In the very interesting and important debate which is now drawing towards its close the European Economic Community has naturally been the centre of the discussion. This is proper as the European integration undoubtedly represents a major problem in world economy today and during years to come, but it should not be allowed to overshadow some other subjects which within the general activities of the GATT are of considerable importance.

Let me say first that Sweden welcomes the newcomers among the contracting parties, Ghana and the Federation of Malaya. Some delegates have pointed to the desirability of further increasing the membership of GATT. Sweden supports this view. There are countries, however, that are still not in a position to accept fully the commitments connected with the General Agreement. I suggest that a study be made regarding in what forms, as observers or otherwise, such countries could be associated with our work.

During the last few years the positive aspect of the world economy has been an increase in total production and in international trade. The well edited and very useful report by the Executive Secretary shows an increase of world trade volume of almost 10 per cent, both during 1955 and 1956. However, today the situation seems to be more complex, and prospects are uncertain. The continued progress towards further prosperity and trade expansion is menaced in a way that should not be overlooked. The rapid growth of the currency reserves of some countries has accentuated the imbalance in the international payment situation. A number of countries have met with payment difficulties which have forced them to apply restrictive measures restraining their general economic activity. This cannot but have repercussions on the foreign trade of other countries.

We have all a vital interest in seeing this tendency towards stagnation checked. This would seem to be a task for all of us, but in the first instance for the major countries, in view of their overwhelming influence on world production and world trade. The internal economic and financial policies of those large economic units may lead to reduced imports and thereby to difficulties for other nations to maintain their foreign trade. Experience from the post-war years stresses the risk that in this way the world may drift into a situation of growing balance-of-payment difficulties, a shrinking volume of trade and increasing autarchy in national trade policies. This will mean serious risks for the continued prosperity of all countries and cannot leave any of us indifferent. In fact, we have heard during this
debate ministers and delegates from several overseas countries voice in a most impressive way their apprehensions of the present situation.

We in Sweden feel that it is proper that economic problems of a general character are discussed in this organization. The GATT is the only world-wide forum for an exchange of views on matters of economic and trade policy where all major trading countries are represented. Looking back over the post-war years it is undoubtedly a fact that the efforts within the GATT to facilitate international trade and to seek an understanding between nations on economic problems have been of great value, and looking forward we see even greater tasks present themselves for the Contracting Parties in the field of economic international co-operation.

The widespread and unprecedented stability in tariff levels which has been established through the GATT has been a vital factor in the movement towards free world trade, and without the activities in the GATT to lower tariff barriers the present high level of international trade would not have been attained. GATT has also played its part in the efforts to remove quantitative restrictions: the present series of consultations between the GATT and individual Member countries represent a serious endeavour to analyze the situation and has already shown their usefulness. I have in this connexion only to point to the announcements by a number of countries of the removal of quantitative restrictions on a wide range of commodities.

The Swedish Government has taken an active part in these endeavours of the GATT and is firmly determined to continue a liberal trade policy. However, there is in our view a relationship between the progress on elimination of quantitative restrictions and the removal of customs barriers, which both have a protective effect, even if they originally were not introduced for that purpose. Progress must be parallel in both these fields, taking into account the special situation of the low tariff countries.

My delegation has also noted with satisfaction that a new declaration on the continued application of the schedules is to be adopted by those Member countries that have not as yet accepted the revised Article XXVIII. One of the principal achievements of GATT will thus be guaranteed for a further period.

Among the other items on the agenda I wish to draw attention particularly to that concerning anti-dumping and countervailing duties; the Swedish delegation has not yet had time to go fully into the document prepared by the Secretariat, but I would like to congratulate the secretariat for the very comprehensive study of the question that they have undertaken. We hope that this matter will be further studied during this Session with a view to arriving at a stricter and more unified implementation of Article VI of the General Agreement.

Recent events in Europe imply a general elimination of obstacles to trade on a regional basis. It is our opinion that the action taken within these projects, the European Economic Community, the Free Trade Area and the Nordic
The market must be construed in a way that aims at facilitating such removal on a world-wide basis and must not be allowed to mean the creation of regional closed markets.

The Danish Minister has already stated the position of the Nordic countries in relation to the Nordic market. We feel that the plans drawn up will make the market fully compatible with the GATT.

Turning to the Rome Treaty, I would like to recall the point stressed by the representatives of the Six that the European Economic Community is essentially a political agreement covering a wide field of activities, a number of which are outside the scope of the General Agreement.

Our task here is to study the Treaty from the point of view of its conformity with Article XXIV.

During this debate several delegates have voiced the apprehensions of their Governments in this connexion both as regards the legal aspects and in relation to the future application of the Treaty, especially during the transitional period, the background being an uncertainty about the exact meaning of provisions in the Treaty.

On the other hand, the representatives of the Six have declared their conviction that in their view the Treaty is in conformity with Article XXIV.

Like other representatives the Swedish delegation sees no reason to doubt the serious and sincere intentions of the Six to follow closely the provisions of the General Agreement.

At the same time we fully understand the attitudes of those delegates who feel that no decision can be taken in this matter until we have a clear picture of the implications of the provisions of the Rome Treaty. I do not at this stage want to go into any detailed comments, but I wish to state that my delegation feels that it is important for the future co-operation in GATT that a full study is made of the Treaty and its implications from the GATT point of view.

The European agreements will have to be effectuated within the general framework of the GATT. It therefore seems to be a vital interest to all contracting parties that the GATT should not be weakened but strengthened. In accordance with this view the Swedish Government have signed the protocols of amendment agreed upon at the Ninth Session in order to remove certain shortcomings in the present Agreement. It is furthermore prepared to accept the Agreement on the Organization for Trade Co-operation in order that a permanent organization is created, ensuring increased stability and efficiency to the co-operative efforts for free world trade.