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Philippine Monetary Units Under Spanish Dominion

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TO SET THE stage for the discussion to follow, it should be mentioned at this point that the discovery of the fabulously rich silver mines of Mexico a few centuries ago made silver the monetary medium, not only of Mexico, but also of all other Spanish colonies in the New World.

The Spanish conquest of the Philippines began with the arrival in Cebu in 1565 of Legaspi's expedition from Mexico. The Philippines remained under Spanish dominion until 1898, and for many years were administered as a dependency of the Spanish Viceroy of Mexico.

During this period almost all Philippine exports were shipped to Mexico, which sent Mexican silver coins to the Philippines in payment for these goods.

For many years the tax receipts of the Philippine Government were not sufficient to meet its expenditures.

Each year a considerable sum of silver was shipped from Mexico to the Philippines to cover the annual deficit incurred by the Philippine Treasury. Thus, Mexican silver coins became the principal monetary medium of the Philippines.

Mexican silver continued to be the principal monetary medium of the Philippines until 1903, more than 80 years after Mexico achieved its independence from Spain. . . . With this background established, we are now ready to proceed to our subject and to consider the establishing of silver coinage in the Spanish Colonies.

VELLON was an alloy which looked like silver but was of much lower value than silver.

The *Enciclopedia Universal Ilustrada*, published by Espasa in Barcelona, states that the Royal Treasury of Spain, being without sufficient funds to meet its obligations, resorted to paying its debts with Reales minted from vellon instead of silver, thus debasing the coinage of Spain.

One "Real de vellon" (Real of Vellon) was equal to eight "cuartos". The cuarto was a small copper coin minted for use in Spain.

Copper coins with denominations in cuartos were shipped from Spain to the Philippines to supplement the silver coins which the Philippines received from Mexico.

The silver Real of the Spanish colonies was called a "Real de plata" (silver Real), a "Real fuerte" (strong Real) or a "Real de plata fuerte" (strong silver Real) in order to distinguish it from the Real de vellon (Real of vellon) of Spain.

The silver Peso of the Spanish colonies was called a "Peso fuerte" (strong Peso) or a "Peso duro" (hard Peso) in order to distinguish it from a Peso of much lower value which circulated in Spain.

The Royal Decree which established silver coinage for the Spanish colonies is found in the "Recopilacion de Leyes de las Indias" (Compilation of Laws of the Indies), 5th edition, published in Madrid in 1841.

This Royal Decree provided that the Real de plata (silver Real) should be equal in value to two and one-half Reales de vellon (Reals of vellon) and that the silver Peso fuerte (strong Peso) should be equal in value to eight Reales de plata (silver Reals).

THE SILVER Peso fuerte was sometimes called a "Piece of eight" because it was equal in value to eight Reales de plata (silver Reals).

Since the Real de vellon was equal to eight cuartos, and since the Real de plata was equal to two and one-half Reales de vellon, it followed logically that the Real de plata was also equal to 20 cuartos.

I was unable to find in the Archives Division of the National Library in Manila a law which stated that the Real de plata was equal to 20 cuartos. But I did find, preserved in the Archives, statements of the receipts and expenditures of the Philippine Government covering many years prior to 1866.

I examined these statements in 1939 or 1940. Every entry was expressed in Pesos, Reales and cuartos, the entry being recorded in three parallel columns, one for Pesos, one for Reales and one for cuartos.

The largest entry in the column for Reales was 7, indicating that an amount of 8 Reales was entered as one Peso in the column for Pesos. The largest entry in the column for cuartos was 19, indicating that an amount of 20 cuartos was entered as 1 Real in the column for Reales.

THIS FACT was verified by the total of each column which was entered at the bottom of the sheet. For example: If the total of the cuartos column was 312, only 12 was entered as the total of the cuartos column; the remainder, 300 cuartos, was converted to its equivalent, 15 Reales, which was included in the total of the Reales column.

This was proof that one Real de plata (silver Real) was equal to 20 cuartos.

Postage Stamps of the Philippines, by Bartels, Foster and Palmer, was published in 1904. On page 15, on the subject of currency, the following statement is made: "20 cuartos equal 1 real."

I do not recall having seen any other stamp catalog which states that in the Philippines 20 cuartos were equal to one Real.

Several well-known stamp catalogs, in the section which lists Philippine stamps of the Spanish era, have continued for many years to state: "8 Cuartos equal 1 Real."

This statement is evidently due to the erroneous assumption that the Real which circulated in the Philippines was the same as that of the Real which circulated in Spain.

Papel Sellado (Documentary Stamped Paper) was first issued for use in the Philippines on Jan. 1, 1640. There was a new issue of *Papel Sellado* for each biennial period from 1640 to 1898.

The denominations of Philippine *Papel Sellado* issued prior to Jan. 1, 1868, were expressed in Reales de plata (silver Reals). The only denomination less than 1 Real was 1 *quartillo* (one-fourth Real).

ALSO EXPRESSED in terms of the Real de plata (silver Real) were the *Derecho Judicial* (Judicial Fee) stamps issued in 1856 and 1865 for Spanish Colonies (Philippines, Cuba and Porto Rico) and issued in 1878 for the Philippines.

The lowest denomination issued for Spanish Colonies was *medio Real* (one-half Real); the issue of 1878 for the Philippines included a denomination of ten cuartos. Philippine postage stamps issued from 1854 to 1863 consisted of four denominations: 5 cuartos, 10 cuartos, 1 Real fuerte and 2 Reales fuerte.

The Escudo became the legal monetary unit of Spain on June 26, 1864. The value of the Escudo, as fixed by law, was equal to one-half of a Peso fuerte (strong Peso). One Escudo was equal to 100 centimos de Escudo (hundredths of Escudo).

The denominations of Philippine stamps and stamped paper were expressed in terms of the Escudo from Jan. 1, 1868 to Dec. 31, 1871.

The Peseta became the legal monetary unit of Spain on October 19, 1868. Its value, as fixed by law, was

equal to one-fifth of a *Peso fuerte* (strong *Peso*). One *Peseta* was equal to 100 centimos de *Peseta* (hundredths of *Peseta*).

The denominations of Philippine stamps and stamped paper were expressed in terms of the *Peseta* from Jan. 1, 1872 to Dec. 31, 1877.

THE PESO MEXICAN: In Mexico subsequent to 1863 the *Peso fuerte* (strong *Peso*) superseded the *Real de plata* (silver *Real*) as the primary monetary unit. Coincident with this change the *Peso fuerte* (strong *Peso*) was subdivided into 100 centavos.

In the Philippines the centavo usually was called a centimo de *Peso fuerte* or a centimo de *Peso*; but the word "centavo" appeared in the labels of several newspaper stamps issued in 1889-96, and in the labels of postage stamps issued in 1898.

The first issue of Philippine postage stamps with denominations expressed in centimos de *Peso fuerte* (hundredths of strong *Peso*) appeared in 1864. The four denominations of this issue were exact equivalents of the four denominations expressed in cuartos and Reales which were issued from 1854 to 1863, as follows:

Issued 1854-63, 5 cuartos, equivalent of 1864 issue $3\frac{1}{8}$ centimos de *Peso fuerte*.

10 cuartos, equivalent of $6\frac{2}{8}$ centimos de *Peso fuerte*.

1 *Real de plata*, equivalent of $12\frac{4}{8}$ centimos de *Peso fuerte*.

2 Reals de plata, equivalent of 25 centimos de *Peso fuerte*.

These were the denominations required by postage rates established by the Royal Decree of January 12, 1853.

Since ten cuartos were the equivalent of $6\frac{2}{8}$ centimos de *Peso fuerte* and one *Real de plata* was equal to $12\frac{4}{8}$ centimos de *Peso fuerte*, it may be deduced that 1 *Real de plata* was equal to 20 cuartos.

Stamps with denominations which involved fractions of a centimo plagued accountants of the Philippine Treasury for more than 30 years.

In 1878 the *Peso* was subdivided into 1000 "milesimas de *Peso*" (thousandths of a *Peso*). This eliminated fractions in the expression of very small denominations. No fractions occurred in the denominations of postage stamps issued in 1898.

During the decade 1868-1877, when the denominations of Philippine stamps were expressed in terms of Spanish monetary units, a futile attempt was made to introduce Spanish currency as the currency of commerce in the Philippines.

But, accustomed for more than 300 years to the use of Mexican silver coins, the people of the Philippines were averse to any change in the monetary medium. This was particularly true of the Chinese who dominated the commerce of the Philippines.

Mexican silver coins had become the principal monetary medium of international trade in the coastal cities of China, including the important British trading post at Hong Kong.

The silver *Peso fuerte* (strong *Peso*) had become known to international trade as the *Peso Mexican*. In the Philippines it came to be called, simply the *Peso*.

Obviously, it was not convenient to express the denominations of Philippine stamps in terms of a currency which differed from the currency which circulated in the Philippines and with which the stamps must be purchased by the people of the Philippines.

Beginning with the postage stamps issued in 1875-77, the Philippine Government reverted to the practice, originally begun in 1864, of expressing the denominations of Philippine stamps in terms of the *Peso*.

SPECIAL PHILIPPINE PESO: In 1897, after Mexican silver currency had served the Philippines as its chief monetary medium for more than 300 years, the Spanish Colonial Administration finally got around to

the creation of a special currency for use in the Philippines.

The Royal Decree of April 17, 1897 created "for the Philippines a special coin with the denomination of one *Peso*, of dimensions and legal specifications identical to those of the coin of five *Pesetas*."

"This coin shall circulate in the Philippines from the date of publication of this decree in the *Gaceta de Manila* (Official Gazette of Manila)."

The decree was published on May 26, 1897, and in accordance with it a special silver *Peso* was minted for use in the Philippines.

However, the quantity of this coin which was available was so small that it could not displace the Mexican currency which was already in circulation. The value of this special *Peso* was the same as the value of the *Peso Mexican*.

Two Prize-Winning Essays: In 1954, to celebrate the 100th anniversary of the issue of the first Philippine postage stamps, the Philippine Centenary International Philatelic Exhibition was held in Manila. A feature of this exhibition was an essay contest.

The chairman of the jury on awards was Dr. Gilbert S. Perez, who was both a distinguished philatelist and an outstanding authority on the coins which circulated in the Philippines.

The first prize (gold medal) was awarded to my essay, entitled *The Monetary Units Which Express the Denominations of Philippine Stamps*.

The second prize (silver medal) was awarded to Sr. Emilio del Prado for his essay, *Compendium of Philippine Postage Stamps, 1854-1870*. These essays, and others submitted for the contest, were published in the *PHICIPEX Souvenir Book 1854-1954*.

In the introduction to his essay, Sr. del Prado wrote:

"The Royal Decree of Jan. 12, 1853 . . . provided also that all letters, including those privately sent, were to be prepaid by means of stamps, and that the postal rate would be 5 cuartos for mail under $\frac{1}{2}$ ounce; 10 cuartos, from $\frac{1}{2}$ to one ounce; one *Real*, over one to $1\frac{1}{2}$ ounces; 10 cuartos for each additional $\frac{1}{2}$ ounce. The registration fee was 2 reales.

"During this period, and up to 1864, the monetary system was: one peso—*peso duro*, *peso plata fuerte*, or simply *peso*—being equivalent to 8 reales fuertes, or simply reales: and one real fuerte, or simply real, to 20 cuartos. . . .

"The real of the Spanish colonies was called 'fuerte' in order to distinguish it from the real de vellon which was the monetary unit in Spain proper." (Quoted from page 42, *PHICIPEX Souvenir Book 1854-1954*.)

A list of Philippine monetary units under Spanish dominion shows:

20 cuartos equal 1 *Real de Plata* (silver *Real*).

8 Reales de plata (silver Reals) equal 1 *Peso fuerte* (strong *Peso*).

100 centimos de *Peso* or 1000 milesimas de *Peso* or 100 centavos equal 1 *Peso fuerte* or 1 *Peso Mexican*.

100 centimos de *Escudo* equal 1 *Escudo*.

100 centimos de *Peseta* equal 1 *Peseta*.

1 *Peso fuerte* or 1 *Peso Mexican* equals 2 *Escudos* or 5 *Pesetas*.

1 special Philippine *Peso* equals 5 *Pesetas* equals 1 *Peso Mexican*.