

DRAFTING COMMITTEE OF THE PREPARATORY COMMITTEE  
OF THE INTERNATIONAL CONFERENCE ON TRADE AND EMPLOYMENT

SUB-COMMITTEE ON VOTING AND EXECUTIVE BOARD  
MEMBERSHIP

SUMMARY REPORT OF THE FIRST MEETING

Held on 21 January 1947 at 2:45 p.m.

1. After the opening of the meeting through the Executive Secretary, Mr. Lacarte, the Sub-Committee elected the Delegate for Cuba, Sonor Guillermo Alcamilla as its Chairman.

The Chairman suggested that the work of the Sub-Committee be opened with the discussion of Article 64, so that the Sub-Committee might try to find a drafting solution for the problem of weighted voting. The BRAZILIAN Delegate expressed doubts whether this Sub-Committee or the Drafting Committee as a whole was entitled to deal with this subject inasmuch as the question of weighted voting entailed differences of a substantive nature. The majority of the Sub-Committee, however, held that the Drafting Committee as well as the Sub-Committee was within its terms of reference in dealing with the subject and that its objective was to try to present at least a narrowing down of the alternatives which had been elaborated in London.

After presentation on the part of the UNITED KINGDOM Delegate of a proposal for weighted voting, the Sub-Committee decided to defer debate on weighted voting to a later date in order to enable all those Delegations intending to present proposals of their own to submit such proposals in writing for previous study on the part of the Sub-Committee.

/2. Debate

2. Debate on Article 68 (Membership on the Executive Board).

Upon the suggestion of the Chairman, the Sub-Committee proceeded to confine the debate to the issue of the number of seats on the Executive Board and to the distribution of these seats between permanent and non-permanent members. The Sub-Committee entered into this debate with the understanding that such discussion did not entail any acceptance of the principle of permanent seats on the Executive Board, but merely used the principle of permanent seats and the further principle of "one country, one vote" as a working hypothesis.

In view of the fact that the London alternatives of Article 68 provided for either 15 or 20 seats on the Executive Board, the Sub-Committee proceeded with an attempt to arrive at a compromise formula. The UNITED KINGDOM Delegate suggested a membership of the Executive Board of 17 or 18 members, while the UNITED STATES Delegate favoured a smaller Board with a membership of not more than 15 members.

The Representative of the INTERNATIONAL MONETARY FUND explained the system used in the International Fund under the Article of Agreement, under which 12 directors represent a membership of altogether 42.

The UNITED KINGDOM raised the question whether the members of the Executive Board should represent their countries on this Board or should act as representatives of the Organization. Upon consultation of the text of Article 68 in all alternatives, the Sub-Committee agreed that the persons on the Executive Board would serve as representatives of their countries and not of the Organization.

In order to gradually eliminate conflicting drafts, the Chairman suggested a discussion on the fourth alternative of Article 68 with a view to eliminating this draft, which radically differs from the three other alternatives.

The BRAZILIAN Delegate pointed out that the statistical work of the

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League of Nations proves beyond doubt the existence of geographical trade groups and that for this reason the fourth alternative could not be eliminated.

The UNITED STATES Delegate, supported by the CHILEAN Delegate and by the Chairman, argued that the principle of rotation contained in the other alternatives would in itself tend to provide for adequate geographical distribution without tying the hands of the Organization too strongly by application of a rigid formula of geographical distribution. He also pointed out that the spirit of the Charter was to get away from trading blocs and areas and not contribute to their formation. The BRAZILIAN Delegate reserved his position pending receipt of instructions from his Government.

The SOUTH AFRICAN Delegate proposed a formulation similar to the one of the United Nations Charter in regard to the Economic and Social Council, by inserting a clause that due regard should be paid to adequate geographical distribution in the membership of the Executive Board.

The BRAZILIAN Delegate agreed to such a formulation if provisions were included which allowed for a change in permanent seats on the Board in accordance with future changes in the economic importance of member countries.

The UNITED STATES Delegate proposed a formulation whereby the Executive Board is always to include the six countries of chief economic importance.

The BRAZILIAN Delegate accepted this formulation contingent upon instructions from his Government and provided agreement could be reached on the number of permanent seats on the Board.

An extended discussion ensued on the total number of seats on the Executive Board and on the ratio between permanent and non-permanent seats, with the majority of the Sub-Committee advocating the principle that the non-permanent members of the Board should always be a majority over permanent

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Board members. The Delegates for BELGIUM, CHILE, and NETHERLANDS, and the Chairman, as Delegate of CUBA, expressed their preference for the smallest possible number of permanent seats notwithstanding their sustained objection to the principle of permanent seats as such.

Upon express restatement on the part of the Chairman that the discussion proceed on the assumption of "one country, one vote" and on the assumption of permanent and non-permanent seats as working hypotheses, this Sub-Committee agreed to report to the full Committee on a compromise proposal of an Executive Board consisting of 15 members with 9 non-permanent and 6 permanent members.

The UNITED KINGDOM Delegate reserved her consent pending further consideration of the matter, and the BRAZILIAN Delegate reserved his position pending the arrival of instructions from his Government.

The UNITED STATES Delegate suggested a draft whereby the Conference would be authorized to review in the future (every five or ten years), the economic importance of the member countries for the determination of permanent seats on the Executive Board. These provisions ought to be drawn up in similar fashion to those in the I.L.O. Charter. The Secretariat in co-operation with Mr. Kollogg of the UNITED STATES Delegation might be able to produce a tentative draft on this basis for the consideration of the Sub-Committee.

After the UNITED STATES Delegate announced his intention to present a proposal on weighted voting, the meeting was tentatively adjourned until Thursday afternoon, 23 January 1947.

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