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ON TRADE AND EMPLOYMENT

COMMITTEE V

THE QUESTION OF VOTING IN THE  
INTERNATIONAL TRADE ORGANIZATION

MEMORANDUM SUBMITTED BY THE DELEGATIONS OF  
THE NETHERLANDS AND THE BELGO-LUXEMBOURG ECONOMIC UNION

The Belgo-Luxembourg and Netherlands Delegations have noted with interest American and British proposals with regard to the right to vote in the Conference and in the Executive Board (Articles 53, 57 and 58 of the American Suggested Charter).

The two Delegations consider that this voting problem is of considerable importance and that it is desirable to find a solution which will give satisfaction to all the countries represented, for the success of the ITO depends largely on the extent to which the various member states will feel that their opinions have been taken into consideration and their interests safeguarded.

This is all the more understandable in view of the fact that the countries represented have to maintain different points of view arising quite naturally from varying economic situations and they are anxious to see their particular problems stated and fairly resolved in the Conference.

Consequently, the Netherlands and Belgian Delegations cannot but give their support to the request of many countries which have proposed the acceptance of the Charter's principle that each member has the right to one vote in the Conference. The creation of a feeling of confidence and goodwill is conditional upon that.

On the other hand, from the point of view of the facts, it must be recognized that the various countries represented in the ITO have economic interests of varying importance which necessarily impose upon them varying responsibilities.

However much support the principle of complete equality may command, it should be noted that the United Nations Charter itself - to which the countries represented at the Conference are signatories has in fact affirmed the inequality of states by attributing to them in the Security Council a varying political authority through the allocation of permanent or non-permanent seats, as the case may be. In the economic sphere, it must be recognized that the realization of the aims of the Organization is conditional upon co-ordinated action by the countries which are the most important economically, on whose assistance the development of the other countries and the world expansion of trade is dependent in the long run.

The British proposal aims to meet this situation by introducing proportional voting based on criteria to be determined later.

The Netherlands and Belgian Delegations consider that the determination of these criteria would be an extremely complicated operation, each state being naturally inclined to take into consideration the criteria most favourable to it.

Therefore, it seems that the best solution would still lie in reconciling equality of rights with the 'de facto' economic inequality of nations by adopting the system of the Charter, i.e. granting a single vote to all member states without any other distinction beyond that implied in the creation of permanent and non-permanent seats on the Executive Board. This system should be flexible enough to allow states which have no permanent seats to have seats on the Board in rotation and for relatively short periods. For example, the creation of six permanent seats and nine non-

permanent seats could be adopted as a formula, so long as the ITO had only a limited number of member countries, this figure being capable of being raised for example to eight and twelve seats respectively if the ITO should succeed in obtaining the adherence of all or nearly all states.

With these conditions in mind, the Belgian and Netherlands Delegations have the honour to submit to the General Committee the following proposed amendments to Chapter VII, Section C:

Article 53

Unchanged.

Article 57

Paragraph 1. The Executive Board shall consist of fifteen members of the Organization elected by the Conference. By virtue of their economic importance, six members shall be appointed as permanent members; nine other members shall be granted non-permanent seats. The total number of seats may be increased by a decision of the Conference taken with a two-thirds majority of its members.

Paragraph 2. The non-permanent members of the Executive Board shall be chosen for a period of three years. At the first election of the non-permanent members, three members shall be elected for a term of one year and three others for a term of two years. A retiring member shall not be eligible for immediate re-election.

Paragraph 3. These elections shall take place in accordance with arrangements to be approved by the Conference with a two-thirds majority of its members.

Paragraph 4. Each member of the Executive Board shall have one representative who may appoint alternates and advisers.

Article 58

Unchanged.