

[Acts No. 4199, March 16, 1935]

AN ACT TO AMEND SECTIONS SIXTEEN HUNDRED ELEVEN, SIXTEEN HUNDRED TWELVE, SIXTEEN HUNDRED TWENTY-ONE, SIXTEEN HUNDRED TWENTY-TWO, SIXTEEN HUNDRED TWENTY-THREE, SIXTEEN HUNDRED TWENTY-FOUR, SIXTEEN HUNDRED TWENTY-SIX, AND SIXTEEN HUNDRED TWENTY-SEVEN OF CHAPTER FORTY-ONE OF THE REVISED ADMINISTRATIVE CODE, AS AMENDED BY ACT NUMBERED THREE THOUSAND FIFTY-EIGHT, APPROVED JUNE THIRTEEN, NINETEEN HUNDRED TWENTY-TWO, TO PROVIDE FOR AN "EXCHANGE STANDARD FUND" IN PLACE OF THE "GOLD STANDARD FUND," AND FOR OTHER PURPOSES.

Be it enacted by the Senate and House of Representatives of the Philippines in Legislature assembled and by the authority of the same:

SECTION 1. Sections sixteen hundred eleven, sixteen hundred twelve, sixteen hundred twenty-one, sixteen hundred twenty-two, sixteen hundred twenty-three, sixteen hundred twenty-four, sixteen hundred twenty-six, and sixteen hundred twenty-seven of chapter forty-one of the Revised Administrative Code, as amended by Act Numbered Three thousand fifty-eight, approved June thirteen, nineteen hundred twenty-two, are hereby amended to read as follows:

"SEC. 1611. *Unit of monetary value in Philippine Islands.*—The unit of monetary value in the Philippine Islands shall be the peso; two pesos shall be equal in value to one dollar in any currency which is legal tender for public and private debts in the United States.

"SEC. 1612. *Legal tender.*—The Philippine peso and half-pesos including Philippine Treasury Certificates of any denomination shall be legal tender at the rate of one dollar for two pesos for all debts public and private. Philippine subsidiary coins of twenty centavos and ten centavos shall be legal tender in amounts not exceeding twenty pesos. Philippine minor coins of nickel and copper shall be legal tender in amounts not exceeding two pesos.

"SEC. 1621. *Powers and duties of Insular Treasurer in respect to maintenance of parity.*—For the purpose of maintaining the parity of the Philippine peso with the legal tender currency of the United States, and of keeping the currency equal in volume only to the demands of trade, the Insular Treasurer is hereby authorized and directed—

"(a) On demand, at the Insular Treasury in Manila, to sell for Philippine currency offered in sums of not less than ten thousand pesos, or currency issued by and/or under the authority of the United States, offered in sums of not less than five thousand dollars, exchange for equivalent amounts on the 'Exchange Standard Fund' deposited in the United States, charging for the same such a premium as may from time to time be determined by the Secretary of Finance with the approval of the Governor-General; and the Insular Treasurer is further authorized

and directed to instruct any depositories of funds of the Philippine Government in the United States to sell on demand, in sums of not less than ten thousand pesos, exchange against the 'Exchange Standard Fund' in the Philippine Islands, charging for the same such a premium as may from time to time be determined by the Secretary of Finance with the approval of the Governor-General, rendering accounts therefor to the Insular Treasurer and the Insular Auditor. All such dealings in exchange shall constitute operations through the 'Exchange Standard Fund' hereinafter provided for.

"(b) To exchange at par, on the approval of the Secretary of Finance, currency issued by and/or under the authority of the United States, for Philippine currency, and Philippine currency for currency issued by and/or under the authority of the United States.

"(c) To withdraw from circulation Philippine currency received in the Insular Treasury in Manila in the manner provided in paragraphs (a) and (b) of this section until said Philippine currency is paid out in response to the demands upon it by the sale of exchange in the United States as provided in paragraph (a) of this section or until said Philippine currency is needed at the Insular Treasury for the purpose of effecting exchanges of said Philippine currency for currency issued by and/or under the authority of the United States as provided by paragraph (b) of this section.

"(d) To withdraw from circulation currency issued by and/or under the authority of the United States and United States gold coin and gold bars received in the Philippine Islands by the Insular Treasurer in exchange for Philippine currency, or for exchange sold on the 'Exchange Standard Fund' in the United States, under paragraphs (a) and (b) of this section. The money so obtained shall become part of the 'Exchange Standard Fund.'

"SEC. 1622. *How constituted.*—There is hereby constituted in the Insular Treasury a separate and trust fund, designated as the 'Exchange Standard Fund,' which shall at all times be maintained in a sum not less than fifteen per centum of the money of the Government of the Philippine Islands in circulation and available for circulation, including both coin and treasury certificates. If at any time and for any reason said fund shall fall below the minimum hereinabove fixed, the deficiency shall be made up out of any funds then in the Insular Treasury or thereafter paid into the Treasury, not specifically appropriated to meet the payment of the principal, sinking fund, or interest of the public debt, and such amount shall be considered as automatically appropriated for this purpose, and the Insular Treasurer is hereby authorized and directed to transfer the necessary amount to the 'Exchange Standard Fund' to make good any such deficiency therein.

"In determining the minimum limitation of the 'Exchange Standard Fund' for any purposes in this Act, the proceeds of outstanding certificates of indebtedness shall not be counted as a part of the fund.

"To the fund there shall be added from time to time the following:

"(a) All profits of seigniorage made by the Insular Government in the purchase of bullion and the coinage therefrom, and the issue of Philippine pesos and subsidiary and minor coins, as well as all profits derived from the recoinage of Philippine coins of greater weight and fineness than those prescribed by this Act.

"(b) All profits from the sale of exchange by the Insular Government between the Philippine Islands and the United States for the purpose of maintaining the parity of the Philippine peso.

"(c) All premiums arising from the sale of interisland telegraphic transfers and demand drafts by the Insular Treasurer in Manila upon provincial treasurers.

"(d) All net proceeds of forfeitures of silver coin or bullion the exportation or importation of which is attempted or effected contrary to law.

"(e) All interest or other profit from deposits made from the 'Exchange Standard Fund' in accordance with law.

"(f) All other receipts derived by the Insular Government from the exercise of the functions of furnishing a currency for the Philippine Islands.

"Such fund shall not be used to pay any of the expenses of the Government of the Philippine Islands or to satisfy any of the appropriations of said Government except only such expenses as follows:

"(a) Those connected with the purchase of bullion, the coinage of the same into money of the Philippine Islands, and those expenses which are incidental to such coinage;

"(b) Those connected with the putting of the money into circulation, including the preparation, issue, and destruction of treasury certificates, and including additional compensation to the members of the committee provided for in section sixteen hundred and twenty-five, paragraph (g), of this Act;

"(c) Those connected with the carrying on of such transactions, by exchange or otherwise, as may be authorized by law to maintain the circulation of the currency of the Philippine Islands, to maintain the parity of the Philippine peso with the legal tender currency of the United States, and to maintain the parity of value between the peso and subsidiary and minor coins.

"SEC. 1623. *How held.*—The 'Exchange Standard Fund' shall be held in the vaults of the Insular Treasury in Manila or may in part be held in the form of deposits with the Secretary of the Treasury of the United States and/or with such Federal Reserve Banks or member banks of the Federal Reserve System in the United States as may be designated from time to