

WESTERN PACIFIC HIGH COMMISSION.

No. 10 of 1916



[L.S.]

BICKHAM ESCOTT,

High Commissioner.

14th September, 1916.

KING'S REGULATION

TO PROVIDE FOR THE ISSUE OF GOVERNMENT CURRENCY NOTES IN THE BRITISH SOLOMON ISLANDS PROTECTORATE AND FOR OTHER PURPOSES.

Made by His Britannic Majesty's High Commissioner for the Western Pacific under the provisions of the Pacific Order in Council, 1893.

In the name of His Majesty, George the Fifth, by the Grace of God of the United Kingdom of Great Britain and Ireland and of the British Dominions beyond the Seas King, Defender of the Faith, Emperor of India.

1. This Regulation may be cited as the Solomons Govern- SHORT TITLE.
ment Currency Notes Regulation 1916.

2. In this Regulation and in any rules or directions INTERPRETATION
made or issued hereunder, unless the context otherwise
requires—

“Protectorate” means the British Solomon Islands Protectorate;

“High Commissioner” means His Britannic Majesty's High Commissioner for the Western Pacific and includes any person duly acting as such;

“Resident Commissioner” means the Resident Commissioner in the Protectorate and includes any person duly acting as such;

“Chief Magistrate” means the Chief Magistrate and Legal Adviser in the Protectorate and includes any person duly acting as such;

“Treasurer” means the Treasurer and Collector of Customs of the Protectorate and includes any person duly acting as such;

“Current coin” means coin which is for the time being legal tender in the Protectorate.

COMMISSIONERS OF CURRENCY.

3.—(1) A Board of Commissioners of Currency (in this Regulation referred to as “the Commissioners”) shall be established for the purposes of this Regulation and shall consist of the persons for the time being lawfully discharging the duties of Resident Commissioner, Chief Magistrate, and Treasurer or of such other persons as the High Commissioner may at any time appoint in their place; provided that the number of the Commissioners shall not at any time be less than three.

(2) The Resident Commissioner or, in the event of his not being a Commissioner, such Commissioner as may be nominated by him shall be the president of the Board.

(3) The Commissioners shall have an office at Tulagi and may employ such agents, officers, and persons throughout the Protectorate as may from time to time be approved by the High Commissioner.

(4) Any act of the Commissioners may be signified in writing under the hands of the Commissioners.

ISSUE OF NOTES.

4.—(1) Subject to the provisions of this Regulation the Commissioners may from time to time provide and issue and reissue in exchange for current gold coin or for notes previously issued under this Regulation notes herein referred to as “currency notes.” Provided that the Commissioners may at their discretion but subject nevertheless to the directions from time to time herein of the High Commissioner issue and reissue currency notes upon payment therefore being as to not less than one-half of the amount thereof made to them at their office in current gold coin and as to the other part of such amount either made to their bankers or secured by cheques or drafts approved by the Commissioners.

(2) A currency note shall be a promise on the part of the Government of the Protectorate to pay to the bearer on demand the amount named therein and the amount required for such payment shall be a charge on the moneys and securities in the hands of the Commissioners under this Regulation and on the general revenue of the Protectorate and if a sum is required to meet any such note and if the said moneys are insufficient to meet it the sum shall forthwith on the demand of the Commissioners be issued under the order of the High Commissioner out of the general revenue in priority to all other charges except those charged thereon by any enactment or law passed or made before the commencement hereof and for the time being payable.

(3) The holder of a currency note shall be entitled to obtain on demand during office hours at the office of the Commissioners at Tulagi payment in current coin of the amount expressed in the note.

VALUE AND FORM OF NOTES.

5. (1)—Currency notes may be for the following denominations, namely: five shillings, ten shillings, one pound, five pounds, and any other denomination that may be approved from time to time by the High Commissioner, and the maximum amount of notes of each denomination shall be such as may be fixed by the Commissioners with the approval of the High Commissioner.

(2) Currency notes shall be in such form and of such size and design and printed from such plates or dies and on such paper and be authenticated in such manner (whether by the signatures of the Commissioners for the time being or facsimiles of those signatures or otherwise) as may be approved by the Resident Commissioner and shall bear twice on the face a distinctive number.

(3) The plates or dies shall be prepared and kept and the notes printed kept issued and cancelled under such rules or directions as the Resident Commissioner may with the approval of the High Commissioner make or issue for the purpose of preventing fraud and improper use.

6. A currency note shall be a legal tender in the Protectorate of the amount expressed therein except for payment of wages of native labourers but this section shall not apply to a tender by the Commissioners at their office.

LEGAL TENDER.

7.—(1) Subject as hereinafter provided the moneys received in exchange for currency notes shall form the note guarantee fund and be held by the Commissioners for meeting the payment of the notes and shall not be applied for any other purpose.

APPLICATION
OF COIN
RECEIVED FOR
NOTES.

(2) Of the note guarantee fund a portion (hereinafter referred to as the coin portion of the fund) not being less than the fixed proportion hereinafter mentioned shall be in coin and shall be kept in the Protectorate in the custody of the Commissioners but the balance may subject as hereinafter provided be deposited in a bank or banks or invested in securities. The portion so deposited in a bank or banks is hereinafter referred to as the bank portion and the portion so invested in securities as the investment portion of the fund.

8.—(1) The fixed proportion of the coin portion of the Fund shall in the first instance be one-half of the total amount of the notes for the time being in circulation but if the Resident Commissioner satisfies the High Commissioner that having regard to the amount of the notes which are always outstanding the fixed proportion may be diminished without danger to the convertibility of the notes the High Commissioner may by proclamation fix another proportion.

COIN PORTION
OF NOTE GUAR-
ANTEE FUND.

(2) In order to prevent the coin portion of the Fund falling below the fixed proportion the moneys or securities forming part of the bank or investment portions of the Fund shall if necessary be withdrawn or sold as the case may be.

(3) Until the coin portion of the Fund amounts to the fixed proportion no further deposit in any bank or investment in any securities shall be made and the whole income of the bank and investment portions of the Fund shall be carried to and form part of the coin portion of the Fund.

9. The bank portion of the Fund shall not exceed such proportion as may from time to time be fixed by the High Commissioner in respect thereof and shall be deposited in such bank or banks whether in the Protectorate or elsewhere as the High Commissioner may from time to time approve or direct. Any income derived from the bank portion of the Fund shall subject to the directions of the High Commissioner to the contrary be applied in the same manner as any income derived from the investment portion of the Fund is under this Regulation directed to be applied.

BANK PORTION
OF NOTE GUAR-
ANTEE FUND.

Investments and Depreciation Fund.

INVESTMENT
PORTION OF
NOTE GUAR-
ANTEE FUND.

10.—(1) The investment portion of the Fund shall not exceed such proportion as may from time to time be fixed by the High Commissioner in respect thereof and may be invested in such securities of the Government of any part of His Majesty's Dominions or Protectorates, other than this Protectorate, or in such other securities as the High Commissioner may approve or direct.

(2) The investments shall be made in the names of such officers or persons as the High Commissioner may direct and the investments shall from time to time be varied and the securities sold or otherwise dealt with in accordance with his directions.

(3) The securities shall be applicable for the payment of currency notes and for no other purpose.

(4) The income derived from the securities shall be applied—

- (a) in paying the expenses of and incidental to the execution of this Regulation ; and
- (b) in the payment of a sum equal to one per centum of the cost price of the securities to a Depreciation Fund ; and
- (c) subject to the other provisions of this Regulation as part of the ordinary revenue of the Protectorate.

DEPRECIATION
FUND.

11.—(1) A separate account shall be kept of the Depreciation Fund but save as aforesaid the Depreciation Fund shall form part of the investment portion of the note Guarantee Fund and the provisions of this Regulation shall apply accordingly.

(2) When the Resident Commissioner satisfies the High Commissioner that the Depreciation Fund is not less than ten per centum of the invested portion of the Note Guarantee Fund and is of such an amount that it is unnecessary further to increase the Depreciation Fund the High Commissioner may order that the annual appropriation of the aforesaid one per centum be discontinued for such temporary period and either in whole or in part as may be specified in the order.

Accounts and Expenses.

ACCOUNTS.

12.—(1) The Commissioners shall keep proper accounts of all transactions under this Regulation and such accounts shall be audited by the Protectorate Auditor or by such persons as the High Commissioner may appoint and in accordance with the directions of the High Commissioner.

(2) The Resident Commissioner shall from time to time satisfy himself by personal inspection that the accounts are being properly kept and are in order.

(3) If it appears upon any audit of the accounts or appears at any time to the High Commissioner or the Resident Commissioner that the market value of the securities forming the investment portion of the Note Guarantee Fund (including the Depreciation Fund) is less than the amount of coin taken for investment from that Fund the amount of the deficiency shall forthwith be paid into the Note Guarantee Fund and by order of the High Commissioner out of the general revenue of the Protectorate.

(4) The Commissioners shall within thirty days of the last day of the month of March, June, September, and December respectively make up an abstract showing—

- (a) the whole amount of currency notes in circulation on the said respective last day and the average amount in circulation during the quarter ending on that day ;
- (b) the amount of the coin portion of the Note Guarantee Fund on the said day and the average amount during the said quarter ;
- (c) the amount of the bank portion of the Note Guarantee Fund on the said day and the average amount during the said quarter ;
- (d) the amount invested in, the nominal price paid for, and the latest known market price of the securities forming the investment portion of the Note Guarantee Fund.

(5) As soon after the last day of the month of December in each year as may be possible the Commissioners shall prepare a statement of accounts showing in abstract all transactions under this Regulation during that year. The statement shall include an account of all notes not in issue which may be held by the Commissioners on the said last day.

(6) The quarterly abstracts and the annual statement shall after being audited and certified correct be published in the *Western Pacific High Commission Gazette*.

(7) The amount of notes in circulation at a particular date shall be the total nominal amount of notes issued by the Commissioners prior to that date after deducting the total nominal amount of notes received by the Commissioners prior to that date.

13.—(1) The Commissioners may withdraw from circulation any damaged or worn note or any note which they consider otherwise unfit for circulation and may issue in place thereof another of the same denomination.

DAMAGED &c.
NOTES.

(2) Any damaged or worn note and any notes otherwise unfit for circulation which are held by the Commissioners may be destroyed after they shall have first been condemned as unfit for circulation by a Board of Survey appointed by the Resident Commissioner for that purpose.

14. Subject as hereinafter provided all expenses of and incidental to the execution of this Regulation shall so far as not defrayed out of the Note Guarantee Fund be paid out of the general revenue of the Protectorate.

EXPENSES.

Penalties.

15. If any Commissioner issues or is a party to issuing any currency note otherwise than in accordance with this Regulation or authorises or is a party to authorising the application of any portion of the Note Guarantee Fund to any purpose not authorised by this Regulation or otherwise acts contrary to his duty under this Regulation he shall be guilty of a misdemeanour according to the law of England.

OFFENCES
BY THE
COMMISSIONERS.

16.—(1) If any person with intent to defraud forges or alters any currency note or knowing any note purporting to be a currency note to be forged or altered utters the same he shall on conviction be liable to imprisonment with or without hard labour for any period not exceeding ten years.

FORGERY.

(2) If any person without lawful authority or excuse the proof whereof shall lie on him receives from any other person or has in his possession any forged or altered note purporting to be a currency note knowing the same to be forged or altered or any unfinished or incomplete note purporting to be a currency note issued by the Commissioners he shall be liable on conviction to imprisonment with or without hard labour for any period not exceeding five years.

POSSESSION OF
MATERIALS FOR
FORGING NOTES.

17.—(1) If any person without lawful authority or excuse the proof whereof shall lie upon him—

(a) makes or uses or sells or exposes for sale or knowingly has in his possession whether actual or constructive—

(i) any instrument for the making of paper with any words device or distinction peculiar to and appearing in the substance of the paper used for currency notes ; or

(ii) any paper with any such words device or distinction as aforesaid ; or

(b) by any art or contrivance causes any such words device or distinction or any words device or distinction intended to resemble and pass for the same to appear visible in the substance of any paper he shall on conviction be liable to imprisonment with or without hard labour for any period not exceeding five years.

(2) If any person without lawful authority or excuse the proof whereof shall lie upon him—

(a) engraves or in anywise makes upon any plate whatsoever or upon any material any note purporting to be a currency note or a part of a currency note or any name word number figure device character or ornament resembling or apparently intended to resemble any signature to a currency note ; or

(b) uses any such plate or material or any other instrument or device for the making or printing of any currency note ; or

(c) knowingly has in his possession whether actual or constructive any such plate material instrument or device ; or

(d) knowingly utters or has in his possession whether actual or constructive any paper upon which an impression of any such matter as aforesaid is made or printed ;

he shall be liable on conviction to imprisonment with or without hard labour for a period not exceeding five years.

Private Notes.

DEFINITION OF
PRIVATE NOTE.

18. For the purposes of the following sections the expression "private note" shall unless the context otherwise requires mean any note (other than a note issued by any Government authority) issued by any person or firm for the payment of money to the bearer on demand whether at the place of issue or elsewhere and circulating within the Protectorate. Any private note issued within the Protectorate shall be deemed to be in circulation therein until it is shown by the person or firm issuing the same not to be in circulation within the Protectorate.

19. Upon the coming into operation of this Regulation all private notes in circulation within the Protectorate shall forthwith be withdrawn from circulation therein by the person or firm issuing the same and thereafter no private notes shall be issued or allowed to circulate within the Protectorate.

PRIVATE NOTES
TO BE WITH-
DRAWN AND
NO MORE TO
BE ISSUED.

20. Upon all private notes which may after the coming into operation of this Regulation be or come into circulation within the Protectorate a tax of one-half per centum per month shall be paid to the Treasurer by the person or firm issuing the same. The said tax shall be calculated and paid on the total nominal amount of private notes in circulation within the Protectorate on the last day of each month.

TAX ON
PRIVATE NOTES
IN CIRCULATION.

21.—(1) Every person or firm having in circulation within the Protectorate during any month any private notes issued by him or it shall within thirty days from the last day of that month make a return in writing to the Treasurer showing under separate heads—

RETURNS OF
PRIVATE NOTES
TO BE MADE.

- (a) the total number of his or its private notes of each denomination in circulation within the Protectorate on the said last day and the total nominal amount of such notes, separate figures being given in respect of each denomination; and
- (b) the number of his or its private notes of each denomination held by him or it on the said last day and the total nominal amount of such notes, separate figures being given in respect of each denomination.

(2) Any person or firm who or which being required to make a return as aforesaid, refuses or neglects to make such return or makes a false return shall on conviction be liable to a penalty not exceeding one hundred pounds or to imprisonment with or without hard labour not exceeding six months.

22.—(1) Subject as hereinafter provided the amount of tax payable under this Regulation in respect of any month by any person or firm shall be such as upon calculation in the manner hereinbefore provided may be determined by the Treasurer in respect of that month and notified in writing by him to the person or firm liable thereto.

ON WHAT
AMOUNT TAX
TO BE PAID

(2) If the person or firm charged therewith is dissatisfied with the amount of tax determined by the Treasurer as aforesaid to be payable such person or firm may on giving notice in writing (stating his or its intention to appeal to the Commissioners and setting out the grounds of his or its dissatisfaction) to the Treasurer within ten days from the date of the Treasurer notifying such person or firm of the amount of tax determined by him as aforesaid to be payable and on paying within the like time to the Treasurer that amount to be dealt with as the Commissioners may finally direct, appeal to the Commissioners against the determination of the Treasurer.

(3) An appeal shall be instituted before the Commissioners within seven days from the date of the notice hereinbefore provided to be given by the appellant to the Treasurer.

(4) The determination of the Commissioners on any appeal or on any matter relating thereto shall be final.

(5) The Commissioners may make rules prescribing and regulating the procedure to be adopted and followed in respect of the institution and hearing of appeals before and by them and any matter relating thereto and shall for purposes of this section have all the powers of the High Commissioner's Court.

INSPECTION OF
BOOKS &c.

23.—(1) The Treasurer or any officer authorised by him in writing in that behalf may demand the production of and may inspect and examine all and every the book or books of any person or firm who or which may have in circulation any private notes issued by him or it or who may hold any private notes not in circulation in which shall be kept contained or entered any account minute or memorandum of or relating to any such notes or any account minute or memorandum the sight or inspection whereof may tend to secure the rendering of true accounts of any such notes or to test the truth of any such accounts and may take copies of or extracts from any such book, account, minute, or memorandum as aforesaid and may make any inquiries or searches that he thinks fit to ascertain whether true accounts are being rendered under this Regulation.

(2) If any person obstructs or impedes any officer in the exercise of his powers or in the execution of his duty or refuses to answer any question reasonably put to him by or makes any false statement to any officer or refuses or fails without lawful excuse, the proof whereof shall lie on him, to produce any book account minute or memorandum which he is duly required to produce he shall on conviction be liable to a penalty not exceeding fifty pounds or to imprisonment with or without hard labour not exceeding six months.

EXPENSES
UNDER SUB-
SECTION 19 TO
23.

24. All expenses of and incidental to the execution of the provisions of sections nineteen to twenty-three both inclusive shall be paid out of the general revenue of the Protectorate.

COMMENCEMENT
OF REGULATION.

25. This Regulation shall come into operation on such day as the High Commissioner by Proclamation in the *Western Pacific High Commission Gazette* shall direct.

Published and exhibited in the Public Office of the High Commissioner for the Western Pacific this fourteenth day of September one thousand nine hundred and sixteen.

By Command,

A. L. AYTON,

Acting Secretary to His Britannic Majesty's
High Commissioner for the Western Pacific.

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