

SIXTH COMMITTEE: ORGANIZATION

SUMMARY RECORD OF SIXTH MEETING

Held at Havana, Cuba, Saturday, 6 December 1947, at 10.30 a.m.

Chairman: Mr. Erik COLBAN (Norway)

The CHAIRMAN opened the meeting and gave the floor to the Indonesian representative.

Mr. GANI (Indonesian Republic) clarified the position of the Indonesian delegation, in view of the discussion which had taken place relative to Article 68. He wished to make it clear that the Resolution of the Fifth Session of the Economic and Social Council of 1 August 1947, recognized the full autonomy of the Indonesian Republic unit regard to its external commercial relations by issuing a direct invitation to attend the Conference (See page 71 of the Geneva Report). The raw materials and commodities of the territory of Indonesia were controlled by the Republican government. He represented the Indonesian people some sixty-one millions who hoped to co-operate in attainment of the aims of the Conference with mutually beneficial results.

Mr. SPEEKENBRINK (Netherlands) stated that it was the formal view of his government that Mr. Gani was incorrect in speaking of the Indonesian delegation; it was rather the delegation of the Republic of Indonesia that should be alluded to. In the second place, Mr. Gani had quoted the Resolution of the Economic and Social Council correctly, but this was not the whole story. The decisions taken at the meeting of the Economic Commission for Asia and the Far East very clearly demonstrated the pitfalls which were encountered when an international economic conference tried to deal with problems of relationships within sovereign states. He had nothing to add to his previous statement.

The CHAIRMAN ruled the discussion on this point closed.

ARTICLE 71
The CHAIRMAN said that no amendments to this article had been presented, and no speakers were on the list. Unless any of the representatives wished

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to say anything to the contrary, he would therefore consider this article as drafted by the Preparatory Committee adopted in first reading.

DECISION: This was agreed.

ARTICLE 72

Mr. HOLMES (United Kingdom) defended the system of weighted voting which had been the subject of some controversy. His country had always been a strong advocate of voting rights for all countries, and no one could accuse Britain of trying to ignore the rightful claim of all countries to have a voice in international proceedings. There had never been any question of a system of weighted voting in connection with the present conference, which had met the shape a Charter to be submitted for acceptance or rejection by all countries. When the Organization was set up the work would be different, involving the administration of the principles and rules embodied in the Charter. For this work it would be essential to draw upon the fund of experience and responsibility represented by countries Members of the Organization, and to take account of their varying interest in international trade, the different volumes of population, and other factors, the intent of which differed from country to country.

The United Kingdom had felt strongly from the beginning that some system of weighted voting would not only be equitable, but also could serve the purposes of the Organization better than the principle of one state one vote. This principle was described as democratic. Democratic principles and parliamentary institutions which reflected these principles were the very life blood of his country, and no representative of the United Kingdom would advocate a system which conflicted with them. However, the principle of one state one vote gave rise to anomalous situations some prospective Members had populations amounting in some cases to 400 and 500 millions, whilst others had populations of one million or less. In some countries the per capita share of external trade amounted to some \$300 per annum whilst in others it was less than \$2.00.

Volumes of international trade varied from 9 billions a year for the United Kingdom and colonies to \$10,000,000, or less for certain countries. For all these reasons it seemed clear that the rule of one Member one vote, would in no sense be democratic, since it would ignore the discrepancies between the number of human beings in one Member and another, and their relative and absolute stakes in international trade. If the British colonial empire, with a population of over 50 millions and a volume of international trade of over \$2,000,000,000, did not exist, the United Kingdom would have one vote, and yet, with the inclusion of the colonial empire with the

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United Kingdom, the combined unit would still have only one vote. Thus the millions making up the population of the British colonial empire would be, in a sense, disfranchised. He only took this as one of the peculiar ways in which the principle of one state/one vote would work out. This, if it constituted democracy, was the kind of democracy which obtained in Britain over a hundred years ago, before the introduction of the Reform Bill, when the division of parliamentary boroughs was so unequal that small villages and hamlets returned one or even two members of Parliament, while the great new industrial centres, such as Manchester and Birmingham, only returned one member.

He thought it would be premature to go into the details of a weighted system of voting now. Article 72 offered two alternative systems, and others might also be put forward. He considered that there should be provision for periodic review in any system adopted to take account of the inevitable changes in the relative trading interests of the various countries.

It had been said in a different context at the Conference that a number of countries in the geographic, ethnological and economic sense formed a group which, by historical accident, was at present dismembered, and that their political unification was the highest aim of these countries. It was difficult to believe that these countries could logically be advocates of the unitary vote, because, if so, it would be part of their supreme objective to reduce very radically their voting power.

It had been suggested that the United Kingdom scheme had been put forward in order to enable the large industrialized powers to outvote the smaller under-developed Member and block their proposals. This had never been the intention, and examination of the scheme advocated by the United Kingdom would show that it could never have that effect.

This scheme was based on no doctrinaire principle, and neither unreasonably impaired the principle of the equality of states or committed the error of enabling a few large powers to impose their will on the smaller powers within the Organization.

Mr. BENDA (Czechoslovakia) recalled that the divergence with regard to methods of voting had emerged at the First Session of the Preparatory Committee. One school maintained that it was in accordance with democratic principles to allow one vote to all Members. Other delegations considered that differences in the volume of international trade should be reflected in the measure of control they would exercise in the affairs of the Organization. It had also been suggested that it would be anomalous to give only one vote to countries with dependent territories whose economies differed

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radically from those of the mother country. He did not readily understand this argument, because he could not believe that the mother country, if it had several votes, would use one half of them in favour of a proposal and the other half against it.

At the London and Geneva meetings of the Preparatory Committee the majority had been in favour of one state/one vote, and this was the system which this delegation favoured. The principle underlying it was stated in the preamble to the Charter of the United Nations and reaffirmed in paragraph 2 of Article 1 and also in paragraph 1 of Article 2 of the Draft Charter.

He could not admit that the large countries were more interested in international trade than the smaller ones. The national incomes of some eighteen smaller countries depended by more than half on international trade. The principles which governed trade relations and the control of the forces of the Organization were of vital importance to these smaller countries.

In rare cases, weighted voting had been adopted, for instance in the International Bank for Reconstruction and Development, and the International Monetary Fund, but in these cases it was related to monetary contributions, such as capital participation in a shareholding company.

Mr. AMADOR (Mexico) supported Alternative A of Article 72, and agreed with the observations of the representative of Czechoslovakia. If the principle of the weighted vote were accepted, one group of countries would be responsible in great part for the decisions of the Organization.

Mr. GUTIERREZ (Cuba) recalled that the original proposals for the expansion of trade and commerce presented by the Government of the United States in November 1945 provided that each member of the Conference would have one vote, and that decisions would be arrived at by a simple majority. He sketched the history of the discussions that had taken place in New York, London and Geneva on this subject, which had finally led to the alternatives listed under Article 72. An analysis of these alternatives gave some extraordinary results, showing that the elements at the basis of the weighting were arbitrary. For instance, in the New York report, in one system of evaluation of the voting power of France, the metropolitan area would have 58 votes and the French colonial empire would have 65. Italy would have 35 votes and China 34. According to Table A on page 65, of the Geneva Report the United Kingdom would have 329 votes and the United States 399. The votes for the other countries of the world fluctuated between 105 and 110. Cuba had the same economic evaluation as Albania, i.e. 105 compared with 102. His delegation proposed to publish an analysis of the statistical basis, to show the absurd results that this weighted vote could give. In Table B 31 nations had no vote because no statistical data existed by which their economic evaluation

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could be calculated.

His delegation supported Alternative A. With regard to Alternatives B and C they could not accept the weighting elements, which were ruled by general economic criteria and not by criteria of international trade. At the appropriate time his delegation would present its amendments.

Mr. GOMEZ (Colombia), after a request by the CHAIRMAN to be brief and to avoid, as much as possible, repetition of arguments already presented, recalled the general usage, since the first world war, to abide by the principle of one state one vote. The two examples of weighted votes which had been mentioned were understandable exceptions of this general use inasmuch as in these cases financial matters were at stake. But all countries were to be asked now to make very far-reaching sacrifices, involving changes of their tax, fiscal and tariff systems. In view of these onerous responsibilities the delegation of Colombia would be unable to accept a weighted voting procedure establishing inequality of sovereignty in the Charter.

Mr. KOJEVE (France), while endorsing Alternative A (One state - one vote), warned against using the criterion of "democracy" which was open to many interpretations. Purely technical questions were being dealt with here. The French delegation would keep an open mind to any new arguments that might be advanced, would study them, and might modify its stand accordingly. For the present he favoured Alternative A.

Mr. DEDMAN (Australia) supported the system of one vote per Member as the most satisfactory in principle and as the only solution which it was possible to achieve without great practical difficulties. The obligations of Charter rested upon all States alike, but their interests were different. Decisions would be made by groupings of States, with one set of interests, against others with opposing interests, and those groupings would not follow any pattern; they would depend on the precise issue involved.

He believed that the Organization would evolve a case law which on varying issues and under varying circumstances may apply to any State. It was argued that special weight should be given to the votes of the larger countries for various reasons the size of their trade, the size of the obligations and responsibilities they accept, the volume of their accumulated experience. Even under a one vote per State system, weight will always be given to the opinions and wishes of the larger countries. The report of the Preparatory Committee contained many provisions considered necessary by the larger countries which if they had been put to a vote, would never have been included in the report. He could not believe that the larger States had interests which are threatened by a one vote system

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to any greater extent than those of the smaller countries. Moreover, there were many features of the Charter which operated quite apart from the voting system to strengthen the relative influence of the larger States. The larger States with the permission of the Organization had a powerful weapon to influence the actions of smaller States found to have contravened the Charter in withholding benefits from the offending State. The reverse was seldom likely to be true. Every delegation was aware of the fact that non-cooperation or the withdrawal of any larger State from the Organization would destroy it and in his opinion this fact was a more potent guarantee of the interests of the larger countries than a system of weighted voting.

Mr. Dedman considered that it was difficult to establish criteria for weighted voting. The problem was not merely to decide the voting strength of the larger States but it was equally important that the vote of any one small country should be equitable in relation to the vote of any other small country. He had been present at the Bretton Woods Conference when a purely arbitrary but at least intellectually honest scale of quotas had been adopted, but the attempt at this conference to work out a scale of quotas on the basis of more or less scientific rules of statistics might turn out to be just as arbitrary and intellectually dishonest as well. A variety of scales could be introduced and their adequacy could never be tested except in terms of their results. He was afraid that a protracted discussion of any refinements to those formulae would have unfortunate influence on the discussions. He hoped therefore that the conference would choose the matter which would be likely to prove most equitable and most practical.

Mr. FEDRANO (Argentina) warmly supported Alternative A and pointed out that the Organization should not emphasize the existing differences between more and less industrially developed countries; the Organization should be a tribunal that would not harbour any discriminations and safeguard the equality and sovereignty of all nations.

Mr. M. BARROS (Brazil) stated that only Alternative A would conform to the political views of his delegation on equality and justice. He developed his views on the political situation in the world today and cautioned that it was into this picture that the new Organization would have to fit itself. Except for the two larger powers in the world, no country wanted to be frozen in its present state of development, and it was therefore more a political than an economic problem for everybody. The question of confidence in the new Organization was paramount inasmuch as no country would care to join it unless it would reflect equally wishes of all of them.

Mr. SERRATO (Uruguay) endorsed the arguments in favour of Alternative A.

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While respecting the spirit of democracy that had moved the United Kingdom representative, the reasons he had advanced were not sufficient to make him change his mind. The doctrine of weighted voting was contrary to the United Nations Charter, Article 2, paragraph 1, which clearly defined the principle of sovereign equality of all Members; it would tend to make large countries even bigger, smaller ones even less important. The comparison with the International Bank for Reconstruction and Development and the International Monetary Fund was ill-founded since those were purely commercial enterprises dealing in stocks and shares. He referred to the intervention of certain delegations in the matter of voting at Geneva, and expressed apprehension lest, if a weighted voting scheme was adopted, the Latin-American continent would lose the rights other continents would retain. It was necessary to keep in mind not only the commercial and economic issues involved but also those of a political, moral, social and psychological nature.

Mr. TINOCO (Costa Rica) supported Alternative A by referring to the human element rather than the national incomes used in the formulae of the Appendix. International trade accounted for 138 working days of every worker in his country, for 216 in Finland, and for 225 in Cuba; on the other hand, it was responsible for only 93 days for the worker in the United Kingdom, and only 9 days in the Soviet Union. If international trade would be suddenly eliminated from the world, the resulting unemployment would hit the workers in these smaller countries many times harder than those of the large countries. The importance of foreign trade would be reflected in its relation to the number of working days of the working man whose standard of living was to be raised. Under this scheme of weighted voting, Costa Rica would be placed above 17 other countries but she would gladly renounce that advantage in the interest of equality and sovereignty of all nations.

Mr. DUNAWAY (Liberia) declared the support of his delegation in favour of Alternative A.

Mr. COUILLARD (Canada) believed that the system of weighted or functional voting was preferable to that of Alternative A. As clearly stated in Article 84, the Organization was one of the specialized agencies referred to in Article 57 of the United Nations Charter". If the different importance of countries in regard to international economic relations were to be properly recognized, then voting power could not be equal. If a world economy were to be created, then the populations of all countries had to be represented in proportion to their size and that principle was a more democratic one than one state/one vote which was really a nationalistic attitude with which his delegation could not agree.

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In order to arrive at compromise between the nationalistic proposal (Alternative A) and the functional voting procedure (Alternatives B or C), formula A in the Appendix recognized populations, national incomes, in addition to a high basic vote, thus using light weighting only. In the provisions to take a three year average and to permit a periodic review, he saw further safeguards to retain equity and to make allowance for later adjustments.

Apprehension had been voiced that larger countries would be able to force their views upon the Organization if a functional voting procedure was adopted, but he foresaw the possibility of the smaller countries imposing their positions in a similar way on others, under Alternative A. In any case, the larger countries would most likely not vote in a block, they would certainly not act in a way to threaten the Organization, and the small countries, furthermore, had always the possibility of withdrawing, which would not be to the advantage of even the largest state.

He thought that functional voting was entirely within the spirit of the Charter of the United Nations, and while the formulae admittedly had many flaws, they should be considered merely as examples for what could be done.

Mr. SPEEKENBRINK (Netherlands) expressed his approval of Alternative A but added that further study would be required to arrive at the proper solution of the voting problem. An open mind should be preserved by all delegations in that respect, and the amendment of his delegation (Annotated Agenda, E/CONF.2/C.6/2., page 4) and the composition of the Executive Board (Article 75) should be examined before taking any rash decisions which it might prove difficult to redress later on.

Mr. BANERJI (India) expressed himself in favour of Alternative A, although India could profit handsomely by weighted voting, being a country with a very large population and considerable actual and potential resources. The system advocated by the United Kingdom and Canadian representatives would seem arbitrary no matter what formula were adopted, particularly since in many cases it was impossible to find the correct statistical information regarding trade and national income. The Secretariat had been unable to supply figures for no less than 21 countries in the case of formula B which countries would then remain, apparently, without any vote whatsoever.

Mr. GAZDER (Pakistan) also endorsed Alternative A, calling attention to the provisions of the Charter of the United Nations, Article 2, paragraph 1, and Article 18, paragraph 1, which provided for equality of all Members, and for one vote for each Member. He emphasized that in any event the opinions of the larger countries could not be brushed aside and that their help was too urgently needed by the underdeveloped countries to make an abuse of
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equal voting rights likely.

Mr. SKAUG (Norway) was of the opinion that too much stress had been laid on the interpretation of what was or was not "democratic" and suggested that the discussion should not run along these lines; it was necessary rather to discard preconceived ideas and to find a voting system which would be practical, equitable and just. His delegation was not convinced that these goals could be achieved by adopting Alternative A; they might be achieved by a weighted voting scheme. Many amendments to the formulae, as they stood now, were obviously necessary, but no decision should be taken until better formulae had been sought or discussed.
