

## SPECIAL TARIFF POSITION OF PHILIPPINES

*Exchange of notes at Washington May 4 and August 15, 1946, supplementing agreement of May 24, 1930  
Entered into force August 15, 1946*

61 Stat. 2443; Treaties and Other  
International Acts Series 1572

*The Acting Secretary of State to the Egyptian Minister*

DEPARTMENT OF STATE  
WASHINGTON

*May 4, 1946*

SIR:

With reference to the forthcoming independence of the Philippines on July 4, 1946, my Government considers that provision for a transitional period for dealing with the special tariff position which Philippine products have occupied for many years in the United States is an essential accompaniment to Philippine independence. Accordingly, under the Philippine Trade Act approved April 30, 1946,<sup>1</sup> goods the growth, produce or manufacture of the Philippines will enter the United States free of duty until 1954, after which they will be subject to gradually and regularly increasing rates of duty or decreasing duty-free quotas until 1974 when general rates will become applicable and all preferences will be completely eliminated.

Since the enactment of the Philippine Independence Act approved March 24, 1934,<sup>2</sup> my Government has foreseen the probable necessity of providing for such a transitional period and has since then consistently excepted from most-favored-nation obligations which it has undertaken toward foreign governments advantages which it might continue to accord to Philippine products after the proclamation of Philippine independence. Some thirty instruments in force with other governments, for example, permit the continuation of the exceptional tariff treatment now accorded by my Government to Philippine products, irrespective of the forthcoming change in the Commonwealth's political status.

With a view, therefore, to placing the relations between the United States and Egypt upon the same basis, with respect to the matters involved, as

<sup>1</sup> 60 Stat. 141.

<sup>2</sup> 48 Stat. 456.

the relations existing under the treaties and agreements referred to in the preceding paragraph, I have the honor to propose that the provisions of the Provisional Commercial Agreement between the United States of America and Egypt effected by an exchange of notes signed May 24, 1930,<sup>3</sup> shall not be understood to require the extension to Egypt of advantages accorded by the United States to the Philippines.

In view of the imminence of the inauguration of an independent Philippine Government, I should be glad to have the reply of your Government to this proposal at an early date.

Accept, Sir, the renewed assurances of my highest consideration.

DEAN ACHESON  
*Acting Secretary of State*

The Honorable  
MAHMOUD HASSAN  
*Minister of Egypt*

*The Egyptian Minister to the Acting Secretary of State*

ROYAL EGYPTIAN LEGATION  
WASHINGTON, D.C.  
*August 15, 1946*

SIR:

I have the honour to refer to your letter dated May 4, 1946 informing me that your Government made a provision for a transitional period for dealing with the special tariff position which Philippine products have occupied before independence. Accordingly, under the Philippine Trade Act approved April 30, 1946, goods the growth, produce or manufacture of the Philippines will enter the United States free of duty until 1954, after which they will be subject to gradually and regularly increasing rates of duty or decreasing duty-free quotas until 1974 when general rates will become applicable and all preferences will be completely eliminated.

I have the pleasure to inform you that after referring the contents of your communication to my Government, I have been authorized to state that until the expiration date of the exceptional treatment of Philippine imports, my Government does not intend to invoke the most-favored-nation clause under the Provisional Commercial Agreement between the United States of America and Egypt effected by an exchange of notes signed May 24, 1930.

Accept, Sir, the renewed assurances of my highest consideration.

M. HASSAN

The Honourable  
DEAN ACHESON  
*Acting Secretary of State*  
*Washington, D.C.*

<sup>3</sup> EAS 5, *ante*, p. 1329.