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PREPARATORY COMMITTEE OF THE INTERNATIONAL CONFERENCE
ON TRADE AND EMPLOYMENT

VOTING IN THE INTERNATIONAL TRADE ORGANIZATION

(Memorandum by the United Kingdom Delegation
for Committee V)

General

The United Kingdom Delegation feel that the question of the weight to be given to the views of each member in the Organization is one to which it will be agreed that close attention must be directed. In general it is the view of the Delegation that in the consideration of this question due regard must be paid to the extent to which the members of the Organization participate in international trade, since this is the true criterion of their interest in an Organization of the kind which we are all seeking to bring into existence.

Recognition of this factor can be made in more than one way. In the first place, provision could be made for the enjoyment by each member of a single vote, a number of the more important trading countries, however, being given permanent seats on the proposed Executive Board of the Organization. Alternatively, there might be a system whereby weight was given in the provisions for voting in the Conference and at the Executive Board to countries' respective shares in international trade.

United States Proposals and Charter

In the United States' Proposals of December, 1945, the passage relevant to this question is Chapter VI C(2) and D(1) of the Proposals concerning an International Trade Organization. It was provided that each member of the Conference should have one vote^x but that the

^x This was not one of the points covered by the United Kingdom's general agreement

member States of chief economic importance should have permanent seats on the Executive Board. In the Draft Charter propounded by the United States shortly before the present session of the Preparatory Committee, no provision is made for any permanent seat on the Executive Board, and as regards voting Articles 53, 56 and 58 provide that each member should have one vote in the Conference, the Interim Tariff Committee and the Executive Board respectively.

Relevant Provisions Applicable to other Bodies

In the Charter of the United Nations the principle is followed of giving one vote to each State but permanent seats on the Security Council are allotted to certain countries (and there are, of course, additional provisions whereby certain decisions can only be taken by the unanimous votes of those countries). In the International Labour Organization there is provision for permanent seats on the directing body for a certain number of important countries, while the Civil Aviation Convention provided that in electing the Council the Assembly should give adequate representation to the States of chief importance in air transport. In certain other bodies which are akin to the proposed International Trade Organization as specialized agencies of the United Nations, a system of weighted voting has been adopted in accordance with a functional principle. This applies in the case of the International Monetary Fund and the International Bank for Reconstruction and Development (in which bodies there is also provision for the special appointment of a number of Executive Directors). It is likely that a similar functional weighting will be provided for in the case of decisions to be taken in any commodity agreements which may be entered into in accordance with the proposals on this subject under consideration by the Preparatory Committee.

Outline of United Kingdom Proposal

The United Kingdom Delegation would accordingly suggest that the Preparatory Committee should adopt an arrangement on the following lines:-

At the Conference of the proposed Organization and at its proposed Executive Board, voting should be based on a formula which provided for

- (a) a basic number of votes for each country, and
- (b) a number of votes based on total external trade, plus perhaps
- (c) a number of votes based on national income.

The Committee, it is felt, should include a direction in its general instructions to the proposed Drafting Committee to be established after the present session is concluded, to the effect that they should examine the matter in detail and be ready with a more exact scheme or schemes for consideration by the Preparatory Committee at its next session, taking the general framework suggested above as a broad basis for their work on this point.

The Drafting Committee might also be instructed to consider whether a provision might appropriately be included in the proposed Convention whereby the application of this arrangement for voting was specifically to be reviewed at the end of a stated period, which might correspond to whatever period of initial validity is included in some Article corresponding to Article 79 of the United States Draft Charter. This would enable the incidence of voting to be adjusted from time to time in accordance with the developing shares in international trade assumed by individual members and to this extent would perhaps reduce the importance to be attached to (c) mentioned above, while at the same time taking proper account of the point of view of countries which are in a relatively early stage of development but which may hope to secure a substantially larger share of international trade than they enjoy at present.