

SECOND SESSION OF THE PREPARATORY COMMITTEE OF THE
UNITED NATIONS CONFERENCE ON TRADE AND EMPLOYMENT.

VERBATIM REPORT.

TWENTY-THIRD MEETING OF COMMISSION "B" HELD ON
TUESDAY, 15th JULY, 1947, AT 2.30 P.M. IN THE
PALAIS DES NATIONS, GENEVA.

The Hon. L.D. WILGRESS (Chairman) (Canada)

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CHAIRMAN: The Meeting is called to order.

I am requested to ask members if possible to speak somewhat more loudly than they have been accustomed to doing in this room because the interpreters and verbatim reporters have found difficulty in hearing all members of the Commission when they have been speaking.

Members of the Commission will recall that when we were considering Chapter VIII in Commission B, the Commission approved a suggestion of the United States Delegation that consideration of the Articles pertaining to voting and composition of the Executive Board should be deferred until work on certain portions of the Charter had been substantially completed. Eventually it was agreed that these particular Articles should be taken up on July 15 and that is the reason why we are meeting today to consider these Articles.

The Articles which come into question are Article 64; paragraph 5 of Article 66; paragraphs 3 and 4 of Article 67; Article 68 and Article 69.

I would call the attention of the members of the Commission to page 6 of document T/W/210, Rev. 1. In this document attention is called to the fact that the Drafting Committee was instructed to formulate alternative schemes as regards voting taking account of suggestions concerning weighted voting and permanent membership of the Executive Board. The Drafting Committee did not reach any final conclusions on weighted voting. The attention of members is drawn to the Report of the Administrative Sub-Committee commencing on page 53 of the Drafting Committee's Report.

The Delegate in New York who submitted a formula on weighted voting and the note on a two-thirds majority was the United Kingdom Delegate. Perhaps our discussion today might open with a statement by the United Kingdom Delegate as it is the United Kingdom Delegate who has submitted the proposal regarding weighted voting which was given later on in our working paper.

CHAIRMAN: The Delegate of Cuba.

Dr. Gustavo GUTIERREZ (Cuba): Before going into that, Mr. Chairman, I would like to ask a question. Could we possibly discuss this matter in two parts - first, the question of Voting, and then the question of the organization of the Executive Board? I think it might be very possible to find a formula of agreement in relation to the Executive Board, whereas the differences of opinion as to Voting are more acute.

CHAIRMAN: It was my intention that the two subjects should be discussed separately, and it was my intention that we should, first of all, consider Article 64 (and the amendments thereto), which is the Article dealing with Voting.

The Delegate of Norway.

Mr. Erik COLBAN (Norway): Mr. Chairman, before we enter upon a discussion of this problem of Voting, I would like to say that in London my attitude was most definitely in favour of the ruling "one State, one vote"; but I added and emphasized that I had an open mind, and if I should be presented with a suggestion which seemed to me to be reasonable - a suggestion on weighted voting that it was possible to put into practice - I would not have any preconceived idea in opposition to such a suggestion, and I want to repeat that to-day.

I hope that all of us will enter upon this very difficult discussion in the same spirit as I am going to, with an entirely open mind, willing to be convinced by arguments on either side. I cannot tell you what my final attitude may be. That will depend upon the arguments brought up in our discussion; but I would allow myself to express the hope that it will be kept in mind that in this Organization, dealing with practical commercial problems, it is, in itself, very logical that

certain States, having a preponderant share in world trade, and a preponderant share in the making of full employment, should also have an important place in our Organization, and if that place can be secured to them by a practical system of weighted voting, I would welcome it. I do not know whether it is possible: the propositions we have seen up till now, are not, taken separately or all together, very satisfactory; but they contained elements of a possible solution. I do not want to call it a compromise - I expressly say a possible solution, and (I repeat myself now) this is the spirit in which I am going to take part in the work of this Commission on this problem.

CHAIRMAN: The Delegate of South Africa.

DR. W.C. MAUDE (South Africa): Mr. Chairman, I shall not be long. I had come here this afternoon with the thought in mind of making a passionate appeal to my colleagues to be as objective as possible in the approach to this problem, but looking round the table, I have the feeling, judging from the restricted numbers present, that this is going to be a business meeting, not a meeting on a search for self-interest. Mr. Colban has already developed his approach to it and I should merely like to endorse what he has said, that we should come here to this problem in a rational search for the truth and nothing more. If we approach our discussion here this afternoon with any preconceived ideas I am convinced - basing myself on the little bit of contact which I have already had with such matters - that we shall not reach a solution at all. We must approach this thing with the firm intent to reach a reasonable, objective, and responsible solution.

I could develop this still more by saying that we have certain dead lines to meet - the dead line for the finish of the work of the commissions, the dead line of the date for the World Conference - but I do not think I need do that. I would merely like to say that any unnecessary delay would be irresponsible in view of the very grave economic situation in the world today. Any delay here involved by a discussion which might last over a week will not react to the credit of this Conference. I hoped that we should emerge from this Conference very rapidly with, in effect, a declaration to the world that we have been responsible people here making a concerted attack on the economic situation which is already

beginning to worsen. I have used the expression that we must do whatever we can to stop the rot. The rot is very nearly beginning. We must not waste time; the situation does not brook any delay. Briefly, therefore, let us look at this thing as a problem which we are to solve as responsible people.

CHAIRMAN: Before I call on the next speaker I would like to mention that the Secretary, in drawing attention to the report of the Administrative Sub-committee at New York, which is given on pages 53 and following, of the report of the Drafting Committee, means that all of those proposals set forth in the Administrative Sub-committee's report are before the commission. The fact that none of them has been mentioned in this working paper does not mean that any of them have been dropped. The Secretary considered there was no object in repeating the proposals which were contained in the Administrative Sub-committee's report and that is why attention has been drawn to the report of that Committee in the note on page 6 of the working paper, W/210 Rev.1.

DR. H.C. COOMBS (Australia): At the London Conference the Australian Delegation indicated that its views were very close to those which have been repeated here today by Mr. Colban. That is, we had an open mind on the question and indicated that while we had an actual preference for a system of voting based upon "one country, one vote", we were open to conviction in the light of evidence which presumably would be submitted to those who are interested in departures from that general principle. I hope your minds are still open, but I must say that our examination of this question since London has tended to confirm the natural preference that we started with and to increase our doubts as to the adequacy of any of the alternatives which have been submitted,

and our doubts as to the validity of the arguments on which they have been based.

Briefly, we would say that a departure from the "one State, one vote" principle does need to be justified and we do not consider that it has been justified. We recognise that the facts of economic relationships do make certain countries more important than others, and that it is proper that there should be a special weight attachable to the words and actions of those who are more important in that economic sense. We feel, however, that it is unnecessary to take any special provisions to ensure that special weight. The conduct of this Conference, in the first session, I think made it fairly clear that the countries who might fall into that class do in fact carry a special weight in the work of a conference of this sort, and I think it is fairly clear that their views would carry very special weight in the conduct of any international trade organisation, whether they had any votes or not.

For instance, I think I am right in saying that I can not recall a Sub-Committee or Committees set up by this Preparatory Committee which does or do not include certain countries here, which would fall into that category.

We are all aware that without them the work of the Sub-Committee would be like Hamlet without the Prince of Denmark, and we do not need to have to give them extra votes to ensure that we all pay special attention to their words.

So therefore we are, on the whole, convinced that to give special significance to countries of particular economic importance is ~~not~~ necessary; indeed, it may savour of a policy of giving to him that hath, and taking away from him that hath not; and therefore it is additionally^{un}necessary.

Our second objection, Sir, to which we come to attach increasing significance, is the quite obvious difficulty of measuring what it is you will be trying to express in such a system.

Various formulae have been put forward, and it is clear there are certain factors which to some extent are relevant to a judgment on this point. Size, dependence on international trade and so on are clearly in the same sense significant; but precisely how you would combine these things to give you formulae which were in any sense a proper measure of what it was you were trying to do or assess, we feel has been demonstrated to be a task of very great difficulty, if not impossibility, and we are very much afraid that if the search for this sort of formulae continues, it will degenerate under the guise of a search for a significant formula into a straight piece of haggling, in which people will have another means of deciding the sort of answers they want to give, and they will adjust their

formulae until they look like getting the sort of answer they think is a desirable one. We think on the whole it is dishonest, and as we have already said, unnecessary.

The difficulty is there is not clear relationship. Here we are setting up an Organisation to which come various countries represented here, and these it is hoped will become Members. That Organisation imposes certain obligations, grants certain privileges to the Members, but there is no clear relationship between the working factors, which we would take into account in the assessment of any formula, and the obligations imposed upon Members. It is unlike a financial institution, where the risks which a person takes by participation are proportionate to what he puts in. Here we are putting in to a certain extent our freedom of action, and we are taking out certain benefits which we hope will be derived from common action in the fields with which the Charter is concerned.

Now the limitations involved in the sacrifice of freedom of action are as real and as acute for a small country as for a large country; the obligations which they accept will be as difficult to carry out and the benefits will be proportionately no different in any very obvious way, and we feel, therefore, that in the absence of a relationship of this sort it is hard to determine on what basis any assessment of this question would proceed.

I think the work in New York, which was interesting, did demonstrate that there people faced the question on the whole reasonably objectively, and I am sure with considerable ingenuity, but not only failed to reach agreement as to the results but did have quite marked differences as to the particular bases on which the question might be approached; and

all these differences tend, we think, towards the conclusion that the simplest and easiest thing to do is to leave the situation as one State one vote, relying upon natural inevitable consciousness which all Members will have of economic strength, or the nature of the obligations accepted in particular situations, to ensure that they will, in addition to assessing the thing from their own point of view, take into account the significance attachable to the views of countries which are either important or are particularly affected by the type of obligation with which we are concerned.

Mr. Chairman, I have, I am afraid, in expressing my views on this sounded perhaps rather more certain and definite than I am in fact. I would not like the impression to be created that our minds are, in fact, finally made up on this issue, because I agree that that is not the way in which we should approach this question; but I do wish to make it quite clear that we have given this quite a lot of thought, and we are satisfied with the weight of evidence provided in New York. Our experience in the conduct of the two Sessions of the Committee did not, in our opinion, produce adequate evidence for departing from what we believe is a good general rule - that is, one State one vote.

CHAIRMAN: The Delegate of Brazil.

Mr. O. PARANAGUA (Brazil): Mr. Chairman, I heard the appeal by our eminent colleague, Mr. Colban, and by the South African Delegate, and I can assure you that I am of the same spirit and I think we ought to have an open mind on this question of voting.

I am very glad that the two questions were separate and that we can discuss the voting in relation to the deliberations and the voting in relation to the composition of the Executive Board.

In regard to the voting on deliberations, I think it would be very difficult to have any kind of compromise, because, whether we introduce one formula or another, we would always have the same result; it is the changing of a minority into into a majority because of a privileged vote. We cannot escape from this result.

This problem is not a new problem; it is a very old problem. It is the same problem which the Americans had when they discussed their Constitution. I think the American Delegate will agree with me that, when the Constitution was discussed, the small States like Delaware, New Jersey and Rhode Island opposed any Constitution where they would be squashed by the more populated States. The result of that discussion was one which nearly broke the Convention - was the House of Representatives to be constituted according to the number of votes of the population, and was the Senate to be on equality of representation?

It is a very old problem with which we are confronted, and, as I said, I cannot see any ground for compromise on this question of weighted voting for the deliberations, because, in spite of our open mind, our sense of responsibility, we cannot give a certain kind of control of this institution to a few countries; matters

of economic policy, the question of industrialization, cannot stay in the hands of a few Members disposing of a weighted vote.

We are obliged to have equality in votes on these major questions and my impression is that if we agree to any kind of weighted voting we are undermining the confidence of the majority of the countries from the beginning of this Organization. This weighted voting would be something new on such questions. When we have weighted voting in other institutions it is a result of a certain quota; it is the result of what a country is bringing to the institution, but here everybody is bringing the same thing. It may be that the most important countries are bringing more difficulties for the Organization than the small countries, and it would be something like being a judge on questions discussed by the Executive Board or by the Conference.

For this reason I agree entirely with the arguments of Dr. Coombs and I think that any departure from "one country, one vote," would have very difficult results for the Organization.

Mr. H.E. WUNSZ KING (China): Mr. Chairman, the only thing I would like to say at this stage of our deliberations is that the appeal made by Mr. Colban and supported by many other colleagues has very much impressed me and consequently, Mr. Chairman, I would like to assure you and my colleagues that I will be open-minded and ready to be convinced by arguments on both sides in spite of the fact that with regard to the two questions now before us the Chinese Delegation has taken a stand. But I repeat I promise you to be open-minded and to hold myself ready to be convinced by the arguments.

As regards the method of our work, the Chinese Delegation has no difficulty in agreeing to the suggestion made by the delegate of Cuba, that is that the two questions for the purpose of our discussion should be separated; but I venture to express a slight disagreement, which is that while it would be very logical that we should discuss the questions of the voting system first, I am wondering whether it would be more practical and perhaps easier to obtain a satisfactory solution if we should tackle the other question first, that is to say the question of the composition of the Executive Board. As to this particular question, I understand that the United Kingdom Delegation and several other delegations have made a number of concrete proposals, but, as I find that the United Kingdom Delegation has made a concrete proposal as late as June 17th along the lines of these proposals which that delegation has made in the earlier stages, I would like to support the suggestion made by the Chairman that the United Kingdom delegate should be asked to be kind enough to expound his views and then we shall be ready to be convinced by his argument whether it is logical, sound, fair and practical to apply this weighted voting system to this particular question of the election of the Board.

CHAIRMAN: The Delegate of China has raised the question of procedure. Members will recall that in reply to the question raised by the Delegate of Cuba, I have ruled that first of all we should consider the question of principle involved in the United Kingdom proposal in relation to voting in the Conference, that is weighted voting - one State, one vote - and that we should take up the question of the composition of the Executive Board later when we come to deal with article 68.

In this matter of procedure, however, I am entirely in the hands of the Commission, and if it is the wish of the Commission that we should proceed along the lines proposed by the Delegate of China and first of all consider the composition of the Executive Board, the Chair will be quite agreeable to that procedure.

There might be another compromise which we could follow, that is, first of all have a general discussion of the whole question, and after the conclusion of the general discussion, then take up the subsidiary question of principle involved in the United Kingdom proposal in relation to the method of voting in the Conference - one State, one vote - and then take up the question of the composition of the Executive Board. But before coming to a decision on this point, I should like to obtain the views of the Commission, and if any other Member would like to talk on this question of procedure before I call upon the United Kingdom Delegate, I should be very glad to hear from him.

The Delegate for Brazil.

MR. O. PARANAGUA (Brazil): Mr. Chairman, I support the proposal of the Cuban representative and your ruling, because I think we ought to begin with first things first.

The most important question is the question of voting on the deliberations of the Organization in the Conference and not the

Executive Board. The composition of the Executive Board is a secondary question compared with the question of voting.

CHAIRMAN: The Delegate of the United Kingdom.

MR. S.L. HOLMES (United Kingdom): Mr. Chairman, I am of course entirely in your hands, but I wonder whether it might not be best if, having embarked on this question of voting in the Conference, we should proceed with it and discuss voting in the Conference. So far as I am concerned, I am quite happy to fall in with anything that anyone else says, but I feel there are certain questions, certain points, which perhaps I ought to be answering, and I had, before the representative of China suggested that I should speak, already asked to speak, but I will do whatever you wish, of course.

CHAIRMAN: The Delegate of Cuba.

DR. G. GUTIERREZ (Cuba): Mr. Chairman, we consider this matter such a delicate matter that we do not dare to try to interpret the opinions of some other delegations or nations here represented, but strictly confine ourselves to the opinion predominant in my country in relation to all matters of this kind.

I do not consider that this question can be taken as a type of voting in the Conference and a system of voting for the election of the Executive Board. In our opinion, the question of voting is one, and the question of the composition of the Executive Board is a different one.

For our part, we feel ready, and as open minded as the most open-minded delegation here, to admit any scheme to give a permanent or principle representation of the most important nations of the world in the economic field. If they had not asked for it, we would have appealed to them to act in that capacity, because we

need their guidance, their influence, their economic force. But there is a very big difference if those nations are elected or re-elected or elected in any form other than by means of the free expression of wills of the other nations.

So, although from the practical point of view it would probably be better to follow the amendment of our Chinese colleague, we consider that from the point of view of principle, from the point of view of the substance involved in this debate, we could go on with a general discussion, as the Chair later suggested, bearing both things in mind without coming to a debate specifically on any one of the two questions, because they are involved one with the other in some form but, in our opinion, they are separate questions. For example, I am just expressing the Cuban view that it will be ready to come to any compromise in relation to the composition of the Executive Board, but I do not suppose that I will be so open-minded when we come to the question of voting.

CHAIRMAN: The Delegate of China.

Mr. WUNSZ KING (China): Mr. Chairman, I can assure you that in this matter of procedure, I am entirely in your hands and also in the hands of my colleagues; but I am very pleased to get a concession from my colleague of Cuba, if I interpret his words correctly that he seems to agree with me that we might tackle this problem of the composition of the Board first.

After all, these two questions are, to my mind, equally important; but it seems to me that the general question of the voting system is far more difficult of solution than the other one. Therefore, I would like to suggest that we might discuss the easier and simpler question first, so that we might be able to obtain some satisfactory solution in a relatively short time, without prejudice to the general question of the voting system.

CHAIRMAN: The Delegate of India.

Mr. D.P. KARMLARKAR (India): With your permission, Mr. Chairman, I propose only to express the view of the Indian Delegation, which is in favour of separate discussion of the questions of voting and the composition of the Executive Board.

The point of view which my esteemed colleague, the Delegate of Norway, very admirably expressed and of which other Delegations have spoken, shows us the rather delicate ground we are on. As I listened to Delegates during the discussion, I was reminded of a small inscription in French on the hill-top at Chamonix, which says "Deep precipice - Danger of death!" We are discussing questions which are very complicated; therefore I submit that we should take up the questions separately, so that we may be in a position to discuss each question on its own merits - though, Mr. Chairman, if I may be permitted to digress at this point, I

often wonder whether the economic importance in such cases should not be considered from the point of view of people who are not very well developed economically, because they are in danger of being submerged.

With your permission, Mr. Chairman, I respectfully support the view that these two questions need not be mixed up. In spite of the very open mind which we are trying to keep today, there is the danger of our mixing up the two matters. It is best, in my opinion, to separate the two questions, because the first is a question of principle and the second is a question on which it may well be considered that it is possible to accomplish something.

CHAIRMAN: I interpret the sense of the Commission, in the light of the speeches which have just been delivered, to be in support of the original ruling of the Chair that we should first of all discuss the question of principle involved in voting in the Conference. However, I realize that the question of voting is very much bound up with the question of the composition of the Executive Board, and therefore I would ask Members, in speaking on the question of voting in the Conference, to confine themselves mainly to that particular point. They will be at liberty, if they find it necessary in the elaboration of their arguments to deal with the composition of the Executive Board, to do so if they so desire.

I think, therefore, we can commence with a general discussion of the question of voting in the Conference, giving Members of the Commission sufficient latitude to refer to the composition of the Executive Board if they find it necessary to do so.

"CHAIRMAN: The next speaker on my list on the question of substance is the Delegate of the United Kingdom. I therefore propose to call on the United Kingdom Delegate.

MR. S.L. HOLMES (United Kingdom): I will attempt, as far as possible, to abide by your suggestion and to address myself principally to this question of voting in Conference. I will also - and I am sure members of the Commission will correct me if my attempt is unsuccessful - try to be audible at the far end.

The views of the United Kingdom I think are fairly well known. That is not to say that we have not listened very carefully to the suggestion made by the Delegate of Norway that we should conduct our part in this discussion with a reasonably open mind, but I cannot conceal the fact that for some time now the United Kingdom view has been that the provision "one State, one vote" for the voting in the Conference is not a wholly satisfactory provision. I say that our views are fairly well known because I do not wish to take too much time in this Commission and we have been reasonably consistent. It fell, I think, to myself to develop those views when we held our first session of this Commission in London. The difference perhaps now is that I am speaking to people to whom it comes as no surprise that we do not feel that this particular system of "one State, one vote" should be adopted.

I can assure the members of the Commission that I speak with a full sense of responsibility. I am not sure that I wholly share the views of the Cuban Delegate that this is a matter of great delicacy, because we have got to know each other pretty well in these last few weeks and I think we can say quite honestly to each other what we think. Dr. Coombs, speaking for Australia, said

that while he had basically an open mind, he felt rather strongly that we should stick to the idea of "one State, one vote". I am rather sorry that his duties in another part of this building have taken him away, because he was prepared to be convinced, as he said at the end of his remarks. But his remarks were, I think, directed rather closely and narrowly to the sort of discussions that we have had here in the various meetings of the Preparatory Committee. I would submit, Sir, that there is really something of a difference. We are here to see whether we can reach general agreement on the setting up of an international trade organisation and the Charter under which that organisation should operate. What we are looking to, however, is a rather different state of affairs where you have got an organisation which will have very great responsibilities from year to year, or perhaps more frequently than that, and, of course, almost from day to day in respect of its detailed work. The circumstances, therefore, we feel are very different. We have never suggested, for instance, here, that there should be any system of weighted voting in our talks round these tables, but when it comes to the actual operation of the organisation it is a rather different thing. Dr. Coombs suggested too, that to attempt the principle of weighted voting - and of course I do not propose at the moment to enter into any details (I doubt whether this is a suitable place or time to do it) - he suggested that to admit the principle of weighted voting was rather like "giving to him that hath". Does Dr. Coombs really suggest, I wonder, that there should be a system of weighted voting in inverse proportion to a country's responsibilities, to a country's share of world trade ? That is surely the logical deduction to be made from that quotation from the Bible. We

in the United Kingdom would feel that there was a much more appropriate quotation; "unto whomsoever much hath been given, of him shall much be required". It is a fact, Sir, that there is a great deal required, both under the proposed organisation and Charter, and generally, of the great trading countries of the world. They do, inevitably, bring more into the organisation. They have to, and it is right that they should. I could point to places in the Charter - I think in Chapter IV - where it is more or less specifically provided that countries should help each other and, naturally, the larger countries should help the smaller countries more than the smaller countries should help the larger. What they bring to the organisation is long experience, ^{and} much responsibility; and in many cases it is no idle boast, but merely a matter of fact, to say that on a good many problems they must have greater knowledge and experience. It has been suggested from time to time that there is something undemocratic about any other principle than "one State, one vote".

We should claim, Mr. Chairman, that this was far from being the case, when countries are so very different in size and in their share of world trade; but on the other hand we should recognise - we should very freely recognise - that there may be anxieties on the part of some countries that this might be an attempt on the part of the larger trading nations to acquire a wholly undue place in the Councils of the Organisation.

Now that is very far from our minds, and those Members of the Commission who have studied the sort of proposals we have made for the weights in weighted voting - again I won't refer in any way to the details - will see that it is no enormous vast weight of votes that we have wished to attach, perhaps, to the United Kingdom. Our attempt has been to secure something which was eminently reasonable, taking account of the fact, as I suggested, that some countries have greater experience - more to bring to the Organisation, and more, perhaps, to put into it on the one hand, and on the other, that it would not be for the benefit of the Organisation if one or two countries were to swamp the Organisation every time they happened to have a particular point of view to put forward.

Let me, if I may, just suggest that this is the way in which purely as an example the principle of "one State one vote" might work out. You might, in the Conference which we hope will be very generally representative of the countries of the world, have a narrowly contested vote. Now on the one hand you might have the following countries - I take them purely as an example; it is in no way exhaustive; there would no doubt be a certain number of abstentions, but it might work out that countries on the one side - Peru, Turkey, Venezuela, Greece,

Saudi Arabia, The Philippine Republic, Costa Rica, Albania, Trans-Jordan, Irak, the Dominican Republic, Haiti, El Salvador, Paraguay, Iceland, Panama, Ethiopia, Honduras, Guatemala, Ecuador, Siam, Nicaragua, Afghanistan, Liberia, The Yemen - those countries might on a narrowly contested vote on an important question out-vote, what shall we say - I have included on this side all the Members of the Preparatory Committee and a number of others who we hope will join the Organisation, and their share of world trade is quite an important one - they might out-vote the United States, France, China, India, Belgium, the Netherlands, Sweden, Poland, the Argentine, Australia, Canada, Brazil, the Union of South Africa, Norway, Czechoslovakia, Portugal, Denmark, New Zealand, Egypt, Italy, Chile, Cuba, Uruguay; and last of all, the United Kingdom.

That would be 25 votes against 24, and that is an illustration of how the matter might work out in practice.

I would like to say just something about the suggestion that someone made - I am not quite sure where the suggestion came from; I am not sure it was not Dr. Coombs again - that there was something dangerous about this discussion, in that it would inevitably lead at some stage - as it certainly will, we hope - to a consideration of the weights that might be given under a system of weighted voting. He suggested that there might be elements of dishonesty creeping into the discussion - haggling. That again, Sir, is not at all our intention.

We have made a proposal which is reproduced in the Drafting Committee's Report. We do not necessarily stand on every letter or figure of that proposal, so long as the weights to be given to the larger countries are not too large, and so long as some extra weight is given to the larger countries.

I think it is also fair, in this general discussion - and perhaps I need not repeat my remarks in connection with the question of the Executive Board, because, to some extent, clearly the same considerations arise - to point to the sort of shape which the Charter, after all our labours, has assumed. The Charter - speaking again with the fullest sense of responsibility - which we of the United Kingdom Delegation believe to be potentially an instrument for the good of the world - I would go further; an instrument which it is very necessary, indeed vital, that the world should have - has assumed a shape which involves not only a great many means of escape - especially in the difficult transitional period - but also involves a very great responsibility being attached to the Organization itself. If there were no deviation from "one State, one vote", we should ourselves feel much more apprehension about the way in

which the Charter has developed, about the enormous number of decisions or determinations that the Organization will have to take. We should feel that it might be necessary to look much more closely at those provisions in the Charter which, perhaps as a matter of convenience at this stage, have crept in, leaving to the Organization a large number of matters to be determined in the light of circumstances which perhaps we have not been able entirely to foresee here.

We feel, in brief, that the Organization will have to be extremely good; it will have to work extremely well; it will have to be backed up with all the experience that it can draw from the various Members, and we feel that it will be able to draw - or it should be able to draw - more experience from some Members than others, which is really a reflection of the principle which we have put before the Commission.

I think, Mr. Chairman, I have spoken probably much too long, unusually long perhaps for this corner of the room, but we do very earnestly hope that the fullest possible and the fairest consideration will be given to what we feel to be an eminently sound, reasonable and fair proposition.

M. KOJEVE (France) (Interpretation) Mr. Chairman, since the beginning the French Delegation has supported the system contained in the Draft Charter submitted by the United States, that is to say a simple vote "one State, one vote". Since then, I have attended the meetings that took place in New York and have taken part in the discussions, and I have not been convinced. I have therefore reported to my government, and the report which I submitted has not compelled the French Government to adopt another viewpoint. I think this statement is sufficient, but in response to the appeal made by our Norwegian and South African colleagues, I shall now state the reasons for my point of view.

I fear very much that it will be rather difficult for me to be objective, because I do not think there is such a thing as objectivity in a field where so many interests are involved. Therefore, with your permission I shall substitute frankness for objectivity.

The reasons for our attitude are as follows: First of all, I fully agree with Dr. Coombs when he says that, in fact, weighted vote has always existed. Of course, it is difficult to speak of something absolute in an Organization like the International Trade Organization.

There will be two categories of countries, one in which there will be a smaller number of countries and another with a larger number of countries. The difference will be that, if a country in the former category, Category A, is not satisfied with the working of the Organization and withdraws from it, it will be the Organization that will suffer thereby and not the country. In Category B, the situation is the reverse. A country withdrawing from the Organization will have to take the consequences, but its withdrawal will not affect the existence of the Organization. Therefore, that is the reason why, at the Preparatory Conference, we have sometimes found that two or three votes carried greater weight than the votes of fourteen or fifteen other countries.

I think also that to establish equality in the Organization it will be necessary to have an entirely different weighted vote, and in that sense I agree with the interpretation which Mr. Holmes has given to that part of the statement of Dr. Coombs, and I also agree with Mr. Holmes when he says that inequality is not contrary to democracy, although this word "democracy" is now used with very different meanings. Furthermore, I agree that weighted vote is likely to strengthen the position of average countries, thus giving more stability to the Organization, but I am not certain that this advantage will outweigh the even greater disadvantage of making powerful countries even more powerful, and weaker countries even more weak.

Mr. Holmes has also mentioned the experience of highly industrialized countries. I have no doubt about it, but I think that reasonable advice based on experience will be accepted by the Conference, even if it is not supported by a few additional votes. I have listened to the list of countries given by Mr. Holmes, and I admit that a case like the one he has mentioned is quite possible, but I wonder if, in certain cases, the votes of certain countries included in those lists do not in fact realise a system of weighted vote similar to the system which it is desired to introduce in the Charter.

I have another reason which goes against weighted vote. The reason is this: the Trade Organization will have, mainly, a two-fold purpose - one is to develop world trade, in other words to maintain the economic power of highly developed countries, and the other is to develop countries that are economically weak.

Therefore, we must admit that in certain cases the opinions of these countries will carry as much weight as those of powerful countries, and for that reason I think that the principle of weighted vote in the sense that has been suggested is, to a certain extent, contrary to the spirit of the Charter.

Thirdly, and I might almost say last but not least, there is the question of the criteria that have been selected and suggested for the weighting of the votes. In New York I have seen several lists, and I had the impression that those who drew up those lists had first of all made the list and then tried to find criteria that were more or less objective.

Let me take as an example the figures of national income. As far as my country is concerned, the specialists in this matter - the technicians - do not agree on the various elements that should be taken into account to determine the figure of national income, and I very much doubt whether many other countries will be in a position to supply objective data in this matter.

For these three reasons, Mr. Chairman, I am in favour of the original solution suggested by the United States Delegation, and we are therefore compelled to maintain the standpoint which we had already adopted both in London and in New York.

CHAIRMAN: The Delegate of Canada.

Mr. L.E. COUILLARD (Canada): Mr. Chairman, the Canadian Delegation is happy to subscribe to the business-like atmosphere which is permeating our discussion on the question before us, although I must say that some of the open minds we have heard about have clearly revealed what the minds contained! It has been the attitude of the Canadian Delegation that this question of weighted voting in the Conference should be treated as a business-like matter. At the London Session we stated our position by not categorically supporting either the principle of weighted voting or the principle of "one State, one vote", but rather by stating that we favoured and saw benefit in the principle of weighted voting. We suggested that the Drafting

Committee should devote its attention to this problem, in order to provide statistics and further basis of discussion.

Since then, we have given long and careful consideration to this question, and I must say that we remain of the opinion that for the various reasons which I should like to outline quite frankly and in view of the nature of the proposed International Trade Organization as a specialized agency, the principle of weighted voting in the Conference is preferable to the principle of "one State, one vote".

We feel that in discussing this question it is imperative that we should bear in mind the nature of the Organization which we are attempting to set up. I.T.O. will be a specialised Organization, with all that the term implies, dealing with specific aspects of international economic relations. It is for that reason and in recognition of that fact that the Canadian Delegation has always advocated that membership in a specialized Organization should be on as broad a basis as possible, and should be extended on functional principles.

Now, it goes without saying, that Members of such a specialized and functional Organization will vary in size, economically speaking, and in the degree of interest, and the importance of their contributions to the Organization. We feel, therefore, that it follows that the voting power of the members of the Organization cannot be equal; but rather that it should reflect the economic importance of such members in those fields which fall within the terms of the Charter. Obviously, this argument could be amplified. We leave it to stand on its logic. Indeed, it would be difficult to conceive how an economically, and from the I.T.O. point of view, a functionally unimportant member, should carry the same voting power as an economically and functionally

important member.

This would be the converse of the system of weighted voting which we are discussing, as Mr. Holmes has pointed out.

Conversely, and for the same reason, we feel that the principle of "one State, one vote", would be unrealistic. It would not only lack realism, but it would be undemocratic. This condition is closely related to, and might answer in part, the argument which has been made here this afternoon by certain Members who saw the principle of "one State, one vote" as being democratic, implying thereby that the principle of weighted voting is undemocratic.

I regret to say that we find difficulty in following the reasoning underlying such an argument. We have always believed that a system founded on the purely democratic principle would necessarily have to be based on population figures, namely, in the case of I.T.O., on the population of the Members of the Organization, or, in other words, representation by population. We fail to see, therefore, how the principle of "one State, one vote" is democratic, since it completely disregards the population factor. Indeed, we feel that it is closer to the other extreme - that is, the nationalistic attitude reflected in the "one country, one vote" principle.

The Canadian attitude, in support of the United Kingdom proposal, attempts to find a solution between these two extremes: that is, the extreme on the one hand of the purely democratic principle of representation by population, and on the other hand of the nationalistic attitude of "one State, one vote".

Under the United Kingdom proposal, for example, (the system which Canada will agree to and which is given on Page 55) population-- that is, the purely democratic factor--is recognized and given direct weight as one of the factors in the proposed system of weighted voting.

Population is also given an indirect weight in the national income factor. Similarly, on the other hand, the nationalistic attitude is reflected and recognised by the fact that all Members are assigned a basic vote which, in the United Kingdom proposal, is 100. Although this appears to us as relatively high, we would agree to it. In this way, therefore, we suggest that both extremes of population and nationalism are satisfied to an appreciable degree. After these two extremes are met, we think that it is only fitting - in view of the international nature of the organisation - that the most important factor in the weighted voting formula should be that of the value of foreign trade. It is difficult to see how, in an international trade organisation, this factor can be completely ignored, as it would be under a system of "one State, one vote". The Canadian Delegation, of course, is quite willing to discuss the inclusion^{of other factors} in the relative weights to be assigned, and we take note of the argument which the French Delegate has revived. It will be remembered that one of the arguments used at Church House against the principle of weighted voting was the unavailability of statistics on which the various factors entering into a system of weighted voting would be based. In London I think this argument was not without force. We tackled this problem without due preparation and most of us were not familiar with the facilities which the United Nations Secretariat could afford, but we now have the assurance - and we take it at its face value - contained in the Drafting Committee's Report, page 53, that such statistics, including statistics on national income, are available and undoubtedly could be amplified and refined to the satisfaction of the Members and to the benefit of the organisation.

As regards the reservation made by certain countries (and in this case I may be reviving an argument used last Fall) that any system of weighted voting should take into account not only the actual importance of the Members but also their potential importance, I should think that this perfectly logical request is met by the fact that such statistical factors as are adopted would be based on the running three-year average and would be subject to review and amendment by the organisation in the light of changing conditions.

A further argument which has been used against the principle of weighted voting is based on the assumption that there might be a danger and a tendency on the part of large States - that is States with a large number of votes - to force their views upon the organisation. I think it would be well to bear in mind in this connection that the same danger might exist under the system of "one State, one vote". Nothing would prevent, for example, as Mr. Holmes so dramatically illustrated, a group of relatively small Members with common interests from imposing their decisions on larger Members who would not always be apt to accept this type of imposition and yet on whose Membership the very existence of the organisation might depend. There is also, of course, the counter argument that large States would not necessarily vote as a block. I think we have had sufficient experience in the past of large States disagreeing. I think we must also bear in mind that large States have a proportionately larger stake in the successful operation of the organisation and that it is very doubtful that they would act in such a way, singly or as a block, as to threaten the existence of the organisation. Indeed, if they wanted the

organisation to fail, their mere withdrawal would conceivably bring about that result.

I have no doubt, Mr. Chairman, that there are a good many other arguments and counter-arguments which could be amplified, such, for example, as the fact that other specialised agencies have recognised the principle of weighted voting and the fact that, as the United Kingdom Delegate has expounded, voting in the Conference has become of much greater significance as a result of our discussion on the Charter in this second session.

I have tried as briefly as possible to set out the position and the reasons for the Canadian position in the spirit outlined by Dr. Colban at the beginning of this meeting. I must say that for these various reasons my Delegation would support the proposal put forward by the United Kingdom and in favour of the principle of weighted voting in the Conference.

CHAIRMAN: The Delegate of Belgium.

BARON PIERRE DE GAIFFIER (Belgium) (Interpretation):

I should like, Mr. Chairman, to be brief and to respond to the appeal, or rather the appeals, made here by the Delegates of Norway and South Africa, and we shall approach this problem in the same spirit as the Delegate of Norway; that is to say that we are prepared to study this problem without any preconceived idea, and the attitude of the Belgian Delegation in this connection will be the same as that adopted at other international conferences: We shall try to be logical and consistent.

We are convinced that the work of several international organisations is vitiated by the difficulties in reaching a decision. In the case of the United Nations it is the veto provision. With regard to our Organisation, we might run into the same dangers if we apply the principle "one country one vote" - and the example quoted by the United Kingdom Delegate in that respect was convincing.

If a better way can be found than the adoption by the Organisation of the weighted votes system, we would be in favour of that system; although it should not be considered as a universal remedy it is worth while studying.

At the same time we recognise that the weighted votes system constitutes a safeguard for the economic power of economically strong countries, and we think that we could find a counterpart and that the necessary protection of the economy of each country should be studied at the same time; and the Belgian Delegation is of the opinion that such a safeguard will be found in the proper application of the principles of justice,

At the same time we consider that Article 64, on the voting system, should be considered in connection with and at the same time as Article 86, Interpretation and Settlement of Disputes, and if Article 86 can be worked out and adopted in a satisfactory manner we shall feel much more happy about the adoption of the weighted system proposal.

CHAIRMAN: The Delegate of Brazil.

Mr. O. PARANAGUA (Brazil): Mr. Chairman, I apologise for insisting on this question and speaking about it again. The Delegate of the United Kingdom knows with what sympathy I consider his proposal, but I cannot find any weighty argument in favour of the weighted vote. Analysing his arguments, I find the first one is about this case of the inverse proportion because of the number of the countries. This argument proved too much for me, because, supposing you apply it to the voting on political matters, everybody knows that a citizen in a country has a quite different value but nobody wants to give two votes to a citizen because he has more political influence or more economic influence.

There is a base, a unity, that cannot be reduced. For this reason I cannot accept this argument of the inverse proportion.

The other argument was about the larger economic Powers helping the smaller. Well, we have the example of smaller countries helping the big countries. Take the case of Switzerland, the case of Sweden, the case of Canada, the case of Australia; they can bring effective help to the larger countries. There is another argument there which I cannot accept.

Then the other argument was about the greater experience

of large economic Powers. In the case of the United Kingdom, I would like to say that the experience is not so large as that of the other countries, because the operation of the Free Trade system for such a long period did not bring experience in tariff matters. Their protection is of very recent date. I cannot see more experience in Great Britain in this matter than in France, for example, or other countries.

Mr. Holmes quoted an extreme case of a sort of coalition of small countries on important questions affecting large and important countries. That is an extreme case. I do not think we shall have such cases here in the ITO. We are not dealing with trade questions on a political basis. Every case will be considered according to its merits, not because it is a great Power or a small Power.

We regard to the voting power, if we accept this argument, then every other international organization must have a weighted vote. We ought to have weighted voting in the Assembly of the United Nations, in all other organizations, because this case of a coalition of the small countries against the big ones can happen in other international organizations. My experience is just the opposite. Take, for example, the International Monetary Fund. The United Kingdom only has 13 per cent of the voting power. I have not seen one case in which the United Kingdom was outvoted. We always considered a case according to its merits. The United States has 27 per cent of the votes but has never crushed any country because of this vote. It means that every case is not a political case but a case on an economic or financial basis.

For this reason I think we ought to accept the reasoning of the Delegate for Australia, that the most important economic countries have a dominant position in the world. This institution would be meaningless without them and the influence of the larger economic Powers is beyond the existence of the ITO and there is no danger for the large economic Powers, but there is a real danger for the smaller ones to be under the control, or under some kind of guardianship, of the large economic Powers. For this reason I cannot agree, in spite of my open mind and my sympathy for the British proposal, with weighted voting. I stick to the principle, "One country, one vote."

Mr. GUSTAVO GUTIERREZ (Cuba): Nature, Mr. Chairman, has provided any human being with effective means of procuring its food and defending its ways of living, and every human being uses those means at its disposal as much as it needs them. That explains why in this corner of the room we stick to reasons and to words necessary to express them. In this case I think that there is no need for many words to express the reasons why the Cuban Delegation is against the weighted vote. If we make a short history of this question we will find that in Article 53 of the original United States proposal it is expressed that each Member shall have one vote in the Conference. Such principle is repeated in Article 58 in relation to voting in the Executive Board. In the London report which is the subsequent stage in the development of this problem, the report expresses that the majority of delegates favour the principle of "one country one vote" in the Conference and in the Executive Board. That is the second stage.

In the New York Draft, which is the third stage of this discussion which continued for more than a year, it is expressed in page 53 of the report that the sub-committee concentrated its attention on the issues centering around the composition of the Executive Board, using as a working hypothesis the assumption of a weighted vote both in the Conference and in the Executive Board. That means that ^{throughout} the three stages that this matter has gone through in a year or more than a year, the prevailing opinion of the delegates was in favour of the principle of "one country one vote".

If we look through the present United Nations Charter we shall find Rule 77 and others which state in connection with this procedure that each Member in the General Assembly, as well

as in the Council, shall have one vote with the well-known exception of the veto system. In our opinion the weighted vote is a new form of veto, and as my country has opposed the veto system in San Francisco we have to be consistent in our well-established criteria. We think that the economically important nations are and always will be respected by the other nations, more by the weight of their reasons and actions than by their strength. The strength and power in politics or in economy comes and goes as history has shown. We are working here on the equality principle and I think that we are succeeding. In fact, I pay much more attention to the usually sound arguments exposed by Mr. Holmes in the discussion of a problem than in the number of points that he could accumulate in the weighted vote.

We are against the weighted vote firstly because there are numerous questions of exceptional importance that the Charter has submitted to the decision of the Organization, either through the Executive Board or through the Conference and the weighted vote not only would make certain nations judge but it would have the matter decided from the beginning. Secondly because it is very difficult to find a formula which would not be discriminatory in some way or another to the different nations of the world. Thirdly because if you add all the economic resources of the small nations together and the employment problems of those nations in comparison with the very few favoured nations by the weighted vote, the weighted vote changes their majority into minority. Fourthly because the classifications of nations according to certain economic ideas will divide the world into "have" and "have-not" nations, and this has proved to be dangerous. Fifthly and lastly because a prefabricated majority will throw away the value of reasons and will make the people of the world

lose their faith in the moral force of decision freely adopted and freely accepted.

We have been advised not to confuse democracy and total equality, but we do not desire to follow the opposite and confuse democracy with other systems in which the majority does not prevail. All the reasons expressed by the United Kingdom Delegate are good reasons to organize the Executive Board in a form giving permanence to certain nations but not departing from the traditional system of "one nation one vote". Democracy, in our opinion, is not only a numerical majority resort but more than that; the fact of accepting by the majority of decisions taken in their representation.

The CHAIRMAN: The Delegate of Czechoslovakia

(A translation of the speech of Mr. MINOVSKY will be circulated as a separate document.)

CHAIRMAN: The Delegate of the Netherlands.

Baron S.J. van TUYLL (Netherlands): Mr. Chairman, the Netherlands Delegation has come to this Second Session of the Preparatory Committee without any fixed opinions about the weighted vote system. We have come here to hear the arguments - to listen to the pros and cons - and to see if there were any new arguments added to those we had worked out ourselves.

Now, I should add, however, that perhaps more by intuition than by reasoning, the Netherlands Delegation is more inclined to favour the system of "one country, one vote" than to agree to the system of weighted voting. In going through the arguments which have been put before us this afternoon, I would like to mention two points only. It has been said by the United Kingdom Delegate that the most important trading nations should also play the most important part in the I.T.O., and have more influence in the I.T.O. I think that most of us can agree on that point: indeed, the most important trading nations should have bigger parts to play in the I.T.O.; but I do not think that the system of weighted voting is the only system of achieving that. There is the other alternative of giving the most important trading nations a permanent seat in the Executive Board. There is also the natural authority which countries with great experience and much knowledge possess.

It is with nations, I think, the same as with most private or public communities: the men who have the most knowledge and the most experience in matters dealt with by those communities, quite naturally have most important parts to play in those communities, and I think that in past Conferences, and also in this Conference, it has already been proved that the largest trading nations have the most influence in Conferences.

One of the counts, one of the arguments against the weighted vote is that it is extremely hard to find a fair system and fair criteria of giving weight to the vote. I think that argument is indeed valid. If we work out a system of weighted voting then we should find criteria which are very closely related to the matters dealt with in the ideal Charter. There is not only the matter of foreign trade; there are also the matters of the other Chapters, for instance, unemployment and employment. How is it possible to work out criteria for employment condition? Should unemployment or employment be the criterion? Then there is economic development; should development or a state of under-development be the criterion? And there is the matter of cartels; should the absence or the presence of cartels be the criterion?

For all these reasons I am inclined to agree with those Delegates who have expressed the view that it will be extremely hard to find criteria which are fair and adequate. I have said, Mr. Chairman, that we have come here to find out if there are any other arguments for or against those we have worked out for ourselves. Now I have heard, indeed, some new arguments and I want to take those up with my Delegation, so I am not prepared at this moment to state what our position is, although I have expressed already the view that we are more inclined to accept the system of "One country, one vote" than the other system. Still, we have not decided on that question and there may be an opportunity to state our position later.

CHAIRMAN: It is now nearly six o'clock and I have no doubt that other members of the commission would wish to take part in this debate. I therefore propose that we adjourn the discussion

now until 2.30 p.m. tomorrow.

DR. W.C. NAUDE (South Africa): You may be right, Mr. Chairman, in saying that it has been decided to hold the next meeting at 2.30 p.m. tomorrow, but I was advised this morning that the Commission would meet tomorrow morning because the Subcommittee has already arranged to meet tomorrow afternoon.

CHAIRMAN: The South African Delegate is better informed than I am. I understand that he is correct, and the Commission will therefore meet at 10.30 a.m. tomorrow.

The meeting is now adjourned.

(The meeting rose at 6 o'clock).