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MTN/SG/W/27  
19 April 1977

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# GENERAL AGREEMENT ON TARIFFS AND TRADE

Multilateral Trade Negotiations

Original: French

Group "Safeguards"

STATEMENT BY REPRESENTATIVE OF SWITZERLAND  
ON 15 FEBRUARY 1977

First of all, I should like to underline that my delegation takes a very close interest in the examination of the multilateral safeguard system which it considers to be an essential area of the current negotiations. My delegation therefore attaches great importance both to its general aspects and to the specific problems raised by developing countries.

At the same time, Switzerland has only very limited experience of the application of safeguard measures. Because of this it is not directly concerned by certain claims, and is therefore ill placed either to accept or to refuse them. This situation is not the result of chance but of a deliberately liberal policy that has borne fruit, not without requiring serious efforts on the part of our economy. This means that our attitude can continue only so long as the sacrifices it implies are justified, in particular in the light of the existence and maintenance of an adequate multilateral safeguard system and its equitable application by all the partner countries. As an exporter, we have on the other hand the same kind of problems and experience as other countries - even though Swiss products are rarely at the origin of the difficulties cited to justify the application of restrictive measures. Like other countries, therefore, Switzerland has every reason to participate actively in the examination of the multilateral safeguard system.

Looking closely at the positions adopted so far, we come to the conclusion that some confusion still exists on the matter under discussion, in other words on the actual nature of safeguards. When, for example, certain countries request exemption from all safeguard measures as a matter of principle, there is every reason to think that such proposals recognize implicitly that safeguards are designed to influence competitive conditions in a deliberate and durable manner - in other words, that they constitute an instrument of development policy. Now, in order to attain such objectives - which are valid in themselves - it seems to us that there are other instruments, namely those that determine in a general and permanent manner the conditions of competition in world trade. Thus, adequate rules on tariff and non-tariff matters, which will have to be defined in the framework of our negotiations, could for example be made adaptable in a manner favourable to developing countries in the light of their particular situation and their competitive capacity. But safeguard measures as such have a very different significance and scope that can never be clarified enough: they must be and must remain temporary and exceptional measures which, in a very specific and unforeseen situation, allow derogation from the permanent and

contractual trade régime. The ultimate objective of such measures is not to cancel out the effects of competition but, where branches of industry are momentarily in difficulty, to give them as rapidly as possible the means to face up to those difficulties fully.

If conceived and implemented in this spirit, that is to say so as to ensure the proper operation of a system of competition which must take account of the specific needs of developing countries, the multilateral safeguard system will be favourable to those countries by virtue of its very existence.

This being a matter of such complexity and importance, at this stage I shall confine myself to a few preliminary and deliberately incomplete reflections:

- The criteria governing recourse to safeguards are at present defined in an imprecise manner that allows sometimes abusive interpretation. It would be desirable, therefore, to clarify them. But might not such clarification afford to protectionist circles additional means of pressure or even a right that would have an effect of multiplying resort to restrictive measures?
- It is well known that authorized restrictions are frequently replaced by other measures, that it is too easy, therefore, to go underground so to speak, so that the applicable rules become ineffective. Is that any reason to cover and hence to tolerate all possible restrictive measures, without limitation? We are not, or not yet, convinced of this.
- Safeguard measures must be exceptional and temporary. This requirement militates for their limited duration, which in itself constitutes pressure toward an autonomous adjustment of the branches of industry thus protected. It does not seem essential, therefore, that government adjustment measures be made compulsory. As to the level of restrictions, it should be moderate so as not to go beyond the objective sought and disrupt even normal trade flows. Nevertheless, excessively rigid rules in this field - that is to say, rules that, for example, would not allow some reduction in relation to imports recorded during a relatively recent period - might encourage countries to resort to safeguards earlier than they might have done in the absence of such requirements. Now, it is important to avoid a situation in which new rules might multiply resort to safeguards to no useful purpose.
- In the interest of a common discipline and a transparent trade régime, the application of safeguard measures must be non-discriminatory. At the same time, there are also relevant arguments to support selective application. In these conditions, it might perhaps be appropriate to examine in a first stage the respective merits of positive selectivity - that is to say, of application that would merely concentrate safeguard measures on the countries at the origin of the difficulties - and of negative selectivity which would merely exempt from the application of safeguards certain countries, in particular certain developing countries, that are in no way at the origin of the difficulties under reference.

This brief enumeration shows that on a number of issues we are faced with choices, not to say dilemmas, because the problems concerning consultations or multilateral surveillance are without doubt no easier to solve.

That being so, we believe it might be useful to examine these numerous problems one by one, so as to stimulate reflection in national capitals and make the Group's discussions more concrete. In any event, we believe that the provisions of Article XIX - which would gain from being better applied - constitute by reason of their conception a satisfactory starting point for our work. We are ready, nevertheless, to participate in an in-depth examination of any possible improvement in regard to clarification of types of safeguard measures and their duration, or a tightening in particular of the criteria and conditions for application of such measures. At the same time, such improvements should in no case modify the actual nature and meaning of safeguards.