acceptable to his Government, it was indispensable that any such measures could be applied on a discriminatory basis. He further stated that the right to use such measures was required as a weapon for bilateral negotiations, as well as a possible instrument for implementing bilateral agreements.

/The representative of

The representative of the United States asked whether such measures might be used to discriminate against countries which had a convertible currency and did not apply restrictions themselves. The delegate of Switzerland replied that he did not envisage the use of such measures in this way, but he could not exclude the possibility that this could happen, for instance, in order to enable a debtor country to settle its debt which could not otherwise be paid.

The chair summing up the discussion concluded that the proposal of any measures would be to serve as an instrument (1) in an emergency, (2) in negotiating bilateral agreements, (3) in implementing bilateral arrangements.

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