Resolution 682 (1978)[1]

Commodities in an interdependent world

Parliamentary Assembly

The Assembly,

1. Having regard to the report of its Committee on Economic Affairs and Development on commodities in an interdependent world (Doc. 4157) ;

2. Aware of the fact that about two thirds of the total export earnings of developing countries are derived from their commodity exports (excluding oil), and that many developing countries are heavily dependent for income and employment on the export of only one or two commodities ;

3. Considering that such export earnings are of vital importance for the developing countries concerned, in order to cope with their social and economic problems and to attain their national goals of development ;

4. Noting that avoidance of excessive fluctuations of commodity prices and exports will entail long-term benefits to both developing and developed countries ;

5. Emphasising that the implementation of the integrated programme for commodities adopted by UNCTAD IV in Resolution 93.iv and the establishment of the Common Fund to serve as a key instrument in the attainment of the agreed objectives of the integrated programme would make a significant contribution to the development of developing countries and would also be of benefit to the developed countries,

6. Stresses that, in addition to the achievement of better terms of trade for commodity producing countries, international development co-operation should aim at reducing these countries' heavy dependency for export revenues on a very limited number of commodities ;

7. Supports the implementation of an international policy of commodities which should be based on the following principles :

the capital structure of the Common Fund should include direct contributions to the fund's capital to finance stocks ("first window") ; the Fund should also act as a financial instrument for activities other than stocking, such as product diversification, expansion of processing, research, productivity improvement, marketing, etc., to ensure benefits from the fund to the poorest countries ("second window") ;

the Common Fund shall not interfere with the autonomy of the individual commodity agreements which shall remain binding for all decisions as provided for by these agreements ;

these agreements should aim at greater price stability while avoiding over-centralised planning and without rendering market prices completely inoperative ;

such agreements should not be used as a means for pressure in trade policies ;

the producer and consumer interests should be equally represented in the decision-taking bodies ;

1. Assembly debate on 4 October 1978 (17th Sitting) (see Doc. 4157Doc. 4157, report of the Committee on Economic Affairs and Development). Text adopted by the Assembly on 4 October 1978 (17th Sitting).

8. Emphasises that the operations of the Common Fund should be co-ordinated with the activities of the relevant international instruments such as the compensatory financing facility of the IMF and the export revenue stabilisation system under the Lomé Convention ;

9. Calls on all the governments concerned to take international action in order to resume the negotiating conference on the Common Fund, and urges the developed countries to display, in a spirit of solidarity with the developing countries, a more positive attitude in the preparatory work on individual commodities so as to speed up progress towards negotiations on individual commodity arrangements by the end of 1978.