GENERAL AGREEMENT ON TARIFFS AND TRADE
Fourth Round of Tariff Negotiations

Statement made by
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at the public session on 19 January 1956

I think it is natural at the outset of a Tariff Conference to make a general estimate of the situation of the GATT.

I have no intention of going back to the Havana Charter or the first tariff negotiations, but in relation to the initial remarks made by our Chairman and by M. André Philip, I would like to say as a fairly recent member of this group, that I feel that we should all be very grateful to the intiative, the idealism and the perseverance of the first delegates of the contracting parties who endeavoured to establish in the postwar era a system for a free world trade that in its principal features still exists, and which we are trying to develop further.

I would rather like to deal with the present phase in the life of the GATT, the second phase, which I think we can count as from the Review Conference a year ago. It is undoubtedly true that with the continuous rapid and considerable expansion of economies in the world the postwar problems to a large extent no longer exist. This means that there is a better chance now than for many years past for the contracting parties to make the efforts necessary to achieve the aims of the General Agreement. On the other hand, the more competitive situation that is developing in world commerce will imply that even if the present boom continues, the difficulties for arriving at agreements within the spirit of the GATT may grow during the years to come.

The liberalization of world trade from quantitative restrictions and the general acceptance of the principle of free trade, the reduction of tariffs and the establishment of an effective international trade organization with the task of following closely the application of the terms of the General Agreement are the three main tasks now before the Contracting Parties during this second phase.

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The demand for a review and a revision of the rules concerning the principles for world trade has been met to some extent during the Review Session in 1954 and 1955. We all realize, I think, that we are still in a transitional period. Exceptions and waivers are necessary or unavoidable in exceptional cases, but in the view of my Government it is essential for the future success of this organization that any waiver given is rapidly reduced in scope and terminated within a limited period.

The decision regarding an overall reduction of tariff barriers has so far resulted in the agreement to have a fourth general tariff conference which is now being opened. Before dealing more closely with this subject I would like to say a few words about the third major point of our activities, the establishment of an international Organization for Trade Cooperation.

It is the view of the Swedish Government that in the future, as well as in the present more transitional period, there will be, and there is, a need for a stronger secretarial centre of the activities of the GATT. One of the main results of the Review Conference was the further development of consultations as an instrument of international trade policy. In the initial stages the work necessary in this connection has been handled by working parties appointed from the delegations at the annual sessions of the Inter-sessional Committee. This has led to the unfortunate practice of very long sessions, which moreover probably would not in the future be able to take up all the work. To the extent that more regular procedures are being established for the handling of various types of problems, part of this work could well be taken over by the secretariat. It is therefore no criticism of the achievements of the secretariat, which I think are outstanding in the field of international organizations, when I urgently stress the point that the establishment as soon as possible of the projected OTC is an important condition for the successful pursuance of the activities of the GATT. In a situation where the peoples and the countries are trying to leave behind them bilateralism and trade restrictions in favour of multilateralism and free world trade, the GATT is at present the only international body existing for the co-ordination of these efforts. It is imperative therefore that the GATT is given the proper technical equipment. If this is not done the movement now well in progress will lose its momentum.

May I revert for a minute to the tariff aspect of the activities of the GATT. In this connection my Government regrets that so very little was achieved at the Review Session in the field of tariff reduction and the levelling of the present disparity in the tariff levels. This part of the work of the GATT is to us of no less importance than the activities in the area of trade policy. It is our hope that the new Organization for Trade Cooperation will play a not unimportant rôle as a more permanent forum for deliberations on problems also of tariffs.

It was felt in Torquay that the bilateral negotiation method applied up to then had been increasingly successful and that new methods had to be elaborated. The French plan for automatic reductions of tariff levels was presented and accepted in principle by several governments. My Government was therefore deeply disappointed to learn that some of the major trading nations of the world did not feel able to accept this method, which to us seems to be the only possible way available at present to achieve substantial reductions of high tariffs and high tariff levels.
The rules of procedure now agreed upon imply that our negotiations will in the main follow the pattern of the previous tariff conferences. It is satisfactory to note, however, that the wishes for an increased element of multilateralism are to some extent met and that the special position of the low-tariff countries has in principle been recognized.

The Swedish Government is offering its full co-operation in the endeavours of this tariff conference and it is our hope that substantial results will be achieved. However, the scope of the coming conference has been limited partly by legal limitations on the possibilities of granting concessions, partly by the absence from the negotiations in general of a number of countries, including some of the major trading nations. This will mean that after the conference the tariff problem will still remain. The need for a new approach, therefore, has not lost its actuality, and I welcome the suggestion that the study of new alternative ways to achieve tariff reductions shall be pursued after this conference and in the light of its results.

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