

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

L/4189

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Limited Distribution

CONSULTATIVE GROUP OF EIGHTEEN

Note by the Director-General

At its meeting on 21 October 1974, the Council had a preliminary discussion on the subject of the management of GATT. The Council had before it a note on this subject by the secretariat (L/4048). It was agreed that the Council should revert to this matter at a later date.

Since that time consultations with, and among, delegations have been continued, following which the Director-General would now propose, for the consideration of the Council, that the Council establish a Consultative Group of Eighteen with the following terms of reference and membership:

CONSULTATIVE GROUP OF EIGHTEEN

"The task of the Group is to facilitate the carrying out, by the CONTRACTING PARTIES, of their responsibilities, particularly with respect to:

- (a) following international trade developments with a view to the pursuit and maintenance of trade policies consistent with the objectives and principles of the General Agreement;
- (b) the forestalling, whenever possible, of sudden disturbances that could represent a threat to the multilateral trading system and to international trade relations generally; and action to deal with such disturbances if they in fact occur;
- (c) the international adjustment process and the co-ordination, in this context, between the GATT and the IMF.

In the pursuit of its task, the Group shall take into account the special characteristics of the economies of the developing countries and their problems.

The Group shall not impinge upon the competence or authority of the CONTRACTING PARTIES or of the Council and shall not assume, or detract from, any of the decision-making responsibilities of these two bodies or of the

permanent GATT Committees. Neither shall it interfere with the activities and competence of the Trade Negotiations Committee.

The Group's membership shall be balanced and broadly representative due regard being had to rotation of membership as appropriate.

Initially the composition of the Group shall be as follows:

Chairman:

Membership:

The attendance of alternates shall be provided for.

In developing its procedures, the Group shall ensure that, when a matter of particular importance to any contracting party is under discussion, that contracting party shall have the opportunity fully to present its views to the Group.

The Group may invite observers to attend during the discussion of an item on the agenda of a meeting.

The Group shall meet periodically as necessary.

The Group shall report periodically to the Council. It shall submit once a year a comprehensive account of its activities.

The Group is established provisionally for a period of one year, its tasks, composition and terms of reference being subject to review by the Council at the end of that year."