

[Act No. 938, October 10, 1903]

AN ACT CONSTITUTING A GOLD-STANDARD FUND IN THE INSULAR TREASURY TO BE USED FOR THE PURPOSE OF MAINTAINING THE PARITY OF THE SILVER PHILIPPINE PESO WITH THE GOLD-STANDARD PESO, AND ORGANIZING A DIVISION OF THE CURRENCY IN THE BUREAU OF THE INSULAR TREASURY THROUGH WHICH SUCH FUND SHALL BE MAINTAINED, EXPENDITURES MADE THEREFROM, AND ACCRETIONS MADE THERETO, AND PROVIDING REGULATIONS FOR THE EXCHANGE OF CURRENCIES AND FOR THE ISSUE AND REDEMPTION OF SILVER CERTIFICATES.

By authority of the United States, be it enacted by the Philippine Commission, that:

SECTION 1. All funds in the Insular Treasury which are the proceeds of the certificates of indebtedness issued under and by authority of section six of an Act of Congress entitled "An Act to establish a standard of value and to provide for a coinage system in the Philippine Islands," approved March second, nineteen hundred and three, all profits of seigniorage; made by the Insular Government in the purchase of bullion and the coinage therefrom, and the issue of the Philippine pesos and the subsidiary and minor coins, all profits from the sale of exchange by the Insular Government between the Philippine Islands and the United States made for the purpose of continuing the parity of the silver Philippine peso with the gold-standard peso, and all other receipts in the Insular Treasury inuring to the Insular Government in the exercise of its functions of furnishing a convenient currency for the Islands, shall constitute a separate and trust fund in the Insular Treasury to be known as the "gold-standard fund" and to be used for the purpose of maintaining the parity of the silver Philippine peso with the gold-standard peso provided in the said Act of Congress approved March second, nineteen hundred and three. Such fund shall not be used to pay any expenses of the Insular Government or to satisfy any of the appropriations of the Insular Government, except only those connected with the purchase of bullion, the coinage of the same into the money of the Philippine Islands, and those which are incident to the transportation of such money to the Philippine Islands from the place of coinage, to the putting of the money into circulation, including the preparation and issue of silver certificates, and to the carrying on of such financial transactions, by exchange and otherwise, as may be authorized by law to maintain the circulation of the currency provided for in the said Act of Congress approved March second, nineteen hundred and three, and the subsidiary and minor coinage provided for by said Act and by an Act of Congress entitled "An Act temporarily to provide for the administration of the affairs of civil government in the Philippine Islands, and for other purposes," approved July first, nineteen hundred and two, and to the maintenance of the parity of value between the silver Philippine peso and the subsidiary and minor coins, the coinage of which is provided for by the Acts above mentioned, and the gold peso, which by the Act of March second, nineteen hundred and three, is made the standard of value in the Philippine Islands: *Provided*, That whenever the public interest permits, there may be withdrawn from the gold-standard fund such amount as the Philippine Government may deem proper to pay the principal and interest of all, or any part of the certificates of indebtedness issued under section six of the said Act of Congress of March second, nineteen hundred and three.

SEC. 2. For the purpose of facilitating the more efficient discharge of the functions of the Insular Government with respect to the circulation of the currency provided for by the said Act of Congress approved March second, nineteen hundred and three, and for the purpose of maintaining the parity therein directed, there is hereby created a division in the Bureau of the Insular Treasury to be known as the Division of Currency. The Chief of the Division shall be appointed by the Civil Governor, by and with the advice and consent of the Commission, and shall receive an annual salary of six thousand pesos, Philippine currency. He shall have under him to assist him in the discharge of his duty such accountants and clerical assistants as may be approved by the Insular Treasurer and as shall be authorized by law.

SEC. 3. It shall be the duty of the Chief of the Division of Currency, first, to examine the books of the Treasurer and the Auditor, and to make report to the Insular Treasurer of the funds now in the Insular Treasury which, by virtue of the first section of this Act, are to constitute a gold-standard fund and to be segregated as such under this Act, and the Insular Treasurer and the Insular Auditor shall, if they concur in the recommendation of the Chief of the Division of Currency, make the segregation on their respective books, and in all future accounts and reports. In the event of any difference of opinion between the Chief of the Division of Currency, the Treasurer, and the Auditor, the method of segregation shall be finally determined by the Secretary of Finance and Justice. After the segregation has been effected, the Treasurer's receipts for all moneys coming into the Treasury which should be deposited in the gold-standard fund shall be submitted to the Chief of the Division of Currency for his initialing and the proper notation of the same in his accounts. When any money is to be withdrawn from the gold-standard fund, or transferred from the Treasury at Manila to a depository elsewhere, or vice versa, the warrant or draft or the telegraphic transfer for the same shall specifically state that it is from the gold-standard fund and shall bear the initials of the Chief of the Division of Currency and shall be noted in his accounts.

SEC. 4. No transaction in the Treasury with reference to the coinage of money, the circulation of the same maintenance and preservation of the gold-standard fund, the maintenance of the parity, or the issue and retirement of silver certificates shall take place without its being first submitted to the Chief of the Division of Currency for notation.

SEC. 5. It shall be the duty of the Chief of the Division of Currency to keep a separate set of books dealing solely with the financial operations of the Government in coinage and currency matters and in the administration of the gold-standard fund, and to make monthly statement of the same to the Insular Treasurer and the Secretary of Finance and Justice.

SEC. 6. Nothing herein is intended to change the actual custody and control of all insular funds, including the gold-standard fund, I herein constituted, now by law placed in the Insular Treasurer. All the duties of the Chief of the Division of currency under this Act shall be performed under the supervision of the Insular Treasurer.

SEC. 7. For the purpose of maintaining the parity of the Philippine silver peso with the Philippine gold peso, and of keeping the currency equal in volume only to the demands of trade, the Insular Treasurer is hereby authorized and directed:

First. To exchange on demand at the Insular Treasury in Manila for Philippine currency offered in sums of less than ten thousand pesos, or United States currency offered in sums of not less than five thousand dollars, drafts on the gold-standard fund deposited in the United States or elsewhere to the credit of the Insular Treasury, charging for the same a premium of three-quarters of one per centum for demand drafts and of one and one-eighth per centum for telegraphic transfers, and it is further made the duty of the Insular Treasurer to direct the depositories of the 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 gold-standard fund in the Philippine Islands, charging for the same a premium of three-quarters of one per centum for demand drafts and of one and one-eighth per centum for telegraphic transfers, rendering accounts therefor to the Insular Treasurer and Insular Auditor. But the premium charge for drafts and telegraphic transfers in this paragraph mentioned may be temporarily increased or decreased by order issued by the Secretary of Finance and Justice should the conditions at any time existing, in his judgment, require such action.

Second. To exchange at par on the approval of the Secretary of Finance and Justice, United States Treasury notes, national-bank notes, United States notes, and United States gold and silver certificates for Philippine currency, and Philippine currency for United States Treasury notes, national-bank notes, United States notes, and United States gold and silver certificates.

Third. To exchange, on the approval of the Secretary of Finance and Justice, for Philippine currency. United States gold coin or gold bars in sums of not less than ten thousand pesos or five thousand dollars, charging for the same a premium sufficient to cover the expenses at commercial rates of transporting United States gold coin from New York to Manila. The Secretary of Finance and Justice shall determine the amount of the premium required by this subsection.

Fourth. To withdraw from circulation until paid out in response to demands made upon it by the sale of exchange as provided in paragraph one of this section, or by the presenting of United States Treasury notes, national-bank notes, United States notes, United States gold and silver certificates, and United States gold coin or gold bars at the Treasury, Philippine currency exchanged and deposited in the Treasury in the manner provided in paragraphs one and two of this section.

Fifth. To withdraw from circulation United States Treasury notes, national-bank notes, United States notes, United States gold and silver certificates, and United States gold coin and gold bars received in the Philippine Islands by the insular Treasurer in exchange for Philippine currency, under paragraph two of this section, until called out in response to the presentation of Philippine currency as above provided, or until an insufficiency of Philippine currency shall make necessary an increased coinage, in which case the funds so withdrawn may be used under proper legislation for the purpose of providing such a coinage. The coin so obtained shall become part of the gold-standard fund.

SEC. 8. The Treasurer of the Philippine Islands and the treasurers of the several provinces are hereby authorized and directed to exchange Philippine pesos on demand for the silver coins of the Philippine Islands of a smaller denomination than one peso, issued under authority of section four of the said Act of Congress approved March second, nineteen hundred and three, and for the minor coins of