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SECOND SESSION OF THE PREPARATORY COMMITTEE OF THE
UNITED NATIONS CONFERENCE ON TRADE AND EMPLOYMENT.

VERBATIM REPORT.

TWENTY-FOURTH MEETING OF COMMISSION "B" HELD ON
WEDNESDAY, 16TH JULY, 1947 AT 10.30 A.M. IN THE
PALAIS DES NATIONS, GENEVA.

The Hon. L.D. WILGRESS (Chairman) (Canada)

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° CHAIRMAN: We will resume the discussions at the point where we left off last night, and I wish to express the hope that the discussion will be maintained at the same high level of objectivity which has characterised the discussions up to date.

The first speaker on my list is the Delegate of Chile.

Mr. F. Garcia OLDINI (Chile) (Interpretation): Mr. Chairman, I am afraid that I shall have to disappoint you, because, in spite of all its efforts, the Chilean Delegation may not be able to be completely objective in considering this problem, because it is fairly difficult to achieve perfect objectivity in the consideration of this problem. In fact, for us, on the level at which we have to study the problem, the objectivity would almost seem foreign to the way of considering this problem, especially as we have to look at it from two different angles and to consider the interplay of two factors which, in fact, have to be considered at the same time.

We have to consider this from the doctrinal point of view and also from the direct observation of how this question of voting will work within the framework of the Charter where the interests of the Great Powers are at stake.

If we take it from a doctrinal point of view we shall see that it will be extremely difficult for us to be asked to say that the doctrine in which we believe is not true and is not a good one. In fact, it would be the same as asking a believer to say that God did not exist.

If we look at the problem from a different angle and from the point of view of the interests, we will see that within the institution itself, in spite of the obvious purity of the intentions of the Members, and in spite of their desire to be objective, in fact it will be the interest which will prevail. If we therefore now consider our interests and the interests of small countries - of undeveloped or under-developed countries - we shall see that these interests can only be protected if all have the same rights and an equal right.

If we look at the Charter we will see that it provides for giving and taking. It is based on the principle of give and take; those who have more will give more and those who have less will give less. If a small country gives five per cent of its wealth and abandons five per cent of its freedom, then when a large country abandons and gives away part of its wealth and freedom it is exactly the same thing and the proportion is exactly the same.

In fact, if we consider parts of the Charter we will see that, in numerous parts of it, it will be indeed the interests of underdeveloped countries which will especially have to be taken into consideration, and these countries will have, in certain of these parts, prevailing interests, and to ask a small country which may have a very great potentiality of development - of industrial or economic development - to ask such a country to restrict its possibilities of development means far more to this country than it would to a large country. In fact, asking such a thing from a small or undeveloped country is an essential thing for such a country and we do not think that the small countries can accept that this question could be solved by the large economic powers, which will, of necessity, have, often, conflicting interests. Therefore, we could not conceive that the more important powers, whether economic, commercial or industrial, should have a preponderant situation as regards to voting.

Now, if we consider this question again, from the angle of doctrine, it is impossible for us to conceive that democracy should be based on something else than equality, and it is impossible for us to conceive that this system which has been proposed here should be brought forward - a system which will bring along such striking differences. If this system had been proposed in the years just following the Declaration of Human Rights, then at that time there were no traditions in the way in which democracy was exercised and practised, but now a century has elapsed since then and democracy is so deeply rooted within ourselves that it has a real meaning for us - it means equality - and this meaning is completely identified with us. Therefore, how could we maintain that what is true in the political sphere should not be held true in the economic sphere? As the Czechoslovakian Delegate so rightly pointed out yesterday, if

we consider democracy in the national sphere, it is considered from the point of view of the unit, and the unit is the individual, and therefore one vote is given to a unit, and that is so whether the individual is rich or poor, or big or small; but how could we act differently in an international sphere - and there the unit must be the nation. If we want to be logical, therefore, we shall have to grant one vote per unit, that means one vote per nation.

The British Delegate yesterday gave us some very striking examples, but I do not think the examples he gave can resist a thorough analysis, because these examples are too striking, if I may say so. If the problem were one of abstract mathematics, then the demonstration which the Delegate of Great Britain carried^{out}/would be correct, and it would be correct also if certain factors were taken into consideration and were more or less isolated but the reality is more complex and in fact, the reality being more complex, the picture presented by the British Delegate does not hold true. As we can see here, the great powers do not always act on account of the votes they will have, or of the votes they will be given, but they act, in fact, through sheer weight of their power and through their influence which plays alone without even, at times, the will and knowledge of these great powers. And as we have seen here already, and as we have seen in all the conferences that have taken place in the past, one cannot calculate and foresee in advance what is going to happen, and very often the different factors on which provisions are made disintegrate, for the simple reason that interests are attracted by other interests, and very often, as was shown here, also smaller interests will have to be bent on larger ones. Therefore, if we consider this problem from the doctrinal point of view, or from observation of real facts, or furthermore from the angle of inter-play of interests, can we abandon the principle of one vote per country? It would be

extremely dangerous to try and abandon this principle. As we all know, we here are all democrats, but as the French Delegate pointed out yesterday, what do we mean exactly by the word "democracy"? There seems to be a confusion as to the meaning and interpretation of that word, and what will be tomorrow's democracy we do not know, but these are factors which trouble our minds, and I do not think that we should tip the scales by throwing a new interpretation and a new manifestation of democracy. In fact, it would be adding to the confusion which already exists now, and if we adopt this principle, which is not completely based on equality, we should have added to the confusion which exists today in the minds of many people. I think it will be a fault with regard to the great doctrines to which we are all attached here, and which we want to all/maintain, and which we all want to see maintained, in the future.

Mr. G. LAURENCE (New Zealand): Mr. Chairman, we find it very interesting to come into the debate at this stage, because we feel we have probably heard the case that can be made for what we prefer to regard as the establishment of a system of inequality in respect to the representation in the Organization. We think it is probably unfortunate that the use of the word "weighted vote" has thrown the consideration somewhat out of balance because, as we see the position, the United Kingdom proposal is designed to give equality. The arguments against it are attempting to justify the reverse. The Delegate for Cuba said yesterday that we were working here on the equality principle. We cannot see that the proposal put forward by that Delegate conforms to his express desire that that should be incorporated in the provisions related to voting. The Delegate for Brazil said that everybody knows that citizens in a country may have quite different values, but nobody wants to give two votes to a citizen because he has more political influence or more economic influence than another. We would suggest that a much more appropriate analogy would be whether a city of say half a million inhabitants or electors was permitted to return to a country's parliament the same number of representatives as a city of say ten thousand.

It was suggested by the Delegate for Cuba that the United Kingdom proposal would change a minority into a pre-fabricated majority. We cannot see that that is the case. After all, we have to consider the possible practical effect in the operation of the Organization of what we are now writing into the Charter. We cannot see that, in the proposed system of weighting - and we prefer to say the proposed system giving equality that the United Kingdom proposal involves - this would be the case. We would regard it as being much more important that important economic interests cannot be outweighed by interests that do not have some equivalent degree of importance.

The Delegate for Australia recognised that economic relationships do make certain countries more important than others, and the Delegate for Australia conceded that special weight should be attached to the words and actions of those more important in the economic sense. We regard it as being of great importance, if the International Trade Organization is to function successfully, that there is some practical way in which the special weight that the Delegate for Australia concedes should be recorded.

The Delegate for Brazil accepted the reasoning of the Delegate for Australia that the most important economic countries have a dominant position in the world, and he went on to say that the International Trade Organization would be meaningless without those important economic countries. He said further that the influence of the larger economic powers is beyond the existence of the International Trade Organization.

The Delegate for France divided countries into two categories, one of which he regarded as economically important and he said that if they withdrew from the Organization it would be the Organization that would suffer. Now, the United Kingdom Delegate

illustrated in a manner which we cannot afford to ignore the possibilities in this respect.

The recognition of the importance of the countries which Australia, Brazil and France had in mind brings us to the essential point that weighs the scales with us in deciding that there should be equality and not inequality in the expression of view in the International Trade Organization, and by "equality" I mean the equality in the manner which the United Kingdom proposal sets out to give.

There is another point which I think underscores the importance of this aspect, and it is provided by an interpretation of the history of past efforts at international co-operation. We cannot afford to ignore the fact that in the Organization which we are attempting to set up some countries have a relatively more important place than others. Considering the arguments against the equality in the sense given by the United Kingdom proposal, we find that one of the main obstacles is stated to be the difficulty in determining suitable formulae. We agree that there is some difficulty, but we would suggest that if the same degree of ingenuity is brought to bear in relation to that problem as has been brought to bear in justifying a system of inequality of relationship, there is no doubt as to the solution then.

It is said by the delegate for Australia that, unlike a financial institution where the risks which a person takes by participation are proportionate to what he puts in, the International Trade Organization would not provide a similar criteria.

It is not very long, Mr. Chairman, since we discussed in this Commission paragraph 7 of Article 66 relating to the budget of the Organization. We cannot refrain from making the observation that there was no suggestion, in the consideration of that Article, regarding the apportionment of expenditure, as, since we are all going into this Organization on equal grounds, the question of apportionment does not arise, because, of course, we will all be bearing equal shares. Now, the Delegate of Australia was prepared to rely upon the natural inevitable consciousness which all Members will have of the economic strength or the nature of the obligations accepted in particular situations, to ensure that Members will take into account the significance attachable to the views of the countries that are important. For the reasons already stated, we would prefer - and we think it would be to the advantage of the Organization - if that preference were recorded: that recognition be given some tangible form in an attempt to get equality.

We are somewhat disappointed that the speakers who have concentrated their attention on preserving inequality should have ignored the arguments put forward by the Delegate of Canada. We felt those arguments were very good, and we subscribe to them. We now have some experience of the so-called weighted voting principle in practice. I refer to the International Monetary Fund, and we have it on the authority of the Delegate for Brazil, who stated yesterday that though the United States has 27% of the votes, it has never crushed any country because of this vote; and both in his oral statement and now seeing it in the written word, I interpreted his reference to the voting provisions of the International Monetary Fund to have his complete support.

For the reasons given, Mr. Chairman, we hope that - and if the objective approach we have heard so much about is retained, we feel confident that - equality in the voice in the Organization will be reflected in the provisions in the Charter.

CHAIRMAN: The delegate of Lebanon.

MR. GEORGE HAKIK (Lebanon): The Delegation of Lebanon is in favour of the principle of one nation, one vote. For us, this is a matter of principle which would admit of no exceptions. This does not mean that we do not recognise the importance of the great commercial nations. The importance and influence of these nations, will, in the nature of things, make themselves felt in the organisation. They should not be ensured by such methods as would introduce voting inequalities. On the other hand, we are willing to agree to provisions for two-thirds majorities for the important decisions of the Conference; such provisions would be in line with the Charter of the United Nations. Nothing^{that}/has been said so far has convinced us that the principles regarding voting contained in the Charter of the United Nations are not suitable for the Charter of the International Trade Organisation. Our position is simple and clear; we stand for the absolute principle of one nation, one vote, and at the same time accept provisions for proper majorities for the important decisions of the Conference.

CHAIRMAN: The Delegate of India.

MR. D.P. KARMARKAR (India): Looked at from a purely national point of view, Mr. Chairman, it is obvious that India,-- by reason of its population, foreign trade and other factors --
^{/more} is likely to gain by the arrangement now proposed by the United Kingdom Delegation, but in spite of that, Mr. Chairman, the Indian Delegation strongly feels that if the objectives which the proposed organisation sets itself to fulfil are to end in complete success, the basis of the organisation ought to be of as universal a nature as is possible in the circumstances. It is obvious,

Mr. Chairman, that under the proposed new arrangement one section of the organisation, namely, the highly industrialised countries (or, to put it in other words, the countries of economic importance), will have a distinct advantage. In an organisation of the kind which we are sitting here to create, I consider it of the utmost importance that there should be cooperation from all the States concerned, without any reservation in their minds; and the Indian Delegation strongly feels that such absence of mental reservation would not exist if each Member representing his State were to feel every minute that he was sitting in the Conference that, after all, his vote would not be one integral vote but only a partial vote... Further, if the smaller countries are likely to feel that their votes, independently cast, are not likely to be of decisive significance in the decisions of the Conference, then it would be very difficult for those smaller countries to resist the temptation of aligning themselves with particular points of view, not because they merit acceptance, but because ultimate agreement with them might lead to the advantage of their particular small countries.

If we are to maintain an absolutely impartial character for the organisation in the sense that every opinion expressed will be an unprejudiced opinion, then, in the view of the Indian Delegation, this is a question which assumes very great importance. There was something to be said for the view so ably expressed and expressed with such restraint in view of the importance of it to the respective States - there was, I say, something to be said for the view which the United Kingdom and Canadian Delegates put forward that in an organisation whose decisions will certainly be of such great importance to the highly industrialised countries (with a consequent economic importance), such decisions may affect their

future. But, in my opinion, the stage is past in international deliberations when countries with a very decisive economic importance in the comity of nations should think only of the preservation of their own important position. In the interests of world prosperity, which is certainly one of the principle objectives of the proposed International Trade Association in the interests of that larger view, I say, it is now time for the leading countries in the economic field to think in terms rather of sacrifices than of the preservation of their own important position.

It is only in that spirit - if we move in that spirit - that the Indian Delegation humbly believes that the real world prosperity which is our ideal will be achieved earlier than otherwise.

Thirdly, Mr. Chairman, one practical point of view, and that has already been expressed during this Debate, so I will not speak on it for very long. It is this - that the interests of the undeveloped countries are at least as important to the prosperity of the world as a whole as the interests of the highly industrialised countries; and it is natural, Mr. Chairman that the undeveloped countries should feel a natural anxiety that their interests will not in any manner be influenced by the weighted voting that is proposed to be given on the grounds of either population or other aspects of economic importance; on that ground, also, Mr. Chairman, the Indian Delegation naturally strongly feels that in order to see that the interests of undeveloped countries suffer in no manner, the principle "one State one vote" should be maintained.

CHAIRMAN: The Delegate of China.

H.E. Mr. WUNSZ KING (China): Mr. Chairman, when I made the suggestion yesterday that we might come to the discussion of this question of voting after we had cleared up other questions, the question of the composition of the Board, for instance, I anticipated, just as any other colleagues of mine have anticipated, that there might emerge some fundamental divergences of view in regard to this question of voting. Unfortunately, we are now in this situation here to-day. I have listened to the speeches of the various speakers with great interest and attention, and after having heard those statements I must confess that I still

remain open-minded. I hope you will excuse me when I say that I am so open-minded that I cannot make up my mind. It seems to me that there are merits and de-merits in one system as well as in the other, and I think it is perhaps unfair simply to say that the one system possesses all the virtues while the other system possesses all the vices.

In this circumstance I wonder whether I could make another concrete suggestion, that we might cut off the discussion of this complicated question until we have tackled and settled the other question - that is, the question of the composition of the Board. Or else I might go a step further in suggesting that this question of voting might be put off and left to be decided by the forthcoming Conference in Cuba.

Having said so much, or rather having said so little, I might be permitted to say that in so far as this second question is concerned the Chinese Delegation is in favour of accepting the United Kingdom formula as set out on page 55 of the Report of the Drafting Committee.

I will come to this question later again, when I have an opportunity of further expressing my views.

CHAIRMAN: The Delegate of China has proposed that the further discussion of this subject should be deferred until after we have considered the composition of the Executive Board, or perhaps until the World Conference. I take it, however, that what the Delegate of China wishes to propose is that a decision on this question should be postponed until after we have considered the question of the composition of the Executive Board. I have other speakers on my list and I am sure that the Delegate of China would not wish to deprive these speakers of the opportunity of presenting their views. I therefore propose to call upon the other speakers. We should then consider the proposal of the Delegate of China to postpone a decision on this question until after we have considered the question of the composition of the Executive Board.

The Delegate of Norway.

Mr. Erik COLBAN (Norway): Mr. Chairman, I have the impression that in the discussion some of the speakers have not really studied the British proposal, which, as you will find on Page 55 of the New York Report, is a very modest one. It is not a proposal that would concentrate the power in the hands of some very few great States. It simply underlines the importance of certain big commercial Powers and underlines the importance of their full co-operation in all the activities of the ITO. How modest these proposals are will appear when you compare them with the Schedule of Votes under the International Monetary Fund, which you will find on Page 58 of the New York Report.

I just wanted to make this observation so as to bring the discussion back on to a footing of facts. It is not a

question of fundamental principles but is simply a question of some possible arrangement so as to take into account, on the one side, the equality of all the Members of the ITO and, on the other side, the practical necessity for all the Members of the ITO to secure, as well as they can, the co-operation of certain important Members.

CHAIRMAN: The Delegate of South Africa.

Dr. W.C. NAUDE (South Africa): Mr. Chairman, when the Chinese Delegate yesterday suggested that perhaps we might tackle the Executive Board composition first, I had a feeling that he was right, because we have thought that if a compromise were to be found between two schools of thought it might be found in the composition of the Executive Board. But, in view of the fact that the Commission has agreed to limit the discussion for the time being to the matter of the vote, I think I should not wait any longer to define, not necessarily our position, but our preference.

We heard yesterday a great deal of biblical wisdom and perhaps I may be forgiven if I quote another piece of biblical wisdom. It is also stated there that one should "love thy neighbour as thyself." I feel quite sure that if that thought inspired all nations, all people, this discussion, which was begun nine months ago in London, would never have taken place. However, we live in a world of realities and therefore we have to face the situation.

I feel, in regard to the proposal of the weighted vote, that we can hardly add anything to the arguments that have been put forward by the Delegates of the United Kingdom, Canada and New Zealand. My own feeling is that more persuasive arguments cannot be produced.

I will permit myself to make only a very few remarks as regards the question of one vote per country.

It seems to us from the beginning that that would be very appropriate, and it has been incorporated into the United Nations Charter, but those who point to it as a sacrosanct example must not overlook that the United Nations Charter does actually give weighted votes. They have given five permanent seats on the Security Council to five powers. More extreme weighting than that I cannot imagine. To small countries, the principle of "one country, one vote," as appears in the United Nations Charter, is theoretically quite ideal, but, as I say, in practice it does not work out that way. Now, being practical people, we look at the Charter from a different angle, and I think that, perhaps, there is an advantage in our expressing our view. We have had experience with the International Monetary Fund and the Bank, where by common consent it is agreed that those powers who made the largest contribution and who therefore ran the largest risks and had the largest responsibility should have more to say in those Organizations. The same thing applies to the ITO, and it seems to us that ^{to} compare the ITO with the United Nations on the basis of "one vote, one country", is not wholly appropriate. We therefore feel that the British formula deserves a close study. Again the Norwegian Delegate has referred to the modesty of the British proposal. I feel that I entirely agree with Mr. Colban that, if one looked at it closely, and especially if one examined the basic vote column, one would see that such a relatively large basic vote with smaller countries is not a weighted voting scheme. I have attempted to state our position, so that it might be on record.

M. S. MINOVSKY (Czechoslovakia) (Interpretation): Mr. Chairman, I should only like to add a few words to what I said previously. I think that as a general rule we must admit that it is extremely unlikely that, in the work of the future Organization, the Member States should aggregate into two groupings in accordance with their respective size, but rather the groupings will be formed according to the ideas and proposals put forward, and if a good proposal is put forward, certainly many countries, whether great or small, will associate themselves with such a proposal. So, in any case, any Member State may find itself being part of a majority or of a minority on any given question.

Now, it was said here that the votes of the Member States should be determined in accordance with the number of inhabitants. We think that this would be a wrong approach to the problem. In the life of a nation the community is composed of citizens; it is the citizens who compose the national community, and they have within that community equal rights and equal votes. If we pass on to international life, we can see that it is the nations who compose the international community, and within this international community every nation must have equal rights and equal votes. Therefore, we think that any attempt to apply the principle of taking into consideration the number of inhabitants of a country to determine its votes or its rights would lead to disastrous effects.

I think that no comparison should be made with the International Monetary Fund. There is an essential difference in the nature of this Organization and the Trade Organization which we are endeavouring to set up. The International Monetary Fund is the banking organization - every member brings a contribution in money, and it is only natural that his rights and votes should

be in proportion to the contribution subscribed by him. But our Organization bears no comparison with this institution. It is not a banking organization that we are setting up, nor are we setting up a welfare organization - there is no similarity with UNKRA in that respect. In our Organization, every Member will subscribe to certain responsibilities and duties and no one will have special privileges, except to limit, in certain respects, its freedom in order to fulfil its obligations - only if this can be called a privilege can we speak of privileges. If, as I have stated before, every Member State has the same obligations and bears the same responsibilities, it is logical and natural that it should have the same vote.

CHAIRMAN: The Delegate of the Netherlands.

Baron S.J. van TUYLL (Netherlands): Mr. Chairman, after what I have said yesterday, I can now be more precise. I said that our natural inclination was for the system of one country, one vote. After weighing all the arguments, we now feel that our natural inclination has not been shaken. We do think that only in very exceptional circumstances should we depart from the system of one country, one vote, which is applied in nearly all communities, private, public or intergovernmental.

The South African Delegate has pointed out that there is a veto system, and he has mentioned the Security Council. I would like to point out that in the purely economic matters, which the Economic and Social Council deals with, there is no such veto.

I would like to add, Mr. Chairman, that we do not think that one system is more democratic than the other. It has been said that the system of the weighted vote is more in conformity with the individual vote in a State. I think the argument works both ways because we can also compare the Members of the future Organization,

the International Trade Organization, with the citizens in a state. Citizens also represent families, and one citizen has a large family and the other citizen may be a bachelor and will not have a family.

In conclusion, Mr. Chairman, I would like to point out that the Netherlands Delegation shares the views of those Delegates who wish to adopt the system of one country, one vote.

CHAIRMAN: The Delegate of the United States.

MR. CLAIR WILCOX (United States): Mr. Chairman, I have listened to this debate with a great deal of interest. I have been keeping a box score, and as nearly as I can judge, eight Delegates have expressed themselves as being in favour of one country, one vote, with varying degrees of emphasis, and five countries have expressed themselves as being in favour of weighted voting, and three are perched more or less precariously on the fence. If they were to topple off on the side of weighted voting, we would have a vote of eight to eight. On that assumption, the United States then would be in a position of casting the deciding vote on this issue, and everybody has always said that the vote of large powers, in any case, will be decisive. As you know, the original position of the United States, in our original proposals and in our suggested Draft Charter that we have taken as the basis of deliberations in London, was for one country, one vote, and I am prepared here and now to cast a decisive and emphatic vote in favour of the principle of one country, one vote - on one condition, namely, that you go back to our original Draft.

If, however, you are not prepared to go back to our original draft, I shall have to re-open my mind. I think we must all recognize that the Charter has been changed in character during our two meetings, and as a result of that change, I do not feel that we are any longer committed to our original proposal of "one country, one vote". I cannot, however, tell you what our position is on this matter, because I do not know.

We have heard a great deal here about minds that have been open, and I have noticed that some people have not been able to bear the strain for more than twenty-four hours. I hope that we shall be able to keep our minds open on this subject for a somewhat longer period.

I do not find it possible to work myself up to any great pitch of enthusiasm over the issue of the United Kingdom proposal for weighted voting versus "one country, one vote". As I observe the United Kingdom proposal, it appears that under that proposal the four smallest countries on earth, with one-tenth or one-hundredth per cent of the world's trade, with a population which is smaller than that of a single borough of New York City, could outvote the United States of America, and I fail to see how we are going to dominate the I.T.O. with such a weight, and if it is domination that we are after, we have got to have more votes than the United Kingdom would give us. Personally, I would be willing to flip a coin as between "one country, one vote" and the order of weighted voting which the United Kingdom proposal would afford to the United States.

Now, I say that we cannot decide where we stand on this matter. Why cannot we decide? Because we do not know what we are voting on here yet. We asked to have this question of weighted voting postponed until we could see the character of

the substantive provisions of the Charter. Now we do know what the character of some of the substantive provisions of the Charter is likely to be; but the most difficult issues are postponed for the longest period, and some issues that we regard as crucial are not yet finally resolved, and upon the character of their resolution will depend the character of the decision that we should make on this question.

I can conceive of a Charter coming out of this meeting which it would be possible for us to present in the United States on a "one country, one vote" basis. I can conceive of a Charter coming out of this meeting that we could not get accepted in the United States unless we had a weight of 51%! Now, those are the extremes. Well, that is exaggeration. I think it is absolutely impossible - we would not expect it, we would not ask it, to have a system of weighting under which the weight given to the United States would be proportionate to its absolute significance in productional trade. But depending upon the character of the final document, I am inclined to think that we should either prefer "one country, one vote" at the one extreme, or a much heavier weight than the United Kingdom would give us at the other extreme, and frankly, if we vote on this issue and decide it in an affirmative way at the present time we are signing a blank cheque. We do not know what is going to be written in there, and that is the reason why it is difficult for us to make up our mind - and we are not going to make up our mind on the issue in the next twenty-four hours either. We want to see.

Now, in the meantime, what do we do about this issue? Well, I do not think we should sit on our hands. We have had issues that have divided this Commission where the balance of the division was much less even than it is on this issue: where we

have deliberately avoided forcing the issue to a vote although we might conceivably have speeded up our work materially by forcing a vote and getting on with our deliberations.

It seems to me that it would be unwise for us to make a final decision on this question at this time. Now, that raises the question as to when we should make a decision. Well, there are two possibilities. One possibility is that we make a decision at Geneva, and the other possibility is that we make a decision at Havana, and in either case we shall have to lay before the people who must arrive at a judgment on this matter the materials with which they are to work, and I think that we as technicians in this field have an obligation to provide them with those materials. I believe, therefore, that the sub-Committee dealing with this problem should be instructed to prepare drafts for later consideration by this Commission which involve equal voting and which involve weighted voting, according to one or more formulae. Those drafts must then be referred back to this Commission, and we can decide whether we wish to adopt one or the other of them at this meeting, or whether we wish to refer all of them to the Conference at Havana. We shall then have done our duty in providing the raw materials for the decision. We shall have done the duty of this Commission and of its sub-Commission. We shall have got on with the work, and I think we shall put the voting issue up for decision at a time when it is possible for us to see what its significance is, and that is when we see the character of the substantive provisions of the Charter that call for I.T.O. determinations.

If the I.T.O. does not have to decide anything very important, it does not matter what your voting positions are. If the decisions that you give to the I.T.O. are, however, crucial to the whole structure that you are trying to build up, then the character of your voting conditions becomes very important. My suggestion therefore is that we can determine at a later time during this meeting whether we are going to adopt one proposal or another, or whether we are going to forward to the World Conference more than one proposal. I should like to see the Draft of the Charter that comes out of this meeting express the widest possible area of agreement and I hope that on the substantive provisions of the Charter we shall approach unanimity as closely as it is possible to do so. Of all the provisions of the Charter, this is one on which there is the least need, I think, for final agreement here and now. It is not a predominantly substantive or technical question; it is a matter that has important political aspects and it may be that we shall not bring ourselves to decide it at this meeting. But I think we should place ourselves in a position to do so if we choose to do so.

CHAIRMAN: As the United States Delegate has just pointed out, there is a very close division of opinion in the Commission on this subject.

I am sure that the Preparatory Committee would not wish to decide an important question of this nature on a close vote. I therefore do not think it necessary for us to question the efficacy of the 'score' which has just been given by the United States Delegate, and therefore we do not need to decide whether or not he is right in concluding that the United States has a casting vote on this question.

We are, however, faced with the question of our further procedure. We have two proposals which have been submitted during the course of our discussion this morning. One proposal is that of the Chinese Delegate, that we should defer decisions on this question until after we have had a discussion on the composition of the Executive Board. The other proposal is that which has just been made by the United States Delegate, which is that we should set up a Sub-Committee to draft various alternatives for submission to the Commission at a later stage.

In connection with the proposal of the Chinese Delegate, I would point out that it will be necessary for us to have a discussion on the question of the composition of the Executive Board, and as this question is very closely related to that of voting in this Conference, it may be necessary for us, after we have had the discussion on the composition of the Executive Board, to also refer this question to the same ad hoc Sub-Committee which we might set up to consider the various alternative schemes of voting.

I would therefore propose that we first of all take a decision on the proposal of the United States Delegate that this question should be referred soon to an ad hoc Sub-Committee with instructions that they should draft various alternative proposals to be submitted to this Commission.

CHAIRMAN: The Delegate of China.

H.E. Mr. WUNSZ KING (China): Mr. Chairman, I feel very grateful to you for having accurately interpreted my words in saying that when I spoke about the question of that proposal being ultimately referred to the conference in Cuba, I actually had in mind a decision on this matter.

As to that part of my suggestion that the question of voting should be settled after we have settled the other question of the composition of the Board, I understand that, having reached this stage, there seems to be no question at all that we are going to take up the question of the composition of the Executive Board.

Having heard the remarks made by the United States Delegate, regarding his suggestion that we of the Preparatory Committee should make another effort to solve the problem by setting up and instructing a sub-committee further to study the question on a technical level and be referred back to Commission B for further study, and, if it is not possible for us to reach a decision, then the question is to be referred to the Conference in Cuba, I am entirely in agreement with him. Therefore, with this understanding, the Chinese Delegation does not insist upon its latest suggestion in regard to the matter of procedure.

Mr. O. PARANAGUA (Brazil): Mr. Chairman, I agree entirely with the suggestions of the United States Delegate, that this question can be postponed and, to a certain extent, subordinated to the kind of Charter that we have. I think this is a very wise precaution, and on the other hand I think, if we could have our minds open twenty-four hours, we could have them open for another three or four months. There is another little point that I would like to mention, and that is the reference that after the statement of the delegates here, the sense of the meeting was against the United Kingdom proposal. That is a point of importance, and I would like to emphasise that the sense of the meeting was against the weighted vote.

Mr. F. GARCIA OLDINI (Chile) (Interpretation): Mr. Chairman, I agree that the matter should be postponed, but not necessarily until the Havana Conference, but only to give time to the Subcommittee to try and reconcile the various viewpoints. I agree on this, although I have no great confidence and even if I am charged for not having an open mind. The advantage would be that the Subcommittee would be in a position to discuss the matter in the light of the discussion that will take place in this Commission regarding the composition of the Executive Board, because the two questions are closely connected, and therefore they should be examined together.

I am not sure that the way which we have chosen is the best, but since we have decided to go this way we cannot complain. While we have been unable to prevent that method from being selected, I think that it would be very useful for the sub-committee not to start its work until the Commission has had a discussion regarding the composition of the Executive Board.

CHAIRMAN: The Delegate of Australia.

MR. A.H. TANGE (Australia): Mr. Chairman, as I read the score arising from the discussion on this Commission, it appears to me that nine Members have spoken definitely in favour of the principle of one vote per head, four or possibly five against, and three are sitting on the fence.

If we decide to postpone a decision on this question, that seems to me a classic case of deference to the views of the States which have carried responsibility, are large in size, and bring great responsibility to the Organization. We are quite agreeable to deferring a decision on this question until there has been greater finality in the drafting of substantial parts of the Charter, but I have some doubt about the value of setting up a sub-committee at this stage.

I understood from Mr. Wilcox's speech that the purpose of the sub-committee would be to gather material on which the Commission could make a decision when we return to it at a later stage. Now, I am not quite clear what its exact function would be. If it is a question of collecting statistics relating to estimates of national income, trade figures, and matters of that kind, I quite agree that that would be a useful function - which, perhaps, the Secretariat could perform. If it is a question of a sub-committee sitting down and endeavouring to construct from that basic

material a series of alternative systems of weighted voting, I wonder whether the sub-committee could, in fact, proceed on the basis of the discussion which we have had so far.

The general sense of this meeting, as has been rightly said, is against the principle of weighted voting. What position would the sub-committee find itself in? It would have no guide as to whether an elaboration of the United Kingdom system of weighted voting would be likely to be acceptable to the Committee; it would have no guide as to whether or not it should provide for more substantial weights or smaller weights.

Under those circumstances, I doubt very much whether it is a practical proposition to ask a sub-committee to produce alternative systems of weighted voting. I have no objection to a sub-committee or the Secretariat producing more detailed basic statistics, which we might use at a later stage when we are trying to make a decision.

CHAIRMAN: I interpret the proposal of the United States Delegation to be that we should set up a sub-Committee to examine and to formulate various proposals for submission to the Commission at a later date. These various alternative proposals would include one comprising the principle of "one State, one vote", and other alternatives would include the principle of weighted voting. That is the issue which is now before the Commission.

DR. GUSTAVO GUTIERREZ (Cuba): The Cuban Delegation is of opinion that the proposal made by the delegate of the United States is a very practical one although we should modify it a little by placing four nations in indecision, and not three. We could probably increase the scope of the Sub-committee. We feel that the Sub-committee should not be forced to submit alternative drafts, but should be asked to find, if possible, a co-ordination between the two views expressed here and, failing that, to present alternative propositions. That could be done when all the Chapters of the Charter have been completed.

CHAIRMAN: I am sure that if the Sub-committee should succeed in working out a compromise combining the principles of both one State, one vote, and weighted voting, there would be no need to submit the various alternatives.

MR. O. PARANAGUA (Brazil): I think the point about this Sub-committee raised by the delegate of Australia is very important. What kind of terms of reference will be given to the Sub-committee? If we have the sense of the discussion here as being against weighted voting, how can we ask the Sub-committee to study this subject again? I think it is a question of seeing how the Charter will come out and if necessary of finding something else, because, on this question of voting in the Conference, the sense of this Commission is quite clear and I cannot see that point being included in the terms of reference in the Sub-committee.

CHAIRMAN: The terms of reference of the Sub-committee as proposed by the United States delegate are very restrictive; they are that the Sub-committee should work out various alternative proposals to be submitted to this Commission, for this Commission to decide.

Is the Commission agreed with the proposal of the United States Delegation that we should set up a Sub-committee to work out alternative proposals to be submitted to this Commission for later decision ?

DR. GUSTAVO GUTIERREZ (Cuba): We are not in a position to vote on that form. Although we are in favour of one of the systems presented here, the terms of reference would bring the matter to an absolute decision between the two and I think we should instruct the Sub-committee to try to reconcile and, if possible, co-ordinate the two ideas. We have tried, as we have said before, to find a way to have a formula accepted by all here. Any decision taken will come back to the Commission and I do not see how the Members of the Commission can act differently from the way they have done so far. This would inevitably lead to failure. I think we should instruct the Commission to try first to reconcile the different views and then to produce alternatives. Nevertheless, if the opinion of the Commission is against this suggestion, I will abide by the majority.

Mr. CLAIR WILCOX (United States): Mr. Chairman, I am glad to accept the amendment suggested by the Delegate of Cuba.

CHAIRMAN: The proposal now before the Commission is that we should set up a Sub-Committee and this Sub-Committee should endeavour to reconcile the various points of view expressed in the Commission, and if it is not successful in reconciling these points of view it should then submit various alternative proposals to the Commission.

Is that proposal approved.

Approved.

As it is important that the Sub-Committee should commence its work at an early date, I propose to nominate the Members of the Sub-Committee at this Session. I name the following Delegations as Representatives to the Sub-Committee:-

Canada, China, Cuba, France, United Kingdom and United States.

That is a Sub-Committee of six Members; two of those Members, Canada and the United Kingdom, have expressed themselves in favour of weighted voting, two of those Delegations, Cuba and France, have expressed themselves in favour of "one State one vote", and two of the Delegations, China and the United States, have not yet been able to make up their minds.

Therefore I think the Sub-Committee is a very well-balanced one.

The Delegate of Brazil.

Mr. PARANAGUA (Brazil): May I remind you that we have had proposals on the subject since London, and another proposal at Lake Success; and also there is no other 'country' than the United States representing the American Continent.

We ask to be included in this Sub-Committee - the Brazilian Delegation - if the Commission agrees.

CHAIRMAN: The Delegate of Cuba.

Dr. Gustavo GUTIERREZ (Cuba): I would be very much delighted to resign the honour conferred on me on behalf of my country in favour of the Brazilian Delegate.

CHAIRMAN: The Delegate of the Netherlands.

Baron S.J.van TUYLL (Netherlands): Mr. Chairman, I understand that this Sub-committee will only work on the voting issue and not on the question of the seats on the Executive Board. Is that right?

CHAIRMAN: After we have had the discussion on the question of the composition of the Executive Board, we shall then have to decide to what sub-committee to refer that question.

Mr. F. Garcia OLDINI (Chile) (Interpretation): I suggested a little while ago, Mr. Chairman, that this Sub-committee should not start its work before we have discussed here the question of the composition of the Executive Board, because the two questions are closely connected.

CHAIRMAN: That will be done.
The Delegate of France.

Mr. Pierre DIETERLIN (France) (Interpretation): My proposal is now without object, after the suggestion just made by the Cuban representative, but I think I should still make it. I was going to suggest increasing the number of members of the Sub-committee from six to seven, by the addition of Brazil, not only to meet the Brazilian request but also because, in conformity with the various calculations made here, the

majority opinion appears to be in favour of the principle "One State, one vote". Therefore a membership of seven for the Sub-committee would show a better proportion of the opinion expressed here, but, nevertheless, after what has been suggested by the Cuban representative, I do not insist.

CHAIRMAN: I wish to thank the French Delegate for his remarks. I would like to point out that the standing rule which has been laid down by the Charter Steering Committee is to endeavour to confine sub-committees to six. I think it is particularly important in this case, as the sub-committee will have to study this question in connection with statistics and other matters, and therefore I think that any number more than six would not be a working number.

I wish to thank the Delegate of Cuba for having resigned his seat in favour of the Delegate of Brazil, as it is very important that Brazil should be on the Sub-Committee, and it is only that the limitation of the number to six makes it difficult to decide between Cuba and Brazil. Accordingly, the Sub-Committee will consist of Brazil, Canada, China, France, United States and United Kingdom.

The Secretariat will advise the Members of the Sub-Committee when the first meeting will be held. It will only be held after discussion has taken place on the composition of the Board. The Sub-Committee will then elect their own Chairman.

Commission B will meet tomorrow to consider the question of the composition of the Executive Board, at 2.30 p.m.

The meeting is adjourned.

The meeting rose at 1.25 p.m.