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ADDRESS BY MR. STIG SAHLIN, HEAD OF THE DELEGATION OF SWEDEN
FOR DELIVERY BEFORE PLENARY MEETING OF UN CONFERENCE ON TRADE
AND EMPLOYMENT

Sweden did not participate in the preparatory work for the drafting of the Charter now before us but has followed this work with intense interest. The Charter, as it now stands, is indeed an impressive document testifying to the skill and knowledge of those who were responsible for its preparation.

The aims set for our work are, as we all know, to achieve full and effective employment and higher standards of living for all peoples of the world, to develop the economic resources of each country and of the world in general and to take positive steps to create conditions allowing a world trade freer from restrictions and safeguarding it against heavy fluctuations. These objectives are in good harmony with the general lines of economic policy which Sweden has tried to follow under varying conditions. Sweden is perhaps in a higher degree than many other countries dependent upon her foreign trade. Normally -- that is to say when purely commercial considerations prevail -- our foreign trade is clearly multilateral in its nature showing considerable surplus of exports to certain countries, while import surpluses prevail from other countries. It is definitely in our interest that such conditions should prevail for world trade as to give full play for multilateralism.

Organizing channels for world trade is, however, not enough. Any such organization scheme would fall entirely short of the above-mentioned objectives and would not give adequate results if the participating countries do not put their home economies on a sound and

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stable basis thus contributing to a healthy balance in general trade conditions. In drafting the Charter attention was drawn to the risk that countries being subject to deflationary tendencies might restrict their imports and thus provoke a shrinking of world trade. Late developments have proved the existence of an opposite risk, namely of inflationary tendencies upsetting balances of payments and leading to import restrictions.

In order to make it possible for individual countries to balance their economies, steps must be taken to reduce the acute tensions prevailing between different markets. In our own case — the case of Sweden — events have shown the difficulties arising out of the post-war state of affairs and the existing economic — political conditions. Before the war Swedish foreign trade and shipping had their ^{main} source of income in Europe and the wider sterling area. These conditions have changed in two respects, both of which have a decisive bearing on Sweden's international financial and monetary position. On one hand, Europe and the sterling area have for the time being declined considerably in importance as sources of supply; it can be recalled, for instance, that Europe, which used to be self-sufficient with regard to the supply of coal, is now compelled to import considerable quantities of coal from the United States. On the other hand, it is no longer possible to use the proceeds from exports and shipping derived from Sweden's traditional markets in Europe and elsewhere to pay for an import surplus from hard currency countries. Sweden has for that reason found it necessary to import goods from the hard currency area to a much larger extent than before; approximately 50% of Sweden's imports are at present received from that area against about 25% before the war. This has compelled us to base our commercial and economic policies for the present on the assumption that Sweden must balance her payments with hard countries,

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During the work now ahead of us we should never lose sight of the supreme objective of the Charter - freeing the flow of multilateral trade. But it must be admitted that for a transitional period bilateral arrangements on quotas etc. may have valuable functions to fulfil. During the last years they have no doubt contributed to revive international trade on a larger scale than present conditions would otherwise have allowed. In certain cases expansion of the total volume of exports and imports between two countries has only been made possible after detailed investigations of respective needs and potentialities carried out in common. These bilateral agreements have created new possibilities of trade, thus in reality furthering the general objectives of the Charter.

At the time when discussions about an international trade organization were initiated it was generally hoped that the period of reconstruction after ^{the} war would be comparatively short and that it would soon be possible to revert to the relative freedom of interchange prevailing in pre-war days. It has now become apparent however, that the reconstruction period will be of much longer duration than was expected at the time. Moreover, additional complications have arisen, such as the accelerated impoverishment of Europe, unfavourable weather conditions, damaged crops, etc. In short, we are now facing a situation very different from that which existed when the plans for a world organization were launched. It is, therefore, pertinent to ask whether the present time is really suited for precipitating a solution of this complex problem. In answer let me point to what we all realize, the immense inconveniences which would arise if the problems were not tackled now. Moreover, during the later stages of the preparatory work, special attention was given to the conditions of the transitional period. The inclusion of these transitional clauses may be said to impair on the value of the Charter from a systematical point of view and

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having regard to its ultimate objectives. But it has made possible for us - without renouncing any long-term objectives - to pave the way for practical solutions enabling us to cope with the problems of the present time. It is an encouraging fact that so many countries, representing different hemispheres and different economic systems, whose share of world trade is predominant, have been able to reach tentative agreement on the broad lines of a consistent economic and commercial policy.

Certain clauses of the Charter provide exceptions for meeting the special interests of certain groups of countries. These exceptions have been introduced in order to ensure the participation of the largest possible number of countries, agricultural as well as industrial, undeveloped as well as highly developed. In our opinion, it is of great importance that the organization should be commonly adhered to. The relations between member states and states which might remain outside the organization are not defined in the draft Charter and will be discussed at this conference. We find it urgent that the Charter shall not contain provisions obligating members to discriminate against such states and that each member shall retain his liberty of action in this connection should the organization not become universal.

Amongst special points which will be raised by our delegation at the Conference, I will mention just one, which concerns our agriculture. The Swedish government is pursuing a long-range policy with regard to agricultural production which aims at securing, through a process of rationalization, for the rural population of the country the same social and economic standards as other population groups, thus improving the conditions of life for the whole population. It seems to me that a policy of this

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character is in perfect harmony with the general objectives of the United Nations Charter. This agricultural policy is intended to reduce the costs of farming in our country by mechanizing the production, by amalgamating too small farms into effective units and so on. In order to make the realization of such a long-range programme possible my government has adopted, as a complementary measure, a system of price regulations for agricultural products. It ought to be stressed, that our agricultural aid system as a rule applied only as long as production falls short of the domestic demand, thus always leaving a margin for imports. These matters will be more fully explained in Committee.

Summing up my brief remarks, I should like to emphasize that Sweden heartily welcomes the initiative which has led to this Conference and that our delegation will be happy - subject to observations on particular points - to lend its support to this great attempt to establish more favourable conditions for world trade and humanity at large.

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