

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 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.

#### Editorial Notes

##### 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.

#### Statutory Notes and Related Subsidiaries; Executive Documents

##### 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

#### Editorial Notes

##### 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.

#### Statutory Notes and Related Subsidiaries

##### 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 of the Philippines concerning trade and other related matters during a transitional period following the institution of Philippine Independence on July 4, 1946, which agreement by the terms of Article XI thereof, was to have no effect after July 3, 1974.

##### MODIFICATION OF TEXT OF REVISED AGREEMENT

Act Aug. 1, 1955, ch. 438, title II, §202, 69 Stat. 425, provided that the text of the revised agreement between the United States and the Republic of the Philippines concerning trade and other related matters during a transitional period after Philippine independence was to be modified only to the extent necessary to correct errors or references to laws, to reflect executive or legislative action taken by the Philippines, or merely as changes in style.

##### DUTY-FREE TREATMENT FOR SCRAP TOBACCO AND FILLER TOBACCO

Pub. L. 87-47, June 16, 1961, 75 Stat. 92, provided that the duty-free treatment for scrap tobacco and filler tobacco described in item B in the schedule to paragraph 2 of article II of the agreement between the United States and the Republic of the Philippines concerning trade and other related matters during a transitional period after Philippine independence, as revised, was to apply only to articles certified by the Philippines as having been allocated for exportation to the United States free of duty under that paragraph.

#### § 1373. Suspension of Philippine Trade Act of 1946

The Philippine Trade Act of 1946 [22 U.S.C. 1251 et seq.] (except section 506(a) of this title [22 U.S.C. 1356] 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.)

#### Editorial Notes

##### REFERENCES IN TEXT

The Philippine Trade Act of 1946, referred to in text, is act Apr. 30, 1946, ch. 244, 60 Stat. 141, 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 revised agreement, referred to in text, was set out as a note under section 1371 of this title.

#### Statutory Notes and Related Subsidiaries

##### EFFECTIVE DATE

Act Aug. 1, 1955, ch. 438, title III, §301(b), 69 Stat. 426, provided that: "The provisions of this title [enacting sections 1373 to 1379 of this title and amending section 734 of Title 48, Territories and Insular Possessions] shall take effect on January 1, 1956, but only if the

President of the United States has made the proclamation referred to in subsection (a) [section 1379 of this title]."

##### SHORT TITLE

Act Aug. 1, 1955, ch. 438, title I, §1, 69 Stat. 413, provided that: "This Act [enacting this subchapter and amending section 734 of Title 48, Territories and Insular Possessions] may be cited as the 'Philippine Trade Agreement Revision Act of 1955'."

#### §§ 1374 to 1379. Omitted

#### Editorial Notes

##### CODIFICATION

Section 1374, act Aug. 1, 1955, ch. 438, title III, §303, 69 Stat. 426, related to quotas established by article III of the revised agreement. See Codification note for section 1371 of this title.

Section 1375, act Aug. 1, 1955, ch. 438, title III, §304, 69 Stat. 426, related to suspension of processing tax on coconut oil. See Codification note for section 1371 of this title.

Section 1376, act Aug. 1, 1955, ch. 438, title III, §305, 69 Stat. 426, provided that prior to July 4, 1974, no trade agreement be entered into with Republic of Philippines that would be inconsistent with this subchapter or revised agreement. See Codification note for section 1371 of this title.

Section 1377, act Aug. 1, 1955, ch. 438, title III, §306, 69 Stat. 426, related to rights of third countries to benefits granted Philippines by revised agreement. See Codification note for section 1371 of this title.

Section 1378, act Aug. 1, 1955, ch. 438, title III, §307, 69 Stat. 426, related to administration of revised agreement. See Codification note for section 1371 of this title.

Section 1379, act Aug. 1, 1955, ch. 438, title III, §301(a), 69 Stat. 426, related to effective date of revised agreement. See Codification note for section 1371 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.)

#### Statutory Notes and Related Subsidiaries

##### SHORT TITLE

Act July 3, 1946, ch. 536, §1, 60 Stat. 418, provided that: "This Act [enacting this subchapter] may be cited 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 (40 Stat. 411), 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