The following amendments to the suggested Draft Progress Report of Committee II (Spec 560/316/Rev.l) have been received from a member of the Committee subsequent to the issuing of the Draft Progress Report (COM.II/111) on 20 February 1961.

1. INTRODUCTION

It would be advisable to quote the terms of reference of Committee II in paragraph 1.

In general, the term "protection" should be replaced by the expression "protection of farm incomes".

Paragraph 3

- Second sentence: Replace the words "... other than by moderate tariffs" by the words "... other than that enjoyed by the industrial sector".

2. COMMITTEE FINDINGS

(a) General

Paragraph 8

- The first two sentences should read: "Some support measures for agriculture can be applied effectively in a given country only if other sectors of the economy provide the major share of the national income out of which these measures are financed. In countries where the bulk of the national income is derived from agriculture, it is difficult to see how such measures can be adopted; moreover, agriculture is often taxed to subsidize the development of other sectors of the economy."
Paragraph 9
- The first sentence should read as follows: "The Committee recognized that agricultural policy is intended mainly to raise or to stabilize farm income".

Paragraph 10
- First sentence: Replace the words "the various measures of protection" by the words "the various support measures".

MEAT

4. Non-tariff devices
- A. Replace the words "affecting world trade ..." by the words "concerning world trade... "
- B. Third sentence: Replace the words "five OEEC countries ..." by the words "some OEEC countries ..."
- Insert the following new sentence between the fourth and fifth sentences: "On the other hand, many minimum price systems are applied only where abnormally low rates constitute a threat to farm prices in certain countries."

CEREALS

2. Production, consumption and related factors
- H. As regards the information supplied in the third sentence, the GATT secretariat should specify:

the principal exporters whose exports have fallen;

the nature of the operations to which the statement refers (does it refer solely to commercial transactions or to all transactions, including special transactions such as those carried out as part of government aid programmes?)

4. Effect of non-tariff measures on trade
- T. Delete this paragraph.