

[Act No. 2776, May 06, 1918]

AN ACT TO REGULATE THE CURRENCY SYSTEM OF THE PHILIPPINE ISLANDS AND TO ESTABLISH A RESERVE FUND FOR THE SAME, AMENDING THEREFOR CERTAIN PROVISIONS OF THE ADMINISTRATIVE CODE.

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. Articles II, III, IV, V, VI, and VII of Chapter Forty-one of the Administrative Code are hereby amended to read as follows:

"Article II.—*Philippine coins.*

"SEC. 1610. *Terms defined.*—'Silver peso' or 'peso' means the metallic silver peso coined and issued by the Philippine Government under the authority of this Act or of laws enacted by the Congress of the United States.

" 'Certificate of indebtedness' means certificate of indebtedness issued under this Act and by authority of section six of an Act of Congress, approved March second, nineteen hundred and three, entitled 'An Act to establish a standard of value and to provide for a coinage system in the Philippine Islands.'

" 'Treasury certificate' means the certificate issued under and by authority of section sixteen hundred and twenty-two of this Code, as well as the notes known as silver certificates, issued before this Act took effect, under the authority of section eight of the Act of Congress mentioned in the last preceding paragraph.

"SEC. 1611. *Unit of monetary value in Philippine Islands.*—The unit of value in the Philippine Islands shall be the gold peso consisting of eight thousand three hundred and fifty-nine ten-thousandths (0.8359) grams of gold, nine-tenths fine; two gold pesos to be equal in weight, fineness, and value to the standard gold dollar of the United States.

"SEC. 1612. *Weight and fineness of Philippine coins.*— The weight and fineness of the Philippine coins hereafter coined shall be as follows:

"The peso shall be equal to one hundred centavos and shall contain twenty grams of silver eight hundred thousandths fine.

"The fifty-centavo piece shall contain ten grams of silver seven hundred and fifty thousandths fine.

"The twenty-centavo piece shall contain four grams of silver seven hundred and fifty thousandths fine.

"The ten-centavo piece shall contain two grams of silver seven hundred

and fifty thousandths fine.

"The alloy of the above-mentioned silver coins shall be copper.

"The five-centavo piece shall contain four grams and eighty-seven centigrams of an alloy composed of seventy-five per cent of copper and twenty-five per cent of nickel.

"The one-centavo piece shall contain five grams and one hundred and eighty-four milligrams of an alloy composed of ninety-five per cent of copper and five per cent of tin and zinc:

"*Provided*, That in case the public good requires it, the Governor-General is hereby authorized to order by proclamation, with the consent of the presiding officers of both

Houses of the Legislature, the reduction of the weight and fineness of the Philippine coins as follows:

"The peso to contain fifteen grams of silver, eight hundred thousandths fine.

"The fifty-centavo piece to contain seven grams and fifty centigrams of silver, seven hundred and fifty thousandths fine.

"The twenty-centavo piece to contain three grams of silver, seven hundred and fifty thousandths fine.

"The alloy of these silver coins to be copper.

"The ten-centavo piece to contain five grams of an alloy composed of seventy-five per cent of copper and twenty-five per cent of nickel.

"The five-centavo piece to contain three grams of an alloy composed of seventy-five per cent of copper and twenty-five per cent of nickel.

"The one-centavo piece to contain five grams of an alloy composed of ninety-five per cent of copper and five per cent of tin and zinc.

"SEC. 1613. *Legal tender character of Philippine coins.*— The Philippine silver peso and the gold coins of the United States at the rate of one dollar for two pesos shall be a legal tender in the Philippine Islands for all debts, public and private; the other silver subsidiary coins authorized herein shall be legal tender in the Philippine Islands in amounts not exceeding twenty pesos; and the coins of nickel and copper shall be legal tender in the Philippine Islands in amounts not exceeding two pesos.

"SEC. 1614. *Coinage and recoinage of Philippine coins.*— At the request of the Insular Treasurer and with the approval of the Department Head, the coins authorized under the provisions of section sixteen hundred and twelve may be coined in the amounts necessary to meet the legitimate demands of commerce.

"The coinage shall be executed in the Mint of the Philippine Islands, and, if necessary, in any of the mints of the United States, by contract between the Government of the Philippine Islands and the Secretary of the Treasury of the United States, for which purpose the reasonable cost of the work may be paid. The Secretary of Finance, with the approval of the Governor-General, shall prescribe the designs and inscriptions for said coins, showing that they are of the Philippine Islands, their value, and the year of coinage.

"Philippine coins having greater weight or fineness than those prescribed herein, if paid to any Government office or treasury or to any banking institutions, as well as Philippine coins mutilated or otherwise unfit for circulation, if paid into any treasury of the Government, shall not be reissued, but shall be retained for recoinage in accordance with this law. The losses or gains resulting from the recoinage shall be charged or credited to currency reserve fund hereinafter established.

"Article III.—*Stamping of counterfeit coin.*

"SEC. 1615. *Word 'false' to be stamped on counterfeit coin.*—When counterfeit coin is presented at the Insular Treasury or at any bank doing business in the Philippine Islands or when such coin comes into the official custody of any employee of such treasury or bank, the word 'false' shall be stamped thereon in characters clearly legible to casual inspection and with such instrument as may be prescribed by the Insular Treasurer.

"ARTICLE IV.—*Exchanges and redemption of currency and exchanges of drafts for currency by Insular and provincial treasurers.*

"SEC. 1616. *Exchange of silver pesos for subsidiary coins.*—Philippine silver pesos shall be exchangeable in sums of ten pesos or any multiple thereof at the Treasury of the Philippine Islands and at the offices of provincial treasurers for subsidiary current coins of silver, nickel, or copper, of smaller denominations than one peso.

"SEC. 1617. *Duty of Insular Treasury to receive worn or mutilated currency of United States.*—When worn or mutilated circulating notes issued by the Treasury of the United States or by any institution organized under the laws of the United States, are presented at the Philippine Treasury in such condition that they will be received and redeemed by the Treasurer of the United States, they shall be received by the Insular Treasurer at their face value, or at such value as would be allowed upon redemption by the Treasurer of the United States, and shall be transmitted by him to the disbursing agent in Washington with instruction for their presentment at the Treasury of the United States for redemption.

"SEC. 1618. *Exchange drawn between Insular and provincial treasuries.*—The Insular Treasurer may exchange for Philippine currency, offered in sums of not less than five hundred pesos, demand drafts and telegraphic transfers upon funds in the hands of any provincial treasurer, when the

same can be done without embarrassment to the provincial treasury; and a provincial treasurer may exchange for Philippine currency, offered in like sums, demand drafts and telegraphic transfers upon the Insular Treasurer.

"SEC. 1619. *Exchange between provincial treasuries.*— Subject to the regulations of the Bureau of the Treasury, any provincial treasurer may exchange for Philippine currency, offered in sums of not less than five hundred pesos, demand drafts and telegraphic transfers upon another provincial treasurer.

"SEC. 1620. *Fixing of rate of exchange.*—For exchange issued under the two preceding sections a premium shall be charged, the rate of which shall be fixed from time to time by the Department Head; and such premium shall be distributed in accordance with the provisions of the regulations of the Bureau.

"ARTICLE V.—*Maintenance of parity.*

"SEC. 1621. *Faculties of Insular Treasurer in respect to maintenance of parity.*—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—

" (a) To exchange on demand at the Insular Treasury in Manila for Philippine currency offered in sums of not less than ten thousand pesos or United States currency offered in sums of not less than five thousand dollars, drafts on the currency reserve 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 depositaries 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 currency reserve 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 Department Head should the conditions at any time existing, in his judgment, require such action.

(b) To exchange at par, on the approval of the Department Head, 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.

"(c) To exchange, on the approval of the Department Head, 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 Department Head shall determine the amount of the premium required by this subsection.

"(d) To withdraw from circulation until paid out in response to demands made upon it by the sale of exchange as provided in paragraph (a) 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 (a) and (b) of this section.

"(e) 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 (b) 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 this Act for the purpose of providing such coinage. The coin so obtained shall become part of the currency reserve fund.

"ARTICLE VI.—*Issuance of treasury certificates.*

"SEC. 1622. *Issuance of treasury certificates.*—The Treasurer of the Philippine Islands is hereby authorized, in his discretion, to receive at the Insular Treasury or at any of its branches, deposits of the silver pesos authorized herein in sums of not less than twenty pesos, or gold coin of the United States, and to issue treasury certificates therefor in denominations of not less than one peso nor more than five hundred pesos, the coins so deposited to become part of the currency reserve fund hereinafter established and to be subject to the provisions pertaining thereto.

"Treasury certificates shall be receivable for customs taxes, and for all public dues in the Philippine Islands, and when so received may be reissued, and when held by any banking association in said Islands may be counted as part of its lawful reserve.

"SEC. 1623. *Manner in which Treasury certificates are, to be dealt with.*—Treasury certificates shall be prepared and delivered to the Treasurer of the Philippine Islands, safeguarded, issued, withdrawn, and canceled or destroyed, and a record of such transactions shall be kept as herein-below provided:

"(a) The necessary drawings, designs, plates and engravings for such certificates shall be approved by the Governor-General upon the recommendation of the Secretary of Finance, and the printing thereof shall be made and executed through the Secretary of the Treasury of the