[Act No. 1045, January 27, 1904]

AN ACT FOR THE PURPOSE OF PROVIDING REVENUE AND OF MAINTAINING THE PARITY OF THE PHILIPPINE CURRENCY IN ACCORDANCE WITH THE PROVISIONS OF SECTIONS ONE AND SIX OF THE ACT OF CONGRESS APPROVED MARCH SECOND, NINETEEN HUNDRED AND THREE, BY PROVIDING FOR THE PURCHASE OF MEXICAN DOLLARS AS BULLION, BY IMPOSING A TAX UPON WRITTEN CONTRACTS PAYABLE IN CERTAIN KINDS OF CURRENCIES, AND BY REQUIRING THE PAYMENT OF A LICENSE TAX BY ALL PERSONS, FIRMS, OR CORPORATIONS CONDUCTING THEIR CURRENT BUSINESS, EITHER WHOLLY OR IN PART, IN SAID CURRENCIES, AND FOR OTHER PURPOSES.

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

SECTION 1. For the purpose of this Act the expression ''local currency" shall signify Mexican coins, Spanish and Spanish-Filipino coins, and all other metallic moneys not upon a gold basis, in circulation in the Philippine Islands, and hank notes payable in said moneys.

SEC. 2. The Secretary of Finance and Justice is hereby authorized, whenever in his judgment the public interest may require, to direct the Insular Treasurer and all provincial and municipal treasurers to purchase Mexican dollars as bullion at their bullion value, said value to be determined from time to time by the Insular Treasurer, with the approval of the Secretary of Finance and Justice. The cost of the bullion so purchased shall be a proper charge against the gold-standard fund, and the money coined therefrom shall accrue to that fund.

SEC. 3. Whenever any contract, debt, or obligation, payable by the terms thereof in local currency, is sought to be enforced in any court and the right of the plaint ill is established, it shall be the duty of the court to render judgment for the plaintiff to recover as damages the lawful sum due to him, in Philippine pesos, instead of in the currency mentioned in the contract, debt, or obligation. For the purpose of determining the amount of such judgment, the court shall receive evidence as to the real and just value in Philippine currency of the currency named in the contract, debt, or obligation, including evidence of the local market value of such currency, its value in neighboring countries as currency, its value in the great markets of the world, its bullion value, and any other facts necessary to determine its true value. The local market value, whether affected by the prohibition of the importation of such currency or by other causes, shall not be conclusive evidence of the amount of the judgment to lie rendered in such cases. Payment of a judgment thus rendered shall extinguish all liability on the contract, debt, or obligation.

SEC. 4. Whenever any contract, debt, or obligation is made payable in local currency, the debtor or person under obligation to make payment may lender to the creditor in lieu of such currency the just amount due thereon in Philippine pesos, computed in the manner stated in the preceding section, and the effect of such tender shall be the same as though the tender had been made in the kind of currency named in such contract, debt, or obligation.

SEC. 5. The two last preceding sections shall apply to all contracts, debts, or obligations made before the passage of this Act, as well as to those made subsequent thereto.

SEC. 6. Every check, note, draft, bond, bill of exchange, and every contract whatsoever, payable wholly or in pan in local currency and drawn or made upon, or subsequent to October first, nineteen hundred and four, shall bear upon its face an internal-revenue stamp or stamps of a face value in Philippine currency to the amounts hereinafter provided, said stamp or stamps to be properly canceled at the signing of said cheek, note, draft, bond, bill of exchange, or contract with the initials of one of the parties thereto and the date of the transaction. The rates of the stamp tax required upon every check, note, draft, bond, bill of exchange, and upon every written contract whatsoever, payable wholly or in part in local currency, except as otherwise provided in this Act, shall be as follows;

1. An ad valorem rate of one per centum levied in Philippine currency upon the face value in local currency of each aforementioned instrument drawn or made during the month of October, nineteen hundred and four.

2. An ad valorem rate of two per centum levied in Philippine currency upon the face value in local currency of each aforementioned instrument drawn or made during the month of November, nineteen hundred and four.

3. An ad valorem rate of three per centum levied in Philippine currency upon the face value in local currency of each aforementioned instrument drawn or made during the month of December, nineteen hundred and four.

4. An ad valorem rate of five per centum levied in Philippine currency upon the face value in local currency of each aforementioned instrument drawn or made subsequent to December thirty-first, nineteen hundred and four.

    Provided, That the aforementioned tax shall not be collected upon the following:

a. Checks, drafts, or bills of exchange drawn against a deposit of local currency and made payable to a person, firm, or corporation, or made payable to a bank and used in the purchase of a draft or bill of exchange payable to a person, firm, or corporation, in settlement either wholly or in part of a *bona fide* specific debt payable in local currency by the depositor and contracted in writing or reduced to writing prior to the first day of October, nineteen hundred and four.

b. Checks, drafts, or bills of exchange payable in local currency and presented to a bank for deposit, payment, or sale by a creditor who has received the same in payment of a *bona fide* specific debt payable in local currency, contracted in writing or reduced to writing prior to the first day of October, nineteen hundred and four.

c. Deposit receipts, or other evidences of deposits of local currency, given by a bank or other corporation or person to any person. firm, or corporation making a. deposit of local currency, in accordance with the provisions of this Act and for the purpose of providing funds for the payment of *bona fide* specific