

United Nations  
CONFERENCE  
ON  
TRADE AND EMPLOYMENT

Nations Unies

CONFERENCE  
DU  
COMMERCE ET DE L'EMPLOI

UNRESTRICTED  
E/CONF.2/6/SR.8  
11 December 1947  
ORIGINAL: ENGLISH

SIXTH COMMITTEE: ORGANIZATION

SUMMARY RECORD OF THE EIGHTH MEETING

Held at the Capitol, Havana, Cuba

on Tuesday, 9 December 1947 at 10.30 a.m.

Chairman: Mr. Erik COLBAN (Norway)

CONTINUED DISCUSSION ON ARTICLE 72 (VOTING)

Mr. KIMLLI (Sweden) stated that after hearing the arguments put forward by the various schools of thought on the alternative voting systems, Sweden still favoured that of weighted voting. The question as to which system was the more democratic did not arise, as the Conference was not concerned with putting democracy into action, but with creating an efficient organization which would function to the best possible advantage for the trading nations of the world.

One system was clear, simple and limpid, the other complicated and obscure; one was rigid, and once established would leave little room for further adjustment, while the other was more flexible in its principles and would enable the objectives of the Organization to be maintained.

He suggested that the Secretariat should be asked to furnish some data on the systems of weighted voting as actually applied in certain international organizations.

Mr. CORREA (Ceylon) wondered if the protagonists of the weighted voting system were not exaggerating the importance of the adoption of such a system. He agreed with the representative of New Zealand that there was no necessity for the insistence on its adoption; such an adoption involved the deprivation of equal rights which Members felt they were entitled to enjoy.

The efficient functioning of the Organization must depend, not on a system of extra voting power, but on the volume and measure of goodwill and co-operation. It was obvious that the views expressed by the greater powers in an Organization of this kind would always receive the consideration to which they were entitled, and these views would not be lightly brushed aside.

/Some representatives

Some representatives considered that it was inconsistent that countries asking for equality of votes should, at the same time, be asking for certain privileges to be embodied in the Charter, which would safeguard their special positions. The two questions as to what principles were to be embodied in the Charter, and what functions were to be performed by the Organization which was to implement the principles of the Charter should be considered separately.

Throughout the Charter, the Organization would be called upon to adjudicate on the main Articles, or to lay down certain principles as to how these should be interpreted. In the performance of those quasi judicial functions of the Organization, i.e. to examine the meaning of the Charter's provisions and to lay down principles for their implementation, it was not necessary to take into account the relatively different importance of various countries in the international trade.

Referring to the comparison with a partnership, he considered that countries were not bringing in different amounts of capital but an equal contribution of goodwill. There was no justification for the adoption of a weighted voting system, and he thought the major powers should be prepared to forego certain advantages in that system in order to create, within the Organization, the impression that all questions were to be considered on their merits.

It was not right to assume that some countries had greater liabilities and responsibilities than others; on examining the Charter it could be advanced, though it seemed paradoxical that those incurred by the smaller countries were, in proportion, larger than those of the greater powers. The sovereign rights were being curtailed, and sovereign rights of all countries were equal.

The Charter was established to ensure equal rights for all, and decisions made, in regard to the Charter, by the Organization should therefore, be based on equal rights.

Mr. ROUCHDY (Egypt) asked why a complicated system of voting should be sought, when the Organization had a simple one which had proved satisfactory in all conferences; many speeches had been made, and he referred especially to that made by the representative for Chile, in support of this argument. Egypt, he concluded, recognized only the principle of one country, one vote.

Mr. ALAYZA (Peru) recalled that the one vote per state system of voting was based on principles of right and weighted voting system in principles of commercial interests.

/He considered

He considered, however, that the Organization would not deal directly with markets, prices and products, but with obligations to be assumed by states which would limit their sovereignty in trade matters. Furthermore, the Organization would be a forum in which the States could discuss the rules of international trade. Those obligations and the rules should be considered in accordance with legal principles among which international equality was fundamental. Every nation, therefore, should have one vote.

The opinion of the major countries would always have more weight in the Conference, even without a weighted voting system. Furthermore, the major countries would be represented in the Executive Board.

Mr. COOMBS (Australia) assured the United States representative that no views or arguments had been expressed by his delegation in which they did not firmly believe. He opposed the system of weighted voting because it was difficult and almost impossible to assess the factors on which a reasonable system of weighted voting could be based.

While prepared to accept an allocation of costs between nations on a system which does imply some assessment of statistical character, he did not think there was any comparison between this assessment and the assessment for the purposes of the weighted voting system. The system of allocation of costs was based on the simple principle of capacity to pay.

The bases for a weighted voting system were not known and could not be agreed. Obviously, population, national income, external trade, trade per head etc., were relevant factors, but other factors like the weights of burdens to be assumed had some significance. It must be recalled as well that sovereignty must enter into the basis of any such assessment. He considered that no reasonable hypotheses or theory had been advanced to show what weight was to be attached to these various factors and they could be combined. This being the case any attempt to work out an equitable basis for the weighted voting system would, in his opinion, degenerate into rather undignified bargaining in which the principle would disappear into the background.

Mr. Coombs quoted Article 13, paragraph 4 (b) as an example of the decisions and judgments the Organization would be called upon to make, and said that in reaching such decisions knowledge, understanding and integrity was required; but no reason had been advanced why countries which had large populations, large production and extensive trade should exceed smaller countries in the possession of such knowledge, understanding and integrity.

/He did not hope

... did not hope that he had convinced the delegate of the United States of America that his arguments were correct, but he trusted he had convinced him that the Australian delegation believed in them.

Mr. REAL (Switzerland) said he had heard with interest all the arguments put forward in favour of both the voting systems under discussion, and saw strong merits in both points of view. He thought means could be found in the Organization to adopt a voting system that would not differentiate, as such a situation should be avoided. The weighted voting system would give Switzerland certain advantages, but in spite of these advantages he did not favour that system, which he considered undemocratic, and was in favour of the system of one country, one vote.

Mr. GUTIERREZ (Bolivia) agreed that the smaller countries should share responsibilities with the greater powers. There should be a spirit of equality between all the participating countries. He was in favour of the one country-one vote system, as he considered the weighted voting system would bring about the use of the veto, which had undesirable consequences in the United Nations.

Mr. WOULBERGUN (Luxembourg) said he had been impressed by the difficulties in finding a formula for the working of the weighted voting system.

If the one country-one vote principle were adopted, the points put forward by countries which take a more important part in world trade must carefully be considered. These large countries had had considerable experience in these matters, which would ensure them power accordingly. The representative of Czechoslovakia had requested a decision on this matter at first reading but as the question was closely linked with Article 75 he thought it advisable not to adopt such a course.

Mr. TINOCO (Costa Rica) thought it essential that when the matter was solved, the decision should be final. He thought it a significant fact that among the countries supporting the one country-one vote system, should be so many of the greater powers.

In giving examples of the voting percentages, he pointed out that under the weighted vote system the larger powers had the advantage over the smaller countries, but that under Alternative A this advantage was lost, and that advantage gained by the smaller countries by a majority of four thousand votes.

He thought the representatives of the United Kingdom and the United States of America should reconsider their proposals and give examples of the spirit needed in shaping a new world on a basis of equality between nations.

/Mr. BLUSZTEIN

Mr. BLUESZTEIN (Poland) said that after this very long and interesting discussion he wished to speak to ensure that his silence should not be taken for indifference.

He was in favour of Alternative A - one country-one vote as he believed it to be the only safeguard for sovereign rights of countries in international organizations. He did not share the view of the representative of the United States of America that votes should be proportioned in accordance with burdens carried.

Mr. STINEBOWER (United States) wished to clear up the general misapprehension concerning two remarks he had made yesterday. He thought two different concepts were involved where members had spoken of equality (1) Numerical equality among states; and (2) Equality relative to resources and power. He had not suggested that the United States should bear only the same share of administrative costs as any other Member. He referred to shares in the budget merely to refute the allegations that responsibilities, as well as obligations, were in fact, numerically equal as between countries and that it would not be possible to measure factors underlying the weighted voting system.

No matter what voting procedure was adopted, political bargaining in the Organization would not be avoided. If he thought that adoption of the principle of one state - one vote would have this result, he would support that course.

In reply to the representative of Poland, he explained that he did not suggest that voting should be based on a contributions formulae. Any weighted voting system anyhow would fall so short of the economic importance of major powers that they could not exercise anything similar to a veto.

Mr. MATSCH (Austria) stated that he was in favour of the one country - one vote system.

Mr. ENTEZAN (Iran) was also in agreement with the one country - one vote system. The small countries were not in the same position as the larger powers, which had the advantage of much wider experience of commerce and world trade, but the best way to acknowledge this was to grant the large powers permanent seats on the Executive Board.

Mr. D'ASCOLI (Venezuela) stated that his country had already established its position in favour of the adoption of Alternative A, but would like to add that it appeared to be logical and natural that the vote should be taken on the basis of one nation - one unit. It was in accordance with the fundamental purpose of the Organization that voting should be by national equality.

/Mr. DOMOND

Mr. DOMOND (Haiti) said that economic conditions should not be taken into consideration when determining the system of voting, and he therefore, favoured the one country - one vote system.

The CHAIRMAN summing up the debate on Article 72, said that of the fifty-eight delegations present, thirty-five had expressed themselves in favour of the one country - one vote system (Alternative A, Article 72). Three of these, however, did so underlining that they still have open minds on the subject (viz. France, Netherlands and New Zealand).

The representative of the United Kingdom, supported by Canada, Southern Rhodesia, Norway and Sweden, favoured "light" weighted voting; while the United States representative favoured a more "heavy" weighted voting.

Two members (Belgium and Luxembourg) gave the impression that although favouring the one country - one vote system, they were open-minded to the extent of retaining entire freedom of action for the second reading.

China had suggested a compromise, and favoured Alternative C, receiving slight support from one other member.

More than half the representatives had, therefore, declared themselves in favour of the one country - one vote system.

The CHAIRMAN stated that no final decision was called for at that stage, and explained the object of the first reading to be merely an expression of views not to establish the "victors of the battle", but to pave the way to an ultimate unanimous decision. Only after further consideration had been given to the subject, and to other provisions which were inter-related and especially the provisions referring to the Executive Board, would the Committee proceed with the second reading.

He assured the members that every opportunity would then be given to them to discuss Article 72 at the second reading and, if required, at a third reading.

In reply to a suggestion by Mr. FEDRANO (Argentina) that a vote should be taken, the CHAIRMAN recalled that the Committee had decided previously to avoid formal decisions at the first reading.

The CHAIRMAN in reply to a question by Dr. AUGENHEALER (Czechoslovakia) concerning the procedure at the second reading of Article 72, explained that he was reluctant at this stage to give any ruling on the matter. He then took up Article 72, Alternative A, paragraph 2. Since there would be no final decisions taken at the first reading, the Netherlands amendment which seemed to depend on paragraph 1 of that article, might be discussed later. There was, however, a connection also between that proposal and Article 73, paragraph 2.

paragraph 2. In his opinion the Netherlands amendment to Article 72, paragraph 2, would be covered by the rules of procedure of the Conference. He therefore saw no need to include such a provision in the Charter.

CONSIDERATION OF ARTICLE 73, PARAGRAPH 1.

Mr. ALAYZA (Peru) explained that although the Conference could assign to the Executive Board the exercise of certain powers and duties, it would still have to attend to certain matters itself, either at annual meetings or at special sessions. A minority of members of a corporation might request the calling of a meeting. In constitutional law too, less than half the members of congress might initiate the calling of a session. That special right gave minorities the possibility to bring problems before their assemblies. In the case of the Organization, the problems might be of great national or regional importance. One-third seemed enough to ensure a sufficient number of members without making a majority necessary.

The CHAIRMAN thought that the desire of one-third of the Members of the Organization to call a session of the Conference might be a sufficient indication of the urgency of a question.

Mr. GAZDAR (Pakistan) supported the Peruvian proposal.

Mr. STINEBOWER (United States) without expressing opposition to the amendment, thought that it might be wise also to take into account the reasons for which the Preparatory Committee had drafted the article. There were two in number (1) the Conference would presumably adopt a rule that a quorum should consist of a majority of the members. Before calling a session, it should be made certain that a quorum wished to attend. In any case members with good reasons for calling a session could inform the Executive Board, which would surely comply with their wishes. (2) Calling a session would involve additional expense for the Organization.

Mr. OLDINI (Chile) pointed out that the Peruvian amendment to Article 73, paragraph 1, was closely connected with the amendment to Article 72, paragraph 2, proposed by the Netherlands, which had been passed over. The Peruvian proposal would appear much more logical after a study of the Netherlands amendment. The text of the latter amendment obviously presupposed the possibility of discussion and vote by a minority of the Conference. In the light of such a possibility the Peruvian amendment seemed perfectly logical. He suggested that if the paragraph under discussion were left open for the time being, the Peruvian and Netherlands amendments should be discussed together later.

Mr. ALAYZA (Peru) declared that he had no objection to a joint discussion of both amendments at the second reading, but pointed out that

/there was

there was no direct connection between the two proposals. The question of a quorum had to be determined within the framework of the Charter. He explained that if a quorum was one-half of the Members, then one-third of the Members constituted the majority of a quorum; and if a quorum were two-thirds of the Members, then one-third of the Members would be equal to one-half of the quorum.

Mr. SPEEKERINK (Netherlands) was ready to accept the Chairman's suggestion to postpone discussion of Article 72, paragraph 2. Since, however, his amendment had been mentioned in the course of the discussion, an explanation of his proposal seemed to be necessary. His proposal was intended to ensure that no rash decision would be taken by a minority which could not be reviewed by a second vote, and was not one of procedure in the Conference but of substance.

The CHAIRMAN noted that there was general agreement to discuss on second reading paragraph 2 of Article 72, together with Article 73, paragraph 1. He stated that he would now take up discussion of the Mexican amendment to Article 73, paragraph 1.

Mr. AMADOR (Mexico) explained that the purposes of his amendment was to avoid that meetings of the Conference should be held in different places. Such practice might involve political implications, greater expenses, etc. A general rule that meetings should be held at the seat of the Organization would enable Governments to make corresponding arrangements. Yet, in order to provide for unforeseen needs the Executive Board should be given the power to call meetings elsewhere in exceptional circumstances.

Mr. SIEDENFADEN (Denmark), as the representative of a small country could ill afford the extra expenses involved in meetings held away from headquarters, declared that he supported the Mexican proposal.

Mr. TANGE (Australia) expressed sympathy for the Mexican proposal. The Australian delegation had always felt that meetings should be held at headquarters where staff and facilities could be provided more easily and at less cost. One aspect of the matter, however, should be pointed out. The Draft Charter implied that the choice of meeting-places should be left to the Conference, while the Mexican proposal would leave that choice, in exceptional cases, with the Executive Board. Even if the article were not amended as proposed, the Conference under Article 74 could always assign this particular power to the Board. It might be desirable to retain this flexibility.

Mr. STINEBOWER (United States) agreed generally with the amendment proposed, while also noting the merits of the Australian remarks.

/The CHAIRMAN

The CHAIRMAN noted general support of the Mexican proposal in so far as it concerned the holding of meetings at headquarters. In connection with the provision for special circumstances, he suggested, as a matter of drafting, the following wording: "1. The Conference shall meet at the seat of the Organization unless it decides otherwise in exceptional circumstances."

The Committee adopted in first reading the text proposed by the Chairman.

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