

AN ACT ESTABLISHING AND REGULATING TRADING SYSTEMS IN THE DEPARTMENT OF MINDANAO AND SULU.

Act No. 2660., March 24, 1916

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

SECTION 1. The provinces in the Department of Mindanao and Sulu may severally establish a system of trading stores or exchanges to be known as trading systems, to facilitate the production and sale of the products of local agriculture and industry, or their exchange for needed merchandise, and to extend the commercial relations of the Moros and other non-Christian tribes with Christian peoples. There may be operated in connection therewith public markets, stores, workshops, transportation lines, and such other public utilities as may be helpful, in carrying on the said trading systems, and for promoting the general welfare in the said provinces.

SEC. 2. The capital fund for the operation of a trading system shall be appropriated by the provincial board with the approval of the department governor and with like approval the provincial board may revert to the unappropriated fund from which derived, all or any portions of said capital fund when no longer needed for said purpose: Provided, That the funds now being employed in any existing trading systems or exchanges in said provinces are hereby made available for appropriation by the provincial boards in the manner and for the purpose herein specified, to the end that there shall be no interruption in the business of said trading systems or exchanges. Surplus profits shall, at the end of the fiscal year, revert to the unappropriated fund from which the capital fund was derived, unless the provincial board shall, with the approval of the department governor, make specific appropriation thereof as an addition to the capital fund. Such restrictions shall be imposed as to the incurring of indebtedness, and extending credit to individuals, as the department governor, upon recommendation of the Insular Auditor, may require. Purchases of goods for the trading system may be made either locally or otherwise without the intervention of the Bureau of Supply or any similar agency; and when so made, no surcharge of a Government purchasing agency shall apply thereon. Products so purchased by the trading system may likewise be sold either locally or otherwise without the intervention of any Government selling agency that may be created, and unless expressly otherwise provided by law.

SEC. 3. The department governor may appoint in each province an exchange officer or officers, or may designate the secretary-treasurer of any province or any other officer or employee of the Government, the consent of the respective Head of Department in any such case having been previously had, to assume the duties of an exchange officer, with or without additional compensation to be fixed by the provincial board with the approval of the department governor. The duties of all such exchange officers shall be to determine the kind of merchandise and products to be dealt in by the trading system, to fix the selling and purchase prices and to provide for the purchase and sale thereof, respectively; and to perform such other duties, not pertaining to accountability, as the department governor may require: Provided, That the exchange officer shall give immediate advice to the provincial secretary-treasurer of any goods ordered for future delivery and payment: And provided further, That in the absence of any exchange officer duly appointed or designated as aforesaid, the duties of said officer in so far as they may pertain to the conduct and management of the trading system, shall be performed by the provincial secretary-treasurer. An exchange officer who is not a Government or provincial employee shall be paid from

trading system funds or from provincial funds subject to reimbursement out of trading system funds, such salary as the provincial board shall fix and the department governor approve. All exchange officers shall be deemed to be bonded officers within the meaning of section six of Act Numbered Twenty-four hundred and thirty-six.

SEC. 4. Upon recommendation of the exchange officer the provincial secretary-treasurer shall appoint all other employees of the trading system, the compensation therefor being first authorized by the provincial board with the approval of the department governor. Their salaries and traveling expenses shall be paid from trading system funds: Provided, That an equitable portion of the salary and traveling expenses of any regularly appointed Insular or provincial officer or employee who may be required to render service for the trading system in connection with his regular duties may, with the approval of the department governor, be reimbursed from trading system funds: And provided further, That any employee appointed as aforesaid may be bonded under the fidelity fund, whenever in the judgment of the secretary-treasurer the public interest shall so require.

SEC. 5. The secretary-treasurer shall be accountable for the funds and property of the trading system, including its branches, and any commercial project or public utility that may be operated therewith, and shall keep the books of account and records thereof as the Insular Auditor shall prescribe.

SEC. 6. In all matters pertaining to accountability the bonded employees provided for in section four shall be deemed subordinates of said secretary-treasurer, and no bonded employee shall be retained if that officer shall certify that he is incompetent or unsuited for the position which he holds. Said secretary-treasurer shall have access to the books of account and records of the system at all times and any bonded employee may be suspended by him for any of the causes hereinafter specified, namely:

- (a) Failure to render a report within the time and manner prescribed.
- (b) Persistent failure to keep accounts and records prescribed.
- (c) Failure to produce forthwith any funds or property of the system for inventory or inspection.

In case of suspension the secretary-treasurer may, in person or by deputy, take into his custody all funds or property of the system in the hands of such employee, and in like manner may perform or administer the duties appertaining to, the position or employee, until such disability is removed, or a successor for said suspended employee is duly chosen and qualified: Provided, That this authority shall not be construed to modify or abrogate any existing administrative authority.

SEC. 7. In any case where it may be desired to operate any markets, workshops, transportation lines or other public utilities in connection with trading systems, as provided in section one, the same shall be undertaken only after the approval of the department governor has been had thereon, and such regulations imposed in connection therewith, as to him shall seem proper.

SEC. 8. All Acts or part of Acts inconsistent with the provisions of this Act are hereby repealed: Provided, however, That nothing in this Act contained shall be construed to modify or repeal Act Numbered Three hundred and four of the legislative council of Moro Province entitled "An Act to protect the interests of the Moro and other non-Christian tribes of the Moro Province and to promote public order therein by regulating trade with such Moro and other non-Christian tribes," enacted July twenty-fourth, nineteen hundred and thirteen, and which regulates general and itinerant trading with said peoples, provides for license, and so forth.

SEC. 9. This Act shall take effect on its passage.

Enacted, March 24, 1916.

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