

- (f) Two major types of agreements are provided for—namely, control agreements which are particularly suited to commodities in respect of which a burdensome surplus position has arisen, or is expected to arise, and agreements aimed at expansion of production even beyond the point generally acceptable under normal trading conditions.
- (g) Administration of a completed agreement is to be through a Council consisting of one representative from each participating country, with an independent Chairman, and adequate representation of the central organization and of competent inter-governmental organizations.
- (h) The initial term for agreement shall not exceed five years, but renewal for further periods is permitted. Provision is made for general supervision by the Organization to ensure that any agreement is operating in conformity with the general provisions of the Charter.
- (i) Appropriate co-operation is expected between inter-governmental agencies, and the position of F.A.O. is safeguarded within its special sphere.
- (j) Existing or proposed inter-governmental agreements are to be reviewed to ensure that their provisions conform to the Charter.
- (k) Certain inter-governmental agreements are excluded from the provisions of Chapter VI—namely, those falling under State-trading provisions; bilateral agreements between one exporting and one importing country, but not classified as a State-trading arrangement; agreements for the protection of morals and of human, animal, and plant life and health; conservation of fishery resources; agreements relating to equitable distribution of commodities in short supply and to the conservation of natural resources.

Following is an outline of the provisions in individual Articles in the chapter :—

SECTION A.—INTRODUCTORY CONSIDERATIONS

Article 55 : Difficulties relating to Primary Commodities

It is recognized in this Article that special difficulties necessitating a multilateral approach are most likely to be associated with primary products, as it is in this field that disequilibrium between production and consumption is most likely to arise. Imminent or positive surpluses resulting in price-fluctuations affect producers, and ultimately consumers, with an inevitable disruption of national economy if the position is not corrected. The chapter is therefore designed to give flexibility of action to meet such conditions through inter-governmental agreements.