

AIRGRAM

~~SECRET~~
TÉLÉGRAMME PAR AVION

(30)

GATT/AIR/23 (SECRET)

28 JULY 1952

SUBJECT: SCHEDULE XX - UNITED STATES
CONSULTATION UNDER ARTICLE XIX CONCERNING ITEM 740

THE FOLLOWING COMMUNICATION WAS RECEIVED FROM THE UNITED STATES GOVERNMENT ON 28 JULY 1952 FOR TRANSMISSION TO THE CONTRACTING PARTIES.

ATTENTION IS DRAWN TO THE REQUEST THAT THIS COMMUNICATION BE TREATED AS STRICTLY CONFIDENTIAL.

COMMUNICATION OF THE UNITED STATES GOVERNMENT

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1. PURSUANT TO THE PROVISIONS OF PARAGRAPH 2, ARTICLE XIX, OF THE GENERAL AGREEMENT, THE UNITED STATES GOVERNMENT HEREWITH NOTIFIES THE CONTRACTING PARTIES THAT THE UNITED STATES MAY FIND IT NECESSARY TO MODIFY THE TARIFF CONCESSION ON DRIED FIGS IN ITEM 740, SCHEDULE XX, NOW DUTIABLE AT 2½ CENTS PER POUND (INITIALLY NEGOTIATED WITH TURKEY).

2. THE UNITED STATES TARIFF COMMISSION ON JULY 24, 1952 SUBMITTED THE FOLLOWING RECOMMENDATIONS TO THE PRESIDENT AS A RESULT OF THE COMMISSION'S INVESTIGATION UNDER SECTION 7 OF THE TRADE AGREEMENTS EXTENSION ACT OF 1951:
 - "A. AS A RESULT IN PART OF THE CUSTOMS TREATMENT REFLECTING THE CONCESSION GRANTED ON DRIED FIGS (DESCRIBED IN ITEM 740 OF PART I OF SCHEDULE XX CONTAINED IN ANNEX A OF THE TORQUAY PROTOCOL TO THE GENERAL AGREEMENT), SUCH DRIED FIGS ARE BEING IMPORTED INTO THE UNITED STATES IN SUCH INCREASED QUANTITIES, BOTH ACTUAL AND RELATIVE, AS TO CAUSE SERIOUS INJURY TO THE DOMESTIC INDUSTRY PRODUCING THE LIKE OR DIRECTLY COMPETITIVE PRODUCTS, AND AS TO THREATEN THE CONTINUANCE OF SUCH INDUSTRY.

 - "B. THE APPLICATION FOR AN INDEFINITE PERIOD OF A RATE OF DUTY OF 4½ CENTS PER POUND ON DRIED FIGS IS NECESSARY TO PREVENT THE CONTINUANCE OF SUCH SERIOUS INJURY TO THE DOMESTIC INDUSTRY.

 - "C. THE TARIFF COMMISSION RECOMMENDS TO THE PRESIDENT THAT THE CONCESSION GRANTED IN THE GENERAL AGREEMENT AS SUPPLEMENTED BY THE TORQUAY PROTOCOL BE MODIFIED TO PERMIT, FOR AN INDEFINITE PERIOD, THE APPLICATION OF A RATE OF DUTY OF 4½ CENTS PER POUND TO DRIED FIGS DESCRIBED IN ITEM 740 OF PART I OF SCHEDULE XX (TORQUAY) OF THE GENERAL AGREEMENT."

3. NO DECISION HAS YET BEEN REACHED AS TO WHETHER THE ACTION RECOMMENDED ON DRIED FIGS WILL BE TAKEN.

4. IN ACCORDANCE WITH PARAGRAPH 2, ARTICLE XIX, THE UNITED STATES GOVERNMENT IS PREPARED TO CONSULT WITH THE CONTRACTING PARTIES JOINTLY AS WELL AS WITH INDIVIDUAL CONTRACTING PARTIES HAVING A SUBSTANTIAL INTEREST IN EXPORTING DRIED FIGS TO THE UNITED STATES. THE UNITED STATES WOULD LIKE TO BEGIN

ANY SUCH CONSULTATION AS SOON AS POSSIBLE IN VIEW OF THE FACT THAT THE UNITED STATES MAY CONSIDER THAT THE ACTION SHOULD BE TAKEN PRIOR TO SEPTEMBER 1, 1952. IT IS POSSIBLE, HOWEVER, THAT THE PRESIDENT MAY TAKE ADVANTAGE OF THE FULL 60-DAY PERIOD ALLOWED UNDER THE TRADE AGREEMENTS EXTENSION ACT. IN ANY CASE, THE UNITED STATES IS PREPARED TO COMPLETE ANY CONSULTATION EVEN IF THE ACTION HAS BEEN TAKEN IN THE MEANTIME.

5. THE FOREGOING INFORMATION IS STRICTLY CONFIDENTIAL. ANY PUBLIC DISCLOSURE MAY NECESSITATE THE IMMEDIATE IMPLEMENTATION OF THE RECOMMENDATION IN PARAGRAPH 2 ABOVE.

E. WYNDHAM WHITE