Objectives of Inter-Governmental Commodity Arrangements

Inter-governmental commodity arrangements may be employed to enable countries to overcome the special difficulties referred to in Article 46 without resorting to action inconsistent with the purposes of the Charter, by achieving the following objectives:

(a) To prevent or alleviate the serious economic problems which may arise when production adjustments cannot be effected by the free play of market forces 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 will 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 above and below the level which expresses the long-term equilibrium between the forces of supply and demand in order to achieve a reasonable degree of stability on the basis of remunerative prices to efficient producers without unfairness to consumers.

(d) To maintain and develop the natural resources of the world and protect them from unnecessary exhaustion.

(e) To provide for expansion in the production of a primary commodity which is in such short supply as seriously to prejudice the interests of consumers.