

**MULTILATERAL TRADE
NEGOTIATIONS
THE URUGUAY ROUND**

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Group of Negotiations on Goods (GATT)
Negotiating Group on the
Functioning of the GATT System

MEETING OF 22-26 OCTOBER 1990

Note by the Secretariat

1. The Negotiating Group held its twenty-first meeting on 22-26 October 1990 under the Chairmanship of Ambassador J. Lacarte-Muro. The draft agenda contained in GATT/AIR/3121 was adopted.

Agenda Item A(II)

2. The representative of the United States introduced a proposal by his delegation for the establishment of a GATT Management Board (NG14/W/45). He recalled earlier discussions on establishing a small Ministerial group in GATT, and noted in particular that the proposed Board would have specific tasks assigned to it and certain decision-making powers delegated to it by the CONTRACTING PARTIES, and that participation in the TPRM would be a criterion for membership of the Board.

3. One participant said the proposal was not acceptable. In his view, it would place contracting parties with strong economies and large shares of world trade in a position to reshape the GATT to their further advantage, and would make GATT less attractive for contracting parties with small, weak economies.

4. Several participants said that they had not yet had enough time to study the proposal and they reserved their position on it. Some expressed immediate reservations, in particular about the proposals for selecting the limited membership of the Board and the role to be assigned to it.

5. Some participants saw linkages between the proposed Board and the establishment of an MTO, and suggested the matter be taken up in the context of institutional reform at the end of the Uruguay Round.

Agenda Item (III)

6. At the invitation of the Chairman, the representative of the European Communities introduced a proposal by his delegation for a GATT Ministerial Declaration on the Convergence of the Trade, Monetary and Financial Aspects of Global Economic Policy-Making (NG14/W/46). Another participant circulated an informal proposal by his delegation on this subject.

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7. At the suggestion of the Chairman, the Group agreed to continue its discussions under this Agenda Item in an informal working group, open to all interested delegations.

Draft Ministerial Decision

8. Following meetings of the informal working group, the Group approved on 26 October the text of a Draft Ministerial Decision for submission to the Chairman of the TNC (ID 2659).