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PHILIPPINES

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SUBCHAPTER I.—LAWS AND OBLIGATIONS OF UNITED STATES

PART 1. CUSTOMS DUTIES

§ 1251. Free entry of Philippine articles.

During the period from May 1, 1946 to July 3, 1954, both dates inclusive, Philippine articles entered, or withdrawn from warehouse, in the United States for consumption shall be admitted into the United States free of ordinary customs duty. (Apr. 30, 1946, ch. 244, title II, § 201, 60 Stat. 143.)

SUSPENSION OF PROVISIONS

Section as not applicable during such time as the revised agreement between the United States and the Philippines is in effect, see section 1373 of this title.

EFFECTIVE DATE

Section 512 of act Apr. 30, 1946, provided: "This Act [subchapters I—IV of this chapter; of sections 2470 (a) (2) and 2800 (a) (4) (B) of Title 26, Internal Revenue Code 1939; and section 734 of Title 48, Territories and Insular Possessions] shall take effect on the day after the date of its enactment [April 30, 1946], except Part 2 of Title II [sections 1261—1266 of this title], which shall take effect as of January 1, 1946."

SHORT TITLE

Congress in enacting subchapters I—IV of this chapter; amendments to section 1393 of this title, sections 2470 (a) (2) and 2800 (a) (4) of Title 26, Internal Revenue Code 1939, and section 734 of Title 48, Territories and Insular Possessions; and repeals of section 1301 of Title 19, Customs Duties, sections 2476 and 3340—3343 of Title 26, Internal Revenue Code 1939, and section 1243 of Title 48, Territories and Insular Possessions, provided by section 1 of act Apr. 30, 1946, that they should be popularly known as the "Philippine Trade Act of 1946."

EXTENSION OF DUTY-FREE PERIOD UNTIL DECEMBER 31, 1955

Act July 5, 1954, ch. 459, 68 Stat. 443, provided that: "The duty-free treatment provided for in section 201 of the Philippine Trade Act of 1946 (60 Stat. 143 [this section]) shall apply in lieu of the treatment specified in paragraphs (1) and (2) of subsection (a) of section 202 of that Act [subsec. (a) (1), (2) of section 1252 of this title], to Philippine articles entered, or withdrawn from warehouse, in the United States for consumption during such period after July 3, 1954, but not after December 31, 1955, as the President may declare by proclamation to be a period during which United States articles, as defined in that Act [subchapters I—IV of this chapter], will be admitted into the Republic of the Philippines free of ordinary customs duty, as such duty is defined in that Act [subchapters I—IV of this chapter]. Notwithstanding any such proclamation, paragraph (2) of such subsection [subsec. (a) (2) of section 1252 of this title] shall be considered as having been in effect for the purpose of applying the provisions of paragraph (3) of such subsection [subsec. (a) (3) of section 1252 of this title]."

PROC. NO. 3080. EXTENSION OF THE PERIOD OF DUTY FREE TREATMENT

Proc. No. 3080, July 15, 1954, 19 F. R. 4397, provided: Now therefore, I, Dwight D. Eisenhower, President of the United States of America, acting under and by virtue of the authority vested in me by the said act of July 5, 1954 [68 Stat. 443, set out as a note under this section], do hereby declare and proclaim on the basis of information received from the Government of the Philippines, that United States articles, as defined in the said Philippine Trade Act of 1946 [60 Stat. 143, subchapters I—IV of this chapter], entered, or withdrawn from warehouse, in the Philippines for consumption, during the period from July 4, 1954, to December 31, 1955, both dates inclusive, will be admitted into the Philippines free of ordinary customs duty, as such duty is defined in the said Philippine Trade Act of 1946 [60 Stat. 143, subchapters I—IV of this chapter].

CROSS REFERENCES

Definitions for subchapters I—IV of this chapter, see section 1360 of this title.

§ 1252. Ordinary customs duties on Philippine articles.

(a) July 4, 1954—July 3, 1974.

The ordinary customs duty to be collected on Philippine articles, which during the following portions of the period from July 4, 1954, to July 3, 1974, both dates inclusive, are entered, or withdrawn from warehouse, in the United States for consumption, shall be determined by applying the following percentages of the United States duty:

(1) July 4 to December 31, 1954. During the period from July 4, 1954, to December 31, 1954, both dates inclusive, 5 per centum.

(2) Calendar year 1955. During the calendar year 1955, 10 per centum.

(3) Calendar year 1956—1972. During each calendar year after the calendar year 1955 until and including the calendar year 1972, a percentage equal to the percentage for the preceding calendar year increased by 5 per centum of the United States duty.

(4) Percentage after 1972. During the period from January 1, 1973, to July 3, 1974, both dates inclusive, 100 per centum.

(5) Exceptions to above rules. The provisions of this subsection shall not be applicable to the classes of articles referred to in section 1264 (a) of this title (relating to quotas).

(b) Period after July 3, 1974.

The ordinary customs duty to be collected on Philippine articles which after July 3, 1974, are entered, or withdrawn from warehouse, in the United States for consumption, shall be determined without regard to the provisions of subsection (a) of this section or of section 1264 of this title. (Apr. 30, 1946, ch. 244, title II, § 202, 60 Stat. 143.)

SUSPENSION OF PROVISIONS

Section as not applicable during such time as the revised agreement between the United States and the Philippines is in effect, see section 1373 of this title.

EFFECTIVE DATE

Effective date as May 1, 1946, see note set out under section 1251 of this title.

EXTENSION OF DUTY-FREE PERIOD

Duty-free period extended from July 3, 1954, to Dec. 31, 1955, see note under section 1251 of this title.

§ 1253. Customs duties other than ordinary.

Customs duties on Philippine articles, other than ordinary customs duties, shall be determined without regard to the provisions of sections 1251 and 1252 (a) of this title, but shall be subject to the provisions of section 1254 of this title (Apr. 30, 1946, ch. 244, title II, § 203, 60 Stat. 144.)

SUSPENSION OF PROVISIONS

Sections as not applicable during such time as the revised agreement between the United States and the Philippines is in effect, see section 1373 of this title.

EFFECTIVE DATE

Effective date as May 1, 1946, see note set out under section 1251 of this title.

§ 1254. Equality in special import duties, etc.; definition.

(a) With respect to Philippine articles imported into the United States, no duty on or in connection with importation shall be collected or paid in an amount in excess of the duty imposed with respect

to like articles which are the product of any other foreign country, or collected or paid in any amount if the duty is not imposed with respect to such like articles.

(b) As used in this section the term "duty" includes taxes, fees, charges, or exactions, imposed on or in connection with importation; but does not include internal taxes or ordinary customs duties. (Apr. 30, 1946, ch. 244, title II, § 204, 60 Stat. 144.)

SUSPENSION OF PROVISIONS

Section as not applicable during such time as the revised agreement between the United States and the Philippines is in effect, see section 1373 of this title.

EFFECTIVE DATE

Effective date as May 1, 1946, see note set out under section 1251 of this title.

§ 1255. Equality in duties on products of Philippines; definition.

(a) With respect to products of the Philippines, which do not come within the definition of Philippine articles, imported into the United States, no duty on or in connection with importation shall be collected or paid in an amount in excess of the duty imposed with respect to like articles which are the product of any other foreign country (except Cuba), or collected or paid in any amount if the duty is not imposed with respect to such like articles which are the product of any other foreign country (except Cuba).

(b) As used in this section the term "duty" includes taxes, fees, charges, or exactions, imposed on or in connection with importation; but does not include internal taxes. (Apr. 30, 1946, ch. 244, title II, § 205, 60 Stat. 144.)

SUSPENSION OF PROVISIONS

Section as not applicable during such time as the revised agreement between the United States and the Philippines is in effect, see section 1373 of this title.

EFFECTIVE DATE

Effective date as May 1, 1946, see note set out under section 1251 of this title.

PART 2. QUOTAS

§ 1261. Absolute quota on sugars; definitions.

(a) Definition of Philippine sugars.

For the purpose of this section, an article shall not be considered "Philippine sugars" unless it is a Philippine article.

(b) Definition of refined sugars.

As used in this section the term "refined sugars" has the same meaning as the term "direct-consumption sugar" as defined in section 1101 of Title 7.

(c) Amount of quota.

During the period from January 1, 1946, to July 3, 1974, both dates inclusive, the total amount of all Philippine sugars which, in any calendar year, may be entered, or withdrawn from warehouse, in the United States for consumption, shall not exceed 952,000 short tons (the equivalent of 850,000 long tons), of which not to exceed 56,000 short tons (the equivalent of 50,000 long tons) may be refined sugars; except that during the period from January 1, 1974, to July 3, 1974, both dates inclusive, such total amount shall not exceed 476,000 short tons (the equivalent of 425,000 long tons), of which not

to exceed 28,000 short tons (the equivalent of 25,000 long tons) may be refined sugars.

(d) Allocation of quotas for unrefined sugars.

The quota for unrefined sugars, including that required to manufacture the refined sugars, established by this section, shall be allocated annually to the sugar-producing mills and plantation owners in the Philippines in the calendar year 1940 whose sugars were exported to the United States during such calendar year, or their successors in interest, proportionately on the basis of their average annual production (or in the case of such a successor in interest, the average annual production of his predecessor in interest) for the calendar years 1931, 1932, and 1933, and the amount of sugars which may be so exported shall be allocated in each year between each mill and the plantation owners on the basis of the proportion of sugars to which each mill and the plantation owners are respectively entitled, in accordance with any milling agreements between them, or any extension, modification, or renewal thereof.

(e) Allocation of quotas for refined sugars.

The quota for refined sugars established by this section shall be allocated annually to the manufacturers of refined sugars in the Philippines in the calendar year 1940 whose refined sugars were exported to the United States during such calendar year, or their successors in interest, proportionately on the basis of the amount of refined sugars produced by each such manufacturer (or in the case of such successor in interest, the amount of refined sugars produced by his predecessor in interest) which was exported to the United States during the calendar year 1940. (Apr. 30, 1946, ch. 244, title II, § 211, 60 Stat. 144.)

SUSPENSION OF PROVISIONS

Sections as not applicable during such time as the revised agreement between the United States and the Philippines is in effect, see section 1373 of this title.

EFFECTIVE DATE

Effective date as Jan. 1, 1946, see note set out under section 1251 of this title.

§ 1262. Absolute quota on cordage; definitions.

(a) Definition of "cordage."

As used in this section the term "cordage" includes yarns, twines (including binding twine described in paragraph 1622 of section 1201 of Title 19), cords, cordage, rope, and cable, tarred or untarred, wholly or in chief value of manilla (abaca) or other hard fiber.

(b) Definition of "Philippine cordage."

For the purpose of this section, an article shall not be considered "Philippine cordage" unless it is a product of the Philippines.

(c) Amount of quota.

During the period from January 1, 1946, to July 3, 1974, both dates inclusive, the total amount of all Philippine cordage which, in any calendar year, may be entered, or withdrawn from warehouse, in the United States for consumption, shall not exceed 6,000,000 pounds; except that during the period from January 1, 1947, to July 3, 1947, both dates inclusive, such total amount shall not exceed 3,000,000 pounds.

(d) Allocation of quotas.

The quota for cordage established by this section shall be allocated annually to the manufacturers of cordage in the Philippines in the calendar year 1940 whose cordage was exported to the United States during such calendar year, or their successors in interest, proportionately on the basis of the amount of cordage produced by each such manufacturer (or in the case of such successor in interest, the amount of the cordage produced by his predecessor in interest) which was exported to the United States during the twelve months immediately preceding the inauguration of the Commonwealth of the Philippines. (Apr. 30, 1946, ch. 244, title II, § 212, 60 Stat. 145.)

SUSPENSION OF PROVISIONS

Section as not applicable during such time as the revised agreement between the United States and the Philippines is in effect, see section 1373 of this title.

EFFECTIVE DATE

Effective date as Jan. 1, 1946, see note set out under section 1251 of this title.

§ 1263. Absolute quota on rice; definitions.

(a) Definition of rice.

As used in this section the term "rice" includes rice meal, flour, polish, and bran.

(b) Definition of Philippine rice.

For the purposes of this section, an article shall not be considered "Philippine rice" unless it is a Philippine article.

(c) Amount of quota.

During the period from January 1, 1946, to July 3, 1974, both dates inclusive, the total amount of all Philippine rice which, in any calendar year may be entered, or withdrawn from warehouse, in the United States for consumption, shall not exceed 1,040,000 pounds; except that during the period from January 1, 1974, to July 3, 1974, both dates inclusive, such total amount shall not exceed 520,000 pounds. (Apr. 30, 1946, ch. 244, title II, § 213, 60 Stat. 145.)

SUSPENSION OF PROVISIONS

Section as not applicable during such time as the revised agreement between the United States and the Philippines is in effect, see section 1373 of this title.

EFFECTIVE DATE

Effective date as Jan. 1, 1946, see note set out under section 1251 of this title.

§ 1264. Absolute and duty-free quotas on certain articles.

(a) Absolute quotas.

During the period from January 1, 1946, to July 3, 1974, both dates inclusive, the total amount of the following articles which are Philippine articles, and which, in any calendar year, may be entered, or withdrawn from warehouse, in the United States for consumption, shall not exceed the amounts specified as to each:

(1) Cigars (exclusive of cigarettes, cheroots of all kinds, and paper cigars and cigarettes, including wrappers), two hundred million cigars;

(2) Scrap tobacco, and stemmed and unstemmed filler tobacco described in paragraph 602 of section 1001 of Title 19, six million five hundred thousand pounds;

(3) Coconut oil, two hundred thousand long tons; and

(4) Buttons of pearl or shell, eight hundred and fifty thousand gross.

During the period from January 1, 1974, to July 3, 1974, both dates inclusive, such total amount shall not exceed one-half of the amount above specified with respect to each class of articles, respectively.

(b) Duty-free quotas.

(1) In general.

Philippine articles falling within one of the classes specified in subsection (a) of this section, which during the period from January 1, 1946, to July 3, 1974, both dates inclusive, are entered, or withdrawn from warehouse, in the United States for consumption, shall be free of ordinary customs duty, in the quantities and for the periods set forth in following table:

| PERIODS [Calendar year] | AMOUNT OF DUTY-FREE QUOTAS | | | |
|----------------------------|---|--|-------------------------|-----------------------------------|
| | Cigars referred to in subsection (a) (1) [number] | Tobacco referred to in subsection (a) (2) [pounds] | Coconut oil [long tons] | Buttons of pearl or shell [gross] |
| Each of calendar years | | | | |
| 1946-1954..... | 200,000,000 | 6,500,000 | 200,000 | 850,000 |
| 1955..... | 190,000,000 | 6,175,000 | 190,000 | 807,500 |
| 1956..... | 180,000,000 | 5,850,000 | 180,000 | 765,000 |
| 1957..... | 170,000,000 | 5,525,000 | 170,000 | 722,500 |
| 1958..... | 160,000,000 | 5,200,000 | 160,000 | 680,000 |
| 1959..... | 150,000,000 | 4,875,000 | 150,000 | 637,500 |
| 1960..... | 140,000,000 | 4,550,000 | 140,000 | 595,000 |
| 1961..... | 130,000,000 | 4,225,000 | 130,000 | 552,500 |
| 1962..... | 120,000,000 | 3,900,000 | 120,000 | 510,000 |
| 1963..... | 110,000,000 | 3,575,000 | 110,000 | 467,500 |
| 1964..... | 100,000,000 | 3,250,000 | 100,000 | 425,000 |
| 1965..... | 90,000,000 | 2,925,000 | 90,000 | 382,500 |
| 1966..... | 80,000,000 | 2,600,000 | 80,000 | 340,000 |
| 1967..... | 70,000,000 | 2,275,000 | 70,000 | 297,500 |
| 1968..... | 60,000,000 | 1,950,000 | 60,000 | 255,000 |
| 1969..... | 50,000,000 | 1,625,000 | 50,000 | 212,500 |
| 1970..... | 40,000,000 | 1,300,000 | 40,000 | 170,000 |
| 1971..... | 30,000,000 | 975,000 | 30,000 | 127,500 |
| 1972..... | 20,000,000 | 650,000 | 20,000 | 85,000 |
| 1973..... | 10,000,000 | 325,000 | 10,000 | 42,500 |
| 1974..... | 0 | 0 | 0 | 0 |

(2) Duty on imports in excess of duty-free quota.

Any such Philippine article so entered or withdrawn from warehouse in excess of the duty-free quota provided in paragraph (1) of this subsection shall be subject to 100 per centum of the United States duty, despite the provisions of section 1252 of this title (which provides rates of less than 100 per centum of the United States duty with respect to Philippine articles). Nothing in this subsection shall be construed as enlarging the absolute quotas provided in subsection (a) of this section.

(c) Allocation of quotas.

Each of the quotas established by this section shall be allocated annually to the manufacturers in the Philippines in the calendar year 1940 of products of a class for which such quota is established, and whose products of such class were exported to the United States during such year, or their successors in interest, proportionately on the basis of the amount of the products of such class produced by each such manufacturer (or in the case of such successor in interest, the amount of the products of such class produced by his predecessor in interest) which was exported to the United States during the calendar year 1940. (Apr. 30, 1946, ch. 244, title II § 214, 60 Stat. 146.)

SUSPENSION OF PROVISIONS

Section as not applicable during such time as the revised agreement between the United States and the Philippines is in effect, see section 1373 of this title.

EFFECTIVE DATE

Effective date as Jan. 1, 1956, see note set out under section 1251 of this title.

§ 1265. Laws putting into effect allocations of quotas.

The necessary laws and regulations for putting into effect allocation of quotas on the basis provided for in sections 1261, 1262 and 1264, shall not be enacted by the United States, it being the purpose of this subchapter that such laws and regulations shall be enacted by the Philippines. (Apr. 30, 1946, ch. 244, title II, § 215, 60 Stat. 147.)

SUSPENSION OF PROVISIONS

Section as not applicable during such time as the revised agreement between the United States and the Philippines is in effect, see section 1373 of this title.

EFFECTIVE DATE

Effective date as Jan. 1, 1956, see note set out under section 1251 of this title.

§ 1266. Transfers and assignments of quota allotments.

The holder of any allotment under existing law, including his successor in interest, and the holder of any allotment under any of the quotas established by sections 1261, 1262 and 1264 of this title may transfer or assign all or any amount of such allotment, on such terms as may be agreeable to the parties in interest. If, after the first nine months of any calendar year, the holder of any allotment, for that year, under any of the quotas established by said sections, is or will be unable for any reason to export to the United States all of his allotment, in time to fulfill the quota for that year, that amount of such allotment which it is established by sufficient evidence cannot be so exported during the remainder of the calendar year may be apportioned by the Philippine Government to other holders of allotments under the same quota, or in such other manner as will insure the fulfillment of the quota for that year: *Provided*, That no transfer or assignment or reallocation under the provisions of this section shall diminish the allotment to which the holder may be entitled in any subsequent calendar year. (Apr. 30, 1946, ch. 244, title II, § 216, 60 Stat. 147.)

SUSPENSION OF PROVISIONS

Section as not applicable during such time as the revised agreement between the United States and the Philippines is in effect, see section 1373 of this title.

EFFECTIVE DATE

Effective date as Jan. 1, 1956, see note set out under section 1251 of this title.

PART 3. INTERNAL TAXES

§ 1271. Equality in internal taxes.

(a) With respect to articles which are products of the Philippines coming into the United States, or with respect to articles manufactured in the United States wholly or in part from such articles, no internal tax shall be—

- (1) collected or paid in an amount in excess of the internal tax imposed with respect to like articles which are the product of the United

States, or collected or paid in any amount if the internal tax is not imposed with respect to such like articles;

- (2) collected or paid in an amount in excess of the internal tax imposed with respect to like articles which are the product of any other foreign country, or collected or paid in any amount if the internal tax is not imposed with respect to such like articles.

(b) Where an internal tax is imposed with respect to an article which is the product of a foreign country to compensate for an internal tax imposed (1) with respect to a like article which is the product of the United States, or (2) with respect to materials used in the production of a like article which is the product of the United States, if the amount of the internal tax which is collected and paid with respect to the article which is the product of the Philippines is not in excess of that permitted by paragraph (2) of subsection (a) of this section such collection and payment shall not be regarded as in violation of said subsection (a).

(c) This section shall not apply to the taxes imposed under sections 2306, 2327, or 2356 of Title 26. (Apr. 30, 1946, ch. 244, title II, § 221, 60 Stat. 147.)

SUSPENSION OF PROVISIONS

Sections as not applicable during such time as the revised agreement between the United States and the Philippines is in effect, see section 1373 of this title.

REFERENCES IN TEXT

Sections 2306, 2327, and 2356 of Title 26, referred to in subsec. (c), are references to such sections in Internal Revenue Code, 1939, which were repealed by section 7851 of Title 26, I. R. C. 1954. For provision deeming a reference in other laws to a provision of I. R. C. 1939, also as a reference to corresponding provision of I. R. C. 1954, see section 7852 (b) of such Title 26. Provisions corresponding to the enumerated sections are as follows:

| <i>I. R. C. 1939</i> | <i>I. R. C. 1954</i> |
|----------------------|---|
| 2306..... | 4591, 4812. |
| 2327..... | 4312, 4813, 4816, 4818, 7235 (e), 7265 (b), (c) |
| 2356..... | 4831, 4832. |

EFFECTIVE DATE

Effective date as May 1, 1946, see note set out under section 1251 of this title.

§ 1272. Exemption from tax of manila fiber.

No processing tax or other internal tax shall be imposed or collected in the United States with respect to manila (abaca) fiber not dressed or manufactured in any manner. (Apr. 30, 1946, ch. 244, title II, § 222, 60 Stat. 148.)

SUSPENSION OF PROVISIONS

Section as not applicable during such time as the revised agreement between the United States and the Philippines is in effect, see section 1373 of this title.

EFFECTIVE DATE

Effective date as May 1, 1946, see note set out under section 1251 of this title.

§ 1273. Prohibition of export taxes.

No export tax shall be imposed or collected by the United States on articles exported to the Philippines. (Apr. 30, 1946, ch. 244, title II, § 223, 60 Stat. 148.)

SUSPENSION OF PROVISIONS

Section as not applicable during such time as the revised agreement between the United States and the Philippines is in effect, see section 1373 of this title.

EFFECTIVE DATE

Effective date as May 1, 1946, see note set out under section 1251 of this title.

§ 1274. Exemption from taxes of articles for official use.

No processing tax or other internal tax shall be imposed or collected in the United States with respect to articles coming into the United States for the official use of the Philippine Government or any department or agency thereof. (Apr. 30, 1946, ch. 244, title II, § 224, 60 Stat. 148.)

SUSPENSION OF PROVISIONS

Section as not applicable during such time as the revised agreement between the United States and the Philippines is in effect, see section 1373 of this title.

EFFECTIVE DATE

Effective date as May 1, 1946, see note set out under section 1251 of this title.

PART 4. IMMIGRATION

§ 1281. Certain Philippine citizens granted nonquota status.

(a) Any citizen of the Philippines who actually resided in the United States for a continuous period of three years during the period of forty-two months ending November 30, 1941, if entering the United States during the period from July 4, 1946, to July 3, 1951, both dates inclusive, for the purpose of resuming residence in the United States, shall, for the purposes of the immigration laws, be considered a nonquota immigrant; and shall not be excluded from entry into the United States by reason of section 213 (c) of Title 8, or by reason of so much of section 136 of Title 8 as provides for the exclusion from admission into the United States of natives of a therein specified geographical area.

(b) After such admission as a nonquota immigrant he shall, for the purposes of the immigration and naturalization laws, be considered as lawfully admitted to the United States for permanent residence.

(c) The benefits of this section shall also apply to his wife, if a citizen of the Philippines or eligible to United States citizenship, and to his unmarried children under 18 years of age, if such wife or children are accompanying or following to join him during such period.

(d) This section shall not apply to a citizen of the Philippines admitted to the Territory of Hawaii, without an immigration or passport visa, under the provisions of paragraph (1) of section 8 (a) of the Act of March 24, 1934 (48 Stat. 456, ch. 84). (Apr. 30, 1946, ch. 244, title II, § 231, 60 Stat. 148.)

SUSPENSION OF PROVISIONS

Sections as not applicable during such time as the revised agreement between the United States and the Philippines is in effect, see section 1373 of this title.

REFERENCES IN TEXT

Sections 136 and 213 (c) of Title 8, referred to in subsec. (a), were repealed by act June 27, 1952, ch. 477, title IV, § 403 (a) (13), (23), 66 Stat. 279, and are covered by sections 1182 (a) (23) and 1102, 1154, 1182 respectively, of Title 8, Aliens and Nationality.

Paragraph (1) of section 8 (a) of the Act of March 24, 1934 (48 Stat. 456, ch. 84), referred to in subsec. (d), was formerly classified to section 1238 of Title 48, Territories and Insular Possessions, and has been omitted as obsolete in view of the recognition of Philippine inde-

pendence by 1946 Proc. No. 2695, issued pursuant to section 1394 of this title, and set out as a note under section 1394.

EFFECTIVE DATE

Effective date as May 1, 1946, see note set out under section 1251 of this title.

PHILIPPINE TRADERS AS NONIMMIGRANTS

Philippine traders as classifiable as nonimmigrants, see section 1184a of Title 8, Aliens and Nationality.

PROC. NO. 2696. IMMIGRATION QUOTA

Proc. No. 2696, July 8, 1946, 11 F. R. 7517, 60 Stat. 1353, provided:

The annual quota for the Philippine Islands effective July 4, 1946, for the remainder of the fiscal year ending June 30, 1947, and for each fiscal year thereafter, has been determined in accordance with the law to be, and shall be, 100.

The immigration quota of 50 authorized by section 8 (a) (1) of the Act approved March 24, 1934, entitled "An Act to provide for the complete independence of the Philippine Islands, to provide for the adoption of a constitution and a form of government for the Philippine Islands, and for other purposes" (48 Stat. 462; 53 Stat. 1230; former section 1238 of Title 48, Territories and Insular Possessions), which Act was accepted by concurrent resolution of the Philippine Legislature on May 1, 1934, and which became effective on that date, will become inoperative on July 4, 1946, the date the Government of the United States recognizes the independence of the Philippine Islands as a separate and self-governing nation.

The immigration quota assigned to the Philippine Islands is designed solely for purposes of compliance with the pertinent provisions of the Immigration Act of 1924 [former section 145 et seq. of Title 8, Aliens and Nationality] and is not to be regarded as having any significance extraneous to this subject.

CROSS REFERENCES**Definitions—**

Lawfully admitted for permanent residence, see section 1101 (a) (20) of Title 8, Aliens and Nationality.

Nonquota immigrant, see section 1101 (a) (27) of Title 8.

§ 1281a. Repealed. June 27, 1952, ch. 477, title IV, § 403 (a) (35), 66 Stat. 279.

Section, act Mar. 24, 1934, ch. 84, § 14, 48 Stat. 464, related to immigration after independence, and is covered by subchapter II of chapter 12 of Title 8, Aliens and Nationality.

SUBCHAPTER II.—OBLIGATIONS OF PHILIPPINES

PART 1. PURPOSES

§ 1291. Statement of purposes of subchapter.

(a) Period until July 4, 1946.

Sections 1291—1332 and 1334 of this title, insofar as they are applicable to the period from April 30, 1946 to July 3, 1946, both dates inclusive, are intended to, and shall, operate as statutes of the United States, binding on one of its possessions.

(b) Period July 4, 1946—July 3, 1974.

Sections 1291—1332 and 1334 of this title, although expressed in statutory form, are not in any manner intended, insofar as they are applicable to the period after July 3, 1946, as an attempt on the part of the Congress of the United States to legislate for the Republic of the Philippines as a sovereign nation, but constitute a statement in precise terms of provisions—

(1) which the Government of the Philippines, on the taking effect of the executive agreement

provided for in subchapter III of this chapter, will be obligated to observe and execute as the law of the Republic of the Philippines during the effectiveness of the agreement; except that the observance of such part of the provisions of section 1331 of this title as is in conflict with the Constitution of the Philippines will not be required under such agreement for the period prior to the amendment to the constitution referred to in section 1342 (b) of this title; and

(2), which, between the proclamation of the independence of the Philippines and the date of the taking effect of such executive agreement, will, according to the policy and expectations of the Congress of the United States, be observed and executed by the Government of the Philippines. (Apr. 30, 1946, ch. 244, title III, § 301, 60 Stat. 149.)

SUSPENSION OF PROVISIONS

Section as not applicable during such time as the revised agreement between the United States and the Philippines is in effect, see section 1373 of this title.

EFFECTIVE DATE

Effective date as May 1, 1946, see note set out under section 1251 of this title.

PART 2. CUSTOMS DUTIES

§ 1301. Free entry of United States articles.

During the period from May 1, 1946 to July 3, 1954, both dates inclusive, United States articles entered, or withdrawn from warehouse, in the Philippines for consumption shall be admitted into the Philippines free of ordinary customs duty. (Apr. 30, 1946, ch. 244, title III, § 311, 60 Stat. 149.)

SUSPENSION OF PROVISIONS

Sections as not applicable during such time as the revised agreement between the United States and the Philippines is in effect, see section 1373 of this title.

EFFECTIVE DATE

Effective date as May 1, 1946, see note set out under section 1251 of this title.

§ 1302. Ordinary customs duties on United States articles.

(a) July 4, 1954—July 3, 1974.

The ordinary customs duty to be collected on United States articles, which during the following portions of the period from July 4, 1954, to July 3, 1974, both dates inclusive, are entered, or withdrawn from warehouse, in the Philippines for consumption, shall be determined by applying the following percentages of the Philippine duty:

(1) July 4, to December 31, 1954.

During the period from July 4, 1954, to December 31, 1954, both dates inclusive, 5 per centum.

(2) Calendar year 1955.

During the calendar year 1955, 10 per centum.

(3) Calendar years 1956—1972.

During each calendar year after the calendar year 1955 until and including the calendar year 1972, a percentage equal to the percentage for the preceding calendar year increased by 5 per centum of the Philippine duty.

(4) Percentage after 1972.

During the period from January 1, 1973, to July 3, 1974, both dates inclusive, 100 per centum.

(b) Period after July 3, 1974.

The ordinary customs duty to be collected on United States articles which after July 3, 1974, are entered, or withdrawn from warehouse, in the Philippines for consumption, shall be determined without regard to the provisions of subsection (a) of this section. (Apr. 30, 1946, ch. 244, title III, § 312, 60 Stat. 149.)

SUSPENSION OF PROVISIONS

Section as not applicable during such time as the revised agreement between the United States and the Philippines is in effect, see section 1373 of this title.

EFFECTIVE DATE

Effective date as May 1, 1946, see note set out under section 1251 of this title.

§ 1303. Customs duties other than ordinary.

Customs duties on United States articles, other than ordinary customs duties, shall be determined without regard to the provisions of sections 1301 and 1302 (a) of this title, but shall be subject to the provisions of section 1304 of this title. (Apr. 30, 1946, ch. 244, title III, § 313, 60 Stat. 149.)

SUSPENSION OF PROVISIONS

Section as not applicable during such time as the revised agreement between the United States and the Philippines is in effect, see section 1373 of this title.

EFFECTIVE DATE

Effective date as May 1, 1946, see note set out under section 1251 of this title.

§ 1304. Equality in special import duties, etc.; definition.

(a) With respect to United States articles imported into the Philippines, no duty on or in connection with importation shall be collected or paid in an amount in excess of the duty imposed with respect to like articles which are the product of any other foreign country, or collected or paid in any amount if the duty is not imposed with respect to such like articles.

(b) As used in this section the term "duty" includes taxes, fees, charges, or exactions, imposed on or in connection with importation; but does not include internal taxes or ordinary customs duties. (Apr. 30, 1946, ch. 244, title III, § 314, 60 Stat. 150.)

SUSPENSION OF PROVISIONS

Section as not applicable during such time as the revised agreement between the United States and the Philippines is in effect, see section 1373 of this title.

EFFECTIVE DATE

Effective date as May 1, 1946, see note set out under section 1251 of this title.

§ 1305. Equality in duties on products of United States; definition.

(a) With respect to products of the United States, which do not come within the definition of United States articles, imported into the Philippines, no duty on or in connection with importation shall be collected or paid in an amount in excess of the duty imposed with respect to like articles which are the product of any other foreign country, or collected or paid in any amount if the duty is not imposed with respect to such like articles which are the product of any other foreign country.

(b) As used in this section the term "duty" includes taxes, fees, charges, or exactions, imposed on or in connection with importation; but does not

include internal taxes. (Apr. 30, 1946, ch. 244, title III, § 315, 60 Stat. 150.)

SUSPENSION OF PROVISIONS

Section as not applicable during such time as the revised agreement between the United States and the Philippines is in effect, see section 1373 of this title.

EFFECTIVE DATE

Effective date as May 1, 1946, see note set out under section 1251 of this title.

PART 3. INTERNAL TAXES

§ 1311. Equality in internal taxes.

(a) With respect to articles which are products of the United States coming into the Philippines, or with respect to articles manufactured in the Philippines wholly or in part from such articles, no internal tax shall be—

(1) collected or paid in an amount in excess of the internal tax imposed with respect to like articles which are the product of the Philippines, or collected or paid in any amount if the internal tax is not imposed with respect to such like articles;

(2) collected or paid in an amount in excess of the internal tax imposed with respect to like articles which are the product of any other foreign country, or collected or paid in any amount if the internal tax is not imposed with respect to such like articles.

(b) Where an internal tax is imposed with respect to an article which is the product of a foreign country to compensate for an internal tax imposed (1) with respect to a like article which is the product of the Philippines, or (2) with respect to materials used in the production of a like article which is the product of the Philippines, if the amount of the internal tax which is collected and paid with respect to the article which is the product of the United States is not in excess of that permitted by paragraph (2) of subsection (a) of this section such collection and payment shall not be regarded as in violation of said subsection (a). (Apr. 30, 1946, ch. 244, title III, § 321, 60 Stat. 150.)

SUSPENSION OF PROVISIONS

Sections as not applicable during such time as the revised agreement between the United States and the Philippines is in effect, see section 1373 of this title.

EFFECTIVE DATE

Effective date as May 1, 1946, see note set out under section 1251 of this title.

§ 1312. Prohibition of export taxes.

No export tax shall be imposed or collected by the Philippines on articles exported to the United States. (Apr. 30, 1946, ch. 244, title III, § 322, 60 Stat. 150.)

SUSPENSION OF PROVISIONS

Section as not applicable during such time as the revised agreement between the United States and the Philippines is in effect, see section 1373 of this title.

EFFECTIVE DATE

Effective date as May 1, 1946, see note set out under section 1251 of this title.

§ 1213. Exemption from taxes of articles for official use.

No processing tax or other internal tax shall be imposed or collected in the Philippines with re-

spect to articles coming into the Philippines for the official use of the United States Government or any department or agency thereof. (Apr. 30, 1946, ch. 244, title III, § 323, 60 Stat. 150.)

SUSPENSION OF PROVISIONS

Section as not applicable during such time as the revised agreement between the United States and the Philippines is in effect, see section 1373 of this title.

EFFECTIVE DATE

Effective date as May 1, 1946, see note set out under section 1251 of this title.

PART 4. IMMIGRATION

§ 1321. Certain United States citizens given non-quota status.

Any citizen of the United States who actually resided in the Philippines for a continuous period of three years during the period of forty-two months ending November 30, 1941, if entering the Philippines during the period from July 4, 1946, to July 3, 1951, both dates inclusive, for the purpose of resuming residence in the Philippines, shall, for the purposes of the immigration laws, be considered a non-quota immigrant. After such admission as a non-quota immigrant he shall, for the purposes of the immigration and naturalization laws, be considered as lawfully admitted to the Philippines for permanent residence. The benefits of this section shall also apply to his wife, if a citizen of the United States, and to his unmarried children under 18 years of age, if such wife or children are accompanying or following to join him during such period. (Apr. 30, 1946, ch. 244, title III, § 331, 60 Stat. 151.)

SUSPENSION OF PROVISIONS

Sections as not applicable during such time as the revised agreement between the United States and the Philippines is in effect, see section 1373 of this title.

EFFECTIVE DATE

Effective date as May 1, 1946, see note set out under section 1251 of this title.

CROSS REFERENCES

Definitions—

Lawfully admitted for permanent residence see section 1101 (a) (20) of Title 8, Aliens and Nationality.

Nonquota immigrant, see section 1101 (a) (27) of Title 8.

§ 1322. Immigration of United States citizens into the Philippines.

Citizens of the United States, admissible to the Philippines under the provisions required by section 1342 (e) of this title to be included as a part of the executive agreement made under subchapter III of this chapter, shall be entitled to enter the Philippines, in the numbers and during the periods of years, and to remain therein for the time, specified in that part of the agreement which embodies the provisions of section 1342 (e) of this title. (Apr. 30, 1946, ch. 244, title III, § 332, 60 Stat. 151.)

SUSPENSION OF PROVISIONS

Section as not applicable during such time as the revised agreement between the United States and the Philippines is in effect, see section 1373 of this title.

EFFECTIVE DATE

Effective date as May 1, 1946, see note set out under section 1251 of this title.

PART 5. GENERAL PROVISIONS

§ 1331. Rights of United States citizens and business enterprises in natural resources.

The disposition, exploitation, development, and utilization of all agricultural, timber, and mineral lands of the public domain, waters, minerals, coal, petroleum, and other mineral oils, all forces and sources of potential energy, and other natural resources of the Philippines, and the operation of public utilities, shall, if open to any person, be open to citizens of the United States and to all forms of business enterprise owned or controlled, directly or indirectly, by United States citizens. (Apr. 30, 1946, ch. 244, title III, § 341, 60 Stat. 151.)

SUSPENSION OF PROVISIONS

Sections as not applicable during such time as the revised agreement between the United States and the Philippines is in effect, see section 1373 of this title.

EFFECTIVE DATE

Effective date as May 1, 1946, see note set out under section 1261 of this title.

§ 1332. Currency stabilization.

The value of Philippine currency in relation to the United States dollar shall not be changed, the convertibility of pesos into dollars shall not be suspended, and no restrictions shall be imposed on the transfer of funds from the Philippines to the United States, except by agreement with the President of the United States. (Apr. 30, 1946, ch. 244, title III, § 342, 60 Stat. 151.)

SUSPENSION OF PROVISIONS

Section as not applicable during such time as the revised agreement between the United States and the Philippines is in effect, see section 1373 of this title.

EFFECTIVE DATE

Effective date as May 1, 1946, see note set out under section 1261 of this title.

§ 1333. Deposits of public money; acceptance by Secretary of Treasury; interest.

CODIFICATION

Section, acts June 11, 1934, ch. 445, 48 Stat. 929; Aug. 7, 1946, ch. 809, § 1, 60 Stat. 901, terminated on July 1, 1951, under the provisions of section 2 of act Aug. 7, 1946.

§ 1334. Allocation of quotas.

The allocation, reallocation, transfer, and assignment of quotas established by sections 1261, 1262 and 1264 of this title, shall be on the basis provided for in sections 1261—1266 of this title. (Apr. 30, 1946, ch. 244, title III, § 343, 60 Stat. 151.)

SUSPENSION OF PROVISIONS

Section as not applicable during such time as the revised agreement between the United States and the Philippines is in effect, see section 1373 of this title.

EFFECTIVE DATE

Effective date as May 1, 1946, see note set out under section 1261 of this title.

SUBCHAPTER III.—EXECUTIVE AGREEMENT BETWEEN UNITED STATES AND PHILIPPINES

§ 1341. Authorization of agreement.

The President of the United States is authorized (except as otherwise provided in sections 1342—1348 of this title) to enter into an executive agreement with the President of the Philippines providing for

the acceptance on the part of each country of the provisions of subchapter II and subchapter III of this chapter (except section 1291) of this title. The President of the United States is not authorized by this section to enter into such agreement unless it contains a provision that it shall not take effect—

(a) Unless and until the Congress of the Philippines accepts it by law; and

(b) Unless and until the Congress of the Philippines (in the act of acceptance, or separately) has enacted such legislation as may be necessary to make all the provisions of sections 1301—1332 and 1334 of this title take effect as laws of the Philippines, except (during the period prior to the amendment to the Constitution of the Philippines referred to in subsection (b) of section 1342 of this title) such provisions of section 1331 of this title as are in conflict with such constitution. (Apr. 30, 1946, ch. 244, title IV, § 401, 60 Stat. 151.)

SUSPENSION OF PROVISIONS

Sections as not applicable during such time as the revised agreement between the United States and the Philippines is in effect, see section 1373 of this title.

EFFECTIVE DATE

Effective date as May 1, 1946, see note set out under section 1261 of this title.

§ 1342. Obligations of Philippines.

The President of the United States is not authorized by section 1341 of this title to enter into such executive agreement unless in the agreement the Government of the Philippines agrees—

(a) That the Republic of the Philippines will continue in effect as laws of the Philippines, during the effectiveness of the agreement, the provisions of sections 1301—1332 and 1334 of this title except (for the period prior to the amendment of the Constitution of the Philippines referred to in subsection (b) of this section) such part of the provisions of section 1331 of this title as is in conflict with such constitution.

(b) That the Government of the Philippines will promptly take such steps as are necessary to secure the amendment of the Constitution of the Philippines so as to permit the taking effect as laws of the Philippines of such part of the provisions of section 1331 of this title as is in conflict with such constitution before such amendment.

(c) That the Republic of the Philippines will promptly enact, and keep in effect during the effectiveness of the agreement, such legislation as may be necessary—

(1) to supplement the legislation referred to in section 1341 (b) of this title, and to implement the provisions of sections 1301—1332 and 1334 of this title; and

(2) to put and keep in effect during the effectiveness of the agreement, the allocation, reallocation, transfer, and assignment of quotas on the basis provided for in sections 1261—1266 of this title.

(d) That the United States shall have the right to provide the basis for the allocation of the quotas established under that portion of the agreement which sets forth the provisions of section 1343 (c) of this title, and that, if the United States exercises such right, the Republic of the Philippines will

promptly enact, and keep in force during the period for which each such quota is established, such legislation as is necessary to put and keep in effect, on the basis provided by the United States, the allocation of such quotas.

(e) That there shall be permitted to enter the Philippines, without regard to any numerical limitations under the laws of the Philippines, in each of the years of a specified period of years, a specified number of citizens of the United States. The number of years (which shall not be less than five) the number of citizens of the United States (which shall not be less than one thousand) entitled to be so admitted in each year, and the length of time each shall be entitled to remain in the Philippines, shall be stated in the agreement.

(f) That the value of Philippine currency in relation to the United States dollar shall not be changed, the convertibility of pesos into dollars shall not be suspended, and no restrictions shall be imposed on the transfer of funds from the Philippines to the United States, except by agreement with the President of the United States. (Apr. 30, 1946, ch. 244, title IV, § 402, 60 Stat. 152.)

SUSPENSION OF PROVISIONS

Section as not applicable during such time as the revised agreement between the United States and the Philippines is in effect, see section 1373 of this title.

EFFECTIVE DATE

Effective date as May 1, 1946, see note set out under section 1251 of this title.

§ 1343. Obligations of United States.

The President of the United States is not authorized by section 1341 of this title to enter into such executive agreement unless in such agreement the Government of the United States agrees—

(a) That upon the taking effect of the agreement the provisions of subchapter I of this chapter—

(1) if in effect as laws of the United States at the time the agreement takes effect, shall continue in effect as laws of the United States during the effectiveness of the agreement; or

(2) if not so in effect at the time the agreement takes effect (because suspended under section 1352 of this title) shall take effect and continue in effect as laws of the United States during the effectiveness of the agreement.

(b) That the United States will promptly enact, and keep in effect during the effectiveness of the agreement, such legislation as may be necessary to supplement and implement the provisions of subchapter I of this chapter so continued in effect, or so made to take effect, as laws of the United States.

(c) That with respect to quotas on Philippine articles (other than the quotas established in sections 1261—1266 of this title, and other than quotas established in conjunction with quantitative limitations, applicable to products of all foreign countries, on imports of like articles), the United States will not establish any such quota for any period before January 1, 1948; and that, for any part of the period from January 1, 1948, to July 3, 1974, both dates inclusive, it will establish such a quota only if—

(1) the President of the United States, after investigation, finds that such Philippine articles are coming, or are likely to come, into substantial

competition with like articles the product of the United States; and

(2) the quota established for any Philippine article for any twelve-month period is not less than the amount determined by the President as the total amount of Philippine articles of such class which (during the twelve months ended on the last day of the month preceding the month in which occurs the date proclaimed by the President as the date of the beginning of the investigation) was entered, or withdrawn from warehouse, in the United States for consumption; or, if the quota is established for any period other than a twelve-month period, is not less than a proportionate amount.

(d) That during the effectiveness of the agreement the United States will not reduce the preference of 2 cents per pound provided in section 2470 of Title 26 (relating to processing taxes on coconut oil, etc.) with respect to articles "wholly the production of the Philippine Islands" or articles "produced wholly from materials the growth or production of the Philippine Islands"; except that it may suspend the provisions of subsection (a) (2) of said section during any period as to which the President of the United States, after consultation with the President of the Philippines, finds that adequate supplies of neither copra nor coconut oil, the product of the Philippines, are readily available for processing in the United States. (Apr. 30, 1946, ch. 244, title IV, § 403, 60 Stat. 153.)

SUSPENSION OF PROVISIONS

Section as not applicable during such time as the revised agreement between the United States and the Philippines is in effect, see section 1373 of this title.

REFERENCES IN TEXT

Section 2470 of Title 26 and subsection (a) (2) of said section, referred to in subsec. (d), are references to such section and subsection in Internal Revenue Code, 1939, which were repealed by section 7851 of Title 26, I. R. C. 1954, and are covered by sections 4511 and 4513 of said Title 26. For provision deeming a reference in other laws to a provision of I. R. C. 1939, also as a reference to corresponding provision of I. R. C. 1954, see section 7852 (b) of said Title 26.

EFFECTIVE DATE

Effective date as May 1, 1946, see note set out under section 1251 of this title.

§ 1344. Termination of agreement.

The President of the United States is not authorized by section 1341 of this title to enter into such executive agreement unless it provides—

(a) Termination in general.

That the agreement shall have no effect after July 3, 1974; and

(b) Termination by either party.

(1) that the agreement may be terminated by either party at any time, upon not less than five years' notice; and

(2) that if the President of the United States or the President of the Philippines determines and proclaims that the other country has adopted or applied measures or practices which would operate to nullify or impair any right or obligation provided for in such agreement, then the agreement may be terminated upon not less than six months' notice; and

(c) Termination or suspension by the United States.

(1) that if the President of the United States determines that a reasonable time for the making of the amendment to the Constitution of the Philippines referred to in section 1342 (b) of this title has elapsed, but that such amendment has not been made, he shall so proclaim and the executive agreement shall have no effect after the date of such proclamation; and

(2) that if the President of the United States determines and proclaims, after consultation with the President of the Philippines, that the Republic of the Philippines or any of its political subdivisions or the Philippine Government is in any manner discriminating against citizens of the United States or any form of United States business enterprise, then the United States shall have the right to suspend the effectiveness of the whole or any portion of the agreement; and

(3) that if the President of the United States determines and proclaims, after consultation with the President of the Philippines, that the discrimination which was the basis for the suspension under paragraph (2) of this subsection—

(A) has ceased, the suspension effected under said paragraph (2) shall end; or

(B) has not ceased after the lapse of a time determined by the President of the United States to be reasonable, then the United States shall have the right to terminate the agreement upon not less than six months' notice.

(Apr. 30, 1946, ch. 244, title IV, § 404, 60 Stat. 153.)

SUSPENSION OF PROVISIONS

Section as not applicable during such time as the revised agreement between the United States and the Philippines is in effect, see section 1373 of this title.

EFFECTIVE DATE

Effective date as May 1, 1946, see note set out under section 1251 of this title.

§ 1345. Effect of termination of agreement.

Upon the termination of the agreement as provided in section 1344 of this title, the provisions of subchapter I of this chapter shall cease to have effect as laws of the United States. (Apr. 30, 1946, ch. 244, title IV, § 405, 60 Stat. 154.)

SUSPENSION OF PROVISIONS

Section as not applicable during such time as the revised agreement between the United States and the Philippines is in effect, see section 1373 of this title.

EFFECTIVE DATE

Effective date as May 1, 1946, see note set out under section 1251 of this title.

§ 1346. Interpretation of agreement.

The President of the United States is not authorized by section 1341 of this title to enter into such executive agreement unless it provides that the acceptance of the provisions of subchapters I and II of this chapter on the understanding that the definitions, and provisions in the nature of definitions, contained in section 1360 of this title, shall apply in the interpretation of the provisions so accepted. (Apr. 30, 1946, ch. 244, title IV, § 406, 60 Stat. 154.)

SUSPENSION OF PROVISIONS

Section as not applicable during such time as the revised agreement between the United States and the Philippines is in effect, see section 1373 of this title.

EFFECTIVE DATE

Effective date as May 1, 1946, see note set out under section 1251 of this title.

§ 1347. Termination of authority to make agreement.

Whenever the President of the United States determines that a reasonable time for the entering into, acceptance and taking effect, of the executive agreement has elapsed, but that such agreement has not taken effect, he shall so proclaim, and thereupon his authority to enter into such executive agreement shall terminate, and the provisions of subchapter I of this chapter shall cease to have effect as laws of the United States. (Apr. 30, 1946, ch. 244, title IV, § 407, 60 Stat. 154.)

SUSPENSION OF PROVISIONS

Section as not applicable during such time as the revised agreement between the United States and the Philippines is in effect, see section 1373 of this title.

EFFECTIVE DATE

Effective date as May 1, 1946, see note set out under section 1251 of this title.

§ 1348. Effective date of agreement.

When the President of the United States determines that the executive agreement entered into under section 1341 of this title has been accepted by the Congress of the Philippines by law and that the Congress of the Philippines has enacted the legislation the enactment of which is, under said section, a condition precedent to the taking effect of the agreement, he shall so proclaim, and in his proclamation specify the effective date of the agreement. (Apr. 30, 1946, ch. 244, title IV, § 408, 60 Stat. 154.)

SUSPENSION OF PROVISIONS

Section as not applicable during such time as the revised agreement between the United States and the Philippines is in effect, see section 1373 of this title.

EFFECTIVE DATE

Effective date as May 1, 1946, see note set out under section 1251 of this title.

**SUBCHAPTER IV.—GENERAL PROVISIONS
RELATING TO TRADE RELATIONS****§ 1351. Suspension and termination of agreement in case of discrimination.****(a) Suspension.**

If the President of the United States determines, after consultation with the President of the Philippines, that the Republic of the Philippines or any of its political subdivisions or the Philippine Government is in any manner discriminating against citizens of the United States or any form of United States business enterprise, he shall so proclaim, and thereupon the effectiveness of the agreement, or such part thereof as he may in the proclamation specify as necessary in order adequately to protect the interests of the United States, shall be suspended.

(b) Termination of suspension.

If the President of the United States, after consultation with the President of the Philippines, determines that the discrimination which was the basis for the suspension under subsection (a) of this section has ceased, he shall so proclaim, and thereupon the suspension effected under said subsection (a) shall end.

(c) Termination of agreement.

If the President of the United States, after consultation with the President of the Philippines, determines that such discrimination has not ceased, after the lapse of a time determined by him to be reasonable, he shall so proclaim and give to the Philippine Government notice of the intention of the United States to terminate the agreement.

(d) Laws of the United States.**(1) In case of suspension.**

If the effectiveness of the agreement is suspended under subsection (a) of this section, the provisions of subchapter I of this chapter shall cease to have effect as laws of the United States during the period of the suspension. If the suspension is of the effectiveness of only part of the agreement, then such provisions of said sections as the President may in his proclamation under subsection (a) of this section specify as necessary adequately to protect the interests of the United States, shall cease to have effect as laws of the United States during the period of this suspension.

(2) In case of termination.

If the agreement is terminated under subsection (c) of this section, the provisions of subchapter I of this chapter shall cease to have effect as laws of the United States. (Apr. 30, 1946, ch. 244, title V, § 501, 60 Stat. 155.)

SUSPENSION OF PROVISIONS

Sections as not applicable during such time as the revised agreement between the United States and the Philippines is in effect, see section 1373 of this title.

EFFECTIVE DATE

Effective date as May 1, 1946, see note set out under section 1251 of this title.

§ 1352. Suspension of subchapter I.

If the President finds that, during the period after July 3, 1946, and before the taking effect of the executive agreement provided for in subchapter III of this chapter, the Government of the Philippines is not putting into effect, or making every effort to put into effect, to the fullest extent possible under its Constitution, the provisions of subchapter II of this chapter, or is not providing for the allocation of quotas on the basis provided in sections 1261, 1262, or 1264 of this title, he shall so proclaim. On the day following the date of such proclamation, such provisions of subchapter I of this chapter shall be suspended as he may in the proclamation specify as necessary in order adequately to protect the interests of the United States. Such suspension shall continue until the taking effect of the executive agreement provided for in subchapter III of this chapter, whereupon the suspension shall terminate and the suspended provisions shall again take effect and continue in effect as laws of the United States during the effectiveness of the agreement. (Apr. 30, 1946, ch. 244, title V, § 502, 60 Stat. 155.)

SUSPENSION OF PROVISIONS

Section as not applicable during such time as the revised agreement between the United States and the Philippines is in effect, see section 1373 of this title.

EFFECTIVE DATE

Effective date as May 1, 1946, see note set out under section 1251 of this title.

§ 1353. Customs duties on importations from Philippines.

Articles coming or imported into the United States from the Philippines, and Philippine products coming or imported into the United States, shall, except as otherwise provided with respect to Philippine articles by subchapter I of this chapter during the period said subchapter I is in effect—

(1) If entered, or withdrawn from warehouse, in the United States for consumption, during the period from May 1, 1946 to July 3, 1946, both dates inclusive, be subject to the same duties as like articles coming or imported into the United States from foreign countries, except Cuba; and

(2) If so entered or withdrawn during the period after July 3, 1946, be subject to the same duties as like articles coming or imported into the United States from other foreign countries, except Cuba.

(Apr. 30, 1946, ch. 244, title V, § 503, 60 Stat. 156.)

SUSPENSION OF PROVISIONS

Section as not applicable during such time as the revised agreement between the United States and the Philippines is in effect, see section 1373 of this title.

EFFECTIVE DATE

Effective date as May 1, 1946, see note set out under section 1251 of this title.

§ 1354. Quotas on Philippine articles.**(a) Establishment by President.**

After the executive agreement referred to in subchapter III of this chapter has taken effect, then whenever the President of the United States, after the investigation by the United States Tariff Commission provided for in subsection (d) of this section, finds, with respect to any Philippines' articles (other than those for which quotas are established by sections 1261—1266 of this title), that they are coming, or likely to come, into substantial competition with like articles which are the product of the United States he shall so proclaim, and in his proclamation shall establish the total amount of such Philippine articles which may in each of specified periods be entered, or withdrawn from warehouse, in the United States for consumption. If he finds that the allocation of any quota so established is necessary to make the application of the quota just and reasonable between the United States and the Philippines, he shall, in such proclamation or a subsequent proclamation, provide the basis for such allocation.

(b) Maximum and minimum quotas.

No quota shall be established under subsection (a) of this section, with respect to a Philippine article, which is greater than the amount of such article which in each of such specified periods the President determines may be so entered or withdrawn from warehouse without coming into substantial competition with like articles which are the product of the United States; except that in no case shall the quota be less than the minimum amount provided in that portion of such executive agreement which sets forth the provisions of section 1343 (c) (2) of this title.

¹ So in original. Probably should read "Philippine".

(c) Duration of quotas.

Any quota established pursuant to this section shall become effective at such time as the President shall designate (but not before January 1, 1948), and shall continue in effect until the President, after investigation, finds and proclaims that the conditions which gave rise to the establishment of such quota no longer exist, but no such quota shall continue in effect after the termination of the executive agreement provided for in subchapter III of this chapter.

(d) Investigations by tariff commission.

The United States Tariff Commission shall at the request of the President, upon resolution of either House of Congress or concurrent resolution of both Houses of Congress, upon its own motion, or when in its judgment there is good reason therefor, upon application of any interested party, make an investigation to ascertain (1) whether imports of a Philippine article (other than an article for which a quota is established by sections 1261—1266 of this title) are coming, or are likely to come, into substantial competition with like articles which are the product of the United States; (2) what is the greatest amount of such article which may be entered, or withdrawn from warehouse, in the United States for consumption, without coming into substantial competition with like articles which are the product of the United States; and (3) the total amount of such article which (during the twelve months ended on the last day of the month preceding the month in which occurs the date of the beginning of the investigation) was entered, or withdrawn from warehouse, in the United States for consumption. During the course of the investigation the Commission shall hold a public hearing, of which reasonable public notice shall be given and at which parties interested shall be afforded reasonable opportunity to be present, to produce evidence, and to be heard. The Commission shall give precedence to such investigations. The Commission shall report the results of its investigations to the President, and shall send copies of such report to each House of the Congress. (Apr. 30, 1940, ch. 244, title V, § 504, 60 Stat. 156.)

SUSPENSION OF PROVISIONS

Section as not applicable during such time as the revised agreement between the United States and the Philippines is in effect, see section 1373 of this title.

EFFECTIVE DATE

Effective date as May 1, 1946, see note set out under section 1251 of this title.

§ 1355. Suspension of processing tax on coconut oil.

Whenever the President, after consultation with the President of the Philippines, finds that adequate supplies of neither copra nor coconut oil, the product of the Philippines, are readily available for processing in the United States, he shall so proclaim, and after the date of such proclamation the provisions of section 2470 (a) (2) of Title 26 shall be suspended until the expiration of 30 days after he proclaims that, after consultation with the President of the Philippines, he has found that such adequate supplies are so readily available. (Apr. 30, 1946, ch. 244, title V, § 505 (b), 60 Stat. 157.)

SUSPENSION OF PROVISIONS

Section as not applicable during such time as the revised agreement between the United States and the Philippines is in effect, see section 1373 of this title.

REFERENCES IN TEXT

Section 2470 (a) (2) of Title 26, referred to in the text, is a reference to section 2470 (a) (2) of the Internal Revenue Code, 1939, which was repealed by section 7851 of Title 26, I. R. C. 1954, and is covered by section 4511 (b), (c) of said Title 26. For provision deeming a reference in other laws to a provision of I. R. C. 1939, also as a reference to corresponding provision of I. R. C. 1954, see section 7852 (b) of said Title 26.

EFFECTIVE DATE

Effective date as May 1, 1946, see note set out under section 1251 of this title.

TERMINATION OF SUSPENSION OF ADDITIONAL RATE ON COCONUT OIL

By Proc. No. 2847, July 28, 1949, 14 F. R. 4773, 63 Stat. 1279, the President found that "adequate supplies of copra and coconut oil, the product of the Philippines, are readily available for processing in the United States" and that upon the expiration of 30 days from July 28, 1949, the suspension of the provisions of section 2470 (a) (2) of Title 26 I. R. C. 1939, will be terminated.

SUSPENSION PROCLAMATION

By Proc. No. 2693, June 28, 1946, 11 F. R. 7255, 60 Stat. 1349, the President found that "adequate supplies of neither copra nor coconut oil, the product of the Philippines, are readily available for processing in the United States," and therefore the provisions of section 2470 (a) (2) of Title 26 I. R. C. 1939, are suspended.

§ 1356. Termination of payments into Philippine treasury.

Notwithstanding the provisions of section 4 of the Act of March 8, 1902 (32 Stat. 54, ch. 140), or of section 19 of the Act of March 24, 1934 (48 Stat. 456, ch. 84), as added to such Act by section 6 of the Act of August 7, 1939 (53 Stat. 1232, ch. 502), or of the Act of November 8, 1945 (59 Stat. 577, ch. 454) or of any other provision of law, the proceeds of any duties or taxes, collected subsequent to July 3, 1946, which but for the enactment of subchapters I—IV of this chapter, sections 2470 (a) (2) and 2800 (a) (4) (B) of Title 26, and section 734 of Title 48 would be required to be paid into the general funds of the Treasury of the Philippines or would be held in separate or special funds and paid into the Treasury of the Philippines, shall be covered into the general fund of the Treasury of the United States. (Apr. 30, 1946, ch. 244, title V, § 506 (a), 60 Stat. 157.)

SUSPENSION OF PROVISIONS

Section as not applicable during such time as the revised agreement between the United States and the Philippines is in effect, see section 1373 of this title.

REFERENCES IN TEXT

Section 4 of the Act of March 8, 1902 (32 Stat. 54, ch. 140), referred to in text, was not classified to the Code.

Section 19 of the act of March 24, 1934 (48 Stat. 456, ch. 84), as added to such act by section 6 of the act of August 7, 1939 (53 Stat. 1232, ch. 502), referred to in text, was classified to former section 1248 of Title 48, Territories and Insular Possessions.

Act of November 8, 1945 (59 Stat. 577, ch. 454), referred to in text, was classified to former section 1249 of Title 48, Territories and Insular Possessions.

Sections 2470 (a) (2) and 2800 (a) (4) (B) of Title 26, referred to in the text, are references to sections 2470 (a) (2) and 2800 (a) (4) (B) of the Internal Revenue Code, 1939, which were repealed by Section 7851 of Title 26, I. R. C. 1954, and are covered by sections 4511 (b), (c) and 5001 (a) (4), 5007 (c), respectively, of said Title 26. For provision deeming a reference in other laws to

a provision of I. R. C. 1939, also as a reference to corresponding provision of I. R. C. 1954, see section 7852 (b) of said Title 26.

EFFECTIVE DATE

Effective date as May 1, 1946, see note set out under section 1251 of this title.

§ 1357. Trade agreements with the Philippines.

Until July 4, 1974, no trade agreement shall be made with the Philippines under section 1351 of Title 19, unless, prior to such time, the President of the United States has made the proclamation provided for in section 1347 of this title, or the executive agreement provided for in subchapter III of this chapter has been terminated. (Apr. 30, 1946, ch. 244, title V, § 508, 60 Stat. 158.)

SUSPENSION OF PROVISIONS

Section as not applicable during such time as the revised agreement between the United States and the Philippines is in effect, see section 1373 of this title.

EFFECTIVE DATE

Effective date as May 1, 1946, see note set out under section 1251 of this title.

§ 1358. Rights of third countries.

The benefits granted by subchapters I—IV of this chapter, and by the executive agreement provided for in subchapter III of this chapter, to the Philippines, Philippine articles or products, and Philippine citizens, shall not, by reason of any provision of any existing treaty or agreement with any third country, be extended to such country or its products, citizens, or subjects. (Apr. 30, 1946, ch. 244, title V, § 509, 60 Stat. 158.)

SUSPENSION OF PROVISIONS

Section as not applicable during such time as the revised agreement between the United States and the Philippines is in effect, see section 1373 of this title.

EFFECTIVE DATE

Effective date as May 1, 1946, see note set out under section 1251 of this title.

§ 1359. Administration of subchapter I.

(a) The provisions of sections 1251—1274 of this title shall be administered as parts of the customs and internal revenue laws of the United States.

(b) The provisions of section 1281 of this title shall be administered as a part of the immigration laws of the United States. (Apr. 30, 1946, ch. 244, title V, § 510, 60 Stat. 158.)

SUSPENSION OF PROVISIONS

Section as not applicable during such time as the revised agreement between the United States and the Philippines is in effect, see section 1373 of this title.

EFFECTIVE DATE

Effective date as May 1, 1946, see note set out under section 1251 of this title.

§ 1360. Definitions.

(a) For the purposes of subchapters I—IV of this chapter—

(1) The term "person" includes partnerships, corporations, and associations.

(2) The term "United States", when used in a geographical sense, means the States, the District of Columbia, the Territories of Alaska and Hawaii, and Puerto Rico.

(3) The term "ordinary customs duty" means a customs duty based on the article as such

(whether or not such duty is also based in any manner on the use, value, or method of production of the article, or on the amount of like articles imported, or on any other factor); but does not include—

(A) a customs duty based on an act or omission of any person with respect to the importation of the article, or of the country from which the article is exported, or from which it comes; or

(B) a countervailing duty imposed to offset a subsidy, bounty, or grant; or

(C) an anti-dumping duty imposed to offset the selling of merchandise for exportation at a price less than the prevailing price in the country of export; or

(D) any tax, fee, charge, or exaction, imposed on or in connection with importation unless the law of the country imposing it designates or imposes it as a customs duty or contains a provision to the effect that it shall be treated as a duty imposed under the customs laws; or

(E) the tax imposed by section 2491 (c) of Title 26 with respect to an article, merchandise, or combination, 10 per centum or more of the quantity by weight of which consists of, or is derived directly or indirectly from, one or more of the oils, fatty acids, or salts specified in section 2470 of Title 26; or the tax imposed by section 3500 of Title 26.

(4) The term "Philippine article" means an article which is the product of the Philippines, unless, in the case of an article produced with the use of materials imported into the Philippines from any foreign country (except the United States) the aggregate value of such imported materials at the time of importation into the Philippines was more than twenty per centum of the value of the article imported into the United States, the value of such article to be determined in accordance with, and as of the time provided by, the customs laws of the United States in effect at the time of importation of such article. As used in this paragraph the term "value", when used in reference to a material imported into the Philippines, includes the value of the material ascertained under the customs laws of the Philippines in effect at the time of importation into the Philippines, and, if not included in such value, the cost of bringing the material to the Philippines, but does not include the cost of landing it at the port of importation, or customs duties collected in the Philippines. For the purposes of this paragraph any imported material, used in the production of an article in the Philippines, shall be considered as having been used in the production of an article subsequently produced in the Philippines, which is the product of a chain of production in the Philippines in the course of which an article, which is the product of one stage of the chain, is used by its producer or another person, in a subsequent stage of the chain, as a material in the production of another article.

(5) The term "United States article" means an article which is the product of the United States, unless, in the case of an article produced with the

use of materials imported into the United States from any foreign country (except the Philippines) the aggregate value of such imported materials at the time of importation into the United States was more than twenty per centum of the value of the article imported into the Philippines, the value of such article to be determined in accordance with, and as of the time provided by, the customs laws of the Philippines in effect at the time of importation of such article. As used in this paragraph the term "value", when used in reference to a material imported into the United States, includes the value of the material ascertained under the customs laws of the United States in effect at the time of importation into the United States, and, if not included in such value, the cost of bringing the material to the United States, but does not include the cost of landing it at the port of importation, or customs duties collected in the United States. For the purposes of this paragraph any imported material, used in the production of an article in the United States, shall be considered as having been used in the production of an article subsequently produced in the United States, which is the product of a chain of production in the United States in the course of which an article, which is the product of one stage of the chain, is used by its producer or another person, in a subsequent stage of the chain, as a material in the production of another article.

(6) The term "United States duty" means the rate or rates of ordinary customs duty which (at the time and place of entry, or withdrawal from warehouse, in the United States for consumption, of the Philippine article) would be applicable to a like article if imported from that foreign country which is entitled to the lowest rate, or the lowest aggregate of rates, of ordinary customs duty with respect to such like article.

(7) The term "Philippine duty" means the rate or rates of ordinary customs duty which (at the time and place of entry, or withdrawal from warehouse, in the Philippines for consumption, of the United States article) would be applicable to a like article if imported from that foreign country which is entitled to the lowest rate, or the lowest aggregate of rates, of ordinary customs duty with respect to such like article.

(8) The term "internal tax" includes an internal fee, charge, or exaction, and includes—

(A) the tax imposed by section 2491 (c) of Title 26 with respect to an article, merchandise, or combination, 10 per centum or more of the quantity by weight of which consists of, or is derived directly or indirectly from, one or more of the oils, fatty acids, or salts specified in section 2470 of Title 26; and the tax imposed by section 3500 of Title 26; and

(B) any other tax, fee, charge, or exaction, imposed on or in connection with importation unless the law of the country imposing it designates or imposes it as a customs duty or contains a provision to the effect that it shall be treated as a duty imposed under the customs laws.

(b) For the purposes of sections 1271 (b) and 1311 (b) of this title, any material, used in the production of an article, shall be considered as having been used in the production of an article subsequently produced, which is the product of a chain of production in the course of which an article, which is the product of one stage of the chain, is used by its producer or another person, in a subsequent stage of the chain, as a material in the production of another article.

(c) For the purposes of paragraphs (6) and (7) of subsection (a) of this section—

(1) if an article is entitled to be imported from a foreign country free of ordinary customs duty, that country shall be considered as the country entitled to the lowest rate of ordinary customs duty with respect to such article; and

(2) a reduction in ordinary customs duty granted any country, by law, treaty, trade agreement, or otherwise, with respect to any article, shall be converted into the equivalent reduction in the rate of ordinary customs duty otherwise applicable to such article.

(d) The terms "includes" and "including" when used in a definition contained in subchapters I—IV of this chapter shall not be deemed to exclude other things otherwise within the meaning of the term defined. (Apr. 30, 1946, ch. 244, title I, § 2, 60 Stat. 141.)

SUSPENSION OF PROVISIONS

Section as not applicable during such time as the revised agreement between the United States and the Philippines is in effect, see section 1373 of this title.

REFERENCES IN TEXT

Sections 2470, 2491 (c) and 3500 of Title 26, referred to in subsec. (a) (3) (E) and (a) (8) (A), are references to sections 2470, 2491 (c) and 3500 of the Internal Revenue Code, 1939, which were repealed by section 7851 of Title 26, I. R. C. 1954, and are covered by sections 4511 and 4513, 4561, 4562, 4571, 4572, 4581, and 4582; and 4501, respectively, of said Title 26. For provision deeming a reference in other laws to a provision of I. R. C. 1939, also as a reference to corresponding provision of I. R. C. 1954, see section 7852 (b) of said title 26.

EFFECTIVE DATE

Effective date as May 1, 1946, see note set out under section 1251 of this title.

SUBCHAPTER IVA.—TRADE RELATIONS UNDER REVISED AGREEMENT

§ 1371. Revised agreement; definition.

For purposes of this subchapter, the term "revised agreement" means the executive agreement concerning trade and related matters entered into by the President of the United States and the President of the Philippines on July 4, 1946, as such executive agreement is revised pursuant to the authority contained in section 1372 of this title. (Aug. 1, 1955, ch. 438, title II, § 201, 69 Stat. 413.)

SHORT TITLE

Congress in enacting this subchapter, and amending section 734 of Title 48, Territories and Insular Possessions, provided by section 1 of act Aug. 1, 1955, that this subchapter and the amendment should popularly be known as the "Philippine Trade Agreement Revision Act of 1955".

§ 1372. Authorization to revise agreement.

In order to make revisions proposed by the delegations of the Government of the United States of

America and of the Republic of the Philippines in the "Final Act of negotiations Relative to Revision of the 1946 Trade Agreement Between the United States of America and the Republic of the Philippines" signed at Washington, December 15, 1954, as corrected, the President of the United States is authorized to enter into an agreement with the President of the Philippines revising the executive agreement concerning trade and related matters entered into by the President of the United States and the President of the Philippines on July 4, 1946. (Aug. 1, 1955, ch. 438, title II, § 201, 69 Stat. 413.)

CODIFICATION

Section is from part of section 201 of act Aug. 1, 1955. Remainder of section 201 is set out as a note under this section.

REVISED AGREEMENT BETWEEN UNITED STATES AND PHILIPPINES

Section 201 of act Aug. 1, 1955, provided in part that the executive agreement concerning trade and related matters entered into by the President of the United States and the President of the Philippines on July 4, 1946, should be revised to read as follows:

"AGREEMENT BETWEEN THE UNITED STATES OF AMERICA AND THE REPUBLIC OF THE PHILIPPINES CONCERNING TRADE AND RELATED MATTERS DURING A TRANSITIONAL PERIOD FOLLOWING THE INSTITUTION OF PHILIPPINE INDEPENDENCE, SIGNED AT MANILA ON JULY 4, 1946, AS REVISED"

"The President of the United States of America and the President of the Republic of the Philippines, mindful of the close economic ties between the people of the United States and the people of the Philippines during many years of intimate political relations, and desiring to enter into an agreement in keeping with their long friendship, which will be mutually beneficial to the two peoples and will strengthen the economy of the Philippines so as to enable that Republic to contribute more effectively to the peace and prosperity of the free world, have agreed to the following Articles:

"ARTICLE I

"1. The ordinary customs duty to be collected on United States articles as defined in Subparagraph (e) of Paragraph 1 of the Protocol, which during the following portions of the period from January 1, 1956, to July 3, 1974, both dates inclusive, are entered, or withdrawn from warehouse, in the Philippines for consumption, shall be determined by applying the following percentages of the Philippine duty as defined in Subparagraph (h) of Paragraph 1 of the Protocol:

"(a) During the period from January 1, 1956, to December 31, 1958, both dates inclusive, twenty-five per centum.

"(b) During the period from January 1, 1959, to December 31, 1961, both dates inclusive, fifty per centum.

"(c) During the period from January 1, 1962, to December 31, 1964, both dates inclusive, seventy-five per centum.

"(d) During the period from January 1, 1965, to December 31, 1973, both dates inclusive, ninety per centum.

"(e) During the period from January 1, 1974, to July 3, 1974, both dates inclusive, one hundred per centum.

"2. The ordinary customs duty to be collected on Philippine articles as defined in Subparagraph (f) of Paragraph 1 of the Protocol, other than those specified in the Schedule to Paragraph 2 of Article II, which during such portions of such period are entered, or withdrawn from warehouse, in the United States for consumption, shall be determined by applying the following percentages of the United States duty as defined in Subparagraph (g) of Paragraph 1 of the Protocol:

"(a) During the period from January 1, 1956, to December 31, 1958, both dates inclusive, five per centum.

"(b) During the period from January 1, 1959, to December 31, 1961, both dates inclusive, ten per centum.

"(c) During the period from January 1, 1962, to December 31, 1964, both dates inclusive, twenty per centum.

"(d) During the period from January 1, 1965, to December 31, 1967, both dates inclusive, forty per centum.

"(e) During the period from January 1, 1968, to December 31, 1970, both dates inclusive, sixty per centum.

"(f) During the period from January 1, 1971, to December 31, 1973, both dates inclusive, eighty per centum.

"(g) During the period from January 1, 1974, to July 3, 1974, both dates inclusive, one hundred per centum.

"3. Custom duties on United States articles, and on Philippine articles, other than ordinary customs duties, shall be determined without regard to the provisions of Paragraphs 1 and 2 of this Article, but shall be subject to the provisions of Paragraph 4 of this Article.

"4. With respect to United States articles imported into the Philippines, and with respect to Philippine articles imported into the United States, no duty on or in connection with importation shall be collected or paid in an amount in excess of the duty imposed with respect to like articles which are the product of any other foreign country, or collected or paid in any amount if the duty is not imposed with respect to such like articles. As used in this Paragraph, the term 'duty' includes taxes, fees, charges, or exactions, imposed on or in connection with importation, but does not include internal taxes or ordinary customs duties.

"5. With respect to products of the United States which do not come within the definition of United States articles, imported into the Philippines, no duty on or in connection with importation shall be collected or paid in an amount in excess of the duty imposed with respect to like articles which are the product of any other foreign country, or collected or paid in any amount if the duty is not imposed with respect to such like articles which are the product of any other foreign country. As used in this Paragraph the term 'duty' includes taxes, fees, charges, or exactions, imposed on or in connection with importation, but does not include internal taxes.

"6. With respect to products of the Philippines, which do not come within the definition of Philippine articles, imported into the United States, no duty on or in connection with importation shall be collected or paid in an amount in excess of the duty imposed with respect to like articles which are the product of any other foreign country (except Cuba), or collected or paid in any amount if the duty is not imposed with respect to such like articles which are the product of any other foreign country (except Cuba). As used in this Paragraph the term 'duty' includes taxes, fees, charges, or exactions, imposed on or in connection with importation, but does not include internal taxes.

"7. Notwithstanding the provisions of Paragraph 1 of this Article, the Philippines shall impose a temporary special import tax, in lieu of the present tax on the sale of foreign exchange, on any article or product imported or brought into the Philippines, irrespective of source; provided that such special levy is applied in a non-discriminatory manner pursuant to Paragraphs 4 and 5 of this Article, that the initial tax is at a rate no higher than the present rate of the foreign exchange tax, and that the tax shall be progressively reduced at a rate no less rapid than that specified in the following Schedule. If, as a result of applying this Schedule, the total revenue from Philippine customs duties and from the special import tax on goods coming from the United States is less in any calendar year than the proceeds from the exchange tax on such goods during the calendar year 1955, no reduction need be made in the special import tax for the next succeeding calendar year, and, if necessary to restore revenues collected on the importation of United States goods to the level of the exchange tax on such goods in calendar year 1955, the Philippines may increase the rate for such succeeding calendar year to any previous level provided for in this Schedule which is considered to be necessary to restore such revenues to the amount collected from the exchange tax on United States goods in calendar year 1955. Rates for the special import levy in subsequent years shall be fixed in accordance with the schedules specified in this Article, except as the Philippine Government may determine that higher rates are necessary to maintain the above-mentioned level of revenues from the importation of United States goods.

In this event, such rate shall be determined by the Philippine Government, after consultation with the United States Government, at a level of the Schedule calculated to cover any anticipated deficiency arising from the operation of this provision.

"SCHEDULE FOR REDUCING SPECIAL IMPORT TAX

- "(a) After December 31, 1956, ninety per centum.
- "(b) After December 31, 1957, eighty per centum.
- "(c) After December 31, 1958, seventy per centum.
- "(d) After December 31, 1959, sixty per centum.
- "(e) After December 31, 1960, fifty per centum.
- "(f) After December 31, 1961, forty per centum.
- "(g) After December 31, 1962, thirty per centum.
- "(h) After December 31, 1963, twenty per centum.
- "(i) After December 31, 1964, ten per centum.
- "(j) On and after January 1, 1966, nil.

"ARTICLE II

"1. During the period from January 1, 1956, to December 31, 1973, both dates inclusive, the total amount of the articles falling within one of the classes specified in Items A and A-1 of the Schedule to this Paragraph, which are Philippine articles as defined in Subparagraph (f) of Paragraph 1 of the Protocol, and which, in any calendar year, may be entered, or withdrawn from warehouse, in the United States for consumption, shall not exceed the amounts specified in such Schedule as to each class of articles. During the period from January 1, 1956, to December 31, 1973, both dates inclusive, the total amount of the articles falling within the class specified in Item B of the Schedule to this paragraph which are the product of the Philippines, and which, in any calendar year, may be entered, or withdrawn from warehouse, in the United States for consumption, shall not exceed the amount specified in such Schedule as to such class of articles. During the period from January 1, 1974, to July 3, 1974, both dates inclusive, the total amounts referred to in the preceding sentences of this Paragraph shall not exceed one-half of the amount specified in such Schedule with respect to each class of articles, respectively. The establishment herein of the limitations on the amounts of Philippine raw and refined sugar that may be entered, or withdrawn from warehouse, in the United States for consumption, shall be without prejudice to any increases which the Congress of the United States might allocate to the Philippines in the future. The following Schedule to Paragraph 1 shall constitute an integral part thereof:

"SCHEDULE OF ABSOLUTE QUOTAS

| Item | Classes of Articles | Amounts |
|----------|--|--------------------|
| A..... | Sugars..... | 952,000 short tons |
| A-1..... | of which not to exceed..... may be refined sugars, meaning "direct-consumption sugar" as defined in Section 101 of the Sugar Act of 1948, as amended [section 1101 of Title 7], of the United States which is set forth in part as Annex I to this Agreement. | 56,000 short tons |
| B..... | Cordage, including yarns, twines (including binding twine described in Paragraph 1622 of the Tariff Act of 1930 of the United States, as amended [section 1201, par. 1622 of Title 19], which is set forth as Annex II to this Agreement), cords, cordage, rope, and cable, tarred or untarred, wholly or in chief value of manilla (abaca) or other hard fiber. | 6,000,000 lbs. |

"2. Philippine articles as defined in Subparagraph (f) of Paragraph 1 of the Protocol falling within one of the classes specified in the items included in the Schedule to this Paragraph, which, during the following portions of the period from January 1, 1956, to December 31, 1973, both dates inclusive, are entered, or withdrawn from warehouse, in the United States for consumption, shall be free of ordinary customs duty, in quantities determined by applying the following percentages to the amounts specified in such Schedule as to each such class of articles:

- "(a) During each of the calendar years 1956 to 1958, inclusive, ninety-five per centum.
- "(b) During each of the calendar years 1959 to 1961, inclusive, ninety per centum.
- "(c) During each of the calendar years 1962 to 1964, inclusive, eighty per centum.
- "(d) During each of the calendar years 1965 to 1967, inclusive, sixty per centum.

"(e) During each of the calendar years 1968 to 1970, inclusive, forty per centum.

"(f) During each of the calendar years 1971 to 1973, inclusive, twenty per centum.

"(g) On and after January 1, 1974, nil.

The following Schedule to Paragraph 2 shall constitute an integral part thereof:

"SCHEDULE OF TARIFF QUOTAS

| Item | Classes of Articles | Amounts |
|--------|--|--------------------|
| A..... | Cigars (exclusive of cigarettes, cheroots of all kinds, and paper cigars and cigarettes, including wrappers). | 200,000,000 cigars |
| B..... | Scrap tobacco, and stemmed and unstemmed filler tobacco described in Paragraph 602 of the Tariff Act of 1930 of the United States, as amended [section 1001, par. 602 of Title 19], which is set forth as Annex III to this Agreement. | 6,500,000 lbs. |
| C..... | Coconut oil..... | 200,000 long tons |
| D..... | Buttons of pearl or shell..... | 850,000 gross |

The quantities shown in the Schedule to this Paragraph represent base quantities for the purposes of computing the tariff-free quota and are not absolute quotas. Any such Philippine article so entered, or withdrawn from warehouse, in excess of the duty-free quota provided in this Paragraph shall be subject to one hundred per centum of the United States duty as defined in Subparagraph (g) of Paragraph 1 of the Protocol.

"ARTICLE III

"1. Except as otherwise provided in Article II or in Paragraph 2 of this Article, neither country shall impose restrictions or prohibitions on the importation of any article of the other country, or on the exportation of any article to the territories of the other country, unless the importation of the like article of, or the exportation of the like article to, all third countries is similarly restricted or prohibited. If either country imposes quantitative restrictions on the importation or exportation of any article in which the other country has an important interest and if it makes allotments to any third country, it shall afford such other country a share proportionate to the amount of the article, by quantity or value, supplied by or to it during a previous representative period, due consideration being given to any special factors affecting the trade in such article.

"2. (a) Notwithstanding the provisions of Paragraph 1 of this Article, with respect to quotas on United States articles as defined in Subparagraph (e) of Paragraph 1 of the Protocol or with respect to quotas on Philippine articles as defined in Subparagraph (f) of Paragraph 1 of the Protocol (other than the articles for which quotas are provided in Paragraph 1 of Article II) a quota may be established only if—

"(1) The President of the country desiring to impose the quota, after investigation, finds and proclaims that, as the result of preferential treatment accorded pursuant to this Agreement any article of the other country is being imported in such increased quantities and under such conditions as to cause or threaten serious injury to domestic producers of like or directly competitive articles; or

"(2) The President of the country desiring to impose the quota finds that such action is necessary to forestall the imminent threat of, or to stop, a serious decline in its monetary reserves, or, in the event its monetary reserves are very low, to achieve a reasonable rate of increase in its reserves.

"(b) Any quota imposed for any twelve-month period under (a) (1) above for the purpose of protecting domestic industry shall not be less than the amount determined by the President of the importing country as the total amount of the articles of such class which, during the twelve months preceding entry into effect of the quota, was entered, or withdrawn from warehouse, for consumption, after deduction of the amount by which he finds domestic production can be increased during the twelve-month period of the quota; or if the quota is established for any period other than a twelve-month period, it shall not be less than a proportionate amount.

"(c) Each Party agrees not to apply restrictions so as to prevent unreasonably the importation of any description of goods in minimum commercial quantities, the exclusion of which would seriously impair regular channels of trade, or restrictions which would prevent the importa-

tion of commercial samples, or prevent compliance with patent, trademark, copyright, or similar procedures.

"(d) Any quota established pursuant to this Paragraph shall not continue in effect longer than necessary to achieve the purposes for its imposition, at which time the President of the country imposing the quota, following investigation, shall find and proclaim that the conditions which gave rise to the establishment of such quota no longer exist.

"3. Either country taking action pursuant to the provisions of this Article shall give notice to the other country as far in advance as may be practicable, and shall afford it an opportunity to consult in respect of the proposed action. It is understood that this right of consultation does not imply that the consent of the other country to the establishment of the quota is needed in order for the quota to be put into effect.

"ARTICLE IV

"1. With respect to articles which are products of the United States coming into the Philippines, or with respect to articles manufactured in the Philippines wholly or in part from such articles, no internal tax shall be—

"(a) Collected or paid in an amount in excess of the internal tax imposed with respect to like articles which are the product of the Philippines, or collected or paid in any amount if the internal tax is not imposed with respect to such like articles;

"(b) Collected or paid in an amount in excess of the internal tax imposed with respect to like articles which are the product of any other foreign country, or collected or paid in any amount if the internal tax is not imposed with respect to such like articles.

Where an internal tax is imposed with respect to an article which is the product of a foreign country to compensate for an internal tax imposed (1) with respect to a like article which is the product of the Philippines, or (2) with respect to materials used in the production of a like article which is the product of the Philippines, if the amount of the internal tax which is collected and paid with respect to the article which is the product of the United States is not in excess of that permitted by Paragraph 1 (b) of Article IV such collection and payment shall not be regarded as in violation of the first sentence of this Paragraph.

"2. With respect to articles which are products of the Philippines coming into the United States, or with respect to articles manufactured in the United States wholly or in part from such articles, no internal tax shall be—

"(a) Collected or paid in an amount in excess of the internal tax imposed with respect to like articles which are the product of the United States, or collected or paid in any amount if the internal tax is not imposed with respect to such like articles;

"(b) Collected or paid in an amount in excess of the internal tax imposed with respect to like articles which are the product of any other foreign country, or collected or paid in any amount if the internal tax is not imposed with respect to such like articles.

Where an internal tax is imposed with respect to an article which is the product of a foreign country to compensate for an internal tax imposed (1) with respect to a like article which is the product of the United States, or (2) with respect to materials used in the production of a like article which is the product of the United States, if the amount of the internal tax which is collected and paid with respect to the article which is the product of the Philippines is not in excess of that permitted by Paragraph 2 (b) of Article IV such collection and payment shall not be regarded as in violation of the first sentence of this Paragraph. This Paragraph shall not apply to the taxes imposed under Sections 4501, 4812, or 4831 of the Internal Revenue Code of the United States [section 4591, 4812, or 4831 of Title 26] which are set forth in part as Annexes IV, V, and VI of this Agreement.

"3. No processing tax or other internal tax shall be imposed or collected in the United States or in the Philippines with respect to articles coming into such country for the official use of the Government of the Philippines or of the United States, respectively, or any department or agency thereof.

"4. No processing tax or other internal tax shall be imposed or collected in the United States with respect

to Manila (abaca) fiber not dressed or manufactured in any manner.

"5. The United States will not reduce the preference of two cents per pound provided in Section 4513 of the Internal Revenue Code of the United States [section 4513 of Title 26] (relating to processing taxes on coconut oil, etc.), which is set forth as Annex VII to this Agreement, with respect to articles 'wholly the production of the Philippine Islands' or articles 'produced wholly from materials the growth or production of the Philippine Islands'; except that it may suspend the provisions of Section 4511 (b) of the Internal Revenue Code of the United States [section 4511 (b) of Title 26] during any period as to which the President of the United States, after consultation with the President of the Philippines, finds that adequate supplies of neither copra nor coconut oil, the product of the Philippines, are readily available for processing in the United States.

"ARTICLE V

"The Republic of the Philippines will take the necessary legislative and executive actions, prior to or at the time of the entry into force of the revisions of this Agreement authorized by the Congress of the United States and the Congress of the Philippines in 1955, to enact and implement legislation similar to that already enacted by the Congress of the United States as Public Law 419, 83d Congress, Chapter 323, 2d Session [section 1184a of Title 8], to facilitate the entry of Philippine traders.

"ARTICLE VI

"1. The disposition, exploitation, development, and utilization of all agricultural, timber, and mineral lands of the public domain, waters, minerals, coal, petroleum and other mineral oils, all forces and sources of potential energy, and other natural resources of either Party, and the operation of public utilities, shall, if open to any person, be open to citizens of the other Party and to all forms of business enterprise owned or controlled, directly or indirectly, by citizens of such other Party in the same manner as to and under the same conditions imposed upon citizens or corporations or associations owned or controlled by citizens of the Party granting the right.

"2. The rights provided for in Paragraph 1 may be exercised, in the case of citizens of the Philippines with respect to natural resources in the United States which are subject to Federal control or regulations, only through the medium of a corporation organized under the laws of the United States or one of the States thereof and likewise, in the case of citizens of the United States with respect to natural resources in the public domain in the Philippines, only through the medium of a corporation organized under the laws of the Philippines and at least 60% of the capital stock of which is owned or controlled by citizens of the United States. This provision, however, does not affect the right of citizens of the United States to acquire or own private agricultural lands in the Philippines or citizens of the Philippines to acquire or own land in the United States which is subject to the jurisdiction of the United States and not within the jurisdiction of any State and which is not within the public domain. The Philippines reserves the right to dispose of its public lands in small quantities on especially favorable terms exclusively to actual settlers or other users who are its own citizens. The United States reserves the right to dispose of its public lands in small quantities on especially favorable terms exclusively to actual settlers or other users who are its own citizens or aliens who have declared their intention to become citizens. Each Party reserves the right to limit the extent to which aliens may engage in fishing or engage in enterprises which furnish communications services and air or water transport. The United States also reserves the right to limit the extent to which aliens may own land in its outlying territories and possessions, but the Philippines will extend to American nationals who are residents of any of those outlying territories and possessions only the same rights, with respect to ownership of lands, which are granted therein to citizens of the Philippines. The rights provided for in this Paragraph shall not, however, be exercised by either Party so as to derogate from the rights previously acquired by citizens or corporations or associations owned or controlled by citizens of the other Party.

"3. The United States of America reserves the rights of the several States of the United States to limit the extent to which citizens or corporations or associations owned or controlled by citizens of the Philippines may engage in the activities specified in this Article. The Republic of the Philippines reserves the power to deny any of the rights specified in this Article to citizens of the United States who are citizens of States, or to corporations or associations at least 60% of whose capital stock or capital is owned or controlled by citizens of States, which deny like rights to citizens of the Philippines, or to corporations or associations which are owned or controlled by citizens of the Philippines. The exercise of this reservation on the part of the Philippines shall not affect previously acquired rights, provided that in the event that any State of the United States of America should in the future impose restrictions which would deny to citizens or corporations or associations owned or controlled by citizens of the Philippines the right to continue to engage in activities in which they were engaged therein at the time of the imposition of such restrictions, the Republic of the Philippines shall be free to apply like limitations to the citizens or corporations or associations owned or controlled by citizens of such States.

"ARTICLE VII

"1. The Republic of the Philippines and the United States of America each agrees not to discriminate in any manner, with respect to their engaging in business activities, against the citizens or any form of business enterprise owned or controlled by citizens of the other and that new limitations imposed by either Party upon the extent to which aliens are accorded national treatment with respect to carrying on business activities within its territories, shall not be applied as against enterprises owned or controlled by citizens of the other Party which are engaged in such activities therein at the time such new limitations are adopted, nor shall such new limitations be applied to American citizens or corporations or associations owned or controlled by American citizens whose States do not impose like limitations on citizens or corporations or associations owned or controlled by citizens of the Republic of the Philippines.

"2. The United States of America reserves the rights of the several States of the United States to limit the extent to which citizens or corporations or associations owned or controlled by citizens of the Philippines may engage in any business activities. The Republic of the Philippines reserves the power to deny any rights to engage in business activities to citizens of the United States who are citizens of States or to corporations or associations at least 60% of the capital stock or capital of which is owned or controlled by citizens of States, which deny like rights to citizens of the Philippines or to corporations or associations owned or controlled by citizens of the Philippines. The exercise of this reservation on the part of the Philippines shall not affect previously acquired rights, provided that in the event that any State of the United States of America should in the future impose restrictions which would deny to citizens or corporations or associations owned or controlled by citizens of the Philippines the right to continue to engage in business activities in which they were engaged therein at the time of the imposition of such restrictions, the Republic of the Philippines shall be free to apply like limitations to the citizens or corporations or associations owned or controlled by citizens of such States.

"ARTICLE VIII

"Nothing in this Agreement shall be construed:

"(1) to require either Party to furnish any information the disclosure of which it considers contrary to its essential security interests; or

"(2) to prevent either Party from taking any action which it considers necessary for the protection of its essential security interests—

"(a) relating to fissionable materials or the materials from which they are derived;

"(b) relating to the traffic in arms, ammunition and implements of war and to such traffic in other goods and materials as is carried on directly or indirectly for the purpose of supplying a military establishment;

"(c) taken in time of war or other emergency in international relations; or

"(3) to prevent either Party from taking any action in pursuance of its obligations under the United Nations Charter for the maintenance of international peace and security.

"ARTICLE IX

"1. Upon the taking effect of this Agreement, and upon the taking effect of the revisions thereof authorized by the Congress of the United States and the Congress of the Philippines in 1955, the provisions placing obligations on the United States: (a) if in effect as laws of the United States at the time of such taking effect, shall continue in effect as laws of the United States during the effectiveness of the Agreement; or (b) if not so in effect, shall take effect and continue in effect as laws of the United States during the effectiveness of the Agreement. The Philippines will continue in effect as laws of the Philippines, during the effectiveness of this Agreement, the provisions thereof placing obligations on the Philippines.

"2. The United States and the Philippines will promptly enact, and shall keep in effect during the effectiveness of this Agreement, such legislation as may be necessary to supplement the laws of the United States and the Philippines, respectively, referred to in Paragraph 1 of this Article, and to implement the provisions of such laws and the provisions of this Agreement placing obligations on the United States and the Philippines, respectively.

"ARTICLE X

"The United States and the Philippines agree to consult with each other with respect to any questions as to the interpretation or the application of this Agreement, concerning which either Government may make representations to the other. Not later than July 1, 1971, the United States and the Philippines agree to consult with each other as to joint problems which may arise as a result or in anticipation of the termination of this Agreement.

"ARTICLE XI

"1. This Agreement shall have no effect after July 3, 1974. It may be terminated by either the United States or the Philippines at any time, upon not less than five years' written notice. If the President of the United States or the President of the Philippines determines and proclaims that the other country has adopted or applied measures or practices which would operate to nullify or impair any right or obligation provided for in this Agreement, then the Agreement may be terminated upon not less than six months' written notice.

"2. The revisions of this Agreement authorized by the Congress of the United States and the Congress of the Philippines in 1955 shall enter into force on January 1, 1956.

"PROTOCOL TO ACCOMPANY THE AGREEMENT BETWEEN THE UNITED STATES OF AMERICA AND THE REPUBLIC OF THE PHILIPPINES CONCERNING TRADE AND RELATED MATTERS DURING A TRANSITIONAL PERIOD FOLLOWING THE INSTITUTION OF PHILIPPINE INDEPENDENCE, SIGNED AT MANILA ON JULY 4, 1946, AS REVISED

"The undersigned duly empowered Plenipotentiaries have agreed to the following Protocol to the Agreement between the United States of America and the Republic of the Philippines concerning trade and related matters during a transitional period following the institution of Philippine Independence, signed at Manila on July 4, 1946, as revised, which shall constitute an integral part of the Agreement:

"1. For the purpose of the Agreement—

"(a) The term 'person' includes partnerships, corporations, and associations.

"(b) The term 'United States' means the United States of America and, when used in a geographical sense, means the States, the District of Columbia, the Territories of Alaska and Hawaii, and Puerto Rico.

"(c) The term 'Philippines' means the Republic of the Philippines and, when used in a geographical sense, means the territories of the Republic of the Philippines, whether a particular act in question took place, or a particular

situation in question existed, within such territories before or after the institution of the Republic of the Philippines. As used herein the territories of the Republic of the Philippines comprise all the territories specified in Section 1 of Article I of the Constitution of the Philippines which is set forth as Annex X to this Agreement.

"(d) The term 'ordinary customs duty' means a customs duty based on the article as such (whether or not such duty is also based in any manner on the use, value, or method of production of the article, or on the amount of like articles imported, or on any other factor); but does not include—

"(1) A customs duty based on an act or omission of any person with respect to the importation of the article, or of the country from which the article is exported, or from which it comes; or

"(2) A countervailing duty imposed to offset a subsidy, bounty, or grant; or

"(3) An anti-dumping duty imposed to offset the selling of merchandise for exportation at a price less than the prevailing price in the country of export; or

"(4) Any tax, fee, charge, or exaction, imposed on or in connection with importation unless the law of the country imposing it designates or imposes it as a customs duty or contains a provision to the effect that it shall be treated as a duty imposed under the customs laws; or

"(5) The tax imposed by Section 4581 of the Internal Revenue Code of the United States [section 4851 of Title 26], which is set forth as Annex VIII to this Agreement, with respect to an article, merchandise or combination, ten per centum or more of the quantity by weight of which consists of, or is derived directly or indirectly from, one or more of the oils, fatty acids, or salts specified in Section 4511 of such Code [section 4511 of Title 26] which is set forth as Annex VII to this Agreement; or the tax imposed by Section 4501 (b) of such Code [section 4501 of Title 26] which is set forth as Annex IX to this Agreement.

"(e) The term 'United States article' means an article which is the product of the United States, unless, in the case of an article produced with the use of materials imported into the United States from any foreign country (except the Philippines) the aggregate value of such imported materials at the time of importation into the United States was more than twenty per centum of the value of the article imported into the Philippines, the value of such article to be determined in accordance with, and as of the time provided by, the customs laws of the Philippines in effect at the time of importation of such article. As used in this Subparagraph the term 'value', when used in reference to a material imported into the United States, includes the value of the material ascertained under the customs laws of the United States in effect at the time of importation into the United States, and, if not included in such value, the cost of bringing the material to the United States, but does not include the cost of landing it at the port of importation, or customs duties collected in the United States. For the purposes of this Subparagraph any imported material, used in the production of an article in the United States, shall be considered as having been used in the production of an article subsequently produced in the United States, which is the product of a chain of production in the United States in the course of which an article, which is the product of one stage of the chain, is used by its producer or another person, in a subsequent stage of the chain, as a material in the production of another article. It is understood that 'United States articles' do not lose their status as such, for the purpose of Philippine tariff preferences, by reason of being imported into the Philippines from a country other than the United States or from an insular possession of the United States or by way of or via such a country or insular possession.

"(f) The term 'Philippine article' means an article which is the product of the Philippines, unless, in the case of an article produced with the use of materials imported into the Philippines from any foreign country (except the United States) the aggregate value of such imported materials at the time of importation into the Philippines was more than twenty per centum of the value of the article imported into the United States, the value of such article to be determined in accordance with, and as of the time provided by, the customs laws of the

United States in effect at the time of importation of such article. As used in this Subparagraph the term 'value', when used in reference to a material imported into the Philippines, includes the value of the material ascertained under the customs laws of the Philippines in effect at the time of importation into the Philippines, and, if not included in such value, the cost of bringing the material to the Philippines, but does not include the cost of landing it at the port of importation, or customs duties collected in the Philippines. For the purposes of this Subparagraph any imported material, used in the production of an article in the Philippines, shall be considered as having been used in the production of an article subsequently produced in the Philippines, which is the product of a chain of production in the Philippines in the course of which an article, which is the product of one stage of the chain, is used by its producer or another person, in a subsequent stage of the chain, as a material in the production of another article. It is understood that 'Philippine articles' do not lose their status as such, for the purpose of United States tariff preferences, by reason of being imported into the United States from a country other than the Philippines or from an insular possession of the United States or by way of or via such a country or insular possession.

"(g) The term 'United States duty' means the rate or rates of ordinary customs duty which (at the time and place of entry, or withdrawal from warehouse, in the United States for consumption, of the Philippine article) would be applicable to a like article if imported from that foreign country which is entitled to the lowest rate, or the lowest aggregate of rates, of ordinary customs duty with respect to such like article.

"(h) The term 'Philippine duty' means the rate or rates of ordinary customs duty which (at the time and place of entry, or withdrawal from warehouse, in the Philippines for consumption, of the United States article) would be applicable to a like article if imported from that foreign country which is entitled to the lowest rate, or the lowest aggregate of rates, of ordinary customs duty with respect to such like article.

"(i) The term 'internal tax' includes an internal fee, charge, or exaction, and includes—

"(1) The tax imposed by Section 4581 of the Internal Revenue Code of the United States [section 4581 of Title 26] which is set forth as Annex VIII to this Agreement, with respect to an article, merchandise, or combination, ten per centum or more of the quantity by weight of which consists of, or is derived directly or indirectly from, one or more of the oils, fatty acids, or salts specified in Section 4511 of such Code [section 4511 of Title 26] which is set forth as Annex VII to this Agreement; and the tax imposed by Section 4501 (b) of such Code [section 4501 of Title 26] which is set forth as Annex IX to this Agreement; and

"(2) Any other tax, fee, charge, or exaction, imposed on or in connection with importation unless the law of the country imposing it designates or imposes it as a customs duty or contains a provision to the effect that it shall be treated as a duty imposed under the customs laws.

"2. For the purposes of Subparagraphs (g) and (h) of Paragraph 1 of this Protocol—

"(a) If an article is entitled to be imported from a foreign country free of ordinary customs duty, that country shall be considered as the country entitled to the lowest rate of ordinary customs duty with respect to such article; and

"(b) A reduction in ordinary customs duty granted any country, by law, treaty, trade agreement, or otherwise, with respect to any article, shall be converted into the equivalent reduction in the rate of ordinary customs duty otherwise applicable to such article.

"3. For the purposes of Paragraphs 1 and 2 of Article IV, any material, used in the production of an article, shall be considered as having been used in the production of an article subsequently produced, which is the product of a chain of production in the course of which an article, which is the product of one stage of the chain, is used by its producer or another person, in a subsequent stage of the chain, as a material in the production of another article.

"4. The terms 'includes' and 'including' when used in a definition contained in this Agreement shall not be deemed to exclude other things otherwise within the meaning of the term defined."

MODIFICATION OF TEXT OF REVISED AGREEMENT

Section 202 of act Aug. 1, 1955, provided that:

"The text of the revised agreement which is set forth in section 201 [set out as a note under this section] may be modified before the agreement authorized by such section is signed, but only—

"(1) to the extent necessary (A) to correct errors, (B) to correct references to laws, or (C) to reflect action taken by the Republic of the Philippines with respect to article V of such agreement; or

"(2) if such modifications are merely changes of style."

§ 1373. Suspension of Philippine Trade Act of 1946.

The Philippine Trade Act of 1946 (except section 1356 (a) of this title relating to termination of payments into Philippine Treasury, and except amendments and repeals made by such Act) shall not apply during such time as the revised agreement is in effect. (Aug. 1, 1955, ch. 438, title III, § 302, 69 Stat. 426.)

REFERENCES IN TEXT

The Philippine Trade Act of 1946, referred to in the text, is classified to sections 1251—1332, 1334—1360, and 1393 of this title, and section 734 of Title 48, Territories and Insular Possessions.

The revised agreement, referred to in the text, is set out as a note under section 1372 of this title.

EFFECTIVE DATE

Section 301 (b) of act Aug. 1, 1955, provided that the provisions of sections 1373—1378 of this title, and the amendment of section 734 of Title 48, Territories and Insular Possessions, should take effect on Jan. 1, 1956, but only if the President of the United States has made the proclamation referred to in section 1379 of this title.

§ 1374. Quotas on Philippine Articles.

The rights reserved to the United States by paragraph 2 of article III of the revised agreement shall be exercised by the President, subject to the terms and conditions contained in such article. The President is authorized to prescribe such procedures and regulations for carrying out his functions as he may deem appropriate. Quotas shall be established pursuant to such article III by proclamation of the President, shall be effective for such period or period as the President shall specify in his proclamation, and shall terminate upon finding and proclamation, of the President in accordance with paragraph (2) (d) of such article III. (Aug. 1, 1955, ch. 438, title III, § 303, 69 Stat. 426.)

REFERENCES IN TEXT

Article III of the revised agreement, referred to in the text, is set out as a note under section 1372 of this title.

EFFECTIVE DATE

Effective date as Jan. 1, 1956, see note under section 1373 of this title.

§ 1375. Suspension of processing tax on coconut oil.

The authority contained in paragraph 5 of article IV of the revised agreement to suspend the provisions of section 4511 (b) of Title 26 may be exercised by the President by proclamation. (Aug. 1, 1955, ch. 438, title III, § 304, 69 Stat. 426.)

REFERENCES IN TEXT

Paragraph 5 of Article IV of the revised agreement, referred to in the text, is set out as a note under section 1372 of this title.

EFFECTIVE DATE

Effective date as Jan. 1, 1956, see note under section 1373 of this title.

§ 1376. Trade agreements with the Republic of the Philippines.

Until July 4, 1974, no trade agreement shall be entered into with the Republic of the Philippines under section 1351 of Title 19, which is inconsistent with this subchapter or with the revised agreement, unless, prior to such time, the revised agreement has been terminated. (Aug. 1, 1955, ch. 438, title III, § 305, 69 Stat. 426.)

REFERENCES IN TEXT

The revised agreement, referred to in the text, is set out as a note under section 1372 of this title.

EFFECTIVE DATE

Effective date as Jan. 1, 1956, see note under section 1373 of this title.

§ 1377. Rights of third countries.

The benefits granted by this subchapter, and by the revised agreement, to the Republic of the Philippines, Philippine articles or products, and Philippine citizens, shall not, by reason of any provision of any treaty or agreement existing on August 1, 1955 with any third country, be extended to such country or its products, citizens, or subjects. (Aug. 1, 1955, ch. 438, title III, § 306, 69 Stat. 436.)

EFFECTIVE DATE

Effective date as Jan. 1, 1956, see note under section 1373 of this title.

§ 1378. Administration of revised agreement.

The provisions of articles I, II, III, and IV of the revised agreement which are in effect in the United States which relate to customs or internal revenue matters shall be administered as parts of the customs and internal revenue laws of the United States. (Aug. 1, 1955, ch. 438, title III, § 307, 69 Stat. 426.)

REFERENCES IN TEXT

Articles I, II, III, and IV of the revised agreement, referred to in the text, are set out as a note under section 1372 of this title.

EFFECTIVE DATE

Effective date as Jan. 1, 1956, see note under section 1373 of this title.

§ 1379. Effective date of revised agreement.

If the agreement authorized by section 1372 of this title has been entered into before January 1, 1956, the President of the United States shall so proclaim, and the revised agreement shall be effective in the United States in accordance with its terms. (Aug. 1, 1955, ch. 438, title III, § 301 (a), 69 Stat. 426.)

REFERENCES IN TEXT

The revised agreement, referred to in the text, is set out as a note under section 1372 of this title.

SUBCHAPTER V.—PROPERTY RETAINED BY THE UNITED STATES

§ 1381. Retention by United States of title to real and personal property.

There shall remain vested in the Government of the United States or its agencies or instrumentalities all the right, title, and interest of the said Government or its agencies or instrumentalities to all real and personal property within the Philippine Islands

as may now be vested in, or later be acquired by the Government of the United States or any of its agencies or instrumentalities. (July 3, 1946, ch. 536, § 2, 60 Stat. 418.)

SHORT TITLE

Congress in enacting this subchapter provided by section 1 of act July 3, 1946, that it should be popularly known as the "Philippine Property Act of 1946."

§ 1382. Administration of the Trading With the Enemy Act in Philippines.

The Trading With the Enemy Act of October 6, 1917, as amended, shall continue in force in the Philippines after July 4, 1946 and all powers and authority conferred upon the President of the United States or the Alien Property Custodian by the terms of the said Trading With the Enemy Act, as amended, with respect to the Philippines, shall continue thereafter to be exercised by the President of the United States, or such officer or agency as he may designate: *Provided*, That all property vested in or transferred to the President of the United States, the Alien Property Custodian, or any such officer or agency as the President of the United States may designate under the Trading With the Enemy Act, as amended, which was located in the Philippines at the time of such vesting, or the proceeds thereof, and which shall remain after the satisfaction of any claim payable under the Trading With the Enemy Act, as amended, and after the payment of such costs and expenses of administration as may by law be charged against such property or proceeds, shall be transferred by the President of the United States to the Republic of the Philippines: *Provided further*, That such property, or proceeds thereof, may be transferred by the President of the United States to the Republic of the Philippines upon indemnification acceptable to the President of the United States by the Republic of the Philippines for such claims, costs, and expenses of administration as may by law be charged against such property or proceeds thereof before final adjudication of such claims, costs, and expenses of administration: *Provided further*, That the courts of first instance of the Republic of the Philippines are given jurisdiction to make and enter all such rules as to notice or otherwise, and all such orders and decrees, and to issue such process as may be necessary and proper in the premises to enforce any orders, rules, and regulations issued by the President of the United States, the Alien Property Custodian, or such officer or agency designated by the President of the United States pursuant to the Trading With the Enemy Act, as amended, with such right of appeal therefrom as may be provided by law: *And provided further*, That any suit authorized under the Trading With the Enemy Act, as amended, with respect to property vested in or transferred to the President of the United States, the Alien Property Custodian, or any officer or agency designated by the President of the United States hereunder, which at the time of such vesting or transfer was located within the Philippines, shall after July 4, 1946, be brought, in the appropriate court of first instance of the Republic of the Philippines, against the officer or agency hereunder designated by the President of the United States with such right of appeal therefrom as may be provided by law, but suits with re-

spect to such property shall after ninety days from December 21, 1950, be brought only in the courts of the United States. (July 3, 1946, ch. 536, § 3, 60 Stat. 418; Dec. 21, 1950, ch. 1144, 64 Stat. 1116.)

REFERENCES IN TEXT

The Trading With the Enemy Act of October 6, 1917, referred to in the text, is classified to sections 1—6 and 7—39 of Title 50, Appendix, War and National Defense.

AMENDMENTS

1950—Act Dec. 21, 1950, amended section to require that 90 days after Dec. 21, 1950, all suits against the Philippine Alien Property Administration be brought in United States courts instead of in Philippine courts.

TERMINATION OF PHILIPPINE ALIEN PROPERTY ADMINISTRATION; TRANSFER OF FUNCTIONS

Section 101 of act Sept. 6, 1950, ch. 893, ch. VIII, title I 64 Stat. 699, provided in part that: "The Philippine Alien Property Administration shall cease to exist after June 30, 1951, and all duties being performed by such Administration as of that date shall be transferred to the Office of Alien Property Custodian, including all records, files, and other property."

EX. ORD. NO. 9789

Ex. Ord. No. 9789, Oct. 14, 1946, 11 F. R. 11981, related to the establishment of the Philippine Alien Property Administration, and was superseded by Ex. Ord. No. 9818, set out as a note under this section.

EX. ORD. NO. 9818. ESTABLISHMENT OF THE PHILIPPINE ALIEN PROPERTY ADMINISTRATION

Ex. Ord. No. 9818, Jan. 8, 1947, 12 F. R. 133, amended Oct. 15, 1949, ch. 695, § 5 (a), 63 Stat. 880 and Ex. Ord. No. 9921, Jan. 12, 1948, 13 F. R. 171.

Ex. Ords. Nos. 9818 and 9921 were omitted under the authority of Ex. Ord. No. 10254, set out as a note under this section, which terminated the Philippine Alien Property Administration.

EX. ORD. NO. 9876. DELEGATION OF CERTAIN PRESIDENTIAL FUNCTIONS TO ADMINISTRATOR

Ex. Ord. No. 9876, July 25, 1947, 12 F. R. 4981, provided: By virtue of the authority vested in me by section 101 (b) of Reorganization Plan No. 1 of 1947 [set out as a note under section 133y-16 of Title 5, Executive Departments and Government Officers and Employees], the Philippine Alien Property Administrator (provided for in Executive Order No. 9818 of January 7, 1947 [formerly set out as a note under this section]) is hereby authorized and directed to perform, subject to the direction and control of the President, all of the functions transferred to the President by the said section 101 (b) of Reorganization Plan No. 1 of 1947.

EX. ORD. NO. 10254. TERMINATION OF PHILIPPINE ALIEN PROPERTY ADMINISTRATION AND TRANSFER OF FUNCTIONS TO DEPARTMENT OF JUSTICE

Ex. Ord. No. 10254, June 15, 1951, 16 F. R. 5829, provided: 1. The Philippine Alien Property Administration, established by Executive Order No. 9818 of January 7, 1947 [formerly set out as note under this section], is hereby terminated. All authority, rights, privileges, powers, duties, and functions vested in such Administration or in the Philippine Alien Property Administrator or transferred or delegated thereto are hereby vested in or transferred or delegated to the Attorney General, as the case may be, and shall be administered by him or under his direction and control by such officers and agencies of the Department of Justice as he may designate.

2. All property or interests vested in or transferred to the Philippine Alien Property Administration or the Administrator thereof, and all proceeds thereof, which are held or administered by the Philippine Alien Property Administration or the Administrator thereof are hereby transferred to the Attorney General of the United States.

3. All personnel, records, files, furniture, funds, authorizations, equipment, and supplies of the Philippine Alien Property Administration are hereby transferred to the Department of Justice.

4. All necessary expenses incurred in the administration or operation of the functions, duties, authority,

rights, privileges, and powers hereby vested in or transferred or delegated to the Attorney General shall be paid, to the extent permitted and in the manner prescribed by law, from funds or property or interests vested in or transferred to the Attorney General by or pursuant to the authority contained in this order, so as to prevent diminution of funds otherwise available for the War Claims Fund under section 39 of the Trading with the Enemy Act, as amended by section 12 of the act of July 3, 1943, 62 Stat. 1246 [section 39 of Title 50, Appendix, War and National Defense].

This order shall become effective at the close of business in Washington, D. C., on June 29, 1951, and shall at that time supersede all prior Executive orders to the extent that they are in conflict with this order.

TRANSFER OF ALIEN PROPERTY CUSTODIAN FUNCTIONS

Functions of the Alien Property Custodian and the Office of Alien Property Custodian, except those relating to property or interests in the Philippines, are now vested in the Attorney General. See notes to section 6 of Title 50, Appendix, War and National Defense.

§ 1383. Transfer of property by President of United States.

In respect to property not transferable to the Republic of the Philippines under section 1382 of this title, the President of the United States is authorized, in his discretion and under such terms and conditions as he may deem appropriate, to transfer to the Republic of the Philippines any or all of the right, title, and interest of the Government of the United States or its agencies or instrumentalities to any or all real and personal property vested in such agencies or instrumentalities. (July 3, 1946, ch. 536, § 4, 60 Stat. 419.)

EX. ORD. NO. 9937. DELEGATION OF PRESIDENT'S AUTHORITY TO AGENCIES PARTICIPATING IN THE PHILIPPINE RECOVERY PROGRAM

Ex. Ord. No. 9937, Mar. 22, 1948, 13 F. R. 1503; June 30, 1949, ch. 286, title I, § 103 (a), 63 Stat. 380; 1949 Reorg. Plan No. 7, § 2, eff. Aug. 19, 1949, 14 F. R. 6228, 63 Stat. 1070; 1950 Reorg. Plan No. 21, eff. May 24, 1950, 15 F. R. 3178, 64 Stat. 1273, provided:

By virtue of the authority vested in me by the Constitution and the statutes, and as President of the United States, it is hereby ordered as follows:

The Commissioner of Public Roads of the Department of Commerce, the Chief of Engineers of the United States Army, the Philippine War Damage Commission, the Surgeon General of the Public Health Service of the Federal Security Agency, the Maritime Administration, the Director of the Fish and Wildlife Service of the Department of the Interior, and the Administrator of Civil Aeronautics, the Chief of the Weather Bureau, and the Director of the Coast and Geodetic Survey of the Department of Commerce are hereby authorized, as to their respective agencies, to exercise the authority vested in the President by section 4 of the Philippine Property Act of 1946 (60 Stat. 419) [this section]: *Provided*, that this authority shall be exercised only with respect to property located in the Philippines in the possession and control of the respective agencies and utilized in carrying out the provisions of Title III of the Philippine Rehabilitation Act of 1946 (60 Stat. 135) [former sections 1781—1789 of Title 50, Appendix, War and National Defense].

§ 1384. Transfer of shares of corporations owning agricultural lands; consideration; indemnification.

Immediately upon passage of this subchapter the Alien Property Custodian of the United States shall enter into an agreement with the President of the Philippines to transfer to the Philippine Government for a nominal cash consideration all shares now vested or hereafter vested by the Alien Property Custodian of corporations owning in fee, leasing, or

otherwise operating or controlling agricultural lands in the Philippines, other agricultural lands in the Philippines, vested or hereafter vested by the Alien Property Custodian not included in the foregoing, and improved property in Manila vested or hereafter vested by the Alien Property Custodian which in his judgment is urgently needed for the operation of an administrative agency of the Philippine Government: *Provided*, That in respect to property transferred under this section to the Philippine Government, it shall be made a part of the agreement that the Philippine Government shall fully indemnify the United States for all claims payable under the Trading With the Enemy Act, as amended, and for all such costs and expenses of administration as may by law be charged against such property or proceeds thereof. (July 3, 1946, ch. 536, § 5, 60 Stat. 419.)

REFERENCES IN TEXT

The Trading With the Enemy Act, as amended, referred to in the text, is classified to sections 1—6 and 7—39 of Title 50, Appendix, War and National Defense.

§ 1385. Ownership of naval reservations, diplomatic property, etc., unaffected.

Nothing contained in this subchapter shall be construed as amending the provisions of the Act of March 24, 1934 (48 Stat. 456), as amended, respecting naval reservations and fueling stations, and diplomatic or consular property, and the property of the High Commissioner to the Philippine Islands, nor as amending the provisions of section 1392 of this title, respecting bases for the mutual protection of the Philippine Islands and the United States. (July 3, 1946, ch. 536, § 6, 60 Stat. 419.)

REFERENCES IN TEXT

The act of March 24, 1934 (48 Stat. 456), as amended, referred to in text, was classified to sections 1281a, 1391, 1391 note, and 1393—1395 of this title, section 31 of Title 2, The Congress, and former sections 1231—1234, 1237—1239, 1241—1243, 1245, 1247, and 1248 of Title 48, Territories and Insular Possessions.

§ 1386. Definitions.

For the purposes of this subchapter the term "Philippine Government" shall mean "Government of the Commonwealth of the Philippines" until the date of independence, and thereafter it shall mean the "Government of the Republic of the Philippines". (July 3, 1946, ch. 536, § 7, 60 Stat. 420.)

SUBCHAPTER VI.—MISCELLANEOUS PROVISIONS

§ 1391. Transfer of property and rights to Philippine Commonwealth.

All the property and rights which may have been acquired in the Philippine Islands by the United States under the treaties mentioned in the first section of this Act, except such land or other property as has heretofore been designated by the President of the United States for Military and other reservations of the Government of the United States, and except such land or other property or rights or interests therein as may have been sold or otherwise disposed of in accordance with law, are granted to the government of the Commonwealth of the Philippine Islands when constituted. (Mar. 24, 1934, ch. 84, § 5, 48 Stat. 459.)

REFERENCES IN TEXT

Treaties mentioned in the first section of this act, referred to in text, were treaty of peace between the United States and Spain of December 10, 1898, and treaty between Spain and the United States concluded at Washington, November 7, 1900.

The first section of this Act, referred to in text, is section 1 of act Mar. 24, 1934. Section 1 was classified former section 1231 of Title 48, Territories and Insular Possessions, and was omitted as executed.

Since their independence, the Philippine Islands have been a republic, and are no longer designated as a "Commonwealth", referred to in the text. See note below.

SAVINGS CLAUSE

Section 16 of act Mar. 24, 1934, provided: "If any provision of this Act [sections 1281a, 1391, 1393—1395 of this title, amendment to section 31 of Title 2, and former sections 1231—1234, 1237—1239, 1241—1243, 1245, 1247, and 1248 of Title 48, Territories and Insular Possessions] is declared unconstitutional or the applicability thereof to any person or circumstance is held invalid, the validity of the remainder of the act and the applicability of such provisions and circumstances shall not be affected thereby."

PHILIPPINE INDEPENDENCE

The Philippine Islands were granted their independence by Proc. No. 2695, which is set out as a note under section 1394 of this title.

PRIOR LAW

Similar provisions were contained in act Jan. 17, 1933, ch. 11, § 5, 47 Stat. 764.

§ 1392. Acquisition of military and naval bases by United States.

After negotiation with the President of the Commonwealth of the Philippines, or the President of the Filipino Republic, the President of the United States is authorized by such means as he finds appropriate to withhold or to acquire and to retain such bases, necessary appurtenances to such bases, and the rights incident thereto, in addition to any provided for by the Act of March 24, 1934, as he may deem necessary for the mutual protection of the Philippine Islands and of the United States. (June 29, 1944, ch. 322, § 2, 58 Stat. 626.)

REFERENCES IN TEXT

Act of March 24, 1934, referred to in the text, is act Mar. 24, 1934, ch. 84, 48 Stat. 456, which was incorporated in former sections 1281a, 1391, 1391 note, and 1393—1395 of this title, section 31 of Title 2, The Congress, and former sections 1231—1234, 1237—1239, 1241—1243, 1245, 1247, and 1248 of Title 48, Territories and Insular Possessions.

PHILIPPINE INDEPENDENCE

The Philippine Islands were granted their independence by Proc. No. 2695, which is set out as a note under section 1394 of this title, and they now constitute a republic.

§ 1393. Supplementary sinking fund for bond payments; purchase of bonds by United States; creation of special trust account.

(a)—(f). Repealed. Apr. 30, 1946, ch. 244, title V, § 511 (2), 60 Stat. 158.

(g) (1) The Philippine Government shall pay to the Secretary of the Treasury of the United States, at the end of each calendar quarter, all of the moneys received during such quarter from export taxes (less refunds), imposed and collected in accordance with the provisions of this section, and said moneys shall be deposited in an account with the Treasurer of the United States and shall constitute a supplementary sinking fund for the payment of bonds of the Philippines, its Provinces, cities, and municipalities, issued prior to May 1, 1934, under

authority of Acts of Congress: *Provided, however*, That moneys received from any export tax imposed on any article which is shipped from the Philippines to the United States prior to July 4, 1946, and which is entered, or withdrawn from warehouse for consumption, on or after July 4, 1946, shall be refunded by the independent Government of the Philippines.

(2) The said Secretary of the Treasury is authorized to accept the deposits of the proceeds of the export taxes referred to in subdivision (1) of this subsection in accordance with section 1333 of this title.

(3) The Secretary of the Treasury of the United States, with the approval of the Philippine Government, is authorized to purchase with such supplementary sinking-fund bonds of the Philippines, its Provinces, cities, and municipalities, issued prior to May 1, 1934, under authority of Acts of Congress and to invest such fund in interest-bearing obligations of the United States or in obligations guaranteed as to both principal and interest by the United States. Whenever the Secretary of the Treasurer¹ finds that such fund is in excess of an amount adequate to meet future interest and principal payments on all such bonds, he may, with the approval of the Philippine Government, purchase with such excess any other bonds of the Philippines, its Provinces, cities, municipalities, and instrumentalities. For the purpose of this subsection obligations may be acquired on original issue at par, or by purchase of outstanding obligations at the market price. Any obligations acquired by the fund may, with the approval of the Philippine Government, be sold by the Secretary of the Treasury at the market price and the proceeds of such sale and the proceeds of the payment upon maturity or redemption of any obligations held in the supplementary sinking fund, as well as all moneys in any manner earned by such fund or on any obligations acquired by said fund, shall be paid into the said fund.

(4) During the three months preceding July 4, 1946, the Philippine Government and the Secretary of the Treasury of the United States shall confer to ascertain that portion of the bonds of the Philippines, its Provinces, cities, and municipalities, issued prior to May 1, 1934, under authority of Acts of Congress, which will remain outstanding on July 4, 1946; and the Philippine Government shall turn over to the Secretary of the Treasury of the United States for destruction all such bonds that are then held, canceled, or uncanceled, in any of the sinking funds maintained for the payment of such bonds. After such outstanding portion of this indebtedness is thus determined, and before July 4, 1946, (i) there shall be set up with the Treasurer of the United States a special trust account in the name of the Secretary of the Treasury of the United States to pay future interest and principal payments on such bonds; (ii) the Philippine Government shall pay to the Secretary of the Treasury of the United States for deposit in this special trust account all of the sinking funds maintained for the payment of such bonds; and (iii) the Secretary of the Treasury of the United States shall transfer into this special

¹ So in original. Probably should read "Treasury".

trust account all of the proceeds of the supplementary sinking fund referred to in subdivision (1) of this subsection. Any portion of such special trust account found by the Secretary of the Treasury of the United States on July 4, 1946, to be in excess of an amount adequate to meet future interest and principal payments on all such outstanding bonds shall be turned over to the Treasury of the independent Government of the Philippines to be set up as an additional sinking fund to be used for the purpose of liquidating and paying all other obligations of the Philippines, its Provinces, cities, municipalities, and instrumentalities. To the extent that such special trust account is determined by the Secretary of the Treasury of the United States to be insufficient to pay interest and principal on the outstanding bonds of the Philippines, its Provinces, cities, and municipalities, issued prior to May 1, 1934, under authority of Acts of Congress, the Philippine Government shall, on or before July 3, 1946, pay to the Secretary of the Treasury of the United States for deposit in such special trust account an amount which said Secretary of the Treasury determines is required to assure payment of principal and interest on such bonds: *Provided, however*, That if the Secretary of the Treasury of the United States finds that this requirement would impose an undue hardship upon the Philippines, then the Philippine Government shall continue to provide annually the necessary funds for the payment of interest and principal on such bonds until such time as the Secretary of the Treasury of the United States determines that the amount in the special trust account is adequate to meet interest and principal payments on such bonds.

(5) On and after July 4, 1946, the Secretary of the Treasury of the United States is authorized, with the approval of the independent Government of the Philippines, to purchase at the market price for the special trust account bonds of the Philippines, its Provinces, cities, and municipalities, issued prior to May 1, 1934, under authority of Acts of Congress. The Secretary of the Treasury of the United States is also authorized, with the approval of the independent Government of the Philippines, to invest all or any part of such special trust account in any interest-bearing obligations of the United States or in any obligations guaranteed as to both principal and interest by the United States. Such obligations may be acquired on original issue at par or by purchase of outstanding obligations at the market price, and any obligations acquired by the special trust account may, with the approval of the independent Government of the Philippines, be sold by the Secretary of the Treasury at the market price, and the proceeds of the payment upon maturity or redemption of such obligations shall be held as a part of such special trust account. Whenever the special trust account is determined by the Secretary of the Treasury of the United States to be adequate to meet interest and principal payments on all outstanding bonds of the Philippines, its Provinces, cities, and municipalities, issued prior to May 1, 1934, under authority of Acts of Congress, the Secretary of the Treasury is authorized to pay from such trust account the principal of such outstanding bonds

and to pay all interest due and owing on such bonds. All such bonds and interest coupons paid or purchased by the special trust account shall be canceled and destroyed by the Secretary of the Treasury of the United States. From time to time after July 4, 1946, any moneys in such special trust account found by the Secretary of the Treasury of the United States to be in excess of an amount adequate to meet interest and principal payments on all such bonds shall be turned over to the treasurer of the independent Government of the Philippines.

(h) Repealed. Apr. 30, 1946, ch. 244, title V, § 511 (2), 60 Stat. 158.

(Mar. 24, 1934, ch. 84, § 6, 48 Stat. 459; Aug. 7, 1939, ch. 502, § 1, 53 Stat. 1226; Apr. 30, 1946, ch. 244, title V, § 511 (2), 60 Stat. 158.)

AMENDMENTS

1946—Act Apr. 30, 1946, amended section by repealing opening par. and subsecs. (a—f, h) relating to relations with the United States pending complete independence, and trade relations.

1939—Act Aug. 7, 1939, amended section generally, and, among other changes, added subsection (g) and former subsections (e) and (h).

EFFECTIVE DATE OF 1946 AMENDMENT

Effective date of act Apr. 30, 1946, see note set out under section 1251 of this title.

TERMINATION OF ACCEPTANCE OF DEPOSITS OF EXPORT TAXES

The authority of the Secretary of the Treasury to accept deposits of proceeds of export taxes in accordance with former section 1333 of this title terminated on July 1, 1951, under the provisions of act Aug. 7, 1946, ch. 809, § 2, 60 Stat. 901.

PRIOR LAW

Similar provisions were contained in act Jan. 17, 1933, ch. 11, § 6, 47 Stat. 764.

CROSS REFERENCES

Trade relations between the United States and the Philippines after their independence, see sections 1251—1332 and 1334—1360 of this title.

§ 1394. Recognition of Philippine independence and withdrawal of American sovereignty; property for diplomatic purposes.

(a) On the 4th day of July immediately following the expiration of a period of ten years from the date of the inauguration of the new government under the constitution provided for in this Act, the President of the United States shall by proclamation withdraw and surrender all right of possession, supervision, jurisdiction, control, or sovereignty then existing and exercised by the United States in and over the territory and people of the Philippine Islands, including all military and other reservations of the Government of the United States in the Philippines (except such naval reservations and fueling stations as are reserved under section 1391 of this title), and, on behalf of the United States, shall recognize the independence of the Philippine Islands as a separate and self-governing nation and acknowledge the authority and control over the same of the government constituted by the people thereof, under the constitution then in force.

(b) The President of the United States is authorized and empowered to enter into negotiations with the government of the Philippine Islands, not later than two years after his proclamation recognizing the independence of the Philippine Islands,

for the adjustment and settlement of all questions relating to naval reservations and fueling stations of the United States in the Philippine Islands, and pending such adjustment and settlement the matter of naval reservations and fueling stations shall remain in its present status.

(c) (1) Whenever the President of the United States shall find that any properties in the Philippines, owned by the Philippine Government or by private persons, would be suitable for diplomatic or consular establishments of the United States after the inauguration of the independent Government, he may, with the approval of the Philippine Government, and in exchange for the conveyance of title to the United States, transfer to the said Government or private persons any properties of the United States in the Philippines. Title to any properties so transferred to private persons, and title to any properties so acquired by the United States, shall be vested in fee simple in such persons and the United States, respectively, notwithstanding the provisions contained in subsection (a) of this section.

(2) Whenever, prior to July 4, 1946, the President of the United States shall find that any properties of the United States in the Philippines would be suitable for diplomatic and consular establishments of the United States after the inauguration of the independent Government, he shall designate the same by the issuance of a proclamation or proclamations, and title to any properties so designated shall continue to be vested in fee simple in the United States notwithstanding the provisions contained in subsection (a) of this section.

(3) Title to the lands and buildings pertaining to the official residences of the United States High Commissioner to the Philippine Islands in the cities of Manila and Baguio, together with all fixtures and movable objects, shall continue to be vested in the United States after July 4, 1946, notwithstanding the provisions contained in subsection (a) of this section.

(4) Administrative supervision and control over any properties acquired or designated by the President of the United States pursuant to this subsection, and over the official residences in the Philippines of the High Commissioner, shall, on and after July 4, 1946, be exercised by the Secretary of State, in accordance with Acts of Congress relating to property held by the United States in foreign countries for official establishments. (Mar. 24, 1934, ch. 84, § 10, 48 Stat. 463; Aug. 7, 1939, ch. 502, § 3, 53 Stat. 1230.)

REFERENCES IN TEXT

This Act, referred to in subsec. (a), is act Mar. 24, 1934, which was incorporated in sections 1281a, 1391, 1391 note, and 1393—1395 of this title, section 31 of Title 2, The Congress, and former sections 1221—1234, 1237—1239, 1241—1243, 1245, 1247, and 1248 of Title 48, Territories and Insular Possessions.

AMENDMENTS

1939—Subsec. (c) added by act Aug. 7, 1939.

EFFECTIVE DATE OF 1939 AMENDMENT

Section 7 of act Aug. 7, 1939, provided that act Aug. 7, 1939, should become effective on Jan. 1, 1940, if certain conditions were fulfilled. The conditions were fulfilled and section became effective on said date.

INDEPENDENCE DATE ADVANCED

Section 3 of act June 29, 1944, ch. 322, 58 Stat. 625, provided in part that date of independence could be advanced prior to July 4, 1946, but it was not done.

PRIOR LAW

Provisions similar to those contained in subsec. (a) of this section were contained in the first par. of section 10 of act Jan. 17, 1933, ch. 11, 47 Stat. 768.

PROC. NO. 2695. PHILIPPINE INDEPENDENCE

Proc. No. 2695, July 4, 1946, 11 F. R. 7517, 60 Stat. 1352, provided:

The United States of America hereby withdraws and surrenders all rights of possession, supervision, jurisdiction, control, or sovereignty now existing and exercised by the United States of America in and over the territory and people of the Philippines; and,

On behalf of the United States of America, I do hereby recognize the independence of the Philippines as a separate and self-governing nation and acknowledge the authority and control over the same of the government instituted by the people thereof, under the constitution now in force.

CROSS REFERENCES

Trade relations between the United States and the Philippines after their independence, see sections 1251—1322 and 1334—1360 of this title

§ 1395. Definitions.

(a) As used in sections 1393 and 1394 of this title—

(1) The term "United States", when used in a geographical sense, but not the term "continental United States", includes all Territories and possessions of the United States, other than the Philippines.

(2) The term "cordage" includes yarns, twines (including binding twine described in paragraph 1622 of section 1201 of Title 19), cords, cordage, rope and cable, tarred or untarred, wholly or in chief value of manila (abaca) or other hard fiber.

(3) The term "Philippine Government" means the Government of the Commonwealth of the Philippines.

(4) The term "United States duty", when used in connection with the computation of export taxes, means the lowest rate of ordinary customs duty in effect at the time of the shipment of the article concerned from the Philippines and applicable to like articles imported into the continental United States from any foreign country, except Cuba, or when more than one rate of ordinary customs duty is applicable to such like articles, the aggregate of such rates.

(5) The term "refined sugars" possesses the same meaning as the term "direct-consumption sugar" as defined in section 1101 of Title 7.

(6) The term "Philippine article" means an article the growth, produce, or manufacture of the Philippines, in the production of which no materials of other than Philippine or United States origin valued in excess of 20 per centum of the total value of such article was used and which is brought into the United States from the Philippines.

(7) The term "American article" means an article the growth, produce, or manufacture of the United States, in the production of which no materials of other than Philippine or United States origin valued in excess of 20 per centum of the total value of such article was used and which

is brought into the Philippines from the United States.

(8) The term "Philippine import duty" means the lowest rate of ordinary customs duty applicable at the port of arrival, at the time of entry, or withdrawal from warehouse, for consumption of the article concerned, to like articles imported into the Philippines from any other foreign country, or when more than one rate of ordinary customs duty is applicable to such like articles, the aggregate of such rates.

(b) As used in subsection (a) of this section:

(1) The terms "includes" and "including" shall not be deemed to exclude other things otherwise within the meaning of the term defined.

(2) The term "ordinary customs duty" shall not include any import duty or charge which is imposed to compensate for an internal tax imposed in respect of a like domestic product or in respect of a commodity from which the imported product has been manufactured or produced in whole or in part.

(Mar. 24, 1934, ch. 84, § 18, as added Aug. 7, 1939, ch. 502, § 5, 53 Stat. 1231.)

REFERENCES IN TEXT

Since their independence, the Philippine Islands have been a republic, and are no longer designated as a "Commonwealth" as referred to in par. (3) of subsec. (a) of this section. See note below.

PHILIPPINE INDEPENDENCE

The Philippine Islands were granted their independence by Proc. No. 2695, which is set out as a note under section 1394 of this title.

Chapter 16.—GREEK AND TURKISH ASSISTANCE

§§ 1461—1410. Repealed. Aug. 26, 1954, ch. 937, title V, § 542 (a) (1), (4), 68 Stat. 861.

Section 1401, acts May 22, 1947, ch. 81, § 1, 61 Stat. 103; Apr. 5, 1952, ch. 159, § 1, 66 Stat. 43, authorized the President to furnish assistance and prescribed the type of assistance to be furnished. See sections 1451—1453, 1757 (a) and 1791 of this title.

Section 1402, act May 22, 1947, ch. 81, § 2, 61 Stat. 104, related to allocation of funds to Government agencies. See section 1762 of this title.

Section 1403, act May 22, 1947, ch. 81, § 3, 61 Stat. 104, prescribed conditions precedent to receipt of assistance and is covered by sections 1760a and 1852 (a) (7), (8), (10) of this title.

Section 1404, acts May 22, 1947, ch. 81, § 4, 61 Stat. 105; Apr. 3, 1948, ch. 169, title III, § 303, 62 Stat. 158, related to advancement and reimbursement of funds by and to R. F. C. and appropriations.

Section 1405, act May 22, 1947, ch. 81, § 5, 61 Stat. 105, related to rules and regulations and withdrawal of aid. See sections 1755 and 1781 (a) of this title.

Section 1406, act May 22, 1947, ch. 81, § 6, 61 Stat. 105, related to termination of assistance and is covered by section 1755 of this title.

Section 1407, act May 22, 1947, ch. 81, § 7, 61 Stat. 105, required the President to submit quarterly reports to Congress. See section 1794 of this title.

Section 1408, act May 22, 1947, ch. 81, § 8, 61 Stat. 105, related to appointment and duties of chief of any mission to Greece and Turkey. See section 1786 of this title.

Section 1409, act Apr. 3, 1948, ch. 169, title III, § 302, 62 Stat. 158, related to additional appropriations.

Section 1410, act Apr. 3, 1948, ch. 169, title III, § 304, 62 Stat. 158, related to detail of certain personnel to missions in Greece and Turkey, and loyalty check. See section 1791 of this title.

Chapter 17.—RELIEF AID TO WAR-DEVASTATED COUNTRIES

§§ 1411—1417. Repealed. Aug. 26, 1954, ch. 937, title V, § 542 (a) (2), (3), 68 Stat. 861.

Section 1411, acts May 31, 1947, ch. 90, § 1, 61 Stat. 126; Dec. 17, 1947, ch. 520, § 16 (a), 61 Stat. 939; Apr. 5, 1952, ch. 169, § 1, 66 Stat. 43, related to appropriation; uses; establishment of relief distribution missions; limitations on amounts; and advances by R. F. C. See sections 1791 and 1926 of this title.

Section 1412, act May 31, 1947, ch. 90, § 2, 61 Stat. 125, related to relief assistance. See sections 1762, 1782, 1787 and 1920 of this title.

Section 1413, act May 31, 1947, ch. 90, § 3, 61 Stat. 126, prescribed conditions governing relief assistance. See sections 1852 and 1920 of this title.

Section 1414, act May 31, 1947, ch. 90, § 4, 61 Stat. 127, related to supervision of relief supplies in recipient countries; appointment, compensation, and duties of field administrator; and delegation of President's authority. See sections 1781 and 1787 of this title.

Section 1415, act May 31, 1947, ch. 90, § 5, 61 Stat. 127, related to termination of relief by President or Congress. See section 1755 of this title.

Section 1416, act May 31, 1947, ch. 90, § 6, 61 Stat. 128, related to sale of relief supplies by recipient country; establishment of special account as revolving fund; termination; and disposition of balance.

Section 1417, act May 31, 1947, ch. 90, § 7, 61 Stat. 128, required the President to submit quarterly reports to Congress. See section 1794 of this title.

Foreign Aid Act of 1947; repeals act Dec. 17, 1947, ch. 520, §§ 1—18, 61 Stat. 934, which provided immediate aid urgently needed by peoples of Austria, China, France, and Italy and which was formerly set not as a note under former section 1411 of this title, was repealed by act Aug. 26, 1954, § 542 (a) (3).

Chapter 18.—UNITED STATES INFORMATION AND EDUCATIONAL EXCHANGE PROGRAMS

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- 1446. Interchange of persons on reciprocal basis.
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