

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

L/24/Add.1.
6 October 1952

Limited Distribution

CONSULTATIONS UNDER ARTICLE XII:4(b)

ADDENDUM

Consultation with the International Monetary Fund on the consultations with France and the United Kingdom

1. It has been stated in paragraph 5 of L/24 that the International Monetary Fund was invited, and agreed, to consult as required by Article XV:2 of the General Agreement with the CONTRACTING PARTIES in connection with the consultations which had been initiated with France and the United Kingdom, and that any relevant documents which the Fund might supply in relation to these consultations would be distributed as soon as they were available.

United Kingdom:

2. In connection with the consultation between the Fund and the CONTRACTING PARTIES concerning the latter's consultation with the United Kingdom under Article XIV:1(g) of the General Agreement, the Fund has already transmitted to the CONTRACTING PARTIES background papers prepared in connection with its consultations with the United Kingdom under Article XIV, Section 4, of the Fund Agreement, and has also transmitted the results of that consultation. The Fund has indicated that the same material is relevant to the consultation between the CONTRACTING PARTIES and the United Kingdom under Article XII:4(b).

France:

3. In a letter dated 28 August 1952 the Fund advised that it had completed its consultation with France. The Fund also supplied copies of the background material which its staff had prepared in connection with this consultation, contained in two documents, on France's "Economic Position" and "Restrictive System". A copy of these has been sent to each delegation.

4. By a letter dated 2 October the Fund has supplied the following information on the results of its consultation with France as relevant for the CONTRACTING PARTIES in connection with their consultation with that Government.

"The Government of France has consulted the Fund under Article XIV, Section 4 of the Fund Agreement concerning the further retention of its transitional arrangements.

"The Fund recognizes that France still finds itself in acute difficulties and is experiencing a serious disequilibrium in her balance of payments.

"The Fund notes with satisfaction the present efforts made by the French Government to combat inflationary pressure and improve monetary stability.

"The Fund feels, however, that additional anti-inflationary efforts remain essential to further the results already obtained.

"The Fund has also consulted with France regarding the EFAC accounts, barter deals (échanges compensés) and export subsidies. Since the Fund is examining various types of multiple currency practices and discriminatory currency arrangements now prevailing in Europe, the Fund's conclusion as to these measures in the case of France will be deferred.

"In concluding the 1952 consultations, the Fund had no other comments to make on the transitional arrangements maintained by France."