

THIRD COMMITTEE: COMMERCIAL POLICY

SUB-COMMITTEE G (SWISS PROPOSAL)

NOTES ON THIRD MEETING

Held on Monday, 19 January 1948, at 3.00 p.m.

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

The Chairman stated that he had drawn up a list of the main points which in previous discussions had been mentioned as being relevant to the situation underlying the proposal before the Sub-Committee. These points, subject to any additions, might form the basis of the discussion. They were:

1. Exports largely directed to countries applying restrictions under the Charter;
2. A relatively high proportion of the total production depending on export markets;
3. A high proportion of the total exports consisting of goods or services considered inessential;
4. A high proportion of total exports directed to countries larger than the exporting countries;
5. Substantial dependence on imports of essential goods;
6. No access to the sea;
7. Currency convertibility;
8. International banking and business centre;
9. Large monetary reserves.

In the ensuing debate emphasis was laid on the lack of domestic raw materials which was the cause of dependence on imports of essentials, and also of the non-essential character of a substantial part of the production for export.

Summing up the Chairman interpreted the sense of the Sub-Committee as agreeing that

- (a) importance should be attributed to the dependence on imports of essential basic materials, and also to the dependence on exports of goods which were considered non-essential within the terms of Article 21;3 (b) (1) and the consequent results on the domestic economic situation.

/(b) that dependence on

(b) that dependence on export to economies larger than the exporting country was not of major importance.

(c) that a liberal commercial policy deserved some consideration, but that an excess of imports over exports was not a relevant criterion;

(d) that currency convertibility in itself, did not warrant special consideration, but that it merited consideration in relation to the currencies of countries representing a substantial part of the export markets of the country concerned.

The delegate of Switzerland insisted that the question of unemployment should figure in the list of important economic factors.

The debate was adjourned.

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