In its communication dated 29 May 1957 addressed to the Chairman of the CONTRACTING PARTIES to GATT, the French Government requested that the consultations with France under Article XII:4(b), which had been scheduled to commence on 17 June, should be postponed and be held next autumn.

The French delegation to this Committee believes that it was appropriate to add a few comments and to give more precise indications as to the reasons which prompted the French Government to take such a course of action.

France had undertaken to consult with the CONTRACTING PARTIES under Article XII in conformity with the decisions of the Eleventh Session. These consultations had been scheduled to take place during the month of June. In this connexion a Basic Document (ME/51/57 dated 28 May) had been prepared by the GATT secretariat in cooperation with the relevant technical French services. This report stressed the fact that France was then going through an experimental stage and that her foreign exchange situation might necessitate, in a not too distant future, the imposition of more drastic measures than those which had been taken on 15 March 1957.

Subsequent developments, including the political crisis which occurred in May, have led the caretaker Government to request the CONTRACTING PARTIES that the consultations with France be postponed and held next autumn. Indeed it appeared desirable at a time when serious balance-of-payments difficulties and the current exchange situation called for new measures, to postpone an examination of the French situation until such time as a complete picture of the corrective measures taken both internally and in the field of foreign trade could be submitted. It would have been practically pointless and useless to initiate consultations in such circumstances because such consultations would have been meaningful only in so far as the past situation is concerned.

As is now known to everybody, the new French Government has now been constituted after a fairly long political crisis. The new Government is already examining and will soon determine the measures which in its opinion could best contribute to alleviate the present disequilibrium in French foreign trade relations and halt the depletion of currency reserves.

1See QRC/5
The latest consultations with the International Monetary Fund date back to October 1956. Since then, the French balance-of-payments has considerably deteriorated. However, consultations are to be initiated with the Fund under Section 14 of the Fund's Articles of Agreement in July next. It is desirable that the CONTRACTING PARTIES if they are to appreciate correctly the current situation of France should have available up-to-date materials. The 1956 Fund Report is largely out of date in view of the considerable changes which have occurred in the last few months and it is therefore desirable that consultations with the CONTRACTING PARTIES should be initiated only after the new Fund Report has been established. In fact, this particular aspect of the problem had already been mentioned at the last meeting of the Intersessional Committee.

Over and above these technical considerations, other factors of a practical and physical nature have led the French authorities to believe that it was desirable to postpone the consultations. The highly technical character of the problems discussed by the Committee require the participation of financial and economic experts. Normally, the competent experts in these matters would not have failed to come to Geneva to take part in the discussions of the Committee. But in the very particular circumstances which France is going through at present and at a time when the new Government has to resolve very serious problems, it is imperative that those experts, who are unfortunately too few, should not leave Paris.

I believe that I have adequately elaborated and commented upon our request of 29 May. Finally, I wish to thank you for the sympathy and understanding which I have already felt since I arrived in Geneva and I shall now await with full confidence your ruling concerning our request for postponement.