

SIXTH COMMITTEE: ORGANIZATION

SUMMARY RECORD OF THE TWELFTH MEETING

Held at the Capitol, Havana, Cuba, Tuesday, 16 December 1947 at 4.00 p.m.

Chairman: Mr. Erik COLBAN (Norway)

The CHAIRMAN explained the unanimous report of the sub-committee upon paragraph 7 of Article 74 contained in document E/CONF.2/C.6/21.

After Mr. AMADOR (Mexico) had said that in a spirit of compromise his delegation would accept the report, the report was adopted.

CONTINUATION OF DISCUSSION ON ARTICLE 75 (COMPOSITION OF THE EXECUTIVE BOARD)

Mr. GUTIERREZ (Cuba) stated that he would only deal with a question of principle underlying the basis of the formula for the election of the members of the Executive Board. Neither Alternative A nor Alternative C could be accepted because two fundamental principles were jeopardized, namely, the equality of nations and the principle of geographical and economic representation. The right of certain countries to a permanent seat should be granted as a consequence of free election established on the principle of the equality of nations, which was a constitutional principle laid down in the Charter of the United Nations. His delegation would vote in the Organization for the continuous representation on the Board of the United States, the United Kingdom and certain other countries because of their experience in economic problems and for the respect they held for the rights of other nations.

On the principle of geographical economic representation, his delegation thought that countries, elected to the Executive Board should represent all Members of the Organization, the whole world economy, and not the different economic regions.

Mr. MELLANDER (Norway) was in favour of Alternative B under which it was possible to re-elect the major trading nations without specific mention of their names. Alternative B, moreover, provided for reasonable election of medium and small countries. He thought it would be an advantage to limit the size of the Executive Board to fifteen members to enable it to take rapid decisions. In a comparatively small Executive Board its members would be elected as representatives of the Conference as a whole.

/Mr. PARANAGUA (Brazil)

Mr. PARANAGUA (Brazil) welcomed the statement made by the representative of the United States at the previous meeting, that it accepted the principle of "one country - one vote". Brazil had always been opposed to weighted voting either light or heavy, which, if introduced in the Charter would result placing the economic policy of all members under control of a few countries. A well-balanced Executive Board must be composed of various types of economic structure, and not only of highly industrialized countries in which foreign trade constituted an essential element. He was prepared to accept Alternative A as modified by the French proposal, provided that the Executive Board was organized on the basis of the principle he had mentioned. He proposed that a special sub-committee should be appointed to draft a new Article 75.

Mr. COUILLARD (Canada) stated that he intended to clarify previous views expressed by his delegation which were based on two considerations which should guide approach to the question of the composition of the Executive Board.

In regard to contributions he felt that the provisions of the Charter should be expanded although his delegation realized that Canada would probably be the country with the highest per capita contribution whatever the agreement reached by the Informal Sub-Committee. It was a fact that Canada's international trade per capita was considerably higher than that of the United States.

His delegation had always favoured weighted voting as preferable to the allocation of permanent seats on the Executive Board. In the spirit of compromise he would agree to abandon his stand for weighted voting in the Conference subject to the final drafting of the Charter, and would accept either Alternative C or some improved form of the French proposal for Article 75 although such an action seemed to ignore logic.

He supported the designation of seats on the Executive Board. The designation of seats could be changed by a two-thirds majority vote of the Conference under the French proposal or under Alternative C. All of the pre-requisites stressed by the Australian and South African delegations were covered by Alternative C or the French proposal, both of which also met other basic requisites, not mentioned by those delegates. He agreed with Norway that the size of the Executive Board should be as limited as possible, and thought that a membership of between fifteen to eighteen would be a workable number.

Mr. ROWE (Southern Rhodesia) felt that Alternative C, although not altogether satisfactory to his delegation could be accepted as a fair compromise. Alternative A was too rigid and inelastic, while B was too

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vague in terms. He thought it would be useful to provide semi-permanent seats on the Executive Committee for the reasons advanced by the representative of France.

As to whether Belgium or the Netherlands should be separately represented or not, he thought that this was a matter of internal arrangement within the Benelux Union.

His delegation would support Alternative C as against B because Members contributing most in funds, experience and ability should have a directing influence on affairs. Alternative C differed from A in the provision for a re-assessment of values every three years, thus allowing the necessary opportunity for developing states to take their proper place.

Mr. KUMLIN (Sweden) emphasized the necessity, in view of the highly technical nature of the functions of the Economic Board, for the best qualified experts to serve as members; adequate remuneration should be offered in order to attract men with outstanding economic qualifications. It might be thought advisable for reference to the designation of highly qualified experts to be included in the final drafting of the Charter.

Mr. Kumlin felt that it was desirable for the Executive Board to be limited in number with a view to preventing what had been described as a "pre-fabricated majority". His delegation considered that all members of the Board should be elected by the Conference as a whole and not by specific groups of countries. For that reason his delegation could not accept Alternative A. Of the other two Alternatives, B was preferred.

Mr. AUGENTHALER (Czechoslovakia) agreed with the principles of Alternative B as amended by the delegation of Chile. His delegation favoured a provision enabling the re-election of great powers responsible for maintenance of international peace and security, namely, China, France, Union of Soviet Socialist Republics, United Kingdom, the United States of America and India. If Alternative B were accepted, certain modifications might be necessary in order to bring it into conformity with Article 61 of the Charter of the United Nations.

Mr. HOLMES (United Kingdom) clarified his delegation's position on the question of voting in relation to the statement made by the United States representative. He emphasized that whatever the issue under discussion, sight must not be lost of the aim which was to secure the means whereby the Organization might be enabled to succeed. His country was not seeking any advantage for its own immediate ends. The Executive Board must be representative both of the Conference of the Organization as a whole and of the various types of economy as well as the varying trading interests. The fact that there were a certain number of States of major economic importance

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was no extraneous consideration. The United Kingdom agreed with many of the criticisms which had been levelled against the necessity for some type of regional system. The disparity which existed in economic development and other factors was a challenge to set up a beneficent instrument in the common interest. For these reasons, he felt that Alternative C would best meet the situation, although his delegation would consider the proposal of the French representative subject to minor drafting modifications. It was in the interest of all that countries of major economic importance should be represented, not merely for a short period of office but as a matter of continuity. Account would also have to be taken of the changes in the relative commercial importance of the various nations.

Due recognition of countries with wide responsibilities and experience, which would contribute largely to the purposes in view, should be given in the composition and election of the Executive Board. He agreed with the French representative that if the major economic countries were subject to the ordinary process of election, undesirable lobbying would result.

He felt no hesitation in accepting the suggestion that the Conference should provisionally consider and if possible reach agreement on the basis that each State would have one vote only in the Conference of the Organization. Similarly, he felt that progress could be made if agreement were provisionally reached to accept the suggestion of the United States, and on that basis to see whether the principle contained in the French variation of Alternative C could be accepted. Although the United Kingdom was anxious to find an acceptable solution to all problems, final judgment of the voting problem would have to be deferred until the Charter had been finally drafted. He could not at that stage go so far as the United States representative.

The United Kingdom delegation favoured the principle outlined in Alternative C, or the French proposal, and, subject to the right of all countries to consider the Charter as a whole in its final stage, they would agree that the question in the interests of the Organization be discussed on the basis of "one country-one vote."

Mr. de VRIES (Netherlands) joined the representatives of the United Kingdom and Brazil in expressing appreciation of the United States position regarding Article 72. His delegation would support Alternative C, of Article 75, the French amendment or some compromise suggestion on the basis of those two formulae. Alternative A was too rigid, unjust and unworkable. Rather than to have provision for "disguised permanent seats", it would be preferable to acknowledge openly the principle that the seven members to be immediately re-elected under Alternative B should be the economically most

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important countries. Mr. de Vries pointed out that Alternative C and the French amendment were democratic since they provided for about fifty per cent of the seats to countries with about seventy per cent of the world's national income, trade and population.

He supported the statement by the representative of Belgium regarding Customs Unions in general as well as with respect to the Union of Benelux.

Mr. W. KING (China) supported other speakers with regard to the statement of the United States representative and welcomed also the statement by the representative of Canada. In reply to some of the arguments brought forward against Alternative A, he explained that complexity and rigidity of formula as such were not objectionable in the light of the other complicated provisions of the Charter. Mere simplicity was no criterion. Furthermore, paragraphs 8 and 9 of Alternative A provided for similar flexibility as Alternative C. With reference to the objection that Alternative A did not set up criteria for the designation of permanent seats, he recalled that when formula A had been suggested, relevant factors like foreign trade, population and others had been considered. The permanent seats would also give representation to countries of different types and stages of economic development. As regards size, the Board, in order to work efficiently on behalf of the Conference and yet not to impair such important principle as geographic representativeness, should have from eighteen to twenty members as suggested by the United Kingdom and Czechoslovakia respectively.

Mr. FEDRANO (Argentina) said that consistent with its position regarding Article 72, his delegation felt that membership of the Executive Board should not be the privilege of some countries, and therefore favoured Alternative B. Some provision should be added to that Alternative, however, ensuring a just representative of various economies on the Board.

Mr. MONDELLO (Italy) felt that Alternative A was unsatisfactory. His opinion with regard to the French amendment had changed favourably after its author's explanations. He took note of the reference to Italy in the French statement. If the principle of that amendment were accepted, he would support an examination of details. While not opposing the principle of Alternative C, he felt that in its present form it was unacceptable, since it seemed to refer to some states only. He supported Alternative B, as amended by Chile, because it provided the most flexible and equitable formula and also took into account all requirements. He also favoured an increase of the number of members eligible for immediate re-election.

Mr. MacCARTHY (Ireland) opposed Alternative A; although the United Kingdom representative had well defended Alternative C, his delegation had been influenced by Cuba in support of B. Although there was little difference

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between the two Alternatives, B was more in harmony with the spirit of United Nations. The countries of chief economic interests would in any case be automatically elected to the Board.

Mr. KARMAKAR (India) was not convinced by the arguments brought against Alternative A, which was based on the important principles of representation of geographic regions and various economies, a just principle in view of the practical aims of the Organization. In that connection, however, representation for under-developed countries would also have to be considered. There was, of course, room for improvement, especially as regarded the enumeration of countries in paragraph 1 (c) and the standards of representation on the Board. He supported the representative of China's remarks concerning the criticism of Alternative A. The argument that Alternative A would lead to regional representation was not valid because, once elected, a Member became the representative of the entire Conference. Alternative C was unacceptable because it did not provide for representation of various types of economies. Elections should be carried out by simple majority vote only. He supported Alternative A, and if it were rejected, would support Alternative C with certain amendments, especially as regarding the voting question. Alternative B was entirely unacceptable.

Mr. MULLER (Chile) joined preceding speakers in paying tribute to the statement of the United States delegation. He was against Alternatives A and C, but favoured B. He favoured a membership of eighteen members in the Economic and Social Council.

Mr. DUNAWAY (Liberia) agreed with the representative of Australia concerning Alternative A, especially since it did not provide representation for the countries of the African Continent - Egypt had to be considered as a Middle Eastern country. He supported Alternative B but would not object to a plan based on Alternative C.

Mr. GAZDAR (Pakistan) /The full text of Mr. Gazdar's speech will be circulated as a document/

Mr. NASH (New Zealand) observed that all representatives supporting Alternative B had agreed that it would give permanent seats to certain countries; therefore, once accepted, that principle should be included in the Charter. Otherwise there was little difference between the two Alternatives. States with long experience in world trade should also be included. Wisdom was not always to be found in major countries. He stressed that not persons, but states would be elected which, in turn, would appoint representatives to the Board. The good-will, wisdom and co-operativeness of Governments was of greatest importance. The Members of the Board, though nationals of their own country, would be representatives of the Conference /which had

which had elected them to implement the principles of the Organization. He supported Alternative B, if brought closer to C, giving permanent seats to countries of major economic interests as well as of different economies.

Mr. AMADOR (Mexico) supported Alternative B with the Chilean amendment as the most democratic and equitable formula, coinciding with the provisions for the Economic and Social Council in the United Nations Charter. Paragraph 1 of Alternative A was unacceptable. His amendments to paragraphs 3 and 7 of that Alternative coincided with paragraphs 3 and 2 of B. Some of his other amendments to A might also apply to C. Eighteen members would best ensure a representative body.

Mr. RIVERA (Colombia) joined the representative of Mexico and Cuba in support of Alternative B which did not recognize preferential rights of countries.

Mr. CHIRIBOGA (Ecuador) noted that although the leitmotif of the Charter was abolition of the preferential systems and discrimination, certain provisions contradicted that spirit. With the practical elimination of weighted voting for the Conference through the United States declaration, there still remained the preferential system with regard to the Executive Board, as embodied in Alternative A and the French amendment. Under Alternative A the world would be divided on a geographic basis. He agreed with the representative of Cuba in rejecting Alternatives A, C and the French amendment. Alternative B was in accordance with the democratic principles of the Charter.

Mr. DJEBBARA (Syria) expressed appreciation of the United States declaration. He was not convinced by the arguments presented by some speakers. If representatives on the Executive Board were officials, then they would be chosen as experts and not as representatives of states. If, however, they were representatives of the Conference, then they had to reflect the tendencies there. It was doubtful whether any representative could ever set aside national considerations, even if elected as a representative of the Conference. He suggested that all three Alternatives should be referred to a sub-committee which might find a formula to give representation to countries of major economic importance and countries of various economies.

Mr. ALAYZA (Peru) thought that the general criticism of Alternative A and the United States statement facilitated a solution. He agreed with other speakers regarding the necessity of providing for representation of not only major, but also diverse, economic interests. He noted, however, that in three of the actual drafts, countries of major economic interests would be in the majority. It was a Board not of a corporation where

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its members. The Customs Union united great economic interests in Western Europe and was one of the first steps towards free exchange - the main principle of the Charter. He preferred the French amendment to Alternative C because it provided for the appointment of ten permanent members for the period of ten years, thus ensuring continuity of interests on the Board. The maximum membership should be eighteen.

Mr. ZORETO (Venezuela), upon a remark by the CHAIRMAN that the list of speakers had been exhausted, suggested that the debate should be reopened on the following day in order to permit more representatives to speak on the matter.

Mr. GARCIA SERRATO (Uruguay) supported the suggestion of the representative of Venezuela. All Members of the Organization should have an equal opportunity of election to the Executive Board. The principle of Alternative A was incompatible with the spirit of the United Nations. With reference to the provision of Article 2, paragraph 1 of the draft Charter, he noted that elections to the Board should be modeled on elections to the Economic and Social Council, as determined in Article 61 of the United Nations Charter. He agreed with the representative of Mexico with regard to the wisdom of Alternative B and pointed out that the question of the composition of the Executive Board of the International Bank had no relation to the matter under discussion.

It was agreed to postpone the debate until the following day. It was suggested the following representatives should form a sub-committee to consider Article 75: Argentina, Australia, Belgium, Brazil, Canada, Chile, China, Cuba, France, Italy, India, Norway, Pakistan, United Kingdom, United States of America, Syria and Turkey.

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