On 29 August 1952, acting under Article XIX of the General Agreement, the United States modified the concession on dried figs in Schedule XX increasing the duty from 2½ to 4½ cents per pound. This action was based on a finding of the United States Tariff Commission after investigation, including a public hearing, that as a result of the customs treatment reflecting the concession granted by the United States, dried figs were being imported into the United States in such increased quantities as to cause serious injury to the domestic industry producing like or directly competitive products, and as to threaten continuance of such injury.

The findings of the Commission were based on the following factors attributable to the high level of imports during 1950 and 1951, 9.5 and 7.1 million pounds respectively. In 1950 imports were nearly three times average imports during marketing years 1947-1949 and nearly twice average imports during the marketing years 1936-1938:

(a) The weakening of packers' prices in the spring of 1951;

(b) The abnormally large carryover from the 1950 crop into the 1951;

(c) The 30 per cent decline in the prices which packers paid the growers for dried figs in the 1951 crop year;

(d) Threat of a carryover from the 1951 crop to the 1952 crop year substantially higher than the abnormally high carryover from the 1950 crop to the 1951 crop year; and

(e) The prospects of an average farm price for the 1952 crop of dried figs considerably lower than that received from the 1951 crop.

The action was discussed for the first time at the Seventh Session of the CONTRACTING PARTIES. At the time, the Turkish Government had decided to apply provisional modifications in the rates of certain Turkish import duties to trade with the United States. Discussions had also been initiated between the United States and Greece and the United States and Italy to determine whether the United States could make provisional concessions to compensate Greece and Italy for modification of the concession on dried figs.
At the Eighth Session the CONTRACTING PARTIES again considered this matter. They noted: (a) the progress reports submitted by the Governments of Greece, Turkey and the United States on the consultations they had held between the Seventh and Eighth Sessions; (b) that the United States Government had caused a supplemental investigation by the United States Tariff Commission, after which the President of the United States announced that the existing rates of duty with respect to dried figs were not to be altered in view of the Commission's recommendation that the escape clause action which increased the duty remained necessary to prevent serious injury to the domestic industry, and that the United States Tariff Commission had been instructed to keep the conditions affecting the fig industry under review and to report periodically to the President; (c) that the United States Government was continuing its consultations with the Governments of Greece and Italy to determine a basis of agreement for restoring the balance of the General Agreement; and (d) that the Government of Turkey continued to consider that the only satisfactory solution would be the restoration of the concession rate granted at Torquay on dried figs by the Government of the United States and reserved the right to submit this matter for consideration by the CONTRACTING PARTIES at a later Session.

The CONTRACTING PARTIES on the basis of the above facts reaffirmed their conviction that the most satisfactory solution of the matter is a restoration by the United States of the concession on dried figs negotiated at Torquay and requested the United States and the consulting governments to report at the Ninth Session of the CONTRACTING PARTIES as to further action taken in this matter. The following report is in response to this request.

Pursuant to the assurance given by the United States delegation at the Eighth Session, the United States Tariff Commission reviewed the situation again. Its report of 24 August 1954, indicated that conditions of competition with regard to the trade in imported and domestically produced figs had not changed materially. In its report the Commission noted that imports in 1953 were 7.8 million pounds, the highest level that had been reached since 1930, except for 1950 and that the estimated quantity available for export to the United States in 1954 would be equal to, if not greater than, that shipped in 1953. The President approved this report on 11 September 1954.

Since it does not appear that a restoration of the concession can be effected within the immediate future the United States feels that the best solution would be for the United States to offer other concessions in its place. Therefore, on 13 November 1954, the United States gave public notice that it will seek to negotiate adequate compensatory concessions with the affected countries. Accordingly, the United States is now prepared to negotiate with the governments of those countries with regard to this matter.