Sweden has always upheld the General Agreement. In the new stage of international trade policy which is opening up, we are ready to continue to apply our traditional policy in this respect and to confirm on a long-term basis the essential principles which are the foundation of our Organization, provided the great trading nations of the world also lend it their support on the same terms. It is a recognized fact that our Agreement has contributed in its application to promoting, in large measure, the purposes which the Contracting Parties had set themselves to achieve in the sphere of international trade. The present Agreement should consequently not require fundamental transformation. In our view, the work of review should above all be designed to give the present wording more precision and clarity, so that the General Agreement may become a still more effective instrument of international trade and customs policy, in accordance with its world-wide mandate.

We are fully aware of the fact that the efforts pursued to carry out convertibility of currencies confers upon our work a special character. We understand the importance, under these circumstances, which should be attached to the implementation of stricter rules of trade policy having a more universal scope. We consider, however, that caution should be observed, to avoid jeopardization of the progress already achieved in the field of liberalization of trade. It would, therefore, appear to us wise not to over-emphasize that aspect, nor to consider that idea as being the only condition for a successful return to convertibility. It is clear that the economic and financial stability of various countries is of primary importance and represents just as essential, if not an even more important condition for the carrying out of convertibility.

As I have just said, my country has always followed a liberal trade policy. That policy is characterized by very low tariff rates (our customs rates are amongst the lowest in the world), and by a very wide liberalization of trade from quantitative restrictions (we are amongst the OEEC countries which have the highest liberalization percentages). I have felt it appropriate, Mr. Chairman, to bring these facts to the attention of the Contracting Parties, and venture to stress once more our resolve to maintain that liberal policy to the best of our ability. Consequently, although our policy is already in wide measure consistent with the suggestions for a reinforcement of the principles of freedom of trade of the General Agreement, it should, however, be noted that these proposals have given rise to some hesitation in my country. Let me explain. We consider, for instance, that a policy which involves formal commitments only in relation to quantitative restrictions, without simultaneously offering a solution which would adequately meet requirements as
regards tariff rates and other obstacles to international trade, might cause
great difficulties and deserves careful consideration. My country has, therefore,
consistently emphasized the close relationship existing between the various
obstacles to trade. We feel it would be indispensable to introduce concrete and
effective measures in all fields and to ensure that, in their implementation,
there was genuine reciprocity.

It would therefore be necessary, inter alia, that commitments in the field
of quantitative restrictions be accompanied by a levelling of tariff rates
between the contracting parties - an operation which would be carried out by scaling
down the higher rates. To that end, in the memorandum submitted to the Con­
tracting Parties by the Swedish Government, we have provided for stipulations
designed to make the opening of tariff negotiations mandatory for the Contract­
ing Parties. To the same end, we have likewise proposed confirmation, within
the rules of the General Agreement, of the principle of the Havana Charter
according to which the binding of low rates is equivalent to a substantial
reduction of high rates. But above all, we consider it necessary to implement
a system of reduction of customs duties which would be more effective in
achieving real progress in the field of reduction of rates and levelling of
tariff rates, than the system of tariff negotiations thus far applied. If it
is proposed to bind customs rates; such binding, no matter what its individual
incidence, ought in our view to be established at an equitable level. There­
fore, the more maintenance of the status quo would be inadequate, and in
addition, special account should be taken of the wide difference in levels of
the present tariffs.

Mr. Chairman, I should like particularly to draw the attention of the Con­
tracting Parties to the serious problem raised by the situation of countries with
low rates, the importance of which for our production will, I am sure, be clear
to everyone. As I have just pointed out, we are prepared to give careful con­
sideration to the proposals submitted with a view to reinforcing the rules of
trade policy. Moreover, we trust that the problem of countries with low rates
to which I have just alluded, will be examined in full by the Contracting Parties.
We hope, in this connection, that countries with high rates will be ready to
examine this problem and to assist in discovering a reasonable solution to the
difficulties which are encountered by countries with low rates. My Government
attaches particular importance to the satisfactory settlement of this vital
problem. Meanwhile, my delegation wishes to reserve its position.

There are several other questions relating to the Review of the Agreement,
and which I should like to raise here. Consistent with our basic views on the
close relationship existing between the various obstacles to trade, we support
the proposals put forward to enable the General Agreement to study the problem
of restrictive trade practices and other questions connected with international
economic relations, notably, those relating to discrimination in transport
insurance.
The various forms of administrative protectionism have greatly concerned my country, and the Swedish memorandum to which I have already referred contains proposals with a view to the progressive elimination of all these obstacles hindering international trade. We therefore consider it of great importance that the efforts pursued in that sense should not be relaxed. We feel it is necessary to proceed within the framework of the General Agreement to a standardization of the various rules dealing with anti-dumping and countervailing duties, and to methods of valuation for customs purposes. My delegation also expresses the wish that the provisions of the General Agreement relating to settlement of complaints brought by contracting parties should be recast, in order to facilitate positive solutions in accordance with the tradition already established by our Panel on Complaints.

I should also like to mention another important question which was raised in the course of our debates. This is the question of insufficiently developed countries which, in our view, should be examined with particular care. My delegation considers that the amendments which it will be deemed necessary to make in our Agreement should be formulated in such a way as to safeguard the basic principles of our Agreement, while securing approval by the largest possible number of countries.

In conclusion, Mr. Chairman, I am glad to reaffirm the great interest which my Government shows in a reinforcement of international economic cooperation on a sound basis within the framework of the General Agreement on Tariffs and Trade.