

Article 54

Objectives of Inter-governmental Commodity Agreements

The Members recognize that inter-governmental commodity agreements may be employed to achieve the following objectives :

- (a) To prevent or alleviate the serious economic difficulties which may arise when adjustments between production and consumption cannot be effected by normal market forces alone as rapidly as the circumstances require ;
- (b) To provide, during the period which may be necessary, a framework for the consideration and development of measures which have as their purpose economic adjustments designed to promote the expansion of consumption or a shift of resources and manpower out of over-expanded industries into new and productive occupations ;
- (c) To moderate pronounced fluctuations in the price of a primary commodity with a view to achieving a reasonable degree of stability on a basis of prices fair to consumers and remunerative to efficient producers, having regard to the desirability of securing long-term equilibrium between the forces of supply and demand ;
- (d) To maintain and develop the natural resources of the world and protect them from unnecessary exhaustion ;
- (e) To provide for the expansion of the production of a primary commodity where this can be accomplished with advantage to consumers and producers ;
- (f) To assure the equitable distribution of a primary commodity in short supply.

Article 54.

Inter-governmental commodity agreements approved by the Food and Agriculture Organization for the distribution of basic foods at special prices are permitted under this draft Charter and are considered to be covered by paragraph (e).