

**AGREEMENT (WITH PROTOCOL AND EXCHANGE OF NOTES)
REVISING THE THE AGREEMENT BETWEEN THE REPUBLIC OF THE
PHILIPPINES AND UNITED STATES OF AMERICA CONCERNING
TRADE AND RELATED MATTERS DURING A TRANSITIONAL
PERIOD FOLLOWING THE INSTITUTION OF PHILIPPINE
INDEPENDENCE (LAUREL-LANGLEY AGREEMENT)**

Note: The Agreement entered into force, January 1, 1956. It was proclaimed by the President, Proc. No. 216, S. 1955.

Reference: This Agreement is also published In 238 UNTS, p 264. The Presidential proclamation of the Agreement is published in 51 O.G. 6037.

The President of the Republic of the Philippines and the President of the United States of America, mindful of the close economic ties between the people of the Philippines and the people of the United States 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the following portions of the period from January 1, 1956, to July 3, 1974, both dates inclusive, are entered, or withdrawn from warehouse, in the Philippines for consumption, shall be determined by applying the following percentages of the Philippines duty as defined in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those specified in the Schedule to Paragraph 2 of Article II, which during such portions of such period are entered, or withdrawn from warehouse, in the United States for consumption, shall be determined by applying the following percentages of the United States duty as defined in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, 1958, 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. Customs 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-I 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

ITEMS CLASSES OF ARTICLES AMOUNTS

Items	Classes of Articles	Amounts
A	Sugars.....	952,000 short tons
A-1	of which not to exceed.....	56,000 short tons
	may be refined sugars, meaning "direct-consumption sugar" as defines in Section 101 of United States which is set forth in part as Annex I to this Agreement.	
B	Cordage, including yarns, twines (including binding twine described in Paragraph 1622 of the Tariff Act of 1930 of the United States, as amended, which is set forth as Annex II to this Agreement),	6,000,000 lbs.
	cords, cordage, rope, and cable, tarred or untarred, wholly or in chief value of manila (Abaca) or other hard fiber....	

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

Items Classes of Articles Amounts

Items	Classes of Articles	Amounts
A	Cigars (exclusive of 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, which is set forth as Annex 111 to this Agreement	6,500,000
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 their 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 Philippines 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 11) 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 like or directly competitive articles; or