

CHAPTER VI.—INTER-GOVERNMENTAL COMMODITY AGREEMENTS.
(Articles 52–67)

This Chapter is an important part of the Charter since the conditions of production and consumption of certain primary commodities are such that international trade in these commodities is subject to special difficulties not generally associated with manufactured goods. These difficulties arise from inelasticities of supply and demand, often involving the accumulation of surpluses, which cause serious hardship particularly to small producers. Experience has shown that such difficulties have been greatly accentuated by booms and slumps. To the extent, therefore, that a policy of high and stable employment is successful on an international scale, the fluctuations in production and consumption of primary commodities are likely to be reduced, and the special difficulties correspondingly eased. On the other hand, the achievement of greater stability in the real income of primary producers will in its turn assist in the general maintenance of high and stable levels of employment.

There is therefore a need, in certain circumstances, for inter-governmental commodity agreements in the interests of producers and consumers alike. The Charter does not deal with the great variety of special difficulties peculiar to individual commodities. Instead, it develops the broad general principles which should govern the use of inter-governmental commodity agreements, with the objective of preventing countries from resorting, as in the past, to action restrictive of world trade and production.

Section A.—Introductory Considerations. (Articles 52–54)

Article 52 describes in general terms the difficulties relating to primary commodities. It should be noted that it does not exclude the possibility that similar difficulties may sometimes also apply to non-primary commodities. Article 53 provides a definition of primary commodities which is wide enough to include both processed commodities and synthetics, and also permits non-primary commodities to be subject to inter-governmental commodity agreements under this Chapter in appropriate circumstances. Article 54 sets out in some detail the objectives of inter-governmental commodity agreements.

Section B.—Inter-governmental Commodity Agreements in General.
(Articles 55–58)

In order that inter-governmental commodity agreements shall not be made without a full study and discussion of the problems relating to the commodity in question and of the effects on countries substantially interested, Articles 55 and 56 provide for study groups and commodity conferences. Article 57 then sets out the principles governing the