The following note for the information of Committee II sets out the most recent developments in regard to the general principles for agricultural price and other support measures now being worked out by FAO in the hope that they will find general acceptance among some ninety Member Countries of that Organization.

The FAO principles naturally cover many of the aspects which are being examined by Committee II. FAO, however, is not of course concerned only with the trade aspect but must take into account also the likely effects on general agriculture and economic development as well as on social and international conditions, notably in less-developed countries. Nonetheless the principles are designed primarily to minimize obstacles to international trade in agricultural products arising as a result of agricultural support measures.

It may be recalled that a first proposal for such principles, drawn up last year by a panel of experts, was submitted to the FAO biannual Conference last November. A large number of delegations at the Conference indicated their support of these principles, but some required time for further consideration, while a few entered certain reservations. The Conference therefore decided to remit the principles for further discussion by the FAO Committee on Commodity Problems with the intention that after any necessary revisions they should be reconsidered by the next session of the Conference.

The principles were therefore considered at some length at the last meeting of the Committee on Commodity Problems in June last. The most difficult aspect on which to reach agreement undoubtedly related to the general level of price supports and the problem of limiting the growth of surpluses in countries where these have emerged. On both of these controversial points appreciable progress was made and the draft principles were considerably clarified and sharpened. Otherwise the main revisions were of arrangement and form rather than of substance.

The amended draft principles have now been sent for comment to all Member Countries. These comments will be considered by the Committee on Commodity Problems at their meeting next June and the draft principles with any further changes which seem necessary will be submitted to the FAO Council and Conference for general approval. Copies of the current draft have been furnished to the GATT secretariat and are available for consultation by delegates to Committee II. They may be of some value in the work and in drafting the report of the Committee.