

HEADQUARTERS DEPARTMENT OF PORTO RICO,

San Juan

SECRETARY OF JUSTICE.

Judicial Order.

Change of Money.

Honorable Brigadier General George W. Davis, upon the proposal of the Secretary of Justice, has been pleased to issue the following order:

- 1,- In conformity with the provisions in the Order of the President of the Republic, dated 20th of January, 1899, and in Order of the Governor General, dated 8th of March, 1899, all American moneys, whether silver, gold or bills will be circulated in this island at the rate of $166 \frac{2}{3}$ to one American dollar.
- 2,- All persons, whether in business or not, will be obliged to accept the American dollar at the rate indicated.
- 3,- Whosoever should fail to comply with this disposition will, upon report by police or private individuals to the Municipal Judge, be sent to prison for ten days and fined twenty dollars.
Puerto Rico, May 11, 1899.

(Signed) Secretary of Justice.

*Ex change of P. R.
currency,
By Secy of Justice.*

1st Endorsement.

Office of the Judge Advocate,
Department of Porto Rico,
San Juan, P. R. May 15, 1899.

Respectfully returned to Lieut.
Langhorne, Aide-de-Camp.

All judicial decisions support-
ing the authority of the Government
to declare coin or fiat money a le-
gal tender for debt, have rested
upon the assumption, or, more exactly
upon the fact, that the Government
officially guaranteed such money at
the rate of value so fixed. I do not
understand that the Government stands
back of this Porto Rican Currency. I
am told that there are several millions
of silver Pesos in circulation here.
If the Government officially declares
money a legal tender at a fixed rate of
exchange, thus removing it from the
fluctuations of the silver market
and from the depreciation to which
the paper currency is subject, it
would doubtless be construed, and
rightfully so, I think, as a guarantee of
redemption by the Government at the
rate so fixed. Moreover, peace
having been restored, this is
strictly a legislative act. The
President's order of January
20th, was issued during the war-
that is to say before peace was
declared, and when a public
emergency demanded it. His order

related only "to customs, taxes,
public and postal dues" and to
contracts then existing "for
the payment of money in the
currency of Porto Rico." But
peace having now been restor-
ed and no great exigency ap-
pearing to call for the as-
sumption of these particular
legislative powers by the
Executive, there appears to
be no remedy except through
the intervention of Congress.
The Constitution reserves to
Congress the power "to coin
money, regulate the value
thereof, and of foreign coin."
I am therefore of the opin-
ion that the order proposed by
the Secretary of Justice,
establishing a legal tender
value or rate of exchange
for foreign coin, or
currency is clearly illegal.

(Signed) A. C. Sharpe,
Major & Insp. Gen '19U. S. Vols.,
Acting Judge Advocate.