

provided for in subchapter III, 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 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

Subchapters I to IV of this chapter, referred to in text, was in the original "this Act", meaning act Apr. 30, 1946, ch. 244, 60 Stat. 141, known as the Philippine Trade Act of 1946, which is classified principally to subchapters I to IV of this chapter. Subchapters I, II, and III of this chapter were omitted from the Code. For complete classification of this Act to the Code, see Short Title note set out under section 1354 of this title and Tables.

The executive agreement provided for in subchapter III of this chapter, referred to in text, expired July 4, 1974.

### § 1359. Omitted

#### CODIFICATION

Section, act Apr. 30, 1946, ch. 244, title V, § 510, 60 Stat. 158, related to administration of subchapter I of this chapter. See Codification note for section 1352 of this title.

### § 1360. Definitions

(a) For the purposes of subchapters I to 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 the Internal Revenue Code 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 the Internal Revenue Code; or the tax imposed by section 3500 of the Internal Revenue Code.

(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 pro-

duced 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 the Internal Revenue Code 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 the Internal Revenue Code; and the tax imposed by section 3500 of the Internal Revenue Code; 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 to 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 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

Subchapters I to IV of this chapter, referred to in subsecs. (a) and (d), was in the original “this Act”, meaning act Apr. 30, 1946, ch. 244, 60 Stat. 141, known as the Philippine Trade Act of 1946, which is classified principally to subchapters I to IV of this chapter. Subchapters I, II, and III of this chapter, which include sections 1271 and 1311 of this title, referred to in subsec. (b), were omitted from the Code. For complete classification of this Act to the Code, see Short Title note set out under section 1354 of this title and Tables.

Sections 2470 and 2491(c) of the Internal Revenue Code, referred to in subsec. (a)(3)(E), (8)(A), are references to sections 2470 and 2491(c) of the Internal Revenue Code of 1939, which were repealed by section 7851 of the Internal Revenue Code of 1954, Title 26. The Internal Revenue Code of 1954 was redesignated the Internal Revenue Code of 1986 by Pub. L. 99-514, § 2, Oct. 22, 1986, 100 Stat. 2095. Section 2470 was reenacted as sections 4511 and 4513 of Title 26, and section 2491 was reenacted as part of sections 4581 and 4582 of Title 26. Sections 4511, 4513, 4581, and 4582 of Title 26 were repealed by Pub. L. 87-456, title III, § 302(d), May 24, 1962, 76 Stat. 77, effective Aug. 31, 1963.

Section 3500 of the Internal Revenue Code, referred to in subsec. (a)(3)(E), (8)(A), is reference to section 3500 of the Internal Revenue Code of 1939, which was repealed by section 7851 of the Internal Revenue Code of 1954, Title 26. The Internal Revenue Code of 1954 was redesignated the Internal Revenue Code of 1986 by Pub. L. 99-514, § 2, Oct. 22, 1986, 100 Stat. 2095. See section 4501 of Title 26, Internal Revenue Code.

#### ADMISSION OF ALASKA AND HAWAII TO STATEHOOD

Alaska was admitted into the Union on Jan. 3, 1959, on issuance of Proc. No. 3269, Jan. 3, 1959, 24 F.R. 81, 73 Stat. c16, and Hawaii was admitted into the Union on Aug. 21, 1959, on issuance of Proc. No. 3309, Aug. 21, 1959, 24 F.R. 6868, 73 Stat. c74. For Alaska Statehood Law, see Pub. L. 85-508, July 7, 1958, 72 Stat. 339, set out as a note preceding section 21 of Title 48, Territories and Insular Possessions. For Hawaii Statehood Law, see Pub. L. 86-3, Mar. 18, 1959, 73 Stat. 4, set out as a note preceding section 491 of Title 48.

#### SUBCHAPTER IV—A—TRADE RELATIONS UNDER REVISED AGREEMENT

#### §§ 1371, 1372. Omitted

#### CODIFICATION

Section 1371, act Aug. 1, 1955, ch. 438, title I, § 2, 69 Stat. 413, which defined revised agreement, was omitted in view of the expiration of the revised agreement between the United States and the Republic of the Philippines which occurred on July 4, 1974.

Section 1372, act Aug. 1, 1955, ch. 438, title II, § 201, 69 Stat. 413, authorized revised agreement. See Codification note for section 1371 of this title.

#### REVISED AGREEMENT BETWEEN UNITED STATES AND PHILIPPINES

Act Aug. 1, 1955, ch. 438, title II, § 201, 69 Stat. 413, provided in part for a revised agreement, accompanied by a protocol, between the United States and the Republic