1. Miscellaneous

The Brazilian delegate stated that the Summary of the Second Meeting E/PC/T/C.6/II on page 2 did not state entirely correctly the Brazilian position in regard to the United States Draft for weighted voting. The CHAIRMAN requested the Brazilian delegate to hand to the Secretariat his own formulation of the Brazilian position which would be reproduced by the Secretariat as a Corrigendum to E/PC/T/C.6/II.

In regard to the United Kingdom proposals for weighted voting the CHAIRMAN requested the United Kingdom delegation to submit a complete draft article on voting based on the United Kingdom weighting schedule.

2. Clarification of Various Drafts

The CHAIRMAN stated that the Sub-Committee was now in possession of five drafts for Article 68 and that he would add in due course the Cuban draft as a sixth proposal regarding Article 68. He then, invited the delegates of Canada, Belgium and Brazil to summarize the principles upon which their drafts of Article 68 were based, to familiarize the Sub-Committee with the principal ideas contained in these drafts.

The Canadian delegate explained that Canada was not adverse to the principle of weighted voting in the Conference, but, supported the
principle of one Member - one vote for the Executive Board. Canada stands ready to support the United States formula for weighted voting on issues regarding balance of payments questions. Canada is of the opinion that the range of the economic importance of countries should call for three groups of Members of the Executive Board rather than for only two groups of Permanent and Non-Permanent Members. In case that the USSR should join the Organization a permanent seat on the Executive Board should fall to the USSR and in this case the possibility of increase in membership on the Executive Board to sixteen or seventeen Members should be envisaged.

The Belgian delegate explained that under the Belgian Draft the USSR would have a permanent seat under paragraph 1, sub-paragraph (b) of the Belgian formulation. Belgium supports the principle of rotation for membership in the Executive Board and the principle of three groups of Executive Board Members.

The Brazilian delegate commented on the Brazilian draft of Article 68 and explained the principles underlying this draft. No weighted voting is envisaged by Brazil and a principle of "rotation within geographical groups" is provided for. Countries would fall strictly within their geographical groups, without regard to political or politico-economic ties to other countries. By application of this principle, colonies would have access to the Executive Board under their geographical group without regard to the mother country.

The CHAIRMAN then introduced the Cuban draft and explained that it provided for three classes of countries with a view to facilitate membership in the Executive Board for countries joining the ITO in the future, who would expand total membership in the Organization to a larger number than the one presently envisaged. The Cuban proposal provided for pure rotation without any election and for a fixed number of members on the Executive Board as opposed to the principle of one Member - one vote for the Executive Board. Canada stands ready to support the United States formula for weighted voting on issues regarding balance of payments questions. Canada is of the opinion that the range of the economic importance of countries should call for three groups of Members of the Executive Board rather than for only two groups of Permanent and Non-Permanent Members. In case that the USSR should join the Organization a permanent seat on the Executive Board should fall to the USSR and in this case the possibility of increase in membership on the Executive Board to sixteen or seventeen Members should be envisaged.

Paragraph 1: The Committee discussed the number of seats on the Executive Board in the Secretariat's draft. Upon the motion of South Africa the CHAIRMAN took a vote of the Sub-Committee on the issues of how many seats should be on the Executive Board and how these seats should be divided between permanent and non-permanent Members of the Board. In the absence of the delegate from Netherlands, the Sub-Committee voted five to four for a number of eighteen seats on the Board. On the distribution of seats between permanent and non-permanent Members, five Members of the Sub-Committee voted for nine permanent and nine non-permanent Members while four delegates voted for twelve non-permanent to six permanent Members.

The Sub-Committee agreed upon a motion of the United States delegate that paragraph 1 of the Secretariat's draft should be accepted with a proviso that a Board membership of eighteen, with further alternatives of nine to nine, or twelve to six permanent and non-permanent Members should be contained in the text in square brackets.

The Canadian delegate moved to include other considerations than geographical distribution in the last words of paragraph 1, and will submit to the Secretariat his own formulation of such a clause.

Paragraph 2: The Sub-Committee discussed the clause "chief economic importance" and the problem whether a schedule of economic importance should be appended to paragraph 2, or whether the determination of "chief economic importance" should be passed on to the conference.

Paragraph 3: Canada objected to the principle of non-eligibility for re-election and eight Members of the Sub-Committee voted for acceptance of this principle, while two voted for re-eligibility.

Upon enquiry of the CHAIRMAN, the Sub-Committee stated that the Secretariat's draft was to be considered as a substitute for alternatives two and three of Article 68 in the London Draft Charter, while the new Brazilian Draft is to be considered as a substitute for the fourth alternative of Article 68.

/Canada
Canada moved to retain in the Secretariat's draft the provision for possible expansion of the Executive Board in conformity with the last sentence of paragraph 1 in the third alternative of the London Draft Charter. The Sub-Committee agreed to the following solution of this issue: a footnote is to be added to Article 68 in the formulation of the Secretariat, indicating that in case of an Executive Board consisting of fifteen Members, the Executive Board could be enlarged up to a number of eighteen Members by a decision of the Conference taken with a two-third majority of its Members.

The meeting was adjourned to Wednesday, 29 January at 2:45 p.m.