



UNITED NATIONS

ECONOMIC AND SOCIAL COUNCIL

OFFICIAL RECORDS

TWENTY-SIXTH SESSION

SUPPLEMENT No. 6

COMMISSION ON INTERNATIONAL COMMODITY TRADE

**Report to the Economic and Social Council on the sixth session of the Commission,
held at United Nations Headquarters, New York, from 5 to 16 May 1958 inclusive**

INTRODUCTION

1. In accordance with rule 39 of its rules of procedure the Commission submits to the Economic and Social Council its annual report.¹ This report covers the sixth session of the Commission, which was held in New York from 5 to 16 May 1958 inclusive.

2. Twelve meetings² were held during the sixth session. Two working parties assisted the Commission in examining the agenda items in the light of the documentation prepared by the Secretariat and of the general debate in the Commission. The special working party which, in accordance with the decision of the Commission at its fifth session (E/3003, para. 41), commenced its meetings on 28 April 1958, prepared for the use of the Commission, in connexion with agenda item 4 (see paragraph 70 of the present report), a working paper containing a short analysis of the main trends in 1957 and their implications, especially for the under-developed countries, on the basis of the *Commodity Survey, 1957* (E/CN.13/27).³ The other working party was requested to prepare a draft report for the use of the Commission.

3. The Commission, under agenda item 5, received information on the work of other bodies concerned with international commodity trade. Reports were made by the representative of the Food and Agriculture Organization of the United Nations (FAO) on the activities of that Organization and by the representative of the Interim Commission for the International Trade Organization on the activities of the Contracting Parties to the General Agreement on Tariffs and Trade; the active participation

of these representatives in the Commission and its working parties was much appreciated. Some representatives in their personal capacity also supplied information on the proposed International Agreement on Olive Oil and on the International Sugar Agreement, as well as on recent activities and recommendations of the Organization of American States with respect to lead and zinc. The Commission also heard statements from the representatives of the International Chamber of Commerce, of the International Confederation of Free Trade Unions, of the International Federation of Christian Trade Unions and of the World Federation of Trade Unions.

4. The Commission considered the following subjects at its sixth session:

- I. Review of international trade in primary commodities during 1957 and early 1958.
- II. Study of fluctuations in commodity prices and volume of trade:
 - A. Ways and means of carrying out studies on short-term and long-term fluctuations;
 - B. Pilot studies on fats and oils and on non-ferrous metals.
- III. Submissions by Governments concerning international commodity problems.
- IV. Study of measures applied and proposed for the solution of international commodity problems.
- V. Establishment of a world food reserve.
- VI. Consideration of the terms of reference.
- VII. Arrangements for the seventh session of the Commission.
- VIII. Organization of the session.

I. Review of the current commodity situation

A. GENERAL APPRAISAL

5. Preliminary information indicates that the value of both the exports and the imports of the less developed countries for the year 1957 as a whole was higher than in 1956. However, the over-all value of exports of less

¹ The previous activities of the Commission have been reported to the Economic and Social Council in the following documents: Report of the first session (17 January to 2 February and 25 April to 9 May 1955), *Official Records of the Economic and Social Council, Twentieth Session, Supplement No. 7* (E/2745); Report of the second session (28 November to 10 December 1955) and of the third session (7 to 18 May 1956), *Official Records of the Economic and Social Council, Twenty-second Session, Supplement No. 9* (E/2886); Report of the fourth session (28 November to 7 December 1956) and of the fifth session (6 to 17 May 1957), *Official Records of the Economic and Social Council, Twenty-fourth Session, Supplement No. 7* (E/3003).

² See E/CN.13/SR.80-91.

³ United Nations publication, Sales No.: 58.II.D.1.

Table 1. Export unit values and price indexes in world trade, 1952-1957

(Annually for 1952-1957 and quarterly for 1957, 1953 = 100)

	1952	1953	1954	1955	1956	1957	1957			
							1st quarter	2nd quarter	3rd quarter	4th quarter
Primary commodities	105	100	104	101	102	104	107	105	103	100
Manufactured goods	104	100	98	100	103	107	106	107	107	108

Source: United Nations Statistical Office.

developed countries in Asia, Africa and Latin America either remained stable or at most increased but slightly in 1957 compared with an average increase of 5 to 6 per cent annually in the three preceding years.⁴ In any case, the rise in total export earnings of the less developed countries in 1957 conceals certain basic tendencies of primary commodity markets during that year.

6. There was a general decline in primary commodity prices in the second half of 1957 and, in the last quarter, the price index of primary commodities had declined to almost the lowest level of any quarter since the outbreak of hostilities in Korea. Thus, export earnings tended to be lower in the second than in the first half of the year, especially in the case of countries producing sugar and wool which had reached particularly high price levels in the early months of 1957. In the less developed countries, producers of non-ferrous metals, cotton and coffee generally experienced a decline in their income from export trade during the year. The above-mentioned trends in primary commodity markets continued into the early months of 1958 with a corresponding effect on exchange earnings.

7. As shown in table 1 and the chart opposite, this significant decline in the price of primary commodities coincided with a slight upward movement of the prices of finished goods in the industrial countries. The terms of exchange between primary commodities and manufactured goods became progressively less favourable to the former and, by the end of 1957, had declined to the lowest level of the post-war period. The spread between prices of primary commodities and manufactured goods became more pronounced in the first quarter of 1958 and was reflected indirectly in the terms of trade of the leading industrial countries. Preliminary information available indicates, for example, that the terms of trade of the United Kingdom, an important market for primary products and a major exporter of manufactured goods, have improved in the latter part of 1957 and in early 1958. In any case, these figures are averages and, therefore, do not reflect fully the situation of individual commodities and the impact of the general trend on individual countries.

8. It should be noted that, since price indexes are based in varying degree on c.i.f. quotations, the statistical data of the price movements of primary commodities

were somewhat influenced by the wide fluctuations which took place in ocean freight rates in 1956 and 1957. These were first due to the Suez crisis which led to a considerable lengthening of routes and created a shortage of shipping, and, later on, after the reopening of the Canal, to some decline in bulk traffic and a marked expansion in merchant fleets. The easing in the volume of heavy cargoes was due in part to the mild winter of 1956-1957 which reduced fuel shipments, especially of coal, and in part to the improved cereal harvest in western Europe in 1957. The effect of this in 1957 was to exaggerate price movements somewhat, without necessarily affecting the foreign currency receipts of the exporting countries.

9. As mentioned previously, however, the predominant market forces were price-depressing; as seen in table 2, most commodities were affected in varying degrees by these forces. The most pervasive was the continued retardation in the rate of economic growth in some of the major industrial countries. While world manufacturing output among the private enterprise economies had risen by 11 per cent in 1955 and by almost 5 per cent in 1956, it was only about 2 per cent higher in 1957 than in 1956. This reduction in the rate of expansion was particularly pronounced in the last months of 1957, while in the United States industrial production in the first quarter of 1958 was significantly lower than in the corresponding period of 1957.

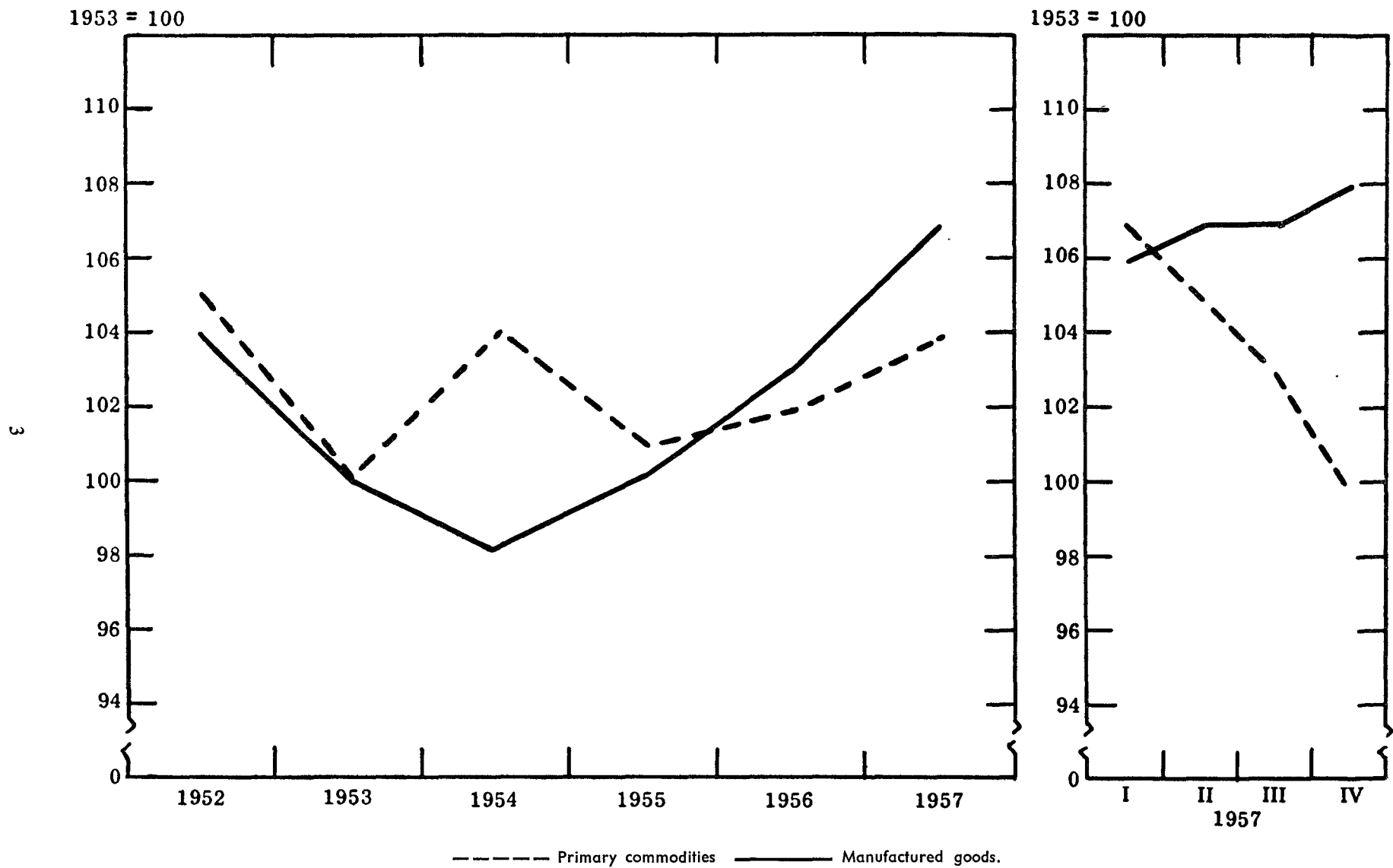
10. Nevertheless, the weakening of markets for several basic commodities had begun even earlier than the decline of industrial production, owing mainly to the sustained expansion of supply. In particular, the market for non-ferrous metals, notably copper, had begun to weaken in the first half of 1956 owing to the expansion of smelting and refining capacity and the slowing of demand in the industrial countries where buyers were expecting a fall in price. These market developments, which were not confined to the non-ferrous metals and were moderated by the support given to the non-ferrous metals market by government purchases, were interrupted by the Suez crisis. Much of the gain in the terms of trade achieved between 1950 and 1956 was lost to the producers of non-ferrous metals during 1957.

11. The weakening of commodity markets in the second half of the year continued into the first quarter of 1958. The decline in prices worsened for such commodities as wool while the position of the non-ferrous metals was further aggravated by the falling off of durable

⁴ United Nations, *Monthly Bulletin of Statistics*, May 1958.

Export unit values and price indexes in world trade 1952-1957 and quarterly for 1957

(1953 = 100)



Source: United Nations Statistical Office, selected series of world statistics.

Table 2. Lowest and highest average monthly prices of selected commodities in 1957 compared with 1952-1955 annual average

	Annual average price 1952-1955	1956 Average	1957	
			Maximum price	Minimum price
<i>Non-ferrous metals</i>				
Copper ^a (United Kingdom, £ per long ton)	279	352	266 (Jan.)	181 (Dec.)
Lead (United Kingdom, £ per long ton)	108	116	116 (Jan.)	73 (Dec.)
Zinc (United Kingdom, £ per long ton)	98	98	103 (Jan.)	63 (Dec.)
Tin (United Kingdom, £ per long ton)	789	788	789 (Jan.)	730 (Nov., Dec.)
<i>Foods and beverages</i>				
Sugar ^b (United States, ¢ per lb.)	3.52	3.48	6.46 (April)	3.63 (Nov.)
Coffee ^c (United States, ¢ per lb.)	61.9	58.1	60.6 (Jan.)	53.1 (Sept.)
Cocoa (United States, ¢ per lb.)	41.9	27.3	41.5 (Nov.)	22.5 (March)
Wheat ^d (Canada, \$ per 60 lb. IWA)	1.99	1.92	1.93 (Jan.)	1.79 (Oct.)
Rice ^d (Thailand, £ per long ton)	57	48.9	58 (Aug.)	45 (Jan.)
Tea (Ceylon, rupees par lb.)	2.87	3.18	3.30 (Jan.)	2.29 (May, June)
<i>Fibres</i>				
Cotton (short-staple) (United States, ¢ per lb.)	38.5	29.2	29.8 (Dec.)	28.6 (Feb., March, May)
Cotton (long-staple) ^e (United States, ¢ per lb.)	63.6	73.3	82.0 (Jan.)	50.8 (Oct.)
Jute (United Kingdom, £ per long ton)	102	103	124 (May)	103 (Aug.)
Wool (United Kingdom, pence per lb.)	127	113	140 (May)	96 (Dec.)
<i>Others</i>				
Rubber (United Kingdom, pence per lb.)	25.1	28.1	28.2 (Jan.)	22.8 (May, June)

Source: United Nations, *Monthly Bulletin of Statistics*, April 1958.

^a For the specifications of copper, see p. 14, columns 23 and 24 and appropriate footnotes, United Nations, *Monthly Bulletin of Statistics*, April 1958.

^b Cuban raws, f.a.s.

^c Domestic import price ex dock, New York, spot, Santos No. 4, see p. 138, column 5, United Nations, *Monthly Bulletin of Statistics*, April 1958.

^d F.o.b.

^e Karnak.

goods production. In some cases, efforts taken to limit the weakening of markets assumed the form of increased accumulation of primary commodities or reduced levels of output by producers in the less developed countries. By contrast, the prices of a few commodities, such as cocoa and rice, improved owing to the expectation of poor harvests in 1958.

12. An increase in the volume of trade to some extent compensated for declining prices in the second half of 1957. Some of the less developed countries increased the volume of exports of non-ferrous metals at the expense of lower prices. So far as cotton and grains (except rice) are concerned, the increase in exports reflected mainly sales by the more developed countries, in part out of government stocks under non-commercial arrangements. United States agricultural exports under its surplus disposal programmes increased to mid-1957. Although commitments to sell abroad were appreciably smaller in 1957 than in 1956, indicating a prospective decline in such exports during 1958, the quantities involved were still substantial in relation to world exports.

13. In periods of economic expansion, the effects of increased use of synthetics and substitute raw materials and of economies in the use of raw materials due to improvements in technique, are to some extent masked by the increased demand for primary commodities. In periods of weakening markets, such as characterized 1957 and the early months of 1958, these factors tend

to accentuate the effect of declining demand. As noted below, moreover, the expansion of synthetics and substitutes in the industrial countries is related to longer-term tendencies in international trade between the developed and the less developed countries.

14. The slowing down in the rate of expansion in world industrial production late in 1957 and early 1958 worsened the conditions of sale of primary goods and thus intensified the balance of payments difficulties of the economically less developed countries. These difficulties in fact were likely to be all the more acute in view of the higher level of imports achieved by the less developed countries in 1957 than in 1956, in part out of increased exchange earnings and in part as a result of capital inflow on which repayment must be subsequently met with foreign exchange. Owing to the declining trend in their income from international trade toward the end of 1957 and the early months of 1958, the less developed countries are now facing greater difficulties in implementing their programmes of economic development. Table 3 provides some illustration of their dependence on primary commodity exports.

15. The economic development of the less developed countries since the end of the Second World War has brought into play new tendencies in world trade between the developed and less developed countries. In regard to international trade, two groups of primary producing countries can now be distinguished: those which are

now semi-industrialized and other less developed primary producers. The latter group of countries has increased its volume of exports far more than the semi-industrialized countries. Up to 1956, the semi-industrialized countries realized substantial gains from improvements in the terms of trade compared with pre-war. They were thus able to increase their volume of imports, despite the fact that the volume of their exports, and more specifically their exports to industrial destinations, has fallen steadily since the pre-war period. This has resulted partly from the fact that their production of the main primary export commodities has increased at a limited rate compared with pre-war, while, at the same time, a larger proportion of their primary output has been devoted to increased consumption and domestic economic development. It must be remembered, however, that long-term changes in

demand for primary goods in the industrialized countries have also exerted an influence on the export trade of the semi-industrialized countries.

16. The existence of these trends in the international trade of the semi-industrialized countries creates new and most difficult problems for their continued economic development; the acceleration of their economic development gives rise to increased import requirements for raw materials and capital goods. Developments in commodity markets late in 1957 and the early months of 1958 are likely to aggravate the balance of payments position of these and other less developed countries. This in turn would tend, among other things, to have adverse consequences for exports of manufactured goods by the industrial countries.

Table 3. Exports of selected primary commodities ^a

	Percentage of exports of commodity to total exports of country <i>A^b</i>	Exports of country as percentage of total world exports ^c of the commodity concerned <i>B^d</i>		Percentage of exports of commodity to total exports of country <i>A^b</i>	Exports of country as percentage of total world exports ^c of the commodity concerned <i>B^d</i>
Copper (metal)			Coffee (continued)		
Chile	68	23	French West Africa	25	5
Federation of Rhodesia and Nyasaland..	65	21	Dominican Republic	25	1
Belgian Congo	36	14	Honduras	22	—
Belgium-Luxembourg	5	7	Ecuador	20	1
Canada	3	8	Mexico	12	4
Lead (metal)			Belgian Congo and Ruanda-Urundi	9	2
Peru	12	7	French Equatorial Africa	4	—
Mexico	8	23	Tea		
Yugoslavia	7	8	Ceylon	62	39
Australia	3	23	India	19	40
Belgium-Luxembourg	1	7	Indonesia	3	8
Canada	1	11	Sugar		
Zinc (metal)			Mauritius	99	4
Mexico	4	8	Cuba	80	34
Australia	1	6	China: Taiwan	50	4
Belgium-Luxembourg	1	21	Dominican Republic	39	4
Canada	1	31	Philippines	27	7
Norway	1	5	Peru	14	4
Cocoa			Haiti	5	—
Ghana	76	30	Wheat		
Dominican Republic	21	3	Argentina	27	15
French West Africa	21	10	Uruguay	21	—
Nigeria	20	13	Canada	9	25
Ecuador	16	4	Australia	8	10
Costa Rica	7	1	France	4	12
Brazil	6	18	United States of America	3	29
Coffee			Butter		
El Salvador	86	3	New Zealand	20	28
Colombia	84	17	Denmark	12	23
Guatemala	71	3	Australia	4	15
Haiti	66	1	Meat		
Brazil	59	40	Denmark	28	16
Ethiopia and Eritrea	57	2	New Zealand	24	16
Angola	46	3	Argentina	20	12
Costa Rica	46	1	Uruguay	18	3
Kenya and Uganda	43	5	Australia	8	12
Nicaragua	42	1			

Table 3. Exports of selected primary commodities ^a (continued)

	Percentage of exports of commodity to total exports of country A ^b	Exports of country as percentage of total world exports ^c of the commodity concerned B ^d		Percentage of exports of commodity to total exports of country A ^b	Exports of country as percentage of total world exports ^c of the commodity concerned B ^d
Rubber			Cotton (continued)		
Cambodia	61	5	Nicaragua	43	2
Viet-Nam	45		Mexico	28	15
Malaya	58 ^e	34	Pakistan	27	7
Indonesia	46	39	Peru	25	4
Thailand	25	7	Paraguay	16	—
Ceylon	18	5	Turkey	15	2
Tobacco			Brazil	9	7
Greece	42	8	El Salvador	8	1
Turkey	28	9	United States of America	3	24
Cuba	7	...	Wool		
United States of America	3	38	Uruguay	58	5
Cotton			Australia	45	41
United Arab Republic:			New Zealand	36	19
Egypt	78	12	Union of South Africa	16	8
Syria	51	4	Argentina	13	9

Sources: FAO, *Yearbook of Food and Agricultural Statistics*, 1955, vol. IX, part 2, Trade. International Monetary Fund, *International Financial Statistics*; United Nations, *Yearbook of International Trade Statistics*, 1956, and document E/CN.13/L.53. Figures are for 1955 except meat figures which are for 1954.

^a This table gives for selected commodities important in international trade an indication of countries "whose economies are dependent to an important extent on that commodity" (column A)

or "whose interests represent a significant part of world . . . trade in that commodity" (column B) (see Havana Charter, Article 59). Countries are shown where the percentage under either A or B amounts to 5 per cent or more.

^b Value basis.

^c Excluding USSR, mainland China and Eastern Europe.

^d Quantity basis.

^e Crude rubber.

B. COMMODITIES SHOWING SIGNIFICANT PRICE FLUCTUATIONS IN 1957 AND EARLY 1958

The non-ferrous metals

17. The market for non-ferrous metals generally during 1957 was affected by longer-term supply developments as well as by the inventory policies followed by Governments in the industrial countries. Among the non-ferrous metals, the position of tin on international markets was influenced by decisions taken under the International Tin Agreement.

18. World mine capacity and output of non-ferrous metals taken as a whole increased by about 40 per cent between 1950 and 1956; initially, in response to the rise in demand during the hostilities in Korea and, subsequently, to meet the marked economic expansion which took place in the industrial countries in 1954-1956.

19. Between 1950 and 1956, the average price of non-ferrous metals rose by nearly 50 per cent, thereby accounting for a substantial part of the increase in income obtained by less developed countries from trade in non-ferrous metals. It may be noted that the average export price of manufactured goods increased by 20 per cent during the same period. During 1957, an important mainstay of the non-ferrous metals market was removed, as Governments in a number of industrial countries slowed their stockpile purchases of non-ferrous metals and, in some instances, released part of their stocks for commercial sale.

20. The International Tin Council introduced control of tin exports beginning on 15 December 1957. During the two successive control periods extending to 30 June 1958, the Council has limited permissible exports of tin by the six participating countries to a total of 50,000 tons; expressed as an annual rate, this amounts to some 60 per cent of world tin production in 1957. Although the spot price of tin fell somewhat in the first three quarters of 1957, it remained almost unchanged from October until the date of this report owing to action taken under the provisions of the International Tin Agreement.

Coffee

21. Colombian and Brazilian coffee prices fell between the first quarters of 1957 and 1958 with the price of Colombian coffee falling more sharply until April 1958. African and Asian coffee prices, by contrast, increased slightly during the same period owing in part to different marketing background and arrangements and in part to the wide use of African and Asian coffee as blends.

22. For Brazil, the sharp fall in the volume of exports in 1957 was even more important than the decline in prices. Higher surpluses have accumulated because of increased output, lower demand in some of the importing countries and the price policy which the main producing countries adopted as a compensatory measure for the effect of falling world prices on their aggregate level of income. A good coffee crop is in prospect for 1957-1958. Total exportable supplies, in fact, may be estimated at

about 41 million bags, while world demand is expected to reach about 38 million bags. Present estimates indicate that, at the end of the 1957-1958 season, world stocks may reach at least 10 to 12 million bags.

23. Developments in coffee during 1957 reflect the culmination of an expansion programme undertaken by both the established producing areas of Latin America and new producing countries in Africa and Asia under the stimulus of high prices after 1949. The effects of this expansion in coffee have been felt only in the past year or two owing to the fairly lengthy period before new plantings come into production. Since 1950, African and Asian producers have displaced Latin American coffees to some extent in Europe and in the United States market.

24. It was with this situation in mind that a number of Latin American countries undertook a programme of price support and government purchases of coffee. In October 1957, the seven leading Latin American producers concluded an agreement under which all participants undertook to withhold coffee from the market during the remainder of the 1957-1958 marketing season. On 27 January 1958, the countries participating agreed to limit their export of coffee to 6,398,107 bags between 1 April and 30 June 1958. Of this total, Brazil is expected to account for about 3.5 million bags. The agreed export level in the second quarter of 1958 compares with exports of 4.7 million bags in the same period of 1957. Brazil in this instance made the largest commitment.

25. Moreover, it may be noted that an International Coffee Organization was established in January 1958 to carry out research and promotional activities.

Cotton

26. The dominant factor in international cotton trade in 1956-1957 (August-July) was the export position of the United States. With very few exceptions, exports from other sources were at a lower level than in 1955-1956. In some cases, for example, India, increased home consumption was a major contributory factor in the decline in exports; in others, such as Egypt and Pakistan, stocks rose. While total world exports were 3 million bales higher than in 1955-1956, United States exports alone — 43 per cent of which were under government programmes — had increased by 5.6 million bales. World supplies of cotton are expected to be lower during 1958 owing to reduced stocks and reduced crops in producing countries.

27. Prices of short-staple cotton remained fairly stable during 1957 at levels somewhat below the 1956 average, although the export earnings of less developed countries declined to a greater extent than is indicated by price developments owing to the reduced volume of cotton exports. Long-staple cotton which had risen in price during 1956, experienced a steadily weakening market in 1957. In the last quarter of 1957, prices of Egyptian cottons on the Liverpool market were some one-fourth below their 1956 average and at the lowest level since 1953.

Wool

28. The continued rise in consumption resulted in a rise in prices and exports and a decline in stocks in some

exporting areas, notably Oceania. Although exports from other major producing countries, for example, Argentina and Uruguay, were lower, there was an overall increase in exports to mid-1957. By the fourth quarter of 1957 and in the early months of 1958, however, sterling exchange difficulties had arisen in several major importing countries, while consumption in western Europe, which had been rising in the past few years, appeared to be declining. Wool prices fell substantially in the final quarter of 1957 and the first quarter of 1958 from previously high levels.

Cocoa

29. World cocoa production, after rising substantially in 1956-1957, is expected to decline in 1957-1958 because of unseasonable rains which have occasioned serious losses in West Africa and, to a lesser extent, Latin America. World prices of cocoa, which on the average had fallen 34 per cent in 1955 and 28 per cent in 1956, have reversed their trend since March 1957, closing in December over 50 per cent above the previous December level. The first forecast of lower West African crops contributed to strengthening the market, and prices continued their upward movement in the early months of 1958.

Olive Oil

30. There were marked changes in the position of olive oil in 1957. Under the influence of the small 1955-1956 harvest and the expectation of still another poor crop, the price of olive oil had risen sharply early in 1956. The larger 1956-1957 harvest seems to have added appreciably not only to exportable supplies but also to carry-over stocks. Prices declined almost without interruption from mid-1956 and, by the last quarter of 1957, were some 30 per cent below the corresponding level of the year before. These developments in the olive oil market again illustrate the recurrent variations in production and prices in this commodity.

Sugar

31. World sugar production rose by almost 6 per cent during 1956-1957 and, according to preliminary estimates, may increase again at the same rate in 1957-1958. Under the influence of the poor western European crop and the Suez crisis, prices rose steeply from November 1956 to July 1957, at which time they started to decline. At the end of the year, the free market price, while almost 40 per cent below that at the beginning of 1957, was still over 10 per cent above the level of early 1956 and 6 per cent above the 1953 average. The higher prices during 1957 brought a substantial increase in the earnings of several exporting countries, notably Cuba, Peru and the Dominican Republic.

C. SOME OTHER COMMODITIES OF SIGNIFICANCE IN INTERNATIONAL TRADE

32. A number of other commodities, with some exceptions, notably linseed and rubber, did not experience changes in price during 1957 comparable to those previously mentioned for other commodities. The increase in world output of almost all commodities in 1957 was

not significantly higher than it had been in the preceding year. However, there was in general a tendency towards the maintenance or the increase in levels of supply which were already high, while consumption did not show a corresponding expansion. Aggregate demand was significantly less firm as a result in part of a tendency to curtail consumer inventories. Some commodities, such as rice and jute, did not follow the general downward trend in prices, but rather showed greater strength than in 1956.

Cereals

33. World wheat production showed a 4 per cent increase in 1957 due mainly to the recovery of production in western Europe and to good crops in Latin America and eastern Europe, which more than compensated a considerable decline in Canada and a short fall in Australia. Southern Asia and Middle Eastern countries experienced large increases in their rice harvests, against considerable declines in the industrial countries. Supplies of rice are expected to be lower in 1958 owing to the effect of unfavourable weather conditions on harvests in such major exporting countries as Burma and Thailand and an appreciable reduction in United States production and stocks.

34. World trade in cereals in 1956-1957 was approximately 11 per cent higher than in 1955-1956, with United States wheat exports accounting for a substantial part of the increase under surplus disposal programmes. Wheat sales under United States Public Law 480 rose by more than 3.5 million metric tons, or almost two-thirds of the total increase in United States wheat exports, while various United States Government programmes provided well over half the maize exports. It is estimated that, in 1956-1957, the proportion of world exports accounted for by United States Government programmes was about one-sixth in the case of milled rice and almost one-third in the case of wheat and wheat flour and maize.

35. The carry-over stocks of the major exporting countries at the end of their respective crop years in 1957, however, showed no change from the previous year's total. The surplus problem and its depressing effect on prices therefore continues to be a major factor in the international trade in wheat and coarse grains.

Meat and dairy products

36. World meat production increased slightly in 1957. This was due mainly to higher beef and veal output and to a small increase in pork production, while mutton and lamb output indicated some tendency to decline. Following the supply trends, mutton and lamb prices showed more strength than beef prices.

37. The world dairy situation presented sharp contrasts in 1957; in most developed countries supplies were ample, while under-developed countries were striving to increase production. International trade in dairy products continued to expand in 1957 and early 1958, but there has been a further pressure on prices, especially of butter and cheese in 1957, with butter continuing to fall early in 1958.

Fats and oils

38. Among the edible vegetable oils, exports of cottonseed oil and, to a lesser extent, of ground-nuts were reduced in the first three quarters of 1957 as against the same period in the previous year. A more sizeable decline in cottonseed oil exports reflects the reduction in stocks held and sales by the United States Commodity Credit Corporation, while the fall in exports of ground-nuts was the result of smaller crops and increased consumption in producing areas. World exports of copra and coconut oil are expected to be somewhat larger in 1957 than in 1956; the Philippines, which is the source of about half the total trade in this commodity, showed only a small increase in exports. There was a general decline during 1957 in the prices of all edible oils, with the exception of coconut oil and copra. Prices of coconut oil increased more moderately than the general level of fats and oils during the Suez crisis and also declined less sharply in 1957.

Rubber

39. World production and exports of natural rubber during 1957 were slightly above 1956 levels. Synthetic rubber production continued to increase during 1957, though at a much reduced rate. Markets for rubber were weak, in part reflecting concern about the possible effects of slackening in automobile production and of disposals of government stocks; there was a more marked decline in price in the latter part of 1957 and, by the first quarter of 1958, the price of natural rubber was 15 per cent lower than in the same period of 1957.

II. Study of fluctuations in commodity prices and volume of trade

A. WAYS AND MEANS OF CARRYING OUT STUDIES ON SHORT-TERM AND LONG-TERM FLUCTUATIONS

40. The Commission had before it a note by the Secretary-General to which was annexed a report prepared by Mr. C. J. Morales, Consultant to the Secretary-General (E/CN.13/L.54),⁵ in accordance with the previous request by the Commission (E/3003, para. 37), and also comments by the Secretary-General (E/CN.13/L.54/Add.1). There was agreement that the suggestions included in the report of Mr. Morales would help the work of the Commission and several delegations agreed that it should be used as a general plan for its activities in the immediate future. As stressed in the report, the Commission agreed that it should draw on the great deal of material already prepared by other international organizations interested in the study of primary commodity problems and related matters and through the Secretary-General seek the co-operation of these organizations.

41. The Commission took the view that the studies to be undertaken should be those which would be most likely to provide a basis for consideration of concrete problems that may lead to action by it.

⁵ Discussion of the report gave rise to consideration of the terms of reference of the Commission which is dealt with separately in chapter VI of the present report.

42. Consideration was given to the procedure to be followed in the preparation and examination of the studies. The Commission expressed the view that, after the studies had been prepared, they should be reviewed by a smaller group before coming before it for decision as to the action to be taken. The Commission favoured the use of expert groups, whenever necessary, in order to facilitate this work. Furthermore, some delegations expressed the view that it might be useful to call on government consultants. It was also suggested by some delegations that, if a group of experts were to be convened to examine these studies, it could subsequently become a permanent technical committee of the Commission.

43. At this stage, the Commission agreed on the need for the following general work:

(a) Preparation of a synthesis of existing studies in the fields mentioned by Mr. Morales and, particularly, of conclusions of practical use for the Commission;

(b) Preparation of a specific list and programme of studies within the framework suggested in the report of Mr. Morales with special reference to the gaps in existing material;

(c) Preparation of the studies which may be found necessary to fill in the gaps mentioned under (b) above.

44. With regard to the programme of work for 1958-1959, the representative of the Secretary-General stated that the annual *Commodity Survey* would be continued and that the *World Economic Survey* to be issued in 1959 might have as its special subject an analysis of international commodity trade since the Second World War. These general studies would include analysis of some of the problems suggested for examination by Mr. Morales and by delegations during the course of the debate. The Commission welcomed the statement made on behalf of the Secretary-General and expressed the hope that the commodity studies would pay particular attention to certain aspects such as demand in relation to general commodity problems.

45. The Commission agreed to consider the following documentation at its seventh session:

- (i) The *Commodity Survey*, with emphasis on the most recent trends;
- (ii) Such material as would be available from the studies being undertaken by the Secretary-General in connexion with the *World Economic Survey*;
- (iii) The material mentioned in sub-paragraphs (a) and (b) of paragraph 43 above.

The Secretary-General may wish to employ a consultant in connexion with these studies. The Commission decided that a special working party should meet immediately prior to the seventh session of the Commission (see para. 62 below) to prepare an analysis of the commodity situation on the basis of the *Commodity Survey* and any material available under sub-paragraph (ii).

B. PILOT STUDIES ON FATS AND OILS AND ON NON-FERROUS METALS

46. During its earlier sessions, the Commission decided to undertake two pilot studies as a means of learning

more about the nature and extent of fluctuations in primary commodity prices and trade. Consequently, at its sixth session, the Commission had before it a second progress report prepared by the FAO on fats and oils (E/CN.13/L.56) and a report by the Secretary-General regarding developments in non-ferrous metals markets during 1950-1956 with special reference to zinc (E/CN.13/R.5).

47. The second progress report prepared by the FAO represented a further step in the pilot study on fats and oils made in accordance with the outline submitted to the Commission at its fourth session (E/CN.13/L.34), and modified to some extent in accordance with subsequent discussions. The Commission was informed that the study was proceeding according to the time schedule agreed. The assembly of data on trade, prices and production included in the second progress report were considered as fundamental to the study of the economics of fats and oils.

48. The report by the Secretary-General examined short-term fluctuations in the prices of, and the trade in, non-ferrous metals during the period 1950-1956. It included a section on principal developments affecting commodity trade during the period, one on the behaviour of non-ferrous metals as a group and one containing detailed analysis of fluctuations in the zinc market. From the latter it appeared that production was relatively stable throughout the period and that variations in demand were the most important element in causing fluctuations. Preliminary consideration was also given to some of the causes of such fluctuations in demand.

III. Submissions by Governments concerning international commodity problems

49. The Commission had before it a number of matters submitted by Governments; some of these had been presented at earlier sessions, while others were presented for the first time at the sixth session. The Commission noted that the General Assembly had drawn the attention of Governments to the opportunity provided to them to bring commodity problems to the Commission for discussion (General Assembly resolution 1218 (XII)). The Commission considered that the examination of matters submitted to it by Governments was a useful method of taking cognizance of commodity problems which were of concern to Governments.

50. The Commission had before it at its sixth session a note (E/CN.13/L.57, part A) by the Secretary-General reviewing the present position of the matters which had been submitted to it by Governments at previous sessions.

51. The Commission also considered matters submitted recently by other Governments in accordance with the procedures set out in paragraph 51 of the report of the fourth and fifth sessions of the Commission (E/3003). It had before it submissions from the Government of Thailand relating to rice and tin (E/CN.13/29), the Government of the Philippines relating to copra, Manila hemp and other hard fibres, tobacco, sugar and logs and lumber (E/CN.13/30 and Corr.1) and the Government of Chile relating to copper (E/CN.13/31). The

Commission heard statements by the representatives of the Philippines and Chile.

52. The Commission noted that, in accordance with the procedures laid down in paragraph 51 of the report of its fourth and fifth sessions, the Secretary-General had initiated consultations both with the Governments concerned and with the appropriate inter-governmental organs. These consultations were not completed at the time of the sixth session, but preliminary comments were presented in part B of document E/CN.13/L.57.

53. As regards the submission of the Government of Thailand relating to tin, the Commission noted that particular reference was made to the export quotas under the International Tin Agreement, which were determined by the International Tin Council, of which Thailand was a member. The Commission noted further that, since receipt of the submission of the Government of Thailand, there had been an increase in the export quota for that country. The Commission noted that the rice situation was under review by the FAO Committee on Commodity Problems and by its Consultative Subcommittee on the Economic Aspects of Rice.

54. As regards the submission by the Government of the Philippines with respect to copra, the Commission noted that studies of fluctuations in prices and the volume of trade were under review by the FAO Group on Coconut and Coconut Products. In the case of Manila hemp (abaca) and other hard fibres, the Commission was informed that the Director-General of FAO had put in hand a global study on major economic aspects of these commodities and a provisional report on consumption aspects of these commodities had already been completed. In addition, an FAO expert had investigated the economics of the abaca industry in the Philippines. As regards tobacco and forest products, the Commission noted that these commodities were included within the responsibilities of the FAO. With respect to sugar, the Commission noted that the present International Sugar Agreement was due to expire at the end of 1958, but it was now proposed that the Secretary-General should convene a conference in 1958 to negotiate a new agreement.

55. As regards the submission of the Government of Chile with respect to copper, the Commission noted that the Interim Co-ordinating Committee for International Commodity Arrangements had requested the Secretary-General to convene exploratory meetings of Governments interested in international trade in copper and suggested that all Governments Members of the United Nations, of the Food and Agriculture Organization of the United Nations and the Contracting Parties to the General Agreement on Tariffs and Trade should be invited to attend, if they considered themselves interested. The delegation of Chile suggested that all the countries concerned should support the convening of the proposed exploratory meetings on copper.

56. The Commission decided that it should have before it in the early part of 1959 information about the action taken on the matters submitted by Governments at its sixth session.

IV. Study of measures applied and proposed for the solution of international commodity problems

57. In accordance with the request contained in paragraph 29 of the previous report (E/3003) of the Commission, the Secretary-General reported (E/CN.13/L.55) to the sixth session of the Commission on action taken to assemble information about the operation of existing and proposed inter-governmental agreements. The Commission had before it document E/CN.13/R.6 on the International Sugar Agreement and document E/CN.13/R.7 and Corr. 1 on the proposed International Agreement on Olive Oil. These preliminary documents presented, for the two agreements concerned, an analytical survey of the objectives of the agreements, their mechanism and their operation.

58. These documents will be examined in connexion with the consideration of further studies to be presented in accordance with the previous request (E/3003, para. 29) of the Commission.

V. Establishment of a world food reserve

59. In accordance with the decision taken at its fifth session (E/3003, paras. 31 and 58), the Commission had before it at its sixth session the question of the establishment of a world food reserve. It heard a statement by the representative of the FAO regarding the status of consideration of this question. The FAO Conference, at its ninth session in November 1957, had concluded that attention should be concentrated primarily on the creation of national food reserves, particularly in less developed countries, and also on the possibilities of using for this purpose surplus foodstuffs available on concessional terms. Several delegations expressed their support for the principle of constituting national reserves. References were made to the complex technical problems involved and to the importance of protecting the interests of countries exporting foodstuffs, especially the less developed countries, in the conduct of programmes for the disposal of surplus agricultural commodities. References were also made to the need for external assistance to less developed countries in building up reserves of foodstuffs and to the need for some co-ordination in such action. It was also noted that the FAO was preparing material for a report which was to be submitted to the Economic and Social Council at its twenty-sixth session in July 1958.

VI. Consideration of the terms of reference of the Commission ⁶

60. The Argentine delegation stated that, with the object of making the Commission more effective both by securing wider participation in its work and by enlarging its scope, it had submitted to the Commission an informal proposal (E/CN.13/L.58) to modify the terms of reference. In order to take account of the fears expressed by some representatives that this modification might be considered as too great a departure from the

⁶ Discussed under agenda item 6. See footnote 5 above.

original terms of reference, the delegation of Uruguay submitted a slightly different wording (E/CN.13/L.59) as a compromise. With the same aim of reaching a solution acceptable to all members of the Commission, the delegation of Belgium submitted an additional draft (E/CN.13/L.60).

61. The Commission considered that the question involved an issue of great significance. Several delegations stated that there had not been enough time to consider fully the implications of the suggested changes or that they had not yet received instructions from their Governments and were not prepared to consider a change at this stage. However, a majority of the members of the Commission were of the opinion that the matter should be left for consideration by the Economic and Social Council at its twenty-sixth session, taking into account the views expressed during the Commission's discussions.

VII. Arrangements for the seventh session of the Commission

Date and place of the seventh session

62. The Commission decided to recommend to the Economic and Social Council that its seventh session be held at Headquarters from 11 to 22 May 1959. It was also agreed that a special working party, consisting of all members of the Commission who found it convenient to be represented, should meet immediately prior to the seventh session and that it would convene on 27 April 1959.

Draft provisional agenda for the seventh session

63. The Commission proposes that the following items be included in the provisional agenda of the seventh session:

1. Election of Chairman and Vice-Chairmen for 1959-1960.
2. Adoption of the sessional agenda.
3. Establishment of working parties for the session.
4. Review of the situation of international trade in primary commodities.
5. Reports by other bodies concerned with international commodity trade referred to in paragraph 3 (c) of Economic and Social Council resolution 557 F (XVIII).
6. Submissions by Governments concerning international commodity problems.
7. Study of fluctuations in commodity prices and volume of trade:

(a) Report covering syntheses of existing studies (see sub-paragraphs (a) and (b) of paragraph 43 of the report of the Commission on its sixth session);

(b) Progress reports on pilot studies on (i) fats and oils and (ii) non-ferrous metals;

(c) Programme for future consideration of the subject.

8. Study of measures applied and proposed for the solution of problems connected with primary commodity trade: note by the Secretary-General.
9. Date and place of the eighth session.
10. Consideration of the agenda for the eighth session.
11. Consideration of the Commission's annual report to the Economic and Social Council.
12. Any other business.

VIII. Organization of the session

ATTENDANCE

64. The following representatives of States members ⁷ of the Commission attended the sixth session:

Argentina: Mr. E. Bradley, Mr. R. A. Salem (alternate);
Australia: Mr. A. C. B. Maiden, Mr. L. J. Arnott (alternate);

Austria: Mr. M. Frank, Mr. F. Haromy (alternate);

Belgium: Mr. J. Woulbroun;

Brazil: Mr. A. Valladão, Mr. F. Meira de Vasconcellos (adviser); Mr. W. Batalha Lima (adviser);

Canada: Mr. J. G. Hadwen;

Chile: Mr. J. Serrano, Mr. A. Grez (alternate), Mr. O. Allende (secretary);

China: Mr. K. Lee, Mr. C. S. Chen (alternate);

Denmark: Mrs. N. Wright;

France: Mr. G. H. Janton, Mr. P. Queuille (alternate), Mr. P. Marandet (adviser);

Greece: Mr. C. P. Caranicas;

India: Mr. M. A. Vellodi, Mr. M. N. Sivaraman (adviser);

Indonesia: Mr. Khouw Bian Tie,⁸ Mr. R. Sutanto (alternate), Mr. S. Sujud (adviser);

Pakistan: Mr. Z. Ahmed, Mr. Y. J. Ahmad (adviser);

Poland: Mr. T. Lychowski, Mr. K. Szablewski (adviser);

Union of Soviet Socialist Republics: Mr. E. S. Shershnev, Mr. V. S. Alkhimov (adviser), Mr. V. I. Solovev (adviser), Mr. M. S. Pankin (adviser);

United Arab Republic: Mr. A. A. Talaat;

Uruguay: Mr. W. P. Bermúdez.

65. The following observers attended meetings of the Commission on behalf of the States indicated:

Federation of Malaya: Inche Mohamed Ali, Tunku Ja'afar (adviser), Syed Hogan-Shaidali (adviser);

Hungary: Mr. I. Uranovicz;

Israel: Mr. A. Manor;

⁷ Of the six members whose terms of office expired on 31 December 1957, France, India, Pakistan, the Union of Soviet Socialist Republics and the United Arab Republic were re-elected. Austria was elected to take the place of Turkey.

⁸ Did not attend the sixth session.

Netherlands: Mr. J. Kaufmann;

New Zealand: Mr. N. V. Lough, Mr. R. M. Miller.

66. The specialized agencies were represented as follows:

International Labour Organisation: Mr. R. A. Métall;

Food and Agriculture Organization of the United Nations: Mr. J. L. Orr, Mr. S. D'Amico;

International Bank for Reconstruction and Development: Mr. D. Avramovic;

International Monetary Fund: Dr. G. Lovasy;

Interim Commission for the International Trade Organization, Contracting Parties to the General Agreement on Tariffs and Trade: Mr. F. A Haight.

67. The non-governmental organizations in consultative status were represented as follows:

CATEGORY A

International Chamber of Commerce: Mr. J. Vuillequez, Mrs. R. M. Lusardi;

International Confederation of Free Trade Unions: Mr. I. Rodríguez, Mr. A. Beichman;

International Federation of Agricultural Producers: Mr. R. Savary;

International Federation of Christian Trade Unions: Mr. G. Thormann;

World Federation of Trade Unions: Miss E. Kahn.

CATEGORY B

Chamber of Commerce of the United States of America (United States of America): Mr. E. F. Cruickshank;

National Association of Manufacturers (United States of America): Mr. A. K. Stricker, Jr.

68. The Secretary-General was represented by Mr. Sune L. Carlson, Director of the Bureau of Economic Affairs, and Mr. Perce R. Judd, Secretary of the Commission.

ELECTION OF OFFICERS

69. At its sixth session, Mr. C. P. Caranicas (Greece) was unanimously elected Chairman for 1958-1959 and Mr. W. P. Bermúdez (Uruguay) was unanimously elected Vice-Chairman.

AGENDA

70. At its 80th meeting, the Commission unanimously adopted the following agenda:

1. Election of Chairman and Vice-Chairmen for 1958-1959.
2. Adoption of the sessional agenda.
3. Establishment of working parties for the session.
4. Review of the situation of international trade in primary commodities, including the relationship of international commodity problems to world economic stability.
5. Reports by other bodies concerned with international commodity trade referred to in paragraph 3 (c) of Economic and Social Council resolution 557 F (XVIII).
6. Report by the Secretary-General on ways and means of carrying out studies on short-term and long-term fluctuations.
7. Study of fluctuations in commodity prices and volume of trade.
 - (a) Progress report on pilot study on fats and oils;
 - (b) Progress report on pilot study on non-ferrous metals.
8. Proposals submitted by Governments on international commodity problems.
9. Study of the principal measures applied and proposed for the solution of problems connected with primary commodity trade: preliminary note by the Secretary-General.
10. Establishment of a world food reserve.
11. Date and place of the seventh session.
12. Preparation of the Commission's annual report to the Economic and Social Council.
13. Any other business.

ANNEX

Rules of procedure of the Commission on International Commodity Trade ^a

I. SESSIONS

REGULAR SESSIONS

Rule 1

The Commission shall normally hold one regular session a year.

DATE OF OPENING OF REGULAR SESSIONS

Rule 2

Each regular session shall be held at a date previously fixed by the Commission in consultation with the Secretary-General, provided that sessions shall be held only when specific items have been submitted for the Commission's consideration.

In exceptional cases, the date of opening of a session may be altered by the Secretary-General in consultation with the Interim Committee on Programme of Conferences and, whenever practicable, with the Chairman of the Commission.

SPECIAL SESSIONS

Rule 3

Special sessions shall be held by decisions of the Commission, or upon the receipt of a request from a majority of its members, or upon the receipt of the concurrence of a majority of its members as provided below.

Any member of the Commission, or any other Member of the United Nations, may request the Chairman of the Commission to arrange that a special session be convened. In such case the request for a special session shall be accompanied by a supporting statement from the Government proposing it regarding the subject — matter of the item, the proposed course of action, the urgency of the consideration of the item and the reasons which precluded its submission for consideration at a regular session of the Commission.

Upon receipt of the request for a special session from a member of the Commission, or any other Member of the United Nations, the Chairman shall immediately inform, through the Secretary-General, the other members of the Commission of the request and inquire whether they concur in it. If within thirty days of the date of the communication of the Chairman a majority of the members concur in the request, a session of the Commission shall be convened by the Secretary-General.

DATE OF OPENING OF SPECIAL SESSIONS

Rule 4

Special sessions of the Commission shall be held at a date fixed by the Chairman, in consultation with the Secretary-General, taking into account such views as may have been expressed in the request for the special session.

^a As approved by the Economic and Social Council in resolution 582 (XX) and amended in resolution 656 (XXIV).

PLACE OF SESSIONS

Rule 5

Each regular and special session of the Commission shall be held at the Headquarters of the United Nations provided that the Commission may, subject to the prior authorization of the Council and in accordance with the decisions of the General Assembly, hold meetings away from Headquarters when it considers this to be in the best interests of its work.

The decisions of the Commission under this rule may be made at its sessions or by the receipt of a request from a majority of the members of the Commission or by the receipt within thirty days of the concurrence of a majority of its members acting upon the request of a member.

NOTIFICATION OF DATE AND PLACE OF OPENING OF SESSIONS

Rule 6

The Secretary-General shall notify the members of the date and place of the first meeting of each session. Such notification shall be sent at least forty-two days in advance of each regular session and at least fourteen days in advance of each special session.

II. AGENDA

DRAWING UP AND COMMUNICATION OF PROVISIONAL AGENDA

Rule 7

The provisional agenda for each regular session shall be drawn up by the Secretary-General, in consultation with the Chairman whenever possible, and shall be communicated by the Secretary-General to the Members of the United Nations, to the President of the Security Council, to the President of the Trusteeship Council, to the specialized agencies,^b to the non-governmental organizations^c in category A or B or on the register, not less than forty-two days before the opening of the session.

The basic documents relating to each item appearing on the provisional agenda of a regular session shall be transmitted not less than forty-two days before the opening of the session, provided that in exceptional cases the Secretary-General may, for reasons to be stated in writing, transmit such documents not less than twenty-eight days before the opening of the session.

Rule 8

The provisional agenda of a regular session shall include items proposed by:

^b When the term "specialized agencies" is used in these rules it refers to specialized agencies brought into relationship with the United Nations.

^c When the term "non-governmental organizations" is used in these rules, it refers to non-governmental organizations which are in consultative relationship with the Council in accordance with part III of its resolution 288 B (X).

- (1) The Commission at a previous session;
- (2) The General Assembly, the Economic and Social Council, the Security Council or the Trusteeship Council;
- (3) Members of the United Nations and specialized agencies, provided such items are submitted with basic documents in sufficient time to reach the Secretary-General not less than forty-nine days before the first meeting of each session. Any such item submitted to the Secretary-General for inclusion upon the provisional agenda less than forty-nine days before the date of the first meeting of the session shall also be accompanied by a statement of urgency and of the reasons which precluded its submission within the period of time specified;
- (4) A sub-commission of the Commission;
- (5) The Chairman or the Secretary-General, subject to the pertinent provisions of paragraph 3 of the present rule; and
- (6) Non-governmental organizations in category A, subject to the provisions of rule 9.

Rule 9

Non-governmental organizations in category A may propose items for the provisional agenda of a regular session of the Commission subject to the following conditions:

(a) An organization which intends to propose such an item shall inform the Secretary-General at least sixty-three days before the commencement of the regular session, and before formally proposing an item shall give due consideration to any comments the Secretariat may make;

(b) The proposal shall be formally submitted with the relevant basic documentation not less than forty-nine days before the commencement of the regular session. The item shall be included in the agenda of the Commission if it is adopted by a two-thirds majority of those present and voting.

Rule 10

Before the Secretary-General places an item proposed by a specialized agency on the provisional agenda, he shall carry out with the agency concerned such preliminary consultation as may be necessary.

ADOPTION OF THE AGENDA

Rule 11

The first item on the provisional agenda of any session shall be the adoption of the agenda, except for the election of the officers when required under rule 16.

REVISION OF THE AGENDA

Rule 12

During a regular session, the Commission may revise the agenda by adding, deleting, deferring or amending items. Only items considered by the Commission to be urgent and important shall be added to its agenda during the session.

PROVISIONAL AGENDA FOR A SPECIAL SESSION

Rule 13

The provisional agenda for a special session shall consist only of those items proposed for consideration in the request for the holding of the session. The provisional agenda shall be communicated to those mentioned in rule 7 not later than fourteen days before the opening of the session.

III. REPRESENTATIVES, ALTERNATES AND ADVISERS

TERMS OF OFFICE OF MEMBERS

Rule 14

Unless otherwise decided by the Council, the term of office of members of the Commission shall begin on 1 January following their election and shall end on 31 December following the election of the succeeding Governments.

REPRESENTATIVES, ALTERNATES AND ADVISERS

Rule 15

Each member of the Commission shall be represented by an accredited representative, who may be accompanied by an alternate representative and such advisers as may be required.

IV. OFFICERS

ELECTION OF OFFICERS

Rule 16

Each year, at the commencement of its first meeting, the Commission shall elect a Chairman and one or two Vice-Chairmen, and may elect other officers, from among the representatives on the Commission. If more than one Vice-Chairman is elected, one shall be designated first Vice-Chairman and the other second Vice-Chairman.

TERMS OF OFFICE

Rule 17

The officers of the Commission shall hold office until their successors are elected and shall be eligible for re-election. None of them may, however, hold office after the expiration of the term of office for which his own State was elected.

ACTING CHAIRMAN

Rule 18

If the Chairman is absent from a meeting or any part thereof, the Vice-Chairman or the first Vice-Chairman or, in the latter's absence, the second Vice-Chairman, shall preside.

REPLACEMENT OF THE CHAIRMAN

Rule 19

If the Chairman ceases to be a representative on the Commission or resigns or is incapacitated, the Vice-Chairman or one of the Vice-Chairmen, in the order of precedence provided in rule 18, shall take his place. If no Vice-Chairman is able to serve, the Commission shall elect another Chairman.

POWERS OF THE ACTING CHAIRMAN

Rule 20

A Vice-Chairman acting as Chairman shall have the same powers and duties as the Chairman.

V. COMMITTEES OF THE COMMISSION

Rule 21

At each session, the Commission, in consultation with the Secretary-General, may set up such committees as are deemed necessary and refer to them any questions on the agenda for study

and report. Such committees, composed of members of the Commission, may, in agreement with the Secretary-General, be authorized to sit while the Commission is not in session.

Rule 22

The members of committees of the Commission shall be nominated by the Chairman, subject to approval by the Commission, unless the Commission decides otherwise.

Rule 23

These rules of procedure shall apply to the proceedings of committees in so far as they are applicable.

VI. SECRETARIAT

DUTIES OF THE SECRETARY-GENERAL

Rule 24

The Secretary-General shall act in that capacity at all meetings of the Commission and of its committees. He may designate one of the Under-Secretaries or another officer of the Secretariat to act as his representative.

Rule 25

The Secretary-General shall provide and direct the staff required by the Commission and such subsidiary bodies as may be established.

Rule 26

The Secretary-General shall keep the members of the Commission informed of any questions which may be brought before it for consideration.

Rule 27

The Secretary-General or his representative may, subject to rule 44, make oral as well as written statements to the Commission or its subsidiary bodies concerning any question under consideration.

Rule 28

The Secretary-General shall be responsible for all the necessary arrangements for meetings of the Commission and its subsidiary bodies.

ESTIMATES OF EXPENDITURES

Rule 29

Before any proposal which involves expenditure from the United Nations funds is approved by the Commission or by any of its subsidiary bodies, the Secretary-General shall prepare and circulate to representatives as early as possible, a separate estimate of the cost involved in the proposal. It shall be the duty of the Chairman to draw the attention of representatives to this estimate and invite discussions on it when the proposal is considered by the Commission or by a subsidiary body.

VII. LANGUAGES

OFFICIAL AND WORKING LANGUAGES

Rule 30

Chinese, English, French, Russian and Spanish shall be the official languages and English, French and Spanish the working languages of the Commission.

INTERPRETATION FROM A WORKING LANGUAGE

Rule 31

Speeches made in any of the working languages shall be interpreted into the other two working languages.

INTERPRETATION FROM OTHER OFFICIAL LANGUAGES

Rule 32

Speeches made in either of the other two official languages shall be interpreted into the three working languages.

INTERPRETATION FROM OTHER LANGUAGES

Rule 33

Any representative may make a speech in a language other than the official languages. In this case he shall himself provide for interpretation into one of the working languages. Interpretation into the other working languages by an interpreter of the Secretariat may be based on the interpretation given in the first working language.

LANGUAGE OF RECORDS

Rule 34

Summary records shall be drawn up in the working languages. A translation of the whole or part of any summary record into any of the other official languages shall be furnished if requested by any representative.

LANGUAGE OF RESOLUTIONS AND OTHER FORMAL ACTIONS

Rule 35

All resolutions, recommendations and other formal decisions of the Commission shall be made available in the official languages.

VIII. PUBLIC AND PRIVATE MEETINGS

Rule 36

The meetings of the Commission shall be held in public unless the Commission decides otherwise.

Rule 37

At the close of each private meeting the Commission may issue a *communiqué* through the Secretary-General.

IX. RECORDS AND REPORTS

SUMMARY RECORDS OF PUBLIC MEETINGS

Rule 38

Summary records of the public meetings of the Commission and its subsidiary bodies shall be prepared by the Secretariat. They shall be distributed in provisional form as soon as possible to all representatives on the Commission and any others participating in the meeting, who may, within three working days of their receipt by delegations and others in the meeting, submit corrections to the Secretariat. Any disagreement concerning such corrections shall be decided by the Chairman of the Commission or the Chairman of the subsidiary body to which the record relates.

The summary records, with any such corrections incorporated, shall be distributed promptly to the members of the Commission, to the Members of the United Nations, to the specialized agencies, and to the non-governmental organizations in category A or B or on the register which are concerned with the work of the Commission. Separate corrigenda shall not normally be issued. The summary records may be consulted by the public on publication.

REPORT TO THE COUNCIL

Rule 39

The Commission shall submit to the Council reports on its activities. Such reports may include the Commission's recommendations and shall be presented at least once a year.

FORM OF RECOMMENDATIONS

Rule 40

Whenever the Commission recommends action by the Council, it shall, so far as practicable, frame its recommendation as a draft resolution of the Council.

RECORDS OF PRIVATE MEETINGS

Rule 41

The records of private meetings of the Commission shall be made available to the Members of the United Nations upon decision of the Commission, and may be made public at such time and under such conditions as the Commission may decide.

COMMUNICATION OF REPORTS AND FORMAL DECISIONS

Rule 42

As soon as possible the text of all reports and formal decisions adopted by the Commission and its subsidiary bodies shall be distributed by the Secretariat to all members of the Commission and any others participating in the session. Such documents shall be distributed as soon as possible after the close of the session to all the Members of the United Nations, to the specialized agencies, and to the non-governmental organizations in category A or B or on the register which are concerned.

X. CONDUCT OF BUSINESS

QUORUM

Rule 43

A majority of the representatives on the Commission present shall constitute a quorum.

POWERS OF THE CHAIRMAN

Rule 44

In addition to exercising the powers conferred upon him elsewhere by these rules, the Chairman shall declare the opening and closing of each meeting of the Commission, shall direct the discussion, ensure observance of these rules, accord the right to speak, put questions to the vote and announce decisions. The Chairman, subject to these rules, shall have control of the proceedings of the Commission and over the maintenance of order at its meetings. He shall rule on points of order and shall have, in particular, the power to propose adjournment or closure of the debate or adjournment or suspension of a meeting.

Debate shall be confined to the question before the Commission, and the Chairman may call a speaker to order if his remarks are not relevant to the subject under discussion.

POINTS OF ORDER

Rule 45

During the discussion of any matter, a representative may at any time raise a point of order, and the point of order shall be immediately decided by the Chairman in accordance with the rules of procedure. A representative may appeal against the ruling of the Chairman. The appeal shall be immediately put to the vote, and the ruling of the Chairman shall stand unless overruled by a majority of the representatives present and voting.

A representative raising a point of order may not speak on the substance of the matter under discussion.

ADJOURNMENT OF DEBATE

Rule 46

During the discussion of any matter, a representative may move the adjournment of the debate on the item under discussion. In addition to the proposer of the motion, one representative may speak in favour of and one against the motion, after which the motion shall be immediately put to the vote.

TIME-LIMIT ON SPEECHES

Rule 47

The Commission may limit the time allowed to each speaker and the number of times each representative may speak on any question, except on procedural questions, when the Chairman shall limit each intervention to a maximum of five minutes. When the debate is limited and a representative exceeds his allotted time, the Chairman shall call him to order without delay.

CLOSING OF LIST OF SPEAKERS

Rule 48

During the course of a debate the Chairman may announce the list of speakers and, with the consent of the Commission, declare the list closed. The Chairman may, however, accord the right of reply to any representative if, in his opinion, a speech delivered after he has declared the list closed makes this desirable. When the debate on an item is concluded because there are no other speakers, the Chairman shall declare the debate closed. Such closure shall have the same effect as closure by the consent of the Commission.

CLOSURE OF DEBATE

Rule 49

A representative may at any time move the closure of the debate on the item under discussion, whether or not any other representative has signified his wish to speak. Permission to speak on the closure of the debate shall be accorded only to two speakers opposing the closure, after which the motion shall be immediately put to the vote.

SUSPENSION OR ADJOURNMENT OF THE MEETING

Rule 50

During the discussion of any matter, a representative may move the suspension or the adjournment of the meeting. No discussion on such motions shall be permitted, and they shall be immediately put to the vote.

ORDER OF PROCEDURAL MOTIONS

Rule 51

Subject to rule 45, the following motions shall have precedence in the following order over all other proposals or motions before the meeting:

- (1) To suspend the meeting;
- (2) To adjourn the meeting;
- (3) To adjourn the debate on the item under discussion;
- (4) For the closure of the debate on the item under discussion.

SUBMISSION OF DRAFT RESOLUTIONS AND SUBSTANTIVE AMENDMENTS OR MOTIONS

Rule 52

Unless otherwise decided by the Commission, draft resolutions and substantive amendments or motions shall be introduced in

writing and handed to the Secretary-General; and their consideration shall, if so requested by any representative, be deferred until the next meeting on a following day.

DECISION ON COMPETENCE

Rule 53

Subject to rule 51, any motion calling for a decision on the competence of the Commission to adopt a proposal submitted to it shall be put to the vote immediately before a vote is taken on the proposal in question.

WITHDRAWAL OF MOTIONS

Rule 54

A motion may be withdrawn by its proposer at any time before voting on it has commenced, provided that the motion has not been amended. A motion which has thus been withdrawn may be reintroduced by any representative.

XI. VOTING

VOTING RIGHTS

Rule 55

Each member of the Commission shall have one vote.

MAJORITY REQUIRED AND MEANING OF THE EXPRESSION "REPRESENTATIVES PRESENT AND VOTING"

Rule 56

Decisions of the Commission shall be made by a majority of the representatives present and voting.

For the purpose of these rules, the phrase "representatives present and voting" means representatives casting an affirmative or negative vote. Representatives who abstain from voting are considered as not voting.

METHOD OF VOTING

Rule 57

Subject to rule 63, the Commission shall normally vote by show of hands, except that any representative may request a roll-call, which shall then be taken in the English alphabetical order of the names of the States represented on the Commission, beginning with the State whose name is drawn by lot by the Chairman.

RECORDING OF ROLL-CALL

Rule 58

The vote of each representative participating in any roll-call shall be inserted in the record.

CONDUCT DURING VOTING

Rule 59

After the voting has commenced, no representative shall interrupt the voting except on a point of order in connexion with the actual conduct of the voting. Brief statements by representatives consisting solely in explanations of their votes may be permitted by the Chairman, if he deems it necessary, before the voting has commenced or after the voting has been completed.

DIVISION OF PROPOSALS

Rule 60

Parts of a proposal shall be voted on separately if a representative requests that the proposal be divided. Those parts of the proposal

which have been approved shall then be put to the vote as a whole; if all the operative parts of a proposal have been rejected, the proposal shall be considered to have been rejected as a whole.

VOTING ON AMENDMENTS

Rule 61

When an amendment is moved to a proposal, the amendment shall be voted on first. When two or more amendments are moved to a proposal, the Commission shall first vote on the amendment furthest removed in substance from the original proposal and then on the amendment next furthest removed therefrom, and so on, until all amendments have been put to the vote. If one or more amendments are adopted, the amended proposal shall then be voted upon. If no amendments are adopted, the proposal shall be put to the vote in its original form.

A motion is considered an amendment to a proposal if it adds to, deletes from or revises that proposal.

VOTING ON PROPOSALS

Rule 62

If two or more proposals relate to the same question, the Commission shall, unless it decides otherwise, vote on the proposals in the order in which they have been submitted.

The Commission may, after each vote on a proposal, decide whether to vote on the next proposal.

Any motions requiring that no decision be taken on the substance of such proposals shall, however, be considered as previous questions and shall be put to the vote before them.

ELECTIONS

Rule 63

All elections of individuals shall be decided by secret ballot.

Rule 64

If, when one person or member only is to be elected, no candidate obtains in the first ballot the majority required, a second ballot shall be taken, confined to the two candidates obtaining the largest number of votes. If in the second ballot the votes are equally divided, the Chairman shall decide between the candidates by drawing lots.

In the case of a tie in the first ballot, among the candidates obtaining the second largest number of votes, a special ballot shall be held for the purpose of reducing the number of candidates to two. In the case of a tie among three or more candidates obtaining the largest number of votes, a second ballot shall be held; if a tie results among more than two candidates, the number shall be reduced to two by lot.

Rule 65

When two or more elective places are to be filled at one time under the same conditions, those candidates obtaining a majority on the first ballot shall be elected.

If the number of candidates obtaining such majority is less than the number of places to be filled, there shall be held additional ballots to fill the remaining places. The voting will be restricted to the candidates obtaining the greatest number of votes in the previous ballot, who shall number not more than twice the places remaining to be filled. However, in the case of a tie between a greater number of unsuccessful candidates, a special ballot shall be held for the purpose of reducing the number of candidates to the required number.

If three restricted ballots are inconclusive, unrestricted ballots shall follow in which votes may be cast for any eligible person or member. If three such unrestricted ballots are inconclusive, the next three ballots (subject to exception in the case similar to that of the tie mentioned at the end of the previous paragraph of this rule) shall be restricted to the candidates obtaining the greatest number of votes in the third of the unrestricted ballots. The number of such candidates shall not be more than twice the places remaining to be filled.

The following three ballots thereafter shall be unrestricted, and so on, until all the places are filled.

EQUALLY DIVIDED VOTES

Rule 66

If a vote is equally divided on matters other than elections, the proposal shall be regarded as rejected.

XII. SUB-COMMISSIONS

SETTING-UP OF SUB-COMMISSIONS

Rule 67

The Commission shall set up such sub-commissions as may be authorized by the Council. Unless otherwise determined by the Council, the Commission shall define the functions and composition of each sub-commission.

SESSIONS

Rule 68

Each sub-commission shall meet once a year unless otherwise decided by the Council.

ELECTION OF OFFICERS

Rule 69

Each sub-commission shall elect its own officers unless otherwise decided by the Commission.

TERMS OF OFFICE OF MEMBERS

Rule 70

Unless otherwise decided by the Council, the terms of office of members of sub-commissions shall begin on 1 January following their election, and shall end on 31 December following the election of their successors.

ALTERNATES

Rule 71

When a representative on a sub-commission is unable to attend the whole or part of a session, an alternate may take his place. Such alternate shall have the same status as a representative on the sub-commission, including the right to vote.

APPLICABILITY OF THE RULES OF PROCEDURE

Rule 72

The present rules of procedure shall apply to the proceedings of sub-commissions and their subsidiary bodies in so far as they are applicable.

XIII. PARTICIPATION OF GOVERNMENTS NOT REPRESENTED ON THE COMMISSION

Rule 73

A State, Member of the United Nations, not represented on the Commission, may participate in the Commission's deliberations on any item in which that State has a direct concern, and designate a representative for this purpose. The representative of any such Member shall not have the right to vote but may submit proposals which may be put to the vote by request of any representative on the Commission.

Subject to prior authorization by the Council, the Commission may invite any State which is not a Member of the United Nations to take part in its discussion through a designated representative, when the presence of that State appears advisable for the consideration by the Commission of a problem under study.

XIV. PARTICIPATION OF SPECIALIZED AGENCIES

Rule 74

In accordance with the agreements concluded between the United Nations and the specialized agencies, the specialized agencies shall be entitled:

(1) To be represented at meetings of the Commission and its subsidiary bodies;

(2) To participate, through their representatives, in the deliberations with respect to items of concern to them, and to submit proposals regarding such items, which may be put to the vote on request of any representative on the Commission or on the subsidiary body concerned.

XV. CONSULTATIONS WITH NON-GOVERNMENTAL ORGANIZATIONS

Rule 75

Non-governmental organizations in category A or B on the register may designate authorized representatives to sit as observers at public meetings of the Commission.

Rule 76

The Commission may consult with organizations in category A or B either directly or through a committee or committees established for the purpose. In all cases, such consultations may be arranged on the invitation of the Commission or at the request of the organization.

On the recommendation of the Secretary-General and at the request of the Commission, organizations on the register may also be heard by the Commission.

XVI. AMENDMENTS AND SUSPENSIONS OF RULES OF PROCEDURE

Rule 77

A rule of procedure may be temporarily suspended by the Commission provided that such suspension shall not be inconsistent with any applicable decision of the Council and provided that twenty-four hours' notice of the proposal for the suspension has been given. The notice may be waived if no representative objects.

Rule 78

The Commission may submit to the Council its views and recommendations on any changes it may consider desirable to these rules of procedure. Amendments to these rules can be made only by the Council.