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

VERBATIM REPORT.

TWENTY-SIXTH MEETING OF COMMISSION "B" HELD  
ON FRIDAY, 18TH JULY, 1947, AT 2.30 P.M. IN THE  
PALAIS DES NATIONS, GENEVA.

THE HON. L.D. WILGRESS (Chairman) (Canada)

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CHAIRMAN: The Meeting is called to order.

We shall resume the discussion on the composition of the Executive Board at the point where we left off last night.

The next speaker on my list is the Delegate of Canada.

Mr. COUILLARD (Canada): Mr. Chairman, I feel that most of the substantive aspects of this question have already been dealt with. We find ourselves in agreement with quite a few points which have been brought up by most of the Delegations, so that, speaking on generalities, I think it might serve a useful purpose, if the Commission is agreeable, that I should discuss, as briefly as I possibly can, the specific Canadian proposal on Article 68 as contained in page 60 of the Drafting Committee's report.

Our impression is that this proposal (which is at the top of page 60) meets a good number of the views of most Delegations as they were expressed yesterday.

Firstly, paragraph 1, on the number of Members of the Executive Board. We do not consider this a question of principle. It is rather a technical problem, I think, which should be solved on technical grounds, and we are agreed on that point with most Delegations. Our proposal, you will notice, provides for fifteen Members, and in this figure we agree with the Delegates of Norway and France, and other Delegates who spoke yesterday in favour of the figure fifteen.

The reasons we have in mind are very much those which Mr. Colben advanced yesterday - possibly first and foremost the question of manoeuvrability - of the danger of a larger Body preventing the efficient functioning of this Board.

We envisage the Board as being a businesslike organisation

concerned with day to day problems, and in that sense it should be executive and not a sounding board, or a debating society, as Mr. Colban mentioned.

It should be borne in mind also that the Board will very rarely be limited to fifteen Members. There will be, for example, the Director-General, the Chairmen of various other Commissions, and representatives of specialised agencies. Now those people, with their advisers, coupled with the basic fifteen Members and their advisers, already present us with an appreciable number of people around the table. Our views, as I say, are not fixed on this point. We might consent to provide for expansion in the numbers of Members to the Board, although we would favour a ratio between the number of Members on the Board and the number of Members of the Organisation of something like one in four.

The second point which comes up in our proposal is the question of permanent seats. You will notice that obviously our proposal favours the allocation of permanent seats on the basis of economic importance and functional importance, as well as geographical distribution. Our attitude in this respect is consistent with the views we have expressed in previous Meetings in connection with voting in the Conference.

We recognise that the economic importance of Members of the Organisation should be reflected, and that those Members should be allocated a seat on the Board. In this respect, we agree with the Delegates of Brazil and the United Kingdom, Cuba, Czechoslovakia, China, France and Australia - Australia, in spite of the fact that they recognise that obviously there are economically and functionally important Members that it should not be necessary to allocate seats.

Indeed, we have gone further than the straight allocation of permanent seats, and in this respect we meet the Belgian view of yesterday, by naming the countries which we think should be allocated permanent seats on the Board. This is, I think, a practical attitude to this problem. If, as many speakers yesterday have recognised, we cannot take an objective view in regard to setting up a formula for determining the allocation of permanent seats, if we agree that this formula should be based on this or that functional principle, then I think we should decide now and get down to brass tacks, as the Belgian Delegate suggested.

The countries we show are chosen on a purely matter of fact principle - on an empirical basis - the United States, United Kingdom, France, Canada - on a basis of international trade; India and China because of the vast potentialities of those countries in the realm of the ITO. Therefore we think that the point of representativeness, which was made by the Australian Delegate yesterday, is met. It will provide for representation of the functionally important countries, and even under 1 (a) we maintain that we meet the request for representativeness on a geographical distribution basis.

This brings me to 1 (b) on our proposal, which is put forward specifically to meet the geographical distribution argument which was advanced here yesterday, and particularly well expounded, I thought, by the Cuban Delegate. We provide for one seat for either Australia or New Zealand, one seat in Europe for Benelux, and two Latin-American countries. The remaining five Members, under 1 (c), would complete the representativeness of the Board both geographically and economically.

On the question of majority, we have no strong views. We would rather leave it to the Conference to determine it by a two-thirds majority of its Members, although on this point - on the point of majority, generally speaking - I think we would be quite willing to meet the wish of the majority of the Commission.

Well, Mr. Chairman, briefly this is our proposal. Reading over the views expressed yesterday, I do feel that the proposal meets - partially, at any rate - at least one, or indeed two or three, in certain cases, of the views advanced by various Members.

We are ready, of course, to discuss this proposal in detail, and indeed it might be preferable to do so elsewhere, but I would point out, in conclusion, that our proposal provides for what we think is a workable number of Members. It provides for permanencies, which the majority of speakers yesterday at least thought desirable. It also provides for the important Australian point of representativeness on a geographical distribution basis, and an economic deficiency basis.

CHAIRMAN: The Delegate for South Africa.

Dr. W.C. NAUDE (South Africa): Mr. Chairman, in order to establish the very fine set of principles on which I work and talk, I would like my colleagues to turn to Page 60, the first column, ten lines from the bottom. You will find that the Brazilian Delegate proposes that the Executive Board should have two Members from South Africa. That is at least one more Member than we expected at any time on the Executive Board. (Laughter).

The way we would like to look at this problem, as Mr. Colban said yesterday, is to find what would be the most acceptable formula, or the most acceptable composition. We all have our pet children, but we must recognize that, in order to get some sort of agreement, we must produce something on a pretty broad basis.

Having said that, I recognize that there are very simple solutions for this problem. We had them in London, we had them in New York, and they re-appear in this document, but we feel that simplicity in this case will not necessarily lead us to a compromise for a solution.

In the discussion yesterday, one or two of my colleagues had some trouble about the designation of permanent seats. I might mention that we can overcome that by talking about scheduled seats, or appointed seats, if that is any help to people who do not like the word permanent. As regards the total number of the Executive Board, we have always felt that a small number is preferable.

The issue now is the total number of Members in the Executive Board. We have always favoured the number of 15 for the reasons which have been expounded so very well; at the same time, however, we are very conscious of the arguments that have been made that you cannot adequately take care of the various economies at various stages of development throughout the world - various geographical concentrations - in a body as small as 15. We would have preferred 15, but it seems to us that we will probably have a maximum of 18.

The British formula, which appeals to us a very great deal, has a very substantial weakness in a number of proposals, which is that they do not recognise the possibility of changing conditions. We have heard a great deal about the potentiality of countries that should be recognised. Any rigid formula makes it impossible to take care of changing conditions. That, incidentally, is a weakness in the Canadian proposal, and that is the advantage of having some such as that sort of objective pseudo-scientific formulae, which was developed in New York. They, at least, suggest some sort of objective criteria which must be specified, and we would take care of the changing conditions of development in our economies. We feel that the British formula is something in the right direction, and, in fact, it could be found, at the outcome of the very trying labours of the Drafting Committee in New York, that they developed one or two other formulae which come very close to the British one; insofar as the elements taken into consideration are very similar, except for one or two, and that is why we have some degree of favour for the formulae that you could find between the British formula and alternatives A and B. That, I take <sup>it,</sup> will be called a technical matter, and probably experts would find a solution to it.

The alternatives A and B, that I referred to, are on pages 54 and 55. What we favour especially throughout alternative B is that it must be recognised once and for all that you have not only

countries of chief economic importance and small fry, but also something in the middle. There is a middle group that should be taken care of, in our view, and that possibility is brought out in alternative B. The possibility of incorporating a so-called middle group has another advantage in that the middle group will comprise a number of countries that are, at the present time, in what might be called a very active process of development, so that you would always be sure that the Executive Board would have adequate representation of that type of economy. In fact, under any system of having permanent seats, you will also find that, in the first category, you will have countries undergoing development. Possibly, countries in category A would all be highly industrialised countries, who would look at the problems of the world from their own point of view. You would notice that, in most schemes you have a permanent point of class, <sup>and</sup> countries that are quite proud of saying that they are under-developed will be in the top category in any case. I gather that even the United Kingdom consider that they are an under-developed country, and that they will also represent the point of view of under-developed countries, so that the argument that under-developed countries are not taken care of by not having permanent, and semi-permanent seats, to my mind falls to the ground.

I should think that the question of the division in the Executive Board between the appointed seat and the semi-permanent seats, and other seats, is linked up with what Mr. Colban said yesterday, that we ought to give some thought to the total number once we start dividing it into classes, and that it would be of some significance how many countries we want to consider permanent and how many semi-permanent, and in that regard, I think alternative B balances this problem. I believe it is something like 7 permanent seats, 5 semi-permanent and 6 other seats, making up a total of 18.

In what I have said I was attempting really to bring out our preference for something like alternative B on page 55.

If I may be allowed to make one more observation in relation to what my Canadian colleague has just mentioned, and attempted to justify in his proposal - it is a very ingenious proposal - I might mention that, in the minds of some of us who are not good geographical experts, there is a bit of doubt about whether one capital is north or south of the equator, or whether it is on the equator - but I believe that it is ten miles south of it! Well, what I do have in mind is that one tremendous country has completely disappeared from the globe in the Canadian proposal. I am not speaking about South Africa itself, which is a very small portion of a large continent, but there is no representation at all in this allocation proposed by the Canadian Delegation.

I think that there are many continents in the world that are capable of vast development, and I feel I must guard against ignoring the existence of that continent. It is <sup>in</sup> a very early stage of development and I hope that it will undergo vast development, so by that idea I would like to suggest that, if by any chance the Canadian proposal is to receive much favour here, we ought to give some thought to take care of the interests of the hundreds of millions of people in the continent of Africa.

CHAIRMAN: The Delegate of the Netherlands.

Baron S.J. van TUYLL (Netherlands): Mr. Chairman, we believe that the question of the Executive Board can be settled in two different ways. One way is a very simple one and that is to accept Article 68 as it is now drafted in the Report of the Drafting Committee, that is to say, the original United States Draft, which leaves the whole question of deciding which countries must be represented in the Executive Board to the Conference to decide.

We do feel that it is much better to settle the question here because the Conference, if in the First Session of the International Trade Organization, it has to decide on what countries shall be represented in the Executive Board, will certainly spend many days and maybe even weeks before they come to a decision. We therefore, I believe, with most of the Delegates who have spoken on this matter, favour the system of deciding here and now how the Executive Board should be constituted.

Now, firstly about the number of Members, Mr. Chairman. I do indeed believe that a maximum should be decided on, and I think that the right number would be something between fifteen or eighteen, according to the system which is adopted.

On the other hand, I have also been very much interested by what the Brazilian Delegate explained yesterday: that in the Banking Fund they have seen that they could not work without -- or perhaps they could work, but they wanted more Members on the Board. I therefore suggest that, if we do adopt a maximum to be stated in the Charter, it should not be made impossible to increase that number without an amendment to the Charter.

Perhaps we could adopt the following system:- to give the Conference the power to increase the maximum number, with the same qualified majority as that with which an amendment to the Charter can be introduced, that is to say, two-thirds of the Members of the Organization. I would prefer that system to an amendment of the Charter, because I do not think that that would be a very elegant way of increasing the number of Members of the Executive Board, if that should prove to be necessary.

Now, as to the Members to be represented on the Executive Board: I think that here is the place to look after the interests of the most important trading nations, as I explained when we were discussing voting. The second principle should be, in our opinion, that it should not be made possible for any country not to be represented at some time on the Executive Board. There should be, for all countries, a system of rotation, and if we look at the system which the South African Delegate has discussed, the alternative B, I think that that is a very happy solution. There indeed the most important trading nations are represented on the Executive Board in the permanent seats. The other countries will take seats on the Executive Board in rotation, and a third category is provided for - that is, the medium category, which would lead to a semi-permanent system. I think that is a very good suggestion, and if we study the matter further and work out additional methods, I feel that we should not overlook the alternative B and that it should be considered very seriously.

Now, other Delegates have suggested a system of appointing straightaway the Members who should take a permanent seat on the Executive Board, without deciding on any criteria. The Belgian and Canadian Delegates have favoured that system.

I would like to ask two questions with regard to that. First, should the names appear in the Charter? I do not think that would be a very elegant way, because it would make it extremely rigid. On the other hand, if it was not put in the Charter, how, technically, would the Canadian and the Belgian Delegates want to work that out? Should it be decided in a protocol - in an annex - to the Charter? Also, if it were decided at this Session or at the World

Conference to name the countries, should not there be a system according to which, after a certain period, for instance, three years or five years, this composition should be reviewed? Then lastly, there is the question, do you think, from the technical point of view, it is a good thing to present to the World Conference a list of countries which should be represented on the Executive Board? How do we know what countries are going to be Members? When you drew up this list of Members of the I.T.O. to be represented on the Executive Board, did you envisage that nearly all United Nations Members should adhere to the I.T.O.? What about countries which, after all, decide not to sign the I.T.O. Charter, and which refrain from adhering to the I.T.O.? Those are all questions which arise in connection with the suggestion put forward by the Canadian and Belgian Delegates.

I would like to add one thing, Mr. Chairman. The Netherlands Delegation is prepared to consider the system whereby a seat on the Executive Board is given either to Belgium or to Luxembourg or to the Netherlands. We do think there is an advantage in that system. For one thing, it would probably make it possible for there to be larger representation of economic regions on the Executive Board than would be possible otherwise; and also it would mean one worry less for the Conference in deciding, if they had to choose, which one should be represented. Our three countries have agreed on so many points that I think, between ourselves, we could very well settle this question and also agree on the representation on the Executive Board.

I would like to say, however, that if that system were accepted, we do think it should not be a precedent, because for various obvious reasons it might hamper other countries - to form larger economic regions, and also if at any time the Economic Union between Belgium, Luxembourg and the Netherlands were to be extended to other countries, then probably we would have to look at this question from a different point of view.

CHAIRMAN: The Delegate of India.

MR. D.P. KARMARKAR (India): Mr. Chairman, the Indian Delegation has seriously considered the different proposals submitted and I myself have listened carefully to the very interesting arguments presented here. I should like, if I may, to outline the position of the Indian Delegation on the questions before us, which, as I have already indicated, is based on a consideration of what we think would be reasonable.

Firstly, regarding the number of members, it is the considered opinion of the Indian Delegation that, in view of the necessity to give sufficient consideration to the various countries with different types of economies, the number should not be less than eighteen.

As regards the reservation of seats, the Indian Delegation feels that, in the interest of the stability of the Organisation, there should be a definite number of seats - not more than half - allotted to countries of economic importance. I go further and say that the question of economic importance should not be judged only on such criteria as foreign trade or national income, but also on the potentialities of a country's importance, as has been rightly suggested by the Brazilian and Canadian Delegates. In our opinion, Mr. Chairman, in assessing the relative importance, the questions of economic potentialities and of population are important factors. The Indian Delegation would therefore like to suggest that, just as it is necessary, in the interest of the stability of the Organisation and in order to see that the Organisation functions well, to reserve some seats for countries of economic importance, in the same way, in order to see that those countries which are in the primary stages of industrial development do find a definite and certain representation, it is necessary to reserve a definite minimum

number of seats for the countries which are in the primary stages of economic development and which require, according to the general principles of the Charter, attention and consideration at the hands of the International Trade Organisation.

CHAIRMAN: The Delegate of Chile.

Mr. GARCIA OLDINI (Chile) (Interpretation): Mr. Chairman, in principle we are in favour of equality among the Members within the Executive Board. We think that there should be no preferential treatment. As we have said in the previous Debate, we were of the opinion that no preferential treatment should be adopted in the choice of the voting system, and similarly we think that there should be no differential treatment in the allocation of seats on the Executive Board; and the same reasons which were developed in support of our first argument are valid in this second case now before us. At the same time we think that the Executive Board must be as widely representative as possible, and consequently, of all the figures put forward here we favour the largest one - that is, eighteen Members.

We think that these eighteen Members of the Executive Board should be allocated taking into consideration the existing economic categories and also the various economic regions, so that the Executive Board should be, so to say, a geographical synthesis of the economic regions of the world, as well as ensure adequate representation of the various economic categories of development.

Notwithstanding the preceding arguments, we are prepared to accept a formula whereby a certain number of seats would be permanent, but we think that they should not be allocated by name to certain countries; they should be made permanent in a conditional sense. They should be conditional and subject to review. They should be conditioned by data on economic importance submitted by the Member States themselves, and if we are prepared to accept that certain seats should be permanent, we attach to this another condition, which is very important in our eyes - that there should be absolute voting equality among the Members.

If the weighted voting system should be adopted, we would be against any system providing for permanent seats; and if we are prepared to adopt the principle of permanent seats, we are against the principle of weighted voting, because we consider that there should not be two preferential systems superimposed each one on the other.

We cannot accept that certain Members who would benefit by the adoption of the weighted voting system should a second time be favourably treated by the allocation of permanent seats. With regard to the election provisions for the Members of the Executive Board, we do not think that it is necessary to adopt the two-thirds majority provision; we think that a simple majority should suffice, according to the basic rules of democracy, which should be considered satisfactory in this case, as they are generally speaking.

CHAIRMAN: The Delegate of Norway.

Mr. COLBAN (Norway): Mr. Chairman, I have had a feeling yesterday and to-day of being back some twenty years in the old League of Nations.

I have not heard, I think, any new idea or new argument brought forward, than those when we discussed the composition of the League of Nations; and my experience from that time brings me to say that an elastic organisation can quite well work. When the League decided to go in for one of the different proposals here to-day - namely, to group the Members in three categories - that simply resulted in the second intermediate category becoming, in fact, permanent; and the third category, the elected Members, not being able to be immediately re-elected. That did not satisfy the Members of the League, and

the result was an increased number of the Membership on the Council.

So I do not think a scheme with these categories in practice is advisable. Well then, is there no scheme we can find from the different proposals before us which would be practical and workable? It was said by the Netherlands Delegate (I think it was) that it was necessary to settle here who should be Members of the Executive Board, without mentioning names of States, of course.

But let me not refer back to the old story of the League of Nations, but to the new story of United Nations.

It was not impossible to elect the judges, in spite of the fact that there we had to combine election in the General Assembly with election in the Security Council. It was not impossible for the General Assembly to proceed to a very reasonable composition of the Economic and Social Council.

I said in London that I considered it an error that the Charter of the United Nations did not explicitly lay down the rule that the leading economic Powers should be reserved a certain number of seats. But my fears were entirely superfluous, because in practice it will always turn out in this way, that the leading economic Powers will be, must be, members of the Economic and Social Council.

I think that exactly the same forces will operate in order to secure them places on the Executive Board of the ITO. What we must do in order to make that possible - and at the same time to make certain of a reasonable rotation - is simply to decide that a certain number of the total members of the Executive Board shall be immediately re-eligible on the expiration of their mandate, and others shall not. Then we will avoid the difficulty of permanent seats, and we will be able to meet changing conditions.

The Organization will, I think, at the expiration of every three-year period in the future, when everything is running regularly, be able to say that this or that country is now really of very great importance to the continued work and ought to be given a chance to continue. Another country which has been chosen for re-election may perhaps drop out - we cannot tell.

In order to cover the unforeseen difficulties, I would slightly amend the suggestion I made in London, namely, that five out of the 15 members should be immediately re-eligible.

I would say it might be six, or even seven. I would not go further than a little less than half of the members, because if we went further we would lessen the opportunity of all the other members of getting on in their turn as members of the Executive Board.

Then the question has been put in some of the schemes, whether we should not provide for group representation. The same problem came up in the League every year, and it solved itself. Taking all the countries, it was agreed from the outset: today, you; tomorrow, I; and after tomorrow, the third one, and so on. We even got larger groups working together. We knew we should get the necessary support in the Assembly and coupling of seats, and I take it that the community of interest in the ITO will bring together such countries as may feel that one of them will be able to represent them all.

Then we have the question of how to make it possible to secure that all the members of the Executive Board really enjoy the full confidence of the Organization. It was said just now by the Chilean Delegate that the democratic rule would render inapplicable a qualified majority. I venture to be of the opposite view. I think that, in order to make it quite clear to the members of the Executive Board themselves and to those of the Conference who are not elected to the Board, it would be desirable to send out as their Delegates the members of the Executive Board with the backing of, if possible, two-thirds of the full Conference; of course, of the members present and voting in the Conference.

I cannot continue very much longer, but I think that experience from the League and experience from the United Nations, and our desire to satisfy everybody and to give expression to our wish on what we call permanent seats - but which, in fact, are only seats at the disposal of the Conference

- should be to re-appoint, without waiting an intermediate time, certain important countries.

On the other hand, in order to guarantee to all the members of the Organization a reasonable opportunity of getting on in their turn, I think that I could modify my proposal from last year and say something like this: that the Executive Board shall consist of representatives of not more than - here I accept the New Zealand amendment - 15 members of the Organization elected by a two-thirds majority of the members present and voting. Last year I said five, but we could easily go to six, or even seven; that would be for the sub-committee later on to consider. Members of the Board would be immediately re-elected on the expiration of their term of mandate.

M. STANISLAV MINOVSKY (Czechoslovakia) (Interpretation): Mr. Chairman, I think that it would be useful to mention the names of the States who are going to have permanent seats on the Executive Board, and when I read the Canadian proposal I am rather surprised at one omission - the Soviet Union. We all hope that the Soviet Union will be a Member of the International Trade Organization, and therefore must not be neglected among those who are going to have permanent seats. Nevertheless, I think that it would be far better to avoid this rather touchy problem, and not to assume from the start that the USSR will not be a Member of our Organization. Of course, there is a footnote to the Canadian proposal stating that, if the USSR becomes a <sup>Member,</sup> / Canada feels that it should be accorded a permanent seat on the Executive Board. This footnote itself tends to give the feeling that we are not certain, and that we are, in fact, assuming that the USSR is not going to become a Member of the Organization, and this would, in itself, give a wrong impression because, as I have stated previously, we ought to suppose that the USSR is going to become a Member, and that this is a thing which we all hope. I would like, here, to refer to our proposal which reads as follows: "In the opinion of the Czechoslovak Delegate the question of the membership of the Executive Board should not be materially dealt with until all countries which are likely to become Members of the Organization have had ample opportunity to present their views on the matter".

CHAIRMAN: The Delegate of Canada.

MR. L.E. COUILLARD (Canada): Mr. Chairman, my remarks will be more in the nature of an explanation rather than a repetition.

Firstly, the Delegate for South Africa raised the rather technical question, I think, of which is north and which is south of the Equator, but I think we might very well leave that problem to the geographical experts. On the question of the continent which the South African Delegate had in mind (I can very well assure him, incidently, that I have not forgotten the African Continent - I have been staring at it on the wall behind the Chairman for hours) I would like to point out that, if it were covered under (b), obviously the reading would have to be "South Africa". For that reason, it is not specifically mentioned, but, presumably, it would decidedly come under (c) as one of the five remaining Members of the Executive Board.

The Netherlands Delegate asked a question as to whether the Members of the Board should be named. I think that would be a question which might very well be discussed in sub-committee; it might be a question of tactics or procedure or, indeed, of etiquette. We, in our proposal, actually name the countries in Article 68. There are precedents for that, of course, of which we are all aware. One possibility might be an annex to the Charter, or our Legal experts might devise some other ways.

As to the question of which countries are specifically allocated permanent seats, undoubtedly, the Charter would be subject to periodic revision every five or ten years, or, indeed, a provision could be inserted in Article 68 for such a revision.

As to what countries were considered in the preparation of this Canadian proposal, I would say that all countries were considered, all the countries who might be Members of the International

Trade Organization. The last speaker, the Delegate of Czechoslovakia, referred to the omission of the USSR from our paragraph 1(a). Naturally, if the USSR became a Member of the International Trade Organization she would, by virtue of her economic importance, be entitled to a permanent seat. This could be decided when the Charter is signed. As the Czechoslovakian Delegate pointed out, the Canadian proposal provided for that in Footnote 2 at the bottom of page 60.

CHAIRMAN: The Delegate of New Zealand.

MR. G. LAURENCE (New Zealand): Mr. Chairman, I would like to speak briefly, first of all, on the point of the New Zealand amendment to paragraph 1 of Article 68, that is, to introduce the words "not more than" before the word "fifteen" in relation to the number of Members.

There were two reasons why we suggested the amendment. One is that, if you refer to paragraph 3 of Article 88, about half way through the paragraph we have the proviso that if the Charter shall not have entered into force by a blank date, any of the Governments which may have made effective the General Agreement on Tariffs together with any other Governments represented at the United Nations Conference on Trade and Employment, may agree to bring this Charter into force. That suggested two possibilities, one, that if that proviso were acted upon there may, in the first instance, be no more Members than were provided for in the Membership of the Executive Board, or alternatively, the number of Members who may subscribe under that provision may be only a few more than the number which is ultimately fixed for the Membership of the board. So, having in mind that, it would be undesirable to have the relationship of the number of Members of the Board to the number of Members of the Organization too close, we thought that it would be worth while introducing the "not more than" concept.

On the question of the number of Members that should be appointed to the Board, we have no set ideas. We would not be particularly concerned whether it is fifteen or eighteen or some number round about those that I have named.

On the other point - the question of whether or not there should be permanent seats on the Board, we find it somewhat difficult to separate this consideration from the consideration which occupied this Commission earlier in the week, that is, the proposal for weighted voting in the Conference. It is our opinion that if equality can be given in the Conference by giving some Members more votes than others, it becomes unnecessary to provide for permanent seats; and it would be our view that it would be desirable to reconcile here this proposition of the voting in the Conference, and if those who have spoken in favour of "one State, one vote" can see the light, or what we regard as being the light, then it would be our view that the equality reached there should be retained, and that membership of the Executive Board could then rest on such election schemes as may be resolved without the provision for allocating permanent seats.

CHAIRMAN: The Delegate of Cuba.

Dr. Gustavo GUTIERREZ (Cuba): Mr. Chairman, I have made up my mind to speak as briefly as possible, and that is why of all the statements made in this debate, the shortest one of all has been mine! But as we are dealing with the intricacies of this peculiar system of election, I think I would like to make our position clear, because it is apparent that we are more or less in agreement as to the composition of the Executive Board, but we differ as to the way to climb up the ladder. I think

that we could stay here all today or tomorrow or next week discussing these peculiarities and we would never come to an agreement as to how to go up the ladder.

For example, there is an almost unanimous idea that the Executive Board should be a body of no less than fifteen nor more than eighteen, with a reference to a percentage number related to the total membership of I.T.O. That is the principle - fifteen to eighteen according to circumstances which may vary.

There is another thing on which most of the Delegates seem to be in accord - a very peculiar reluctance about names. It seems that we have all forgotten the historic words in English literature: "What's in a name? A rose by any other name would smell as sweet".

We all agree that a certain part of the Executive Board wants a third or half, depending also on circumstances over which we have no control. Why do they not want to call the seats permanent after so many years of permanent seats in all the organizations of the world? We have found out a word - very hard for me to pronounce - an English word: "non-reeligibility" seats. There we have another basis of agreement.

One half of the members of the Executive Board shall be re-elected, or have permanent seats (or "stay put" as the man-in-the-street would say). In other words, we want the United Kingdom, the United States, France, China, and India, and perhaps others to be there always. We want their experience more than their economic force and the only task is to find an elegant form of saying that. The only way I see of doing it is to give their names in the Charter. On the underlying principle I think we are all agreed.

Then there is the question of the form of election and there again, that ingenious method of the weighted vote creates many troubles. If we were to say quite simply that permanency would be given to the nations with the higher values of foreign trade, that would be a very simple definition; foreign trade is a very simple thing as everybody knows, and we are here establishing an International Organisation for foreign trade. If, on the other hand, we start to add technicalities to that very simple thing called "foreign trade", then the trouble begins. I have learned many things from my Chinese friends and I would now simply repeat what they have said in Document W/210-Rev.1; "From a technical point of view, no matter what formula for weighted voting may be suggested, the factors selected would be such as not to reflect the accuracy of a Members' economic importance; for instance, foreign trade, national income, percentage of trade in relation to national income, foreign trade per capita of population would, if there is combination of any of these factors, add more weight to the industrialised countries than is appropriate".

I have almost come to the conclusion that the thing to admire most is not to see a man expressing a reasonable matter simply, but to see an intelligent man trying to make intelligent something that is not reasonable. We have here an excellent example of that kind of intelligence.

On the question of the allocation of permanent seats to the most important nations of the world, I am sure that if we were to give a piece of paper to every one of the delegates here and ask him - as an ordinary man in the street - to write down the names of the countries, the election would be immediately unanimous.

For the rest, I think we need have only one consideration - the economic divisions of the world. We are talking about realism and I think there is nothing more real than the geographical economic divisions of the world. They must be represented. In what way? By the election. If we are to elect a member for a certain zone, I do not know what is the African Continent or whether certain countries consider themselves in Africa or not. That is beyond my knowledge. But, we have a certain idea of what is the economic region of the African Continent. Although I do not care for the division by continents, because there are nations that go far beyond the continents, we could simply state the geographical position, and then from there, if we were to allocate to a certain geographic region 4, 2, or 1 seat, the election will be based on selection of members from that part of the world and will be fair.

If you take the wording of these technicalities devised by experts in order to measure the economic importance of a nation, you will do harm to some nations who can thus never be elected as members of the Executive Board whereas, by other means, they

could be.

Finally, Mr. Chairman, I have found, with great surprise, that I am almost in agreement with the United Kingdom proposal - except where they use the United Kingdom formula of weighted voting. All the considerations I have just mentioned are more or less there in the United Kingdom formula, except that thing which I can never understand - weighted voting. If we could substitute something else for that, I think we should have a very good basis on which to start, and if we send the rest, after the delegates have expressed their opinions, to the Sub-committee, we shall give them a very nice Trojan horse for them to put all the pieces together.

CHAIRMAN: The Delegate of the Lebanon.

Mr. HAKIM (Lebanon): Mr. Chairman, I agree with the Delegate of Australia, that even if we do not provide for so-called "permanent" Members, the great nations will always be elected to the Membership of the Board. In fact, as Dr. Combs pointed out, if the Organisation is to function properly, it is inconceivable that the great trading nations will not be freely elected by the other nations to become Members of the Executive Board.

In the same way, although the Charter of the United Nations does not provide for permanent seats on the Economic and Social Council, it is inconceivable that the Big Five will not be re-elected to the Council, whenever the term of Membership comes to an end.

I was present at the time of the election of the eight functional commissions of the Economic and Social Council, and it was agreed without question that the Big Five should be elected to all the eight Commissions.

Nevertheless there is much force in the argument of the United Kingdom Delegate that, if such will be the case, why not say it in the Charter? There is also another reason why we are willing to support the provision for permanent Members. That is the fact that we do not know definitely which are the States - and how many they are - which qualify for permanent Membership, especially if we take a long view of the future. In fact we should consider the future in terms not of ten or twenty years, but of forty or fifty years. History teaches us that it is possible for a nation to grow rapidly to a position of great economic power in a period of fifty years. It is

therefore not possible to determine the permanent Members of the Board.

Moreover, that is why a certain formula is needed to determine what nations qualify for permanent Membership of the Board. Again, in the economic field, there is greater scope for greatness to be achieved than in the political field. It is therefore likely that the great trading nations will be greater than five in number; but whatever number we fix for them there is always on the margin one or more nations who come very near to qualifying for permanent Membership of the Board, and may so qualify within a certain number of years.

As for total Membership of the Executive Board, I agree with Dr. Coombs that it is necessary to provide representation for various types of economy, taking into account various factors for the determination of those types.

Finally, the Membership of the Board should be large enough to ensure that, once we decide on the number of permanent Members, this latter would not form the majority of the world. That is, perhaps, a safe enough rule to follow.

Mr. Chairman, all these considerations lead me to the following conclusions. First, the Membership of the Board should be eighteen, rather than less; second, the number of permanent Members should be fixed at eight, rather than less; and third, a carefully worked out formula should determine the eight most important trading nations, and such determination should be revised from time to time.

CHAIRMAN: The Delegate of France.

M. KOJEVE (France) (Interpretation): Mr. Chairman, I should like to add a few words to what I said yesterday.

I agree that it would be a good thing and a useful thing to have permanent seats, but, like the Delegate of Cuba, I feel rather ill at ease when I am confronted with so-called objective criteria which claim to have an almost mathematical accuracy.

Let me take an example; in Appendix X on Page 62 of the New York Report, there is a formula for rating economic importance. This is a table drawn up by the Secretariat, probably on very strict calculations, and the table seems to be properly drawn up. In the last column we have the total number of points. As you can see, France has a very honourable place, since she comes third in the list, but I find that Metropolitan France has a total of 65 points, whilst the French Union, that is, including her overseas territories - has only 58 points, which would mean that the fact of having overseas territories is a real disaster from an economic point of view.

I admit that certain countries have claimed that the possession of overseas territories is a burden for them, which they only bear on account of their well known altruism, but, although I am prepared to admit that they are sincere, I think that they are wrong. At any rate, I am rather surprised to find in this total that the French Union weighs less than Metropolitan France, generally speaking.

I should also like to know what is the meaning of a difference of one point. For instance, I see in the same table

that Italy has a total of 35 points, whilst China has 34. Does this mean that Italy is more entitled to a permanent seat than China?

I think that these figures are rather far from reality. I prefer a less complicated formula, perhaps less satisfactory from the point of view of Latin logic, but nearer to the good old Anglo-Saxon commonsense. I hope that the sub-committee will find a formula to that effect.

Mr. E.H. KELLOGG (United States): Mr. Chairman, this discussion has been based upon two problems. First, the problem of size, and second, the problem of permanent seats. As to the first problem - size - we are very much impressed by what Ambassador Colban has said. He has stated, I believe, that a large body risks becoming a debating society. I believe that his experience in various international bodies has already proved the truth of his statement.

The Delegate of Canada has also pointed out that, in addition to the regular Members of the Executive Board, there will be various other people in attendance, participating in this work. He has mentioned, for example, the Director-General and the Chairmen of Commissions. I might add that, under Article 70 in paragraph 4, there will be other people - the representatives of countries concerned with the problems under discussion - so even if we keep it as small as 15, the body will actually be considerably larger. We would, therefore, agree with Mr. Colban's suggestion that it should not be larger than 15, at least at first. We might, of course, provide for an expansion up to <sup>as</sup> 18/suggested by the French Delegate. Also, the New Zealand Delegate has suggested that, at the beginning, there may be less than 20 Members in the Organization. In that case, it would be desirable to adopt some such solution as he has suggested, and provide for less than 15 at the beginning of the Organization's work.

On the issue of permanent seats, we are not opposed to the idea in principle. We agree with what Mr. Holmes said yesterday, that, since this will occur in any case, there is no harm in admitting the truth. We also note that a large majority of the delegations here - I think all but two - have come out with some kind of permanent seat. The United States will accept any formula for arriving at permanent seats, which is generally acceptable, but

after hearing this discussion, we suspect that that generally acceptable formula is not going to be easy to find.

There is a lot to be said for the so-called alternative B of the New York Committee, and there is a lot to be said, I think, for what the Canadian Delegate has suggested, but the latter appears a little bit rigid. If, then, we cannot agree here, <sup>but</sup> I suspect we probably can, upon a generally acceptable formula, I am tempted to support a suggestion of Mr. Colban. He has brought to this group his usual great wisdom and experience, and given us a great deal of background which, I think, is very valuable. He has suggested that we set up a Board of 15 Members, of which up to 7 may be eligible for re-election, and the rest will, I suppose, rotate. This suggestion, does seem to me to answer most of the points which have been raised. I believe that the Delegate of Cuba has suggested that he might favour such a plan. This also, has the advantage of averting that unpleasant word "permanent seat". I believe, when somebody yesterday said that the word was invidious, the remark was punctuated by a clap of thunder. I suspect that the Creator of that thunder will agree with him.

H.E. Dr. WUNSZ KING (China): Mr. Chairman, first of all I must confess that I am getting a little more open-minded than I was yesterday. You know, the representative of a country sometimes feels proud and perhaps shy when he hears the name of his country mentioned, but at the same time the representative in question would like to express his thanks to the Delegate who mentioned the name of his country as one of the principle candidates to be represented permanently on the Executive Board.

Now, I am a little bit appalled at the use of the word "permanent". In this sense, I would also like to support the Czechoslovak and Canadian proposals, if they are acceptable to the other Delegations.

I am very much struck too by the formula suggested by Ambassador Dr. Colban and endorsed by the United States Delegate. I like it because it is simple, but at the same time, I must also point out that the weakness, if I may say so, of the formula lies in its simplicity, because in this formula there are no criteria to guide the elections when elections take place. I, personally, am inclined to think that when elections actually take place the Delegations taking part in the election will have to have some support or guiding principles, whether they are written in the Charter, in the formula, or simply written in their minds.

Now, speaking of the criteria or formula, I am very much impressed by the remarks made by the French Delegate. He pointed out some of the absurdities in this Appendix X on page 62 of the New York Draft, and I am glad to hear that one of the most absurd absurdities is the possible competition of Italy with China on the Board. But I think there is another absurdity which is this: that the table undoubtedly worked out on the basis of the direction of the Administrative sub-committee in New York, seems to overlook

the democratic factor of population. In this connection, I agree entirely with the remarks made by the Indian Delegate: that in any formula for the purpose of the election of the Board, it is not only foreign trade and national income which should enter into the scheme. There are also factors of potentialities and populations. I am very glad that he has mentioned this factor of population, indeed, the purpose of the future International Trade Organization is not only for the expansion of world trade - it is also for the purpose of the promotion of employment; it is also for the purpose of the achievement of raising standards of living; it is also for the purpose of fostering <sup>the</sup> economic development of all the Member States. Therefore, in any formula which is to be applied for the purpose of the election of the Members of the Board, population should, above all, be one of the elements. Now, this is the reason why not only the appendix X is absurd, but also the two alternatives (a) and (b) as set out in the Administrative sub-committee's Report, and it is objectionable and unacceptable to the Chinese Delegation.

Again, it was pointed out on page 53 of the New York Draft that the sub-committee felt that population should not be given direct weight as such, in an International Trade Organization, on the grounds that the factor of population has already been reflected in the national income. Well, that might be true, I do not know as I am not an expert, but if we should push this argument to its logical conclusion, then we might just as well drop foreign trade altogether because foreign <sup>trade</sup> must also have been reflected in the national income. Now, is that reasonable? I would like to leave it to my colleagues to decide. After all, I can very well imagine that when we set up our future International Trade Organization and the Executive Board, there will be decisions on a number of important questions, and I am inclined to think that

no decision or no determination of the future International Trade Organization which will affect the livelihood and well-being of the masses of populations in the world can work smoothly and satisfactorily without the general consent of the masses concerned, and the best way to secure and ensure this general consent is to have the country or countries having the largest populations adequately represented on one of the most important organs of the International Trade Organization, that is, the Executive Board, and nothing short of a permanent (I lay stress on the word "permanent" instead of the other more difficult word of..... what? re-eligible? Re-scheduled?) representation on this most important organ could be regarded as being adequate.

CHAIRMAN: We have now had a very long and full discussion of this problem of the composition of the Executive Board. This discussion has lasted over two sessions of the Commission. We have heard from each one of the seventeen Delegations represented on the Preparatory Committee, and have listened to a total of twenty-three speeches. I think we have had a very full expression of views on what the various Delegations think should be the number of Members of the Executive Board.

We have also had a good indication as to what the views of the Members of the Commission are regarding the question of permanent seats versus no permanent seats; but there is one question upon which I regret to say there has not been a great deal of guidance given, if we find it necessary to refer this problem to a sub-committee - and in view of the fact that it is unlikely that we shall reach unanimity in the Commission I think it will be necessary for us to refer this problem to a sub-committee.

The question about which we have had very little guidance is whether or not the Members of the Executive Board should be elected by a simple or a two-thirds or other majority. The Delegates of Australia and Chile have expressed very clearly their preference for a simple majority. The Delegates of Norway and Brazil have indicated that they would favour a two-thirds majority. The Delegate of Canada mentioned that the Canadian Delegation had no very strong views on this problem; but the other Delegations did not refer to this particular question.

I will, in view of the desirability of giving more guidance to the sub-committee, adopt unusual tactics on the part of the Chairman and suggest that we allow a few minutes more to the discussion of this particular problem, if there are any other Members of the Commission who wish to speak on this aspect of the problem.

There may also be some members of the Commission who may wish to comment on the proposal put forward by the Delegate of Norway and supported by the Delegate of the United States. The Norwegian Delegate was fifteenth on my list of speakers and therefore he spoke after a number of the other delegations had expressed their views. If there are any other delegations who wish to speak I would ask them to confine themselves to two points; (1) Whether the members of the Executive Board should be elected by a simple or two-thirds majority, and (2) any comments they may wish to make on the Norwegian proposal.

I wish to make a correction to the remarks I have just made. I find, on consulting the Verbatim Record, that the Australian Delegate also favoured a two-thirds majority and not a simple majority for the election of the members of the Executive Board.

: The Delegate of Brazil.

MR. O. PARANAGUA (Brazil): I think the question of the elections for the Executive Board by a simple or two-thirds majority is related to the question of the appointed members, whom we call here "permanent". I say "appointed" because they would be appointed by their Governments and not elected. There is the question of whether the governments appointing the members would be entitled to take part in the election or not. That is a point of certain importance.

Then there is another question, that of voting power for the elections. We did not decide about that. We do not know if the elections will be on the system of one nation, one vote, or of special voting powers granted to some countries. For this reason, I cannot express an opinion on the subject, but I think it is more regular to have an election by a two-thirds majority, provided that

each nation has one vote and that the countries entitled to appoint a director participate in this election.

CHAIRMAN: Do any other members of the Commission wish to speak ?

The Delegate of the Netherlands.

BARON S.J. Van TUYLL (Netherlands): On the question of the voting which should be required for the election of the members of the Executive Board, I favour the system of one country, one vote, as it is the system I also favoured for the voting in the Conference, and other matters. I therefore also think that in this case there should be one country one vote.

I do feel inclined to decide in favour of the qualified majority for the election of the members of the Executive Board. I believe that it is right to take into consideration the qualifying majority of two-thirds of the members present.

I would also like to say something on the interesting proposal put forward by the Norwegian Delegate. I think that the Norwegian Delegate is indeed right when he says that very much trouble will be spared to the members of this Commission if we decide to leave the decision on the numbers of the Executive Board to the first meeting of the Conference of the I.T.O. I do think that all the criteria we may have thought of will be applied in that first meeting, not because it has been decided on as a general rule, but because every member of the Conference, at that first meeting of the I.T.O. will apply the criteria which he thinks are the right ones. So you will get a general criterion which will probably be the same as a mixture of all the criteria which have been set out in the different proposals here.

I therefore think that the Norwegian proposal must be taken into very serious consideration and I think it is one of the solutions which should be adopted, if there is not a large majority of the Commission in favour of any other system of choosing the members of the Executive Board.

CHAIRMAN: The Delegate of Chile.

Mr. GARCIA OLDINI (Chile): (Interpretation): I have nothing to add to what I have said already regarding the vote.

As for the proposal made by the Norwegian Delegate, I suggest that this should be referred to the Sub-Committee as one of the proposals submitted here - I think it would be a satisfactory basis for discussion, but I also think that it is likely to be improved. I do not think it is necessary to establish a relationship as between the vote for election-membership in the Executive Board and the possibility for a qualified vote which has already been suggested. We think that the Commission has already come to some decision on this point, and according to the general tendency here in the Commission it is very likely that the Sub-Committee will make a proposal along the line of "one State one vote".

At the same time this formula bears some connection with the problem of permanent seats. Considering that the Sub-Committee will have to ratify the general trend of the Commission, for my part I could only accept a condition of unvariable balance in the Executive Board.

There is a general tendency to refer certain delicate and difficult matters to the future World Conference; but I think that the whole of our work will be taken up again by the Conference, and we must face the possibility of having the whole of our work again reviewed and probably modified by the Conference.

Therefore, I think that we must assume our responsibilities and choose a certain system of vote, take a decision in favour of a certain composition of the Executive Board, and leave it to the Conference to accept or reject our proposals.

CHAIRMAN: The Delegate of Czechoslovakia.

Mr. MINOVSKY (Czechoslovakia) (Interpretation): Mr. Chairman, as regards the election of Members to the Executive Board, we are in favour of a majority of two-thirds being applied, and of the principle of "one State one vote"; and we favour the proposal which was put forward by Ambassador Colban.

CHAIRMAN: Any other Delegates who wish to speak.  
The Delegate of the Lebanon.

Mr. HAKIM (Lebanon): Mr. Chairman, we favour the two-thirds majority for the election of the non-permanent Members of the Executive Board. However, there may be some difficulty in certain cases in arriving at such a majority. There may, in fact, be a deadlock in the way in which a two-thirds majority can be secured for some of the seats. This situation did, in fact, develop in the election of two Members of the Economic and Social Council during the Session of the General Assembly last autumn. Some provision would need to be devised to deal with such a deadlock, when it takes place.

CHAIRMAN: The Delegate of France.

Mr. KOJEVE (France) (Interpretation): I simply wanted to say, Mr. Chairman, that I share the views of the Lebanon Representative.

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CHAIRMAN: The Delegate of India.

Mr. D.P. KARMARKAR (India): Mr. Chairman, regarding the matter of voting, I would respectfully hold to the original view I had - one country, one vote. Regarding the requirement of a two-thirds majority in the case of Members to be elected, I do not exactly follow the intention behind that. If my interpretation is right, it gives power to one-third of the members - that is, less than half the members - to hold up the election of any candidate, though the majority of the Conference may want it.

I am not sure, Mr. Chairman, whether that has exactly brought us towards any conclusion. In consequence, I should much prefer to leave the matter to the normal ways of election, which gets the necessary number of votes, and not by this qualified majority of two-thirds, which, in certain circumstances and in very deserving cases, may act as an unnecessary obstacle.

CHAIRMAN: Does any other Member of the Commission wish to speak?

I think this further discussion has been useful in bringing out the points of view of certain Delegations regarding both the method of election of members of the Executive Board and the proposal of the Norwegian Delegate.

I think all members of the Commission will agree with the proposal of the Delegate of Chile, that the sub-committee should consider the proposal of the Delegate of Norway along with the other proposals which are being referred to the sub-committee.

I also take it as the sense of the Commission that this question should be referred to the sub-committee for further study, in an effort to reach a solution which will be satisfactory to all members of the Preparatory Committee. I therefore

propose that Articles 68 and 69 be referred to the special ad hoc sub-committee which we set up to consider the question of voting, and that they should be instructed to reach a solution which will be satisfactory to all members of the Preparatory Committee; taking into consideration the various proposals which are set forth in our working paper, in the Drafting Committee's report, and which have been elaborated in the course of our discussion.

Does the Delegate of Cuba wish to speak?

Dr. Gustavo GUTIERREZ (Cuba): After this matter has been disposed of. I am entirely in agreement with the proposal of the Chair.

CHAIRMAN: Is the proposal approved?

(Approved)

The Delegate of Cuba.

Dr. GUTIERREZ (Cuba): Mr. Chairman, when we started the discussion of the voting system of the Organization I mentioned a problem which occurred to me during the study of this matter, and on which my Delegation has not any fixed ideas. It is the problem of the vote of representation of the economic unions or the customs unions. We have no special views on that. The actual customs unions are few and are composed of a certain number of States, but if they are moved they are more than the usual number and their membership is enlarged.

For this reason I wish to put to the Commission the advisability of instructing the sub-committee to study the problem and report back if necessary. I am not asking for a specific answer. The point is this: an economic union might have one,

two, three or more nations connected, but when you have to negotiate a treaty, it is only one person. When they come to vote, they have three, four or five votes. It might arise as a problem between a single nation and one economic unit as to the interpretation of any of the provisions of the treaty. When it comes to a question of voting, the single nation will have one vote and the others will have three, four or five votes. That is a new thing in international economy.

I really do not know if it is of any importance, but we are here to establish a Draft Charter for an International Trade Organization. There is a Constitution, and I know by experience that Constitutions are very difficult to amend afterwards. There is a trend towards economic unions. If that trend increases, there are going to be problems. If we can solve them by establishing certain provisions here, it might be a good thing.

We are not afraid of customs unions. As a matter of fact, we sympathise very much with them. We could establish one ourselves. I only put this question as a matter of technicality, to be considered if it is worth while. If it is not worth while, I am glad just to leave a trace on the records.

Baron S.J. van TUYL (Netherlands): Mr. Chairman, I am very glad that the Cuban Delegate raised this question, and I am also glad to hear that he has no pre-fixed ideas on the matter. That makes it easier for me, Mr. Chairman, to say that I did have pre-fixed ideas on the matter. In my opinion the question is very simple. Members of the Organization will be independent States who would independently sign the Charter, and, if some of those independent States who have signed the Charter agree among themselves either to make a Customs Union or to go further and make an Economic Union, I think it will be all to the advantage of the Organization. The more Members of the Organization will agree, the better for the Organization, and if all the Members did agree there would be no trouble, and the Organization would just simply be one Economic Union.

I am interested in the question of the Sub-Committee. I do not know if the Commission thinks there is a problem. I myself am inclined to think there is no problem, but if the Commission decides there is a problem to be studied, then I would suggest that there should be a special Sub-Committee where at least one or more of the countries who have Customs Unions, are represented.

CHAIRMAN: The Delegate of Belgium.

Baron P. de GAIFFIER (Belgium) (Interpretation): Mr. Chairman, like the representative of the Netherlands, I should like to associate myself warmly with the proposal made by the representative of Cuba. As I said, during the discussions on the voting system, I had an open mind on that problem, and I may assure you that I am still today in the possession of this open mind, but as I understand the Cuban proposal contemplates the possibility of a plural vote to be attributed to Members of the Customs or Economic Unions, and if the result of the Cuban proposal is that the Members of the Belgian-Netherlands-Luxembourg Customs Union should have six or nine votes in the future Organization, I would gladly accept that, and this would make it easier for me to accept eventually the weighted voting principles.

CHAIRMAN: The Delegate of France.

M. KOJEVE (France) (Interpretation): I just wanted to say, Mr. Chairman, that if this Commission decides not to set up a special sub-committee to deal with this question, the French Delegation will defend with all its means, though it may only have weak means at its disposal, the stand which was taken by the Netherlands Delegate, but I must state that it might be hard for us to defend the stand which was just taken by the Belgian representative.

CHAIRMAN: The Delegate of Chile.

Mr. Garcia OLDINI (Chile) (Interpretation): Mr. Chairman, it is both interesting and symptomatic that the Cuban proposal should have received such a hearty and smiling welcome, but I do think that it should be considered seriously. I do not know whether it would be possible to come to a decision on this new problem; but it would be wise, at any rate, not to close our eyes to a problem which is new but which may assume greater importance.

If we have in this Commission minds as clever as those which have found the formula of the weighted vote, perhaps these minds could also find some system, not similar to the one suggested by our Belgian colleague, but perhaps exactly the reverse - that is to say, whereby countries forming a customs or economic union (say, three or four countries) would have only one vote.

CHAIRMAN: The Delegate of Cuba.

Dr. Gustavo GUTIERREZ (Cuba): Mr. Chairman, I think that I have obtained what I intended to have. I spoke very open-mindedly. Nevertheless, as I always am very fond of smiling, and my remarks have been received in a very smiling mood, I think it is good to foster Economic Unions with a view to reaching the final economic Utopia of having all the nations in one big Economic Union. Some Delegates have the impression that I have made a proposition which I have not. I think it is all right to leave it there, although we know the tendency of Economic Unions to increase things, having seen their last consolidated customs tariff.

I did not have any specific Union in mind, but the problem that is beginning to arise in different countries. If the Commission has not seen it, it is all right. Then we will again take up this matter, and probably we will not then be so angelic as we have been today. However, as we did not have any specific idea to arrive anywhere, but just to consider the position of the Members of this Committee as to the matter, I would prefer very much, Mr. Chairman, that we should stay in this smiling angelic world in which we have found ourselves this afternoon.

CHAIRMAN: The Delegate of the Netherlands.

BARON S.J. Van TUYLL (Netherlands): I only wanted to add to the remarks I have just made, Mr. Chairman, to say that I was very much impressed by the remark of the Cuban Delegate which tends to presume that, in voting, the members of the Customs or Economic Union will always have identical views. I should like to think so, but I do not think they will always have identical views and I wish to assure the Cuban Delegate that, for example in the case of the Customs Union of the Netherlands, Belgium and <sup>the</sup> Luxemburg, /Netherlands and Belgium are represented there, not only in order to have two votes, but also because they have different interests to defend.

On the other hand, I am very thankful to the Cuban Delegate for his genial attitude, even though it be provisional.

CHAIRMAN: I take it from what the Cuban Delegate has said that he has not made any formal proposal and that he simply made a suggestion for the other members of the Commission to express their views on the subject. I take it we can leave it where it is now.

DR. GUTIERREZ (Cuba): Yes.

CHAIRMAN: Before we adjourn it will be necessary to come to some formal decisions regarding the allocation of the matters referred to us at the previous session of the Commission B. when they were considering Chapter VIII in regard to these various Articles. Members of the Commission will recall that it was decided to defer discussion of Article 64, paragraph (5) of Article 6, paragraphs (3) and (4) of Article 67, Article 68, and Article 69. We have at our meetings this week decided to refer Articles 64, 68 and 69 to the ad hoc Sub-committee of six which we set up at our meeting on, I think it was, Tuesday. We still have to decide what disposition should be made of Paragraph (5) of Article 66, and

paragraphs (3) and (4) of Article 67. I would propose that paragraph (5) of Article 66 should be referred to the standing Sub-committee of eight members on Chapter VIII. There are no proposals in relation to this paragraph; the only suggestion we have in our working paper is the one of the Secretariat regarding drafting and as the Drafting Sub-committee are considering the whole Article, I think it is only proper that we should refer paragraph (5) of Article 66 to the Standing Sub-committee.

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CH. IRWIN: Is that proposal approved?

Agreed.

We now have to decide on the disposition to be made of paragraphs 3 and 4 of Article 37.

I would propose that paragraph 3 of Article 67 should be referred to the ad hoc Special Sub-Committee of six Members which is considering Articles 64, 68 and 69.

Is the Commission in accord with that proposal?

Approved.

We now have finally to dispose of paragraph 4 of Article 67. I find it difficult to decide to which of our two Sub-Committees we should allot this paragraph, but it seems to me that it has aspects in it which are concerned with voting; but no proposals were made in regard to this particular paragraph other than the proposal of the United Kingdom which depended upon the decision taken about the voting. If Members are in accord, we may also therefore refer this paragraph to the ad hoc Special Sub-Committee of six Members which is considering Articles 64, 68 and 69.

I wish to apologise to the Commission. The proposal of the United Kingdom was more of a drafting change than one of substance.

Mr. S. L. HOLMES (United Kingdom): Mr. Chairman, I think there was a question of substance. It looks like drafting, but that is our well-known modesty.

CHAIRMAN: My first impression was correct and therefore I take it that the Commission is agreed that we should refer this to the special ad hoc sub-committee of six members. Is that agreed?

(Agreed)

There will be no further business.

The Meeting is adjourned.

(The Meeting rose at 6.30 p.m.)