

still plays a dominant position in the imports of the whole economy, although to a smaller degree compared to the period we study. It is somewhat strange, however, to find that imports of roasted cocoa came from the US and not from such countries as Brazil, Ghana or Nigeria. This pattern of trade was due to the structure of shipping routes and to market imperfections in international trade. The sources of supply were easily located in the US because the trade routes of the Philippines with the major raw material suppliers were not established. The US accounted for a share of NNI import supplies amounting to 48 per cent of total NNI imports. This is 3 per cent higher compared to the total share of imports from the US in total Philippine import trade (45 per cent) during the period. This deviation in share gives some (although insufficient) support to the assertion that the import substituting industries were largely imitations of goods previously imported from the US, so that many NNI were predisposed to buy their import supplies of semi-finished and other raw materials from the US.⁹ Although the Laurel-Langley Agreement therefore stimulated some pattern of dependence on US import supplies, it is likely that the relatively higher relative share of the US in the NNI imports is accounted for by a different factor, emanating largely from the product composition of the import substituting NNI.

⁹Appendix A, below, gives an idea of the nature of the products produced by NNI.

IMPLIED TARIFF SUBSIDIES TO NNI IMPORTS

It is an important question to quantify the value of the tariff subsidies implied from NNI imports. These computations were made by using the nominal rates as found in the Tariff Code, allowing for any changes in tariff rates as we could best take note of. The preponderance of NNI imports from the United States and the existence of preferential rates of tariff for US goods made it important to examine the extent of the subsidies to imports coming from that country. The rate of tariff preference can be considered as a subsidy to US imports, and to another extent as a subsidy to NNI because they could import US goods relatively more cheaply. The rates of tax exemption of NNI, we noted earlier, were already diminishing from 1959-61; so were the preferential tariff rates on imports from the U.S. The implied tariff subsidies were computed on a commodity-by-commodity basis. In view of the changes in some of the tariff schedules during the period, the effort proved quite a challenge and the meager results we produce in this study do not quite measure up to the demanding tasks this effort consumed. In Appendix C, the methodology of the computation of all these tariff subsidies as well as the more detailed tariff subsidies implied is given.

Since any foreign exchange allocations during the period of the study automatically gave the allocation quota recipient a high scarcity premium, the subsidy from tariffs would not have mattered much from the viewpoint of NNI. Their exist-

ence only further reduced the acquisition cost of imports and thereby made an already high foreign exchange scarcity premium higher. On the side of the government, these tariff subsidies represented some customs revenues forgone. In view of the high scarcity premium to foreign exchange allocations, the absence of these subsidies would not have probably reduced these importations. Thus, within the subsidy range, we can assume that the demand for the imports were almost perfectly inelastic. Therefore, the revenues forgone by the government were real. In Table 12, it can be seen that forgone revenues as a result of the tariff subsidies was 4 per cent of total receipts of the Bureau of Customs in 1959, 12 per cent in 1960, and 8 per cent in 1961. Total revenues forgone during the three-year period mentioned was 8 per cent of total customs collections. Table 13 shows the average subsidy rates from tariff by 1-digit SITC. Overall, the tariff subsidies from imports from the U.S. were relatively much more compared with those coming from other countries. This should not be surprising in view of the preferential trade agreement with the US. On the average, per peso f.o.b. imports of the new and necessary industries from 1949-61, an additional 31 centavos represented revenues forgone by the Philippine government. In terms of importation from other countries, for every peso f.o.b. imports, 14 centavos represented the subsidy. The values of the subsidies are recorded in the last row, so that any interested reader can recompute these subsidies by 1-digit SITC.

Table 12. FOREGONE REVENUE AS PER CENT OF TOTAL CUSTOMS EARNINGS

Y e a r	Total Customs Collections (thousand pesos)	Total Tariff Subsidies (thousand pesos)	Subsidies as a Per Cent of Total Collections
1959	231,078	8,370	4
1960	264,044	31,510	12
1961	311,505	24,481	8
T o t a l	806,627	64,361	8

Source: Central Bank, Statistical Bulletin, for customs collections.

Table 13. AVERAGE SUBSIDY RATES FROM TARIFFS

SITC Code	I n d u s t r y	U N I T E D S T A T E S				O T H E R C O U N T R I E S			
		Total	1959	1960	1961	Total	1959	1960	1961
0	Food	1.28	1.45	1.37	1.25	1.08	1.21	1.11	1.05
1	Beverages & tobacco	1.32	-	1.37	1.25	1.66	1.66	-	-
2	Crude materials, except fuels	1.31	1.82	1.37	1.25	1.07	1.82	1.13	1.06
3	Mineral fuels, lubricants	1.30	1.45	1.37	1.25	1.06	1.05	1.07	1.03
4	Animal, vegetable oils & fats	1.35	1.45	1.37	1.25	1.23	1.53	1.17	1.20
5	Chemicals	1.32	1.45	1.37	1.25	1.09	1.13	1.10	1.07
6	Manufactured goods classified chiefly by materials	1.34	1.45	1.37	1.25	1.15	1.18	1.19	1.13
7	Machinery & transport equipment	1.31	1.45	1.37	1.25	1.08	1.12	1.10	1.06
8	Miscellaneous articles	1.33	1.45	1.37	1.25	1.20	1.51	1.20	1.11
9	Commodities & transactions not classified according to kind	1.37	-	1.37	1.25	2.00	2.00	2.00	2.00
	Total	1.31	1.46	1.37	1.25	1.14	1.45	1.15	1.08

See Appendix C.2 for more detail on computational methods and for 2-digit rates.

Tables 14 and 15 give the relative values of total subsidies of NNI imports by country of source by 1-digit SITC. The implied tariff subsidies on NNI imports from countries other than the US are higher than those from the US only in terms of imports of beverages and tobacco, crude materials, oils and fats, and other commodities. We recall from Table 5 much earlier that total NNI imports of these commodities **account** for 11.22 per cent of NNI imports, but that crude materials alone is responsible for 10.56 per cent of total NNI imports. Thus with the exemption of crude materials, the preponderance of non-US imports is only in terms of a relatively insignificant import group.

The findings that the implied tariff subsidies are higher for US simply follows from the fact that the US supplies the great bulk of NNI imports. The higher values of subsidies is due to the (bilateral) preferential tariff treatment of trade with the US on account of the Laurel-Langley Agreement.

COMMENTS AND SUMMARY

This study summarizes the statistical compilation and analysis of unpublished data on the imports of the "new and necessary industries," as collected by the Tariff Commission during the year 1959 to 1961. With the help of the Tariff Code (and the revised tariff rates), we were able to report

Table 14. PER CENT DISTRIBUTION TOTAL NNI IMPORT SUBSIDIES

SITC	I n d u s t r y	U N I T E D S T A T E S					O T H E R C O U N T R I E S				
		Total	1959	1960	1961	Total	1959	1960	1961	Total	1959
0	Food	23.02	1.06	16.48	34.93	3.56	2.10	3.73	4.39		
1	Beverages & tobacco	0.01	-	0.01	0.01	0.12	0.52	-	-		
2	Crude materials, inedible, except fuels	8.28	5.21	8.47	8.64	24.13	75.22	8.31	10.93		
3	Mineral fuels, lubricants	0.24	0.12	0.20	0.31	0.07	0.02	0.13	0.03		
4	Animal, vegetable oils & fats	0.37	0.03	0.62	0.14	1.50	1.72	0.70	2.60		
5	Chemicals	9.08	2.13	9.97	9.35	5.76	1.81	5.77	8.66		
6	Manufactured goods classified chiefly by materials	37.61	58.70	44.75	25.14	48.33	15.42	64.81	47.01		
7	Machinery & transport equipment	20.35	30.29	18.49	20.66	15.43	1.98	15.37	25.50		
8	Miscellaneous manufactured articles	1.02	2.46	0.97	0.82	0.93	1.17	0.84	0.87		
9	Commodities & transactions not classified according to kind	0.02	-	0.04	*	0.17	0.04	0.34	0.01		
	Total	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00		
	(Value in 1,000 pesos)	42,130	3,378	21,000	17,752	22,230	4,992	10,510	6,729		

*Less than p500.00.

Table 15. NNI IMPORT SUBSIDIES: RATIO OF SUBSIDIES IMPORTS
FROM OTHER COUNTRIES TO SUBSIDIES ON NNI IMPORTS FROM US.

SITC	Group	R a t i o s			
		Total	1959	1960	1961
0	Food	0.08	2.92	0.11	0.05
1	Beverages & tobacco	8.67	-	-	-
2	Crude materials, inedible, except fuels	1.54	21.34	0.49	0.48
3	Mineral fuels, lubricants	0.16	0.25	0.33	0.04
4	Animal, vegetable oils & fats	2.15	86.00	0.56	7.29
5	Chemicals	0.33	1.25	0.29	0.35
6	Manufactured goods classified chiefly by materials	0.68	0.39	0.72	0.71
7	Machinery & transport equipment	0.40	0.10	0.42	0.47
8	Miscellaneous manufactured articles	0.48	0.70	0.44	0.41
9	Commodities & transactions not classified according to kind	4.62	-	4.38	-
Total NNI Import Subsidies		0.53	1.48	0.50	0.38

$$\text{Ratio} = \frac{\text{Tariff subsidies for imports from non-US suppliers}}{\text{Tariff subsidies for imports from US}}$$

estimates of the implied tariff subsidies from the imports of these industries on account, firstly, of Republic Act 901 which gave tax-exemption to NNI of "all" national taxes and secondly, of the preferential trade with the United States in accordance with the Laurel-Langley Agreement. Between 1959 and 1961, the exemptions of NNI according to law were already "partial", but they were still on the high side. According to treaty obligation, moreover, imports from the US were given 50 per cent tariff reductions.

(1) There were strong reasons to suspect that the data on NNI imports were incomplete, and the discrepancy with figures derived from the Department of Finance, which administered the law on NNI, showed the understatement and undercoverage of these imports. We assumed that understatement and undercoverage of NNI imports was prevalent. Thus, the attempt to analyze the NNI imports in terms of commodity composition, year-to-year change, geographic sources of import supplies, and tariff subsidies implied should be viewed as an attempt to say what can be said under the circumstances.

(2) The foreign exchange problems during the period of the study, which were quite acute, had their telling blow on the levels of imports. On a commodity-by-commodity inspection, the levels of imports varied drastically without any distinct pattern. The levels of 1959 were much lower than 1960, but so were the NNI imports of 1961 relative to 1960.

(3) The NNI imports also became relatively concentrated on raw materials and consumption goods and departed drastically from the national import pattern in terms of consumption goods-capital goods classifications. This striking observation strengthens the notion that the NNI import substituting industries were relatively highly import dependent.¹⁰

(4) The value of recorded NNI imports during the period were relatively unimportant compared to total imports. But the apparent statistical undercoverage of the NNI imports meant that the relative share of the NNI imports to total exports could have been larger than we have derived. This undercoverage was due to a combination of two things, which were impossible to isolate in view of lack of any additional information. Firstly, an under-reporting of NNI imports might have been inherent in the import documents which were utilized by the Tariff Commission in assembling the NNI import data. Secondly, because privileged access to foreign exchange allocations were no longer as easily available, some NNI found it necessary to purchase import supplies through other commercial channels -- either through other importers with foreign exchange allocations or through a system of securing their own allocations without causing their applications for import allocations pass through the complex administrative system which

¹⁰This has been argued in another paper, G.P. Sicat, "Import Dependent Import Substitution," Institute of Economic Development and Research, University of the Philippines (August, 1965), mimeo. This observation is also consistent with the finding that as foreign exchange resources became more scarce, the rates of return of the new and necessary industries fell. See G.P. Sicat, "Rates of Return in Philippine Manufacturing," Insti-

allowed for greater exemptions under the law covering NNI. Moreover, by 1961, the Basic Industries Act (R.A. 3127) provided another outlet for more liberal import privileges at least in terms of new machinery imports for those NNI who were able to **secure** privileges under this law. (We shall have occasion to mention this new act at the end of this paper.)

(5) A geographic study of the source of import supplies of the NNI revealed the dominance of the US. The NNI import supplies from the US as a per cent of total NNI imports is higher than the average share of imports from the US to total Philippine imports. While the Laurel-Langley Agreement may have accounted for part of this phenomenon, it does not explain why the relative dependence of NNI imports from the US is greater than the national average. This difference is apparently accounted for by the fact that the import substituting industries which were largely consumer goods were early imitations of substitutions of previous imports from the US, more than from any country. Thus, the NNI imports of materials -- whether unfinished or semi-finished -- had to come from the US in greater degree.

(6) The computations of implicit tariff subsidies shows that as much as 64 million pesos of tariff revenues were foregone for the years 1959 to 1961, about 8 per cent of the total customs

collections for these years. Because in a foreign exchange control system, the grant of an exchange allocation already grants enormous scarcity premium to the grantee it can be concluded that the quantity of the importations would have been little affected within the before-and-after tariff subsidy price of the imports. Thus, the NNI imports were price-inelastic within the relevant price range and the loss in revenues can be interpreted as "real" from the standpoint of the government. These additional subsidies simply increased the premium price on the allocations to the NNI. Another aspect of the implied subsidies is that in view of the preferential rates for imports from the US, the implied subsidies on imports from the US were much higher than those received by imports from other countries.

* * *

As a postscript, it is interesting to mention briefly the Basic Industries Act (R.A. 3127), passed into law in mid-1961. The pressure for extending incentive benefits to some industries became quite strong as the anticipated termination of the NNI law drew nearer. The new Act gave the following tax exemptions of imports of machinery, equipment, and spare parts of firms engaged in "basic" activities (somewhat loosely defined by broad groups of commodities and determined by a Board of Industries) from the payment of the "special import tax, compensating tax, foreign exchange and tariff duties." The industries promoted under this law constitutes a new chapter to Philippine industrial

history, and it shall be the subject of another paper.¹¹ Suffice it to say here that some NNI were able to secure privileges under this law in 1961 and were thus able to make importations of capital equipment availing of these more generous privileges. Thus, our NNI import statistics for 1961 are more than ever influenced by these imports which were covered by new privileges and administered by a different administrative board.

We still have to know more about the new and necessary industries which were promoted by the economic policies of the 1950's. Descriptive material on these industries, coupled with a lot of insights which were inevitably tied to the policy climate of this period, have been provided by others, notably by Golay.¹² But the quantification of the experience of these industries, as they adjusted to the changes in the economic climate and to the policies which shaped this climate, are still inadequate. This paper attempted to contribute towards the quantification of this experience.

¹¹A study along the same line as this paper will be the subject of joint work between Alfonso Bascos, who is currently finishing a master's paper on the basic industries act, and this author.

¹²F.H. Golay, op. cit., especially Chapter 11.

Appendix A. MAJOR PRODUCT LINES ENCOURAGED BY LAW ON NNI

Food Manufacturing Industries

① Preserving, packaging and canning meat and meat products, fruits and vegetables, fish, dairy products, coffee, cocoa, chocolate and confectionery products, miscellaneous food preparations such as paste products, feeds for animals and fowls, food seasoning, sauce and juices.

② Leaf Tobacco Flue-Curing and Redrying

③ Manufacturers of Textiles

Spinning, weaving, finishing and knitting processes, making of bags and articles from fibers, ribbon and labels, canvass, socks and hosiery, towels, tricot fibers, braidings, cords, wicks, absorbent gauze, gas mantle tapes, twines, fishing nets, hand gloves, brassieres, suspenders, weaving apparel and other made-up textile goods, shoe laces, surgical gauze, bandage, tapes, rubberized cloth, and other processing of fibers.

④ Manufacturers of Wood and Wood Products

Wood preserving treatment, plastic laminations of wood and wood products, veneer and plywood, ladies' fans, wood tile and miscellaneous wood articles such as jalousies, venetian blinds, coir bristles, and other fiber products.

⑤ Manufacturers of Paper and Paper Products

Manufacturers of pulp, paper and paperboard, and articles from pulp, paper, paperboard, and wallboard.

⑩ Manufacturers of Metal Products

Non-basic iron and steel, such as galvanized steel sheets, structural steel frames, hand tools, containers and other tin wares, tin crowns and bottle caps, household utensils and kitchen wares, metalcraft products, barbed wires, fence wires, staples and other manufactured articles of metal like cabinets, tables, flat iron, kerosene stoves, oven, lamps, etc.

11 Manufacturers of Non-Electrical Machinery

Agricultural machinery and parts, plus other miscellaneous machinery and equipment fall under this industry group.

12 Manufacturers of Electrical Equipment, Apparatus, Appliances and Supplies

Manufacturing and assembling of television sets, radio, refrigerators, air conditioning units, bulbs, storage battery, electric flat iron, insulated wires, ballast, electric range and stoves, etc.

13 Miscellaneous Industries

Optical goods, crude petroleum, plastic products, organs, pianos, phonograph records, juke boxes, and phonograph materials.

6 Manufacturers of Leather and Leather Products

7 Manufacturers of Rubber Products

Tires, foam, camelback, hard rubber battery, cases, polyvinyl soles, shoes and sheetings, moulded mechanical and pharmaceutical goods, rubber cement, recapping materials for tires, and other miscellaneous rubber products.

8 Manufacturers of Chemical and Chemical Products

Basic chemical like sulphuric acid, glycerine, glue, caustic soda, vegetable oils, resins, etc., and chemical products such as medicinal and pharmaceutical preparations, cleansing compounds, paints, varnishes, lacquer, printing ink, and other miscellaneous chemical products.

9 Manufacturers of Non-Metal Products

Structural clay, pottery, china wares and earthenwares, bottles, jars, sandpaper, asbestos, lime, chalks and cement products.

Appendix B. SUMMARY OF IMPORTS OF NEW AND NECESSARY
INDUSTRIES BY COUNTRIES OF ORIGIN
(1,000 Pesos)

Code	Division	UNITED STATES			OTHER COUNTRIES		
		1959	1960	1961	1959	1960	1961
01	Meat & Meat Preparations	52	--	--	35	2	--
02	Dairy Products, Eggs and Honey	--	276	299	155	349	277
04	Cereal & Cereal Preps.	--	4,428	10,264	6	1,977	1,585
05	Fruits and Vegetables	2	67	101	2	--	3
06	Sugar & Sugar Preps.	--	27	8	--	--	--
07	Coffee, Tea, Cocoa, Spices and Manufactures Thereof	--	2,323	88	200	611	258
08	Feeding Stuff for Animals	25	965	286	87	378	253
09	Miscellaneous Food Preps.	--	15	2	15	--	2
11	Beverages	--	5	--	40	--	--
12	Tobacco & Tobacco Mfrs.	--	--	1	--	--	--
21	Hides, Skins, Fur Skins	--	242	68	130	138	28
22	Oil Seeds, Oil Nuts & Oil Kernels	--	112	48	14	--	--
23	Crude Rubber, Including Synthetic and Reclaimed	--	1,380	1,787	118	1,621	2,085
24	Wood, Lumber and Cork	--	275	--	--	78	159
25	Pulp and Waste Paper	68	768	471	95	965	364
26	Textile Fibers (not manu- factured)	144	6	476	4,188	2,625	2,908
27	Crude Fertilizers & Crude Minerals	1	132	104	26	241	81
28	Metalliferous Ores and Metal Scrap	--	13	--	--	5	1
29	Animal & Vegetable Crude Materials	2	42	24	6	169	19
31	Mineral Fuels, Lubricants and Related Materials	8	97	105	13	187	21
41	Animal & Vegetable Oils, Fats, Greases and De- rivatives	2	144	30	160	371	524
51	Chemical Elements and Compounds	38	1,830	1,179	251	1,773	1,307
52	Mineral Tar	--	*	6	--	--	--
53	Dyeing, Tanning & Coloring Materials	74	761	382	137	1,292	754
54	Medicinal & Pharmaceutical Products	7	291	98	186	74	6,853
55	Essential Oils, Perfume Materials, Toilet Polishing and Clean- sing Preparations	--	5	6	4	5	9

Code	Division	UNITED STATES			OTHER COUNTRIES		
		1959	1960	1961	1959	1960	1961
56	Fertilizers, Manufactured	--	--	83	--	--	27
59	Explosives & Miscellaneous Chemical Materials and Products	42	1,905	899	135	1,299	1,110
61	Leather & Leather Mfrs.	9	21	14	55	8	12
62	Rubber Manufactures	119	182	73	11	100	32
63	Wood and Cork Mfrs.	--	--	5	120	7	18
64	Paper, Paperboard and Mfrs. Thereof	548	819	1,333	805	184	151
65	Textile Yarns, Fabrics & Made-Up Articles	1,139	3,606	1,620	682	6,131	2,123
66	Non-Metallic Mineral Manufactures	106	578	335	126	769	129
67	Gold, Silver, Platinum, Gems & Jewelry	*	43	--	--	28	--
68	Base Metals	2,275	21,389	6,193	2,353	26,173	8,363
69	Manufactures of Metals	212	963	411	75	508	134
71	Machinery Other Than Electric	2,047	7,683	6,712	628	13,194	11,214
72	Electric Machinery, Apparatus and Appliances	670	1,679	757	548	1,106	480
73	Transport Equipment	8	101	20	88	174	48
81	Prefabricated Buildings, Sanitary Plumbing, Heating, Lighting Fixtures & Fittings	38	43	103	35	14	3
83	Travel Goods, Handbags and Similar Articles	--	--	5	--	--	2
84	Clothing	126	*	19	21	*	--
86	Professional, Scientific & Controlling Apparatus & Instruments	10	78	105	8	99	26
89	Miscellaneous Manufacturing Articles	10	387	65	50	299	232
91)		--	--	*	2	53	*
)	Returned Goods	--	20	29	--	--	--
93)		--	20	29	--	--	--
GRAND TOTAL		<u>7,783</u>	<u>53,704</u>	<u>34,613</u>	<u>11,616</u>	<u>63,009</u>	<u>41,613</u>

* Less than P1,000.

Appendix C. THE COMPUTATION OF IMPLIED TARIFF SUBSIDIES

The computation of implied tariff subsidies of NNI is only one of the important subsidies that NNI industries received. The other bulk of the benefits received by NNI were the internal revenue taxes from which NNI were exempted, not to mention privileged access to foreign exchange allocations. In view of the preferential tariff rate provisions of the Laurel-Langley Agreement for imports from the US, we separate these imports and the implied subsidies granted to them in contrast to imports from all other countries.

To compute for the tariff subsidy, we simply used the following method:

Let

- V_{it} = (dutiable) value of import good i , c.i.f. in year t
- t_{it} = tariff rate on i in t
- e_t = tax-exemption rate in year t by virtue of the schedule of NNI exemptions (Republic Act 901) applied across the board for all NNI
- u_t = preferential rate to imports applied across the board for all US imports, due to Laurel-Langley treaty; $0 < u < 1$, for US; $u = 1$ otherwise.

Then we define the following:

- (a) total tariffs due on good $i = t_{it} V_{it}$
- (b) total tariffs subsidy from the payment of taxes in view of RA 901

$$S_{it} = e_t u_t t_i V_i$$

It follows that the

$$\begin{aligned} \text{net tariffs paid} &= t_{it} V_{it} - S_{it} \\ &= t_{it} V_{it} - e_t u_t t_{it} V_{it} \\ &= (1 - e_t u_t) t_{it} V_{it} \end{aligned}$$

where $e_t u_t$ = the net tariff subsidy rate on good i at year t .

The following were the values of e_t from 1959 to 1961:

$$e_{1959} = 0.90$$

$$e_{1960} = 0.75$$

$$e_{1961} = 0.50.$$

For the same period, the value of u_t remained the same at 50 per cent. For all countries other than the US, $u_t = 1$ otherwise.

Since we are interested in the value of the implied tariff subsidies, we computed only for the value of S_{it} . Below, we demonstrate the computations for S_{it} .

Illustrations of the computations are shown in the succeeding two tables. Afterwards, tables of total dutiable values and tariff subsidies by 2-digit SITC are presented as Appendix C-1.

Next, we were interested in showing the average rates of subsidy, per two-digit import item, relative to the dutiable value of the good. Since the rates differed for the respective commodities, we decided to get the implicit average rates based on the total computed rates. This was done by the following method:

$$\begin{aligned} \text{Average 2-digit tariff subsidy rate (i)} &= (V_i + S_i)/V_i \\ &= 1 + S_i/V_i. \end{aligned}$$

The fractions S_i/V_i are equivalent to an average of individual rates $e_t u_t t_i$, which are based on specific commodities. Appendix C-2 presents the 2-digit implied tariff subsidies in relation to the original dutiable values of the imports. We recall that Table 13 presents the 1-digit implied average rates of tariff subsidies.

Appendix C.1. DUTIABLE VALUE AND TARIFF SUBSIDY BY
COMMODITY GROUPS AND COUNTRIES
(1,000 Pesos)

Code	Division	UNITED STATES						OTHER COUNTRIES					
		1 9 5 9		1 9 6 0		1 9 6 1		1 9 5 9		1 9 6 0		1 9 6 1	
		V	S	V	S	V	S	V	S	V	S	V	S
01	Meat & Meat Preps.	52	21	--	--	--	--	35	5	2	*	--	--
02	Dairy Products, Eggs and Honey	--	--	330	104	422	106	155	21	395	66	308	23
04	Cereal and Cereal Preparations	--	--	5,017	1,881	23,184	5,796	6	*	2,135	79	4,024	64
05	Fruits & Vegetables	2	1	94	35	258	64	2	*	--	--	11	2
06	Sugar & Sugar Preps.	--	--	30	11	30	7	--	--	--	--	--	--
07	Coffee, Tea, Cocoa, Spices and Manu- factures Thereof	--	--	2,538	952	254	63	200	53	663	133	500	74
08	Feeding Stuff for Animals	25	11	1,202	451	654	163	87	24	378	112	657	131
09	Miscellaneous Food Preparations	--	--	19	7	7	2	15	1	--	--	7	*
11	Beverages	--	--	5	2	--	--	40	26	--	--	--	--
12	Tobacco & Tobacco Manufactures	--	--	--	--	4	1	--	--	--	--	--	--
21	Hides, skins, fur skins	--	--	274	103	162	41	130	12	157	12	47	1
22	Oil Seeds, Oil Nuts & Oil Kernels	--	--	144	54	149	37	14	21	--	--	--	--
23	Crude Rubber, In- cluding Synthetic and Reclaimed	--	--	1,598	599	3,282	821	118	14	1,834	206	4,614	34
24	Wood, Lumber and Cork	--	--	318	199	--	--	--	--	86	10	374	2
25	Pulp & Waste Paper	68	31	2,124	796	1,484	371	95	12	1,113	83	1,225	61
26	Textile Fibers (not manufactured)	144	free	7	2	733	183	4,188	51	3,149	234	5,689	28

OTHER COUNTRIES

UNITED STATES

Code	Division	UNITED STATES						OTHER COUNTRIES					
		1959	1960	1961	1959	1960	1961	1959	1960	1961	V	S	S
V	S	V	S	V	S	V	S	V	S	V	V	S	S
27	Crude Fertilizers & Crude Minerals	1	*	207	78	300	75	26	3	296	309	232	
28	Metalliferous Ores & Metal Scrap	--	--	14	5	--	--	--	--	5	*	4	*
29	Animal & Vegetable Crude Materials	2	*	58	22	28	7	6	4	197	20	59	
31	Mineral Fuels, Lubricants and Related Materials	8	4	112	42	219	55	13	*	204	14	51	
41	Animal & Vegetable Oils, Fats, Greases & Derivatives	2	1	348	130	95	24	160	86	416	73	879	17
51	Chemical Elements & Compounds	38	16	2,197	824	3,080	770	251	28	2,849	185	3,650	15
52	Mineral Tar	--	--	*	*	23	6	--	--	--	--	--	--
53	Dyeing, Tanning & Coloring Materials	74	32	842	316	1,023	256	137	25	1,410	247	1,581	18
54	Medicinal & Pharmaceutical Products	7	3	382	143	179	45	186	18	80	7	143	1
55	Essential Oils, Perfume Materials, Toilet Polishing & Cleansing Preps.	--	--	7	2	21	5	4	2	5	1	20	
56	Fertilizers, Manufactured	--	--	--	--	108	27	--	--	--	--	47	
59	Explosives & Miscellaneous Chemical Materials & Products	42	18	1,725	809	2,204	551	135	17	1,446	167	2,787	23
61	Leather & Leather Manufactures	9	4	10	8	16	4	55	23	9	1	12	

Code	Division	UNITED STATES					OTHER COUNTRIES						
		1959	1960	1961	1959	1960	1961						
		V	S	V	S	V	S						
86	Professional, Scientific and Controlling Apparatus and Instruments	10	4	84	32	243	61	8	1	110	10	73	5
89	Miscellaneous Manufacturing Articles	10	4	411	154	156	39	50	32	316	77	381	43
91)		--	--	--	--	*	*	2	free	35	free	*	free
93)	Returned Goods	--	--	20	8	--	--	--	--	--	--	--	--
GRAND TOTAL		7,333	3,229	55,499	20,980	70,914	17,752	11,165	1,349	69,315	9,743	80,930	6,474

*Less than P1,000.

V = Dutiable Value

S = Tariff Subsidy

Appendix C-2. IMPLIED TARIFF SUBSIDY RATES,
BY TWO-DIGIT GROUPS

Code	Division	UNITED STATES			OTHER COUNTRIES		
		1959	1960	1961	1959	1960	1961
01	Meat & Meat Preparations	1.40	-	-	1.14	*	-
02	Dairy Products, Eggs & Honey	-	1.32	1.25	1.14	1.17	1.07
04	Cereal & Cereal Preparations	-	1.22	1.26	*	1.04	1.02
05	Fruits and Vegetables	1.50	1.37	1.25	*	-	1.18
06	Sugar & Sugar Preparations	-	1.37	1.23	-	-	-
07	Coffee, Tea, Cocoa, Spices & Manufactures Thereof	-	1.37	1.25	1.26	1.20	1.15
08	Feeding Stuff for Animals	1.44	1.38	1.25	1.28	1.30	1.20
09	Miscellaneous Food Preps.	-	1.37	1.29	1.07	-	*
11	Beverages	-	1.40	-	1.65	-	-
12	Tobacco & Tobacco Manufactures	-	-	1.25	-	-	-
21	Hides, Skins, Fur Skins	-	1.38	1.25	1.09	1.08	1.08
22	Oil Seeds, Oil Nuts & Oil Kernels	-	1.38	1.25	2.50	-	-
23	Crude Rubber, Including Synthe- tic and Reclaimed	-	1.37	1.25	1.12	1.11	1.07
24	Wood, Lumber and Cork	-	1.63	-	-	1.12	1.07
25	Pulp and Waste Paper	1.46	1.37	1.25	1.13	1.07	1.05
26	Textile Fibers (not manufac- tured)	-	1.29	1.25	1.01	1.07	1.05
27	Crude Fertilizers & Crude Minerals	*	1.38	1.25	1.12	2.04	1.04
28	Metalliferous Ores & Metal Scrap	-	1.36	-	-	*	*
29	Animal & Vegetable Crude Materials	*	1.38	1.25	1.67	1.10	1.07
31	Mineral Fuels, Lubricants & Related Materials	1.50	1.38	1.25	*	1.07	1.04
41	Animal & Vegetable Oils, Fats, Greases and Derivatives	1.50	1.37	1.25	1.54	1.18	1.20
51	Chemical Elements & Compounds	1.42	1.38	1.25	1.11	1.09	1.04
52	Mineral Tar	-	*	1.26	-	-	-
53	Dyeing, Tanning & Coloring Materials	1.43	1.38	1.25	1.18	1.18	1.11
54	Medicinal and Pharmaceutical Products	1.43	1.37	1.25	1.10	1.09	1.07
55	Essential Oils, Perfume Mate- rials, Toilet Polishing & Cleansing Preparations	-	1.29	1.24	1.50	1.20	1.20
56	Fertilizers, Manufactured	-	-	1.25	-	-	1.02
59	Explosives & Miscellaneous Chemical Materials and Products	1.43	1.47	1.25	1.13	1.12	1.08

Code	Division	UNITED STATES			OTHER COUNTRIES		
		1959	1960	1961	1959	1960	1961
61	Leather & Leather Manufactures	1.44	1.80	1.25	1.42	1.11	1.08
62	Rubber Manufactures	1.50	1.38	1.20	1.18	1.20	1.14
63	Wood and Cork Manufactures	-	-	1.17	1.13	1.50	1.69
64	Paper, Paperboard and Manufactures Thereof	1.45	1.41	1.26	1.15	1.19	1.13
65	Textile Yarns, Fabrics and Made-Up Articles	1.45	1.38	1.25	1.41	1.21	1.16
66	Non-Metallic Mineral Mfrs.	1.41	1.38	1.25	1.45	1.08	1.08
67	Gold, Silver, Platinum, Gems and Jewelry	*	1.38	-	-	1.13	-
68	Base Metals	1.45	1.37	1.25	1.10	1.16	1.11
69	Manufactures of Metals	1.45	1.37	1.25	1.33	1.14	1.10
71	Machinery other than Electric	1.45	1.37	1.25	1.10	1.10	1.08
72	Electric Machinery, Apparatus and Appliances	1.45	1.38	1.25	1.22	1.15	1.09
73	Transport Equipment	1.38	1.38	1.25	1.20	1.08	1.09
81	Prefabricated Buildings, Sanitary Plumbing, Heating, Lighting Fixtures and Fittings	1.45	1.37	1.25	1.34	1.07	1.08
83	Travel Goods, Handbags and Similar Articles	-	-	1.23	-	-	*
84	Clothing	1.45	*	1.26	1.62	*	-
86	Professional, Scientific and Controlling Apparatus and Instruments	1.40	1.38	1.25	1.12	1.09	1.08
89	Miscellaneous Manufacturing Articles	1.40	1.37	1.25	1.64	1.24	1.11
91)		-	-	*	-	-	-
)	Returned Goods	-	-	-	-	-	-
93)		-	1.40	-	-	-	-
	GRAND TOTAL	1.44	1.38	1.25	1.12	1.14	1.08

*Less than ₱1,000.

The rates are computed as follows:

$$\begin{aligned} \text{implied tariff subsidy relative to dutiable value} &= (V + S)/V \\ &= 1 + S/V. \end{aligned}$$