INCREASE IN THE UNITED STATES DUTY ON DRIED FIGS

Note by the Turkish Delegation

On the instructions of its Government, the Turkish Delegation has the honour to bring the following note to the attention of the CONTRACTING PARTIES:

By a presidential proclamation of 16 August 1952, the Government of the United States of America, invoking the provisions of Article XIX of the General Agreement, raised the duty on dried figs classified under Article 740 of the United States Customs Tariff, from 2½ cents to 4½ cents per pound.

The duty of 2½ cents was the result of a concession granted, within the framework of the General Agreement, in the course of the bilateral tariff negotiations concluded with Turkey at Torquay in 1951. The new duty was put into effect on 17 October 1951. Prior to that time, the Government of the United States had granted, on two occasions, tariff concessions on the duty applied to dried figs. The first of these concessions was also granted to Turkey under the terms of a commercial agreement concluded with the Turkish Government on 1 April 1939. This concession concerned dried figs valued at 7 cents or more per pound and fixed the duty on these at 3 cents per pound. Upon a proposal by the United States Government, and after a decision taken by common consent, the two governments abrogated this agreement on 8 August 1952. The second concession was granted within the framework of the General Agreement as the result of tariff negotiations concluded with Greece in Annecy in 1949. By this concession, the United States Government agreed to consolidate under one item the duties on dried figs which had previously been divided according to the value, and had fixed this consolidated duty at 3 cents, that is at the duty contained in the 1939 Convention for dried figs valued at 7 cents or more.

An examination and comparison over a sufficiently long period of the annual statistics on the volume of imports of dried figs into the United States will show that the imports in recent years have not increased and have remained at the normal level. In fact, the annual average volume of imports for the years 1947 - 1951, is more or less equal to the annual average volume of imports for the years 1934 - 1938. If anything, it is slightly less. It is only if one compares the annual average of imports for the years 1949 - 1951 with the annual average of imports for the years 1946 - 1948, that an increase can be noted. But the annual average of imports for the period 1946 - 1948 was within the limits of the annual average for the years of comparison before the war.
The years 1946 - 1948 do not seem to be a period that can be taken for comparison. During the years immediately following the end of the war, international trade still felt the effects of the war and there was a shortage of transport which hindered exports to distant points. These were the years when the main exporters of dried figs began, little by little, to renew their contacts with their normal markets in the United States. Any comparison based on these years is likely to result in an erroneous judgment of the situation concerning dried fig imports into the United States.

In studying the import tendencies of the years 1949 - 1951, it is opportune to recall that the year 1950 was one of a sharp increase in demand in all countries, and particularly in the United States, as a result of the effects of the outbreak of war in Korea. During that year imports of all food products showed a net increase. It was in 1950 also that the volume of dried fig imports into the United States reached its highest level. In 1951, the volume of imports diminished by one third compared with the preceding year, with a decline of three million pounds.

Furthermore, even if we admit that the volume of dried fig imports into the United States increased, in view of the fact that the duty of 3 cents per pound has been in effect since 1939, and that the import of dried figs reached its highest level at a time when the reduction of the duty was not yet in effect and, furthermore, that after the reduction of the duty at Torquay the volume of imports diminished, it does not seem possible to attribute the increase in the volume of imports to the application of the concession.

For these reasons the Turkish Government considers the measure taken by the Government of the United States relative to the duty on dried figs is not in accord with Article XIX of the General Agreement, which authorises such measures only for products imported in abnormally increased quantities as the result of unforeseen developments and of the effect of the concession.

This measure, which would cause a decrease in the volume of exports of dried figs by Turkey to the United States will increase Turkey's problem of dollar holdings. Moreover, the prospect of this decrease in the export of dried figs from Turkey to the United States will certainly discourage exporters from buying the product. The decline of demand in the internal market, together with the decline in prices which will result, are likely to have serious repercussions on thousands of Turkish producers and workers whose means of livelihood depends on this product and most of whom are concentrated in a particular region of the country.

The Turkish Government, as soon as it was informed of the possibility of this measure, drew the attention of the United States Government to the damage which this measure might cause Turkey and made known its point of view.
The United States Government, as a result when the measure was put into effect, stated that although the measure was taken for an indeterminate period, it was of a temporary nature. The United States Government also stated that it was prepared to enter into consultations on the subject with interested countries.

The Turkish Government informed the United States Government of its wish to enter into consultations to examine the entire problem. The Turkish Government, confident that the consultations will be carried out in the spirit of understanding, hopes that the question will be settled by this means.

However, considering that the maintenance of this measure will substantially damage its interests, the Turkish Government requests the CONTRACTING PARTIES to take note of the question during the Seventh Session and, if no satisfactory arrangement is reached, or seems likely to be reached, between the two governments, to recommend that the United States Government put an end to the application of this measure.