

SUMMARY OF PROVISIONS

CHAPTER I.—PURPOSE AND OBJECTIVES

(Article 1)

The first chapter sets out the objectives to the attainment of which, through individual and collective action, Members of the International Trade Organization pledge themselves to co-operate with a view to achieving the aims set forth in the Charter of the United Nations, particularly higher standards of living, full employment, and conditions of economic and social progress and development. These objectives briefly are—

(1) A balanced and expanding world economy through increased production, consumption, and exchange of goods.

(2) Industrial and general economic development, particularly of underdeveloped countries.

(3) Access to markets and products needed for economic prosperity and development.

(4) Reduction of tariffs and other trade barriers and elimination of discriminatory treatment.

(5) Avoidance of measures which would disrupt world commerce, reduce productive employment, or retard economic progress.

(6) Solution of problems affecting international trade through promotion of mutual understanding, consultation, and co-operation.

Rules designed to achieve the above objectives are set out in the succeeding chapters.

CHAPTER II.—EMPLOYMENT AND ECONOMIC ACTIVITY

(Articles 2–7)

A full flow of goods and services from where they can best be produced or supplied to where they are wanted is often prevented because there is not the purchasing-power to buy those goods or services. A permanent state of full employment, where every person is engaged in productive work, and is earning real income, is a prerequisite to the achievement of maximum international trade. Thus, while taking account of the need of new or more efficient production, the Charter aims at a large and steadily growing volume of demand for goods and services concomitant with a state of full employment.

Accordingly, Article 2 recognizes that this is a necessary condition for the achievement of the Charter objectives. Paragraph 1 points out that the avoidance of unemployment or underemployment through the achievement and maintenance in each country of useful employment opportunities for those able and willing to work is not of domestic concern alone.