

**[ REPUBLIC ACT NO. 1602, August 23, 1956 ]**

**AN ACT TO PROVIDE FOR THE ALLOCATION, REALLOCATION  
AND ADMINISTRATION OF QUOTAS FOR CORDAGE, BUTTONS OF  
PEARL OR SHELL, CIGARS, SCRAP AND FILLER TOBACCO AND  
COCONUT OIL, AND FOR OTHER PURPOSES.**

*Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:*

SECTION 1. The absolute quota on cordage which is a Philippine product as specified in item B of the Schedule in paragraph I, Article II, of the Revised Agreement between the Republic of the Philippines and the United States of America concerning Trade and Related Matters dated September six nineteen hundred fifty-five, (hereinafter referred to as the Revised Agreement), and which may be entered, or withdrawn from warehouse, in the United States for consumption in any calendar year or part thereof during the period from January first, nineteen hundred fifty-six to July third, nineteen hundred seventy-four, inclusive, shall be allocated annually to the manufacturers in the Philippines of such kind of product whose products were exported to the United States during any of the calendar years nineteen hundred forty-seven to nineteen hundred fifty-five, or to their successors in interest, proportionately on the basis of their highest volume of exportation (or in the case of a successor in interest, the highest volume of exportation made by his predecessor in interest) to the United States in any calendar year during the period from nineteen hundred forty-seven to nineteen hundred fifty-five, inclusive.

SEC. 2. The duty-free quota on buttons of pearl or shell which is a Philippine article as defined in subparagraph (f) of paragraph I of the Protocol to the Revised Agreement which may be entered, or withdrawn from warehouse, in the United States for consumption, in calendar years nineteen hundred fifty-six, nineteen hundred fifty-seven and nineteen hundred fifty-eight shall be allocated annually to the manufacturers in the Philippines of such kind of article whose articles were exported to the United States during any of the calendar years nineteen hundred forty-seven to nineteen hundred fifty-five, or to their successors in interest, as follows:

- a. The regular quota holders during the years 1947 to 1955 who have actively engaged in the manufacture and exportation of buttons of pearl or shell but who have not transferred, leased or sold the whole or part of their quotas, shall retain their quotas as provided for under the Trade Agreement of 1946 between the Republic of the Philippines and the United States of America.
- b. The unallocated balance of the duty-free quota on buttons of pearl or shell, after deducting the quotas of regular quota holders mentioned in subsection (a) hereof shall be allocated to those actively engaged in the manufacture and exportation of buttons of pearl or shell but had no regular quota during the years 1947 to 1955, proportionately on the basis of their highest volume of

exportation (or in the case of a successor in interest, the highest volume of exportation made by his predecessor in interest) to the United States in any calendar year during the period from 1952 to 1955, inclusive; *Provided, however,* That in no case shall the quota to be granted under this subsection to former non-quota holders exceed that of permanent quota holders mentioned in subsection (a).

- c. Any balance of the duty-free quota on buttons of pearl or shell, after deducting the quotas allocated in subsections (a) and (b), shall be allocated to the regular quota holders during the year 1947 to 1955 who have actively engaged in the manufacture and exportation of buttons of pearl or shell but who have not transferred, leased or sold the whole or part of such quotas, proportionately on the basis of their highest volume of exportation (or in the case of a successor in interest, the highest volume of exportation made by his predecessor in interest) to the United States in any calendar year during the period from 1947 to 1955.

SEC. 3. The duty-free quotas on: (1) cigars (exclusive of cigarettes, cheroots of all kinds, and paper cigars and cigarettes including wrappers); (2) scrap tobacco, and stemmed and unstemmed filler tobacco described in paragraph 602 of the United States Tariff Act of 1930, as amended; and (3) coconut oil, which are Philippine articles as they are defined in subparagraph (f) of paragraph I of the Protocol to the Revised Agreement, and which may be entered, or withdrawn from warehouse, in the United States, for consumption, in calendar years 1956, 1957 and 1958 shall be allocated annually to manufacturers in the Philippines of articles of the class for which the corresponding quotas are established, and whose articles of such class were exported to the United States during any of the calendar years from 1947 to 1955, or to their successors in interest, in amounts equal to their highest volume of exportation but not less than two hundred fifty thousand pounds in the case of scrap and stemmed and unstemmed filler tobacco.

SEC. 4. The duty-free allotment of each quota holder for each calendar year during the three-year period from 1959 to 1961 and during succeeding three-year periods until calendar year 1973 for the Philippine articles mentioned in sections 2 and 3 shall be equal to his allotment for the period from 1956 to 1958: *Provided, That,* when the total of the duty-free quota allotments for all quota holders shall exceed the total duty-free quota due to the diminution thereof in accordance with paragraph 2, Article II, of the Revised Agreement, the duty-free allotment of each quota holder shall be reduced proportionately with the total duty-free quota on each article for the corresponding three-year period.

SEC. 5. Should there be an unallocated balance of any quota on any of the Philippine articles or products after the allocation thereof in accordance with sections 1, 2 and 3 hereof, such unallocated balance shall be assigned to the Government for disposition and shall be made available for allocation to manufacturers of such class of articles or products who at the time such allocation is to be made, are able and ready to export their articles or products to the United States, as follows:

- a. Fifty per centum of the unallocated balance shall be allocated to regular quota holders during the years 1947 to 1955 who may have filled their regular quotas under this Act, the allocation to be made proportionately on the basis of their average yearly production as shown by taxes paid to the Bureau of Internal Revenue and/or other satisfactory evidence.