

poration, knowledge of which was acquired by him in the course of the discharge of his official duties, shall be punished by both a fine of not less than two hundred pesos nor more than five thousand pesos and imprisonment of not less than two years nor more than five years.

SEC. 10. All officers, agents, employees, agencies and instrumentalities of the Government, when so required by the Price Control Office, shall act as its deputies and agents without extra compensation in carrying out and enforcing the provisions of this Act.

SEC. 11. If any provision of this Act or the applicability of such provision to any person or circumstance shall be held invalid, the validity of the remainder of this Act and the applicability of such provisions to other persons or circumstances shall not be affected thereby.

SEC. 12. The sum of two hundred thousand pesos, or so much thereof as may be necessary, is hereby appropriated out of any funds in the National Treasury not otherwise appropriated exclusively to enable the Price Control Office to carry out the provisions of this Act.

SEC. 13. This Act shall take effect upon its approval and shall continue in force until the fifteenth of February, nineteen hundred and fifty-five: *Provided, however,* That convictions rendered under this Act or under the duly promulgated orders, rules, and regulations issued pursuant thereto shall remain valid and enforceable, and prosecutions of offenses committed during the effectivity thereof shall continue and shall not be barred until terminated by conviction or acquittal of the accused.

Approved, June 18, 1954.

H. No. 1305

[REPUBLIC ACT No. 1169]

AN ACT PROVIDING FOR CHARITY SWEEPSTAKES
HORSE RACES AND LOTTERIES

*Be it enacted by the Senate and House of Representatives
of the Philippines in Congress assembled:*

SECTION 1. *The Philippine Charity Sweepstakes Office.—*
The Philippine Charity Sweepstakes Office hereinafter de-

signed the Office, shall have the general powers conferred in section thirteen of Act Numbered One thousand four hundred fifty-nine. It shall have a Board of Directors, hereinafter designated the Board, composed of five members who shall be appointed by the President of the Philippines with the consent of the Commission on Appointments and whose compensation and term of office shall be fixed by the President.

SEC. 2. *General Manager and personnel.*—The General Manager shall have the direction and control of the Office in all matters which are not specifically reserved for action by the Board. Subject to the approval of the Board of Directors, he shall also appoint the personnel of the Office, except the Auditor and the personnel of the Office of the Auditor who shall be appointed by the Auditor General.

SEC. 3. *Operating expenses.*—The operating expenses of the Office shall be paid from its receipts.

SEC. 4. *Holding of sweepstakes.*—The Office shall hold charity horse race sweepstakes under such regulations as shall be promulgated by the Board in accordance with Republic Act Numbered Three hundred and nine: *Provided, however,* That when the holding of a sweepstakes race to determine prizes is impossible due to war, public calamity, or other unforeseen or fortuitous event, or when there is no sufficient number of horses to determine the major prizes, the Board of Directors may determine the procedure to be followed in the distribution of prizes in the most just, equitable and expeditious manner. The horse races and the sale of tickets in the said sweepstakes shall be exempt from all taxes, except that each ticket shall bear a twelve-centavo internal revenue stamp and that from the total prize fund as provided herein from the proceeds of the sale of tickets there shall be deducted an amount equivalent to one and one-half *per centum* of such total prize fund, which shall be paid to the Bureau of Internal Revenue not later than ten days after each sweepstakes in lieu of the income tax heretofore collected from sweepstakes prize winners: *Provided, however,* That any prizes that may be paid out from the resulting prize fund, after

said one and one-half *per centum* has been deducted, shall be exempt from income tax. The tickets shall be printed by the Government and shall be considered government securities for the purpose of penalizing forgery or alteration.

SEC. 5. *Races entries.*—The races to be held under this Act shall be of five kinds: (a) those for horses of less than fifty-four inches in height; (b) those for horses of fifty-four inches or more but less than fifty-six inches in height; (c) those for horses of fifty-six inches or more but less than fifty-eight inches in height; (d) those for horses of fifty-eight inches or more but less than sixty inches in height; and (e) those for horses of sixty inches or more in height. Only native horses may participate in any sweepstakes race. A horse intended for races under this Act shall be registered, within thirty days after its birth, with the treasurer of the municipality in the Philippines where it was born. Another registration with the same office should be made within one year after its birth wherein all identification data, such as brand, sex, color and cow-licks shall be stated. Three years after this Act takes effect no horse shall be allowed to participate in any race under this Act unless so registered.

Only horses that have not run for a prize previously in any race in the Philippines may participate in any sweepstakes race under this Act. All horses participating in any sweepstakes race shall be registered with the Philippine Charity Sweepstakes Office at least thirty days before the holding of the race. No horse owner shall be permitted to register more than one entry that may participate in any sweepstakes race.

SEC. 6. *Disposal of gross receipts.*—The gross receipts from the sale of tickets for the races held under this Act shall be disposed of as follows:

(a) Ten *per centum* shall be applied to the payment of the operating expenses of the Office. After deducting said expenses and a reserve fund has been set aside which shall in no case exceed one million pesos at any given time for the purchase of real estate and machineries for its own use; and/or for improvement of the same and/or

to meet future losses and contingent liabilities, the balance remaining plus the proceeds from the races after deducting the expenses of the draw and races in sweepstakes day shall be added to the portion disposed of under paragraph (c) hereof.

(b) Fifty-eight and one-half *per centum* shall be applied to the payment of the prizes, including those for the owners and jockeys of the winning horses. Each of the three main prizes for horses shall be ten *per centum* of each of the three main prizes for winning tickets, respectively.

(c) Six and one-half *per centum* shall be allotted to the provinces and cities in the Philippines, excepting the City of Manila, in proportion to the collections therein made and under such rules and regulations as the Board of Directors may prescribe, the amounts so allotted to be expended by the corresponding provincial and city governments for the maintenance of provincial, city and municipal hospitals, and for other health, social welfare, and charitable work in their respective jurisdiction.

(d) The remaining twenty-five *per centum* together with the receipts for the holding of the sweepstakes races and the proceeds realized from the holding of lotteries as hereinafter provided, shall be apportioned, except as otherwise provided herein, by the Board of Directors, with the approval of the President of the Philippines and shall be paid over by said Board among and to institutions or organizations engaged in charitable, relief, and health work or work for the improvement of the conditions of the indigent Filipino masses in this country or abroad. No aid from the proceeds of the sweepstakes herein authorized shall be given to any charitable organization not granted a special charter by law, unless it shall have first complied with the rules and regulations issued by the Board of Directors, approved by the President of the Philippines, governing the disposition of the sweepstakes fund and unless provision is contained in its by-laws, to the effect that any property acquired or which it may acquire from the funds given to it under this Act shall not be sold or otherwise disposed of without the approval of the President

of the Philippines, and that in the event of its dissolution all such properties shall be transferred to and shall automatically become the property of the Philippine Government.

The funds given to any institution by virtue of this section shall be used for no other purpose than those authorized by the Board of Directors.

SEC. 7. *Annual report of the Board.*—The Board shall submit, during the month of July of each year, a report to the President of the Philippines and to both Houses of Congress on the activities of the Office.

SEC. 8. *Acts penalized.*—The following shall be punished by imprisonment for not less than one month and not more than three years:

(a) Any person who, without being a duly authorized agent of the Office, sells tickets of the Office, or, being such agent, sells tickets, fractions or coupons thereof not issued by the Office, representing or tending to represent an interest in tickets issued by the Office.

(b) Any person who sells tickets issued by the Office at a price greater than the price stated on the ticket.

(c) Any officer or employee of a hospital or other charitable or hygienic institution or organization who uses funds obtained from the Office under this Act for purposes other than those herein authorized.

SEC. 9. Once a month during the months when there are no sweepstakes draws and races, the Philippine Charity Sweepstakes Office is authorized to hold lotteries.

SEC. 10. The Board of Directors of the Sweepstakes, with the approval of the President of the Philippines, shall promulgate rules and regulations for the holding of lotteries; shall fix the number and price of the tickets for the same and the number of tickets usually given *gratis* to the ticket vendors; fix the number and amount of the prizes; fix the date when the sale of tickets shall close; and designate the dates and place or places where such lotteries shall be held.

SEC. 11. *Laws affected.*—Act Numbered Four thousand one hundred thirty, as amended by Commonwealth Acts

Numbered Three hundred one and Five hundred forty-six and by Republic Acts Numbered Seventy-two and Five hundred seventy-four, and all other Acts or parts thereof, except Commonwealth Act Numbered Five hundred ninety-five and Republic Act Numbered Six hundred twenty, inconsistent with the provisions of this Act, are hereby repealed.

SEC. 12. *Date of effectivity.*—This Act shall take effect upon its approval.

Approved, June 18, 1954.

H. No. 530

[REPUBLIC ACT No. 1170]

AN ACT CHANGING THE NAME OF THE SAN JOSE NO. 2 ELEMENTARY SCHOOL IN THE MUNICIPALITY OF NAUJAN, PROVINCE OF ORIENTAL MINDORO, TO FRANCISCO MELGAR MEMORIAL SCHOOL.

Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:

SECTION 1. The name of the San Jose No. 2 Elementary School in the municipality of Naujan, Province of Oriental Mindoro, is changed to Francisco Melgar Memorial School.

SEC. 2. This Act shall take effect upon its approval.

Approved, June 18, 1954.

H. No. 635

S. No. 127

[REPUBLIC ACT No. 1171]

AN ACT TO PROVIDE THE VENUE OF ACTION ON CLAIMS OF EMPLOYEES, LABORERS AND OTHER HELPS.

Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:

SECTION 1. Any provision of law or the Rules of Court to the contrary notwithstanding, civil actions on claims