

# GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

L/598/Add.1  
17 November 1956

Limited Distribution

Original: French

CONTRACTING PARTIES  
Eleventh Session

## ACCESSION OF SWITZERLAND

### Report of the Working Party

#### Addendum

#### List of the Constitutional Provisions and of the Laws cited in the Reservation of the Swiss Government referred to in Paragraph 2 of the Report of the Working Party

#### I. PROVISIONS OF THE FEDERAL CONSTITUTION OF 29 MAY 1874

##### (a) Article 23 bis

"1. The Confederation shall maintain such reserves of cereals as will ensure the country's food-supply. It may compel millers to store corn, and to take over its own supplies of corn in order to facilitate turnover of its reserve.

"2. The Confederation shall encourage the growing of cereals within the country, facilitate selection and acquisition of high quality home-grown seed, and give assistance to those growing corn for their own use - taking especial account of the needs of the upland areas. It shall buy home-grown corn of good quality suitable for milling at a price which makes production possible. Millers may be compelled to repurchase this corn on the basis of its market value.

"3. The Confederation shall take steps to maintain the national milling industry and, at the same time, safeguard the interests of the consumer of flour and bread. Within the limits of powers transferred to it, it shall supervise trade in cereals and bread-flour, and the prices thereof. The Confederation shall take the necessary measures to regulate the import of bread-flour, and may reserve to itself the exclusive right of such importation. The Confederation shall grant cheap transport facilities to millers where need exists, so as to lessen their costs of transporting (corn) to the interior of the country. It shall take measures designed to equalize the cost of flour to the advantage of the upland areas.

"4. The cross-frontier duty (droit de statistique) levied on all merchandise crossing the Swiss customs frontier shall be increased. The yield of this duty shall go towards covering the expenses of provisioning the country in cereals."

Additional Provisions of 17 December 1952

"Article 1

"The Confederation may lay down provisions designed temporarily to supplement the system based on Article 23 bis of the Constitution. These provisions concern:

- (a) the importation, the storage, the distribution, the use and the milling of bread cereals (including hard wheat);"

.....

On the basis of this constitutional provision, a Federal Decree was issued on 19 June 1953 concerning the country's supply of bread cereals. Article 1 of this Decree provides:

"The purchase and the importation of foreign bread cereals (including hard wheat) covered by tariff items 1a and 2a may be authorized only by the Wheat Administration."

{b) Article 32 bis

"1. The Confederation is authorized to legislate upon the manufacture, import, rectifying, sale and taxation of distilled drinks.

"2. This legislation shall be directed towards reducing the consumption, and the import and manufacture, of spirits. It shall encourage the production of dessert fruits and the use of homegrown materials as food or fodder rather than for spirit. The Confederation shall reduce the number of stills by agreed purchase.

"3. Concessions to produce spirits industrially shall be granted to co-operative societies and other private enterprises. Concessions shall enable the waste products of fruit, wine, and sugar-beet, and the surplus fruit and potato harvest, to be used; provided that these materials cannot reasonably be employed elsewhere."

.....

On the basis of this constitutional provision was enacted the Federal Law on Alcohol of 21 June 1932, revised by the Federal Law of 23 June 1944 and by the Federal Law of 25 October 1949.

II. CONTENTS OF SECTION II OF THE FEDERAL LAW OF 3 OCTOBER 1951 CONCERNING  
THE IMPROVEMENT OF AGRICULTURE AND THE MAINTENANCE OF THE FARM POPULATION

"Section II, which covers Articles 18 to 39, contains the economic provisions of the Agricultural Law.

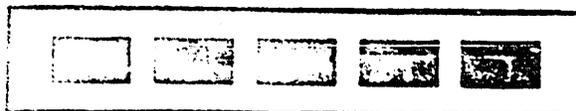
"Articles 19 to 21 pursue one of the basic aims of Swiss agricultural policy which are to maintain land cultivation and to avoid any decrease in the area under cultivation which might result from an increase in livestock numbers. Switzerland's supplies of vegetable products show a clear deficit (domestic production covers only 40 per cent of domestic requirements, while supplies of animal products cover more than 90 per cent of internal consumption). An increase in livestock numbers at the expense of land cultivation might result in marketing difficulties, on the one hand, and might also reduce availabilities in vegetable products, on the other hand. In the field of international trade, Article 19 authorizes the Government 'to limit imports of fodder, straw and litter'. Under Federal Decree of 17 December 1952, imports of fodder became subject to state trading, which is effected by the Swiss Co-operative Society for Grains and Fodder. The import policy is liberal and non-discriminatory.

"Article 23 refers specifically to imports and authorizes the Government to impose quantitative restrictions in specified circumstances. Article 23 reads as follows:

'If imports threaten disposal of agricultural products at equitable prices in conformity with the principles of this Law, the Federal Council may, taking account of the situation in other branches of economic activity:

- a. Limit the volume of imports of products of the same kind;
- b. Levy additional customs duties on imports of products of the same kind in excess of a certain quantity;
- c. Require importers to take charge of an acceptable ratio of similar products, of domestic origin and merchant quality, in relation to imports, and to this end to make the necessary arrangements and lay down any appropriate requirements.

'When imports of products of another kind interfere unduly with the disposal of any domestic agricultural product, the principle stated in sub-paragraph a. relating to products of the same kind may be waived provisionally. In that case, the Federal Council may also, through measures taken in conformity with sub-paragraph a., maintain imports of like products within reasonable limits, either before the harvest of the domestic product, or before the period when availabilities reach a maximum level. As a general rule, such Orders, which shall not be inconsistent with international agreements, give rise to two annual reports to the Federal Assembly. The provisions of



this paragraph are not applicable to edible oils and fats mentioned in Article 26, or to the raw materials and semi-finished products necessary for their manufacture.

'Where imports are subject to licensing procedures, such procedures shall be reviewed from time to time, adequate quotas being held in reserve to take account of changing circumstances.

'As a general rule, producers of agricultural commodities which are protected by measures enacted under this Article, as well as valorization agencies, shall not be issued permits to import such commodities.'

"Articles 29 to 31 inclusive lay down the criteria which shall be used to determine what constitutes 'equitable prices' as mentioned in paragraph 1 of this Article. As a general rule, such prices shall reach levels 'which cover the average production costs of agricultural enterprises operated in a rational manner, computed over a period of several years.

"Article 24 contains provisions relating to the export system applicable to certain agricultural products.

"Articles 25 and 28 provide for emergency measures which may be taken in the event of a slump in prices, and for the compulsory taking over of domestic products by importers in exceptional circumstances.

"Articles 26 and 27 concern milk and dairy products. Article 26, paragraph 1, c., empowers the Government 'to authorize a central body to import butter'. By Federal Decree of 29 September 1953, such authority was granted to the Swiss Butter Supply Agency (Butyra), which is a government agency. This agency is under the obligation to take charge of domestic butter production. The aim of Swiss agricultural policy is to favour cheese production. The import system for butter is as liberal as possible. Article 26 also provides that a government agency may be granted the exclusive right to import edible oils and fats as well as raw materials and semi-finished products necessary for the processing of such oils and fats. By Law of 17 December 1952, this right was granted to the Swiss Co-operative Society for Grains and Fodder. Imports of such vegetable oils and fats are not restricted in any way.

"Articles 32 to 39 inclusive constitute Chapter II of Section II and relate to questions of statistics, investigations regarding prices and production costs, and the organization of exhibitions."

### III. CONTENTS OF ARTICLE 11 OF THE FEDERAL DECREE OF 26 SEPTEMBER 1956

Paragraph 2 of this Article contains inter alia the provision according to which import restrictions for certain types of trucks covered by Swiss Customs Tariff items 914 c/d continue to be applied.

