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

REPORT OF THE COMMITTEE ON VOTING  
AND MEMBERSHIP OF THE EXECUTIVE BOARD

Part A -- Introduction

The Committee on Voting and Membership of the Executive Board was established by Commission B to examine Article 64 (Voting in the Conference), Article 67(3) and (4) (The Tariff Committee), Article 68 (Membership of the Executive Board) and Article 69 (Voting in the Executive Board). The Committee was composed of representatives of the delegations of Brazil, Canada, China, France, United Kingdom and United States. Dr. Wunsz King (China) was elected Chairman.

Part B -- Membership of  
the Executive Board

I. The text of Article 72 set out below was prepared particularly with a view to the composition of the first Executive Board. In addition, the text is provisional in its nature in that the Committee was not aware who the Members of the International Trade Organisation would be and could only base its work upon a reasonable anticipation of the membership. For these reasons the Conference of the Organisation when it is established will no doubt proceed to an examination of the text of Article 72 with a view to deciding whether it should be modified in the light of the membership of the Organisation.

II. Accordingly it was considered that a record should be made of the principles which emerged from the discussions

which had taken place and upon which the text of Article 72 was prepared, to assist the Conference of the Organisation in its examination of the Article. The principles were as follows:-

- (a) The total membership of the Executive Board should, as far as can be anticipated at this stage, not exceed eighteen. However, the total membership should not be rigidly established and expansion should be permitted, should two-thirds of the Members of the Conference present and voting favour such a course.
- (b) Seating upon the Board should be arranged with a view to securing the representation of all the major geographic regions and all the types of economy in the world. The seven States of greatest economic importance should, therefore, each be empowered to appoint one representative on the Board and the remaining members should be elected by groupings of States. The States entitled to appoint representatives and the groupings of States entitled to elect members might, of course, vary from period to period.
- (c) The allocation of seats to States of greatest economic importance and to groups of other States, and such groupings, should be subject to review every three years and to modification by a simple majority of the Members of the Conference present and voting.
- (d) Should a State entitled to appoint a member of the Board withdraw from the Organisation, the membership of the Board should be decreased accordingly.
- (e) Representation of groups of States normally entitled to elect more than one member should vary in accordance with the ratio of actual to planned size of

the group; where such groups are entitled to elect only one member, a minimum membership of the group should be prescribed. The minimum membership of groups should be laid down by the Conference in regulations. Such regulations might also provide for the possibility that should a group be eliminated by reason of the minimum membership requirement, the States remaining in that group might be added to any other group and the number of members that group was entitled to elect might be increased accordingly; such regulations might also deal with the question whether elected Members should be eligible for immediate re-election.

III. Owing to the limited time available to the Committee for study of the subject of membership of the Executive Board, certain problems have been left unresolved, in particular the possibility of empowering customs unions to appoint a member of the Board if the States comprised in such unions desire to be represented as a unit, and if in the opinion of the Conference of the Organisation, the customs union as a whole is of sufficient economic importance to warrant such a power.

IV. The following text is unanimously recommended by the Committee:

"Article 72 (formerly Article 68)

"Membership of the Executive  
Board

"1. Subject to the provisions of paragraphs 5 and 6 of this Article, the Executive Board shall be composed of seventeen members made up as follows:-

(a) one representative each shall be appointed every three years by Canada, China, France, Union of Soviet Socialist Republics, United Kingdom and United States of America. One representative shall similarly be

appointed by the Customs Union of Belgium, Luxembourg and the Netherlands should those States desire to be represented as a unit. If not, Belgium and the Netherlands shall alternately every three years appoint one representative upon the Board;

(b) three members shall be elected by the American Republics not entitled to appoint members of the Board;

(c) one member shall be elected by each of the following groups of States :-

A. Arab States

Egypt, Iraq, Lebanon, Saudi Arabia, Syria, Transjordan and the Yemen.

B. Scandinavian States

Denmark, Finland, Iceland, Norway, Sweden.

(d) Subject to the provisions of paragraph 6 of this Article, the remaining Members of the Organization shall be entitled to elect five members of the Board provided that other groups of a minimum membership of four States having common interests and representing a certain proportion of world trade may be formed with the approval of, and upon conditions to be determined, by the Conference, especially with regard to the re-allocation of seats.\*

2. The provisions of paragraphs 1 (b), (c) and (d) of this Article shall be subject to such regulations regarding minimum membership of groups, the system of elections, and other related matters as may be prescribed by the Conference.

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\* If the Customs Union of Belgium, Luxembourg and the Netherlands as such should not desire to appoint a representative on the Board, Luxembourg would fall under this sub-paragraph.

3. The elected members of the Executive Board shall normally be elected for terms of three years, provided that the Conference shall, as necessary, establish procedures with regard to these terms designed to assure a reasonable measure of continuity in representation on the Board.

4. Should any one or more of the States named in paragraph 1 (a) of this Article not join the Organization, or should such a State or States withdraw from it, the membership of the Executive Board and the number of seats under paragraph 1 (a) of this Article shall be decreased accordingly.

5. Should at any time the number of States falling under paragraph 1 (b) of this Article be seven or less, those States shall be entitled to elect only one member of the Executive Board. Should at any time this number be more than seven but less than fifteen, those States shall be entitled to elect only two members of the Board.

6. Should at any time the number of States falling under paragraph 1 (d) be

- (a) four or more but less than seven,
- (b) eight or more but less than fifteen,
- (c) fifteen or more but less than twenty-one,
- (d) twenty-one or more but less than twenty eight,

those States shall be entitled to elect only one, two, three or four members of the Board respectively.

7. The membership of the Executive Board may be increased, upon a recommendation of the Board, by a two-thirds majority of the Members of the Conference present and voting. Any modification or revision of this Article concerning the members to be appointed under paragraph 1 (a), or to be elected under paragraphs 1 (b), (c) and (d), with a view to re-arranging the groupings made or envisaged by paragraphs 1 (c) and (d), shall, notwithstanding the

provisions of Article 92, be made by a majority of the Members of the Conference present and voting.

"8. The provisions of this Article shall be subject to review by the Conference every three years."

Part C -- Voting\*

1. In accordance with its terms of reference the Committee first endeavoured to find a compromise between the two opposing views which had been advanced in Commission B on the subject of voting, namely, on the one hand that each Member should have one vote and on the other hand that the voting power of Members should be weighted in accordance with certain criteria to be agreed. Such a compromise, it was found, could not be agreed. Two suggestions by way of compromise were made. The first was suggested by the Chairman and was to the effect that the principle of one State/one vote should be recognized in the Charter but that in certain classes of decisions to be established the numerical majority supplemented by a system of weighted voting should be employed. The second suggestion along the lines of the first was made by the representative of Canada. That suggestion was that assuming a system of weighted voting was employed, in the case of certain decisions to be specified, some special provision, such as the requiring of a double majority, that is a majority both by numbers and by weighted voting power, might be made. Neither of these compromise suggestions received appreciable support in the Committee.

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\* Part C covers both voting in the Conference and in the Tariff Committee. It does not cover voting in any interim tariff body which may be set up prior to the establishment of the Organization. The text recommended for Article 73 (Voting in the Executive Board) is that of Article 69 of the Report of the Drafting Committee.

II. As directed by Commission B the Committee, therefore, submits to the Commission one draft prepared by the Delegation of the United Kingdom at the request of the Committee and three alternative drafts similarly prepared by the Delegation of the United States. These sets of drafts, which are attached to this Report, are forwarded without commitment to any delegation. They cover the basic ideas on the subject of voting which emerged from the Committee's discussions, namely, that each Member should have one vote or that each Member should have a certain number of votes determined in accordance with firstly, a system of "light" weighted voting or, secondly, a system of "heavy" weighted voting.

III. The Committee considered that a short note concerning the attitude of each representative upon the Committee might be of value to the Commission and later to the World Trade Conference. Accordingly the following comments are submitted.

(a) The representatives of Brazil and France favoured the system of one State/one vote and opposed any system of weighted voting.

(b) The representatives of Canada and the United Kingdom favoured a system of "medium" weighted voting as set out or as in the alternative drafts prepared by the representative of the United Kingdom.

(c) The representatives of China and the United States adopted a neutral attitude. The former representative states, however, that should a system of weighted voting be adopted population should be agreed as one of the criteria of the system. The latter representative said that the delegation of the United States could not take a decision on this question until the final shape of other parts of the Draft Charter should be seen.

Attachment A

Submitted by the United Kingdom Delegation

Draft of Article 64 on basis of "light" weighted voting

1. Each Member shall have in the Conference the number of votes allocated to it in pursuance of the provisions of Annex . . . . to this Charter.
2. Except as otherwise provided in this Charter, decisions of the Conference shall be taken by a simple majority of the votes cast.

Annex referred to in paragraph 1 of above draft Article.

The number of votes allocated to each Member shall be calculated by a formula containing the following factors:-

- (a) 1 vote for every 10 million of population.
- (b) 1 vote for every 50 million U.S. dollars of external trade.
- (c) 1 vote for every 500 million U.S. dollars of national income.
- (d) 1 vote for every 10% of the percentage of external trade to national income.
- (e) 100 basic votes.

For the purposes of the initial allocation of votes the factors (b), (c) and (d) shall be calculated on the average of the last three pre-war calendar years in which the member was in a position to conduct normal trade and the full calendar year preceding the entry into force of the Charter.

The succeeding calculations of (b), (c) and (d) to be made at the time of the periodic review provided for in

Article 72 paragraph 8, shall be based on the average of the three immediately preceding calendar years.

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The United Kingdom will endeavour to provide a table setting out as far as possible the results of this formula in respect of the countries to be invited to the World Conference. These results cannot be based on the figures which it is suggested should be used when the Charter enters into force, but they would illustrate the working of the formula in a more complete way than the table appearing on page 56 of the Report of the Drafting Committee.

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Attachment B

Alternative Drafts Prepared by the Representative  
of the United States

1. One State/one vote. Article 64 contained in the Report of the Drafting Committee:-

"Article 64

Voting

"1. Each Member shall have one vote in the Conference.

"2. Except as may be otherwise provided for in this Charter, decisions of the Conference shall be taken by a majority of the Members present and voting."

2. "Light" weighted voting. One of the three plans set forth in Paragraph 2 on Attachment A.

3. "Heavy" weighted voting. The Drafting Committee at its first meeting on January 20, 1947, appointed an Administrative Sub-Committee to make recommendations with regard to membership on the Executive Board and Voting. That Committee, in discussing weighted voting, stated on page 54:

"Regarding weighted voting, the Sub-Committee felt that if such a system were used the best formula would be the one described above under conclusion two for the determination of relative economic importance, plus an appropriate base vote." (See page 53 of the Report of the Drafting Committee for formula here referred to.)

The Delegation of the United States suggests that, for the purpose of presenting a "heavy" weighted voting formula, 10 votes for each Member might be taken as an appropriate base vote.

The formula developed by the Administrative Sub-Committee, as indicated above, would, when applied in conjunction with a basic vote of 10 for each country, yield the following results:

NUMBER OF VOTES UNDER VARIOUS HEADINGS OF THE VOTING FORMULA  
DEVELOPED BY THE ADMINISTRATIVE SUB-COMMITTEE

Country	(1) Foreign Trade (Av- erage, 1938 and latest 12 mos. available)	(2) National Income 1940	(3) Trade per Capita	(4) Basic Vote	(5) Total
U.S.A.	209	156	3	10	378
U.K.	226	54	3	10	293
U.S.S.R.	n.a.	64	n.a.	10	-
Canada	59	12	10	10	91
France & Colonies	78	23	1	10	112
China	22	24	-	10	56
India	27	24	-	10	61
Netherlands & Colonies	54	7	1	10	72
Belgium & Colonies	37	5	4	10	56
Australia	26	6	7	10	49
Brazil	23	5	1	10	39
Czechoslovakia	11	6	2	10	29
South Africa	14	2	3	10	29
New Zealand	10	1	10	10	31
Cuba	7	1	3	10	21
Norway	12	2	8	10	32
Chile	5	1	2	10	18
Lebanon-Syria	1	n.a.	1	10	12

n.a. - means not available.

SOURCE: Column (1). Figures taken from U.N., "Monthly Bulletin of Statistics", April 1947; League of Nations, "Review of World Trade, 1938", and "Network of World Trade".

Column (2). Figures taken from New York Draft Charter (E/PC/T/34, 5 March 1947) page 56.

Column (3). Figures based upon population data shown in page 56 of the Report of the Drafting Committee except for Lebanon and Syria. Figures for Lebanon and Syria based upon population data shown in "The World Almanac", 1947, page 493.