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## U.S. Supreme Court

**7 LING SU FAN v. U S, 218 U.S. 302 (1910)**

**218 U.S. 302**

**LING SU FAN, Plff. in Err.,**

**v.**

**UNITED STATES.**

**No. 20.**

**Argued October 27, 1910.**

**Decided November 14, 1910.**

[218 U.S. 302, 303] Messrs. J. M. Vale, Marion Butler, and Lionel D. Hargis for plaintiff in error.

[218 U.S. 302, 305] Assistant Attorney General Fowler for defendant in error.

[218 U.S. 302, 307]

Mr. Justice Lurton delivered the opinion of the court:

The plaintiff in error has been convicted of the offense of 'exporting from the Philippine Islands Philippine silver coin,' in violation of Philippine law No. 1411, being 1998 and 1999, Compiled Acts of the Philippine Commission, title 3, chapter 194. Sections 1 and 2 of law No. 1411 read as follows:

'Section 1. The exportation from the Philippine Islands of Philippine silver coins, coined by authority of the act of Congress approved March 2d, 1903 [32 Stat. at L. 952, chap. 980, U. S. Comp. Stat. Supp. 1909, p. 893], or the bullion made by melting or otherwise mutilating such coins, is hereby prohibited, and any of the aforementioned silver coins or bullion which is exported, or of which the exportation is attempted subsequent to the passage of this act, and contrary to its provisions, shall be liable to forfeiture, under due process of law, and one third of the sum or value of the bullion so forfeited shall be payable to the person upon whose information, given to the proper au- [218 U.S. 302, 308] thorities, the seizure of the money or bullion so forfeited is made, and the other two thirds shall be payable to the Philippine government, and accrue to the gold standard fund. Provided, that the prohibition herein contained shall not apply to sums of P. 25 or less, carried by passengers leaving the Philippine Islands.

'Section 2. The exportation or attempt to export Philippine silver coin or bullion made from such coins from the Philippine Islands, contrary to law, is hereby declared to be a criminal offense, punishable, in addition to the forfeiture of the said coins or bullion, as above provided, by a fine not to exceed P. 10,000, or by imprisonment for a period not to exceed one year, or both, in the discretion of the court.'

We may pass over the assignments of error which challenge the sufficiency of the evidence to warrant a

conviction, inasmuch as it is not contended that there was no evidence. This is a writ of error, and upon such a writ the error to be considered must be confined to error of law.

The substantial question is as to whether a law which prohibits the exportation of Philippine silver coin from the Philippine Islands is a law which deprives the owner of his property in such coins without due process of law, in violation of that prohibition of the organic act of July 1, 1902, which provides that 'no law shall be enacted in said islands which shall deprive any person of life, liberty, or property without due process of law.' 32 Stat. at L. 692, chap. 1369. The authority for the law is found in the act of Congress of July 1, 1902, 76 et seq., 32 Stat. at L. 691, 710, chap. 1369, U. S. Comp. Stat. Supp. 1909, p. 890, which authorized the Philippine government to establish a mint in the city of Manila for coinage purposes and to enact laws for its operation, and for the striking of certain coins. By the later act of Congress of March 2, 1903 (chap. 980, 32 Stat. at L. 952, U. S. Comp. Stat. Supp. 1909, p. 893), it was provided that the gold peso, consisting of 12.9 grains of gold, nine tenth fine, should be the unit of value in the islands. The second section of that act provided as follows:

'That in addition to the coinage authorized for use in the Philippine Islands by the act of July first, nineteen hundred and two, entitled, 'An Act Temporarily to Provide for the Administration of the Affairs of Civil Government in the Philippine Islands, and for Other Purposes,' the government of the Philippine Islands is authorized to coin to an amount not exceeding seventy-five million pesos, for use in said islands, a silver coin of the denomination of one peso, and of the weight of four hundred and sixteen grains, and the standard of said silver coins shall be such that of one thousand parts, by weight, nine hundred shall be of pure metal and one hundred of alloy, and the alloy shall be of copper.'

Section 6 of the same act of March 2, 1903, provided:

'That the coinage authorized by this act shall be subject to the conditions and limitations of the provisions of the act of July first, nineteen hundred and two, entitled, 'An Act Temporarily to Provide for the Administration of the Affairs of Civil Government in the Philippine Islands, and for Other Purposes,' except as herein otherwise provided; and the government of the Philippine Islands may adopt such measures as it may deem proper, not inconsistent with said act of July first, nineteen hundred and two, to maintain the value of the silver Philippine peso at the rate of one gold peso.'

In a subsequent part of the same section, the issuance of certificates of indebtedness, bearing interest, was authorized as a specific measure for maintaining the parity between the silver and gold peso.

The law of the Philippine Commission, above set out, under which the conviction of the plaintiff in error was secured, must rest upon the provision of 6, above set out, as a means of maintaining 'the value of the silver [218 U.S. 302, 310] peso at the rate of one gold peso.' Passing by any consideration of the wisdom of such a law prohibiting the exportation of the Philippine Islands silver pesos as not relevant to the question of power, a substantial reason for such a law is indicated by the fact that the bullion value of such coin in Hong Kong was some 9 per cent greater than its face value. The law was therefore adapted to keep the silver pesos in circulation as a medium of exchange in the islands and at a parity with the gold peso of Philippine mintage.

The power to 'coin money and regulate the value thereof, and of foreign coin,' is a prerogative of sovereignty and a power exclusively vested in the Congress of the United States. The power which the government of the Philippine Islands has in respect to a local coinage is derived from the express act of Congress. Along with the power to strike gold and silver pesos for local circulation in the islands was

granted the power to provide such measures as that government should 'deem proper,' not inconsistent with the organic law of July 1, 1902, necessary to maintain the parity between the gold and silver pesos. Although the Philippine act cannot, therefore, be said to overstep the wide legislative discretion in respect of measures to preserve a parity between the gold and silver pesos, yet it is said that if the particular measure resorted to be one which operates to deprive the owner of silver pesos of the difference between their bullion and coin value, he has had his property taken from him without compensation, and, in its wider sense, without that due process of law guaranteed by the fundamental act of July, 1902

Conceding the title of the owner of such coins, yet there is attached to such ownership those limitations which public policy may require by reason of their quality as a legal tender and as a medium of exchange. These limitations are due to the fact that public law gives to such coinage a value which does not attach as a mere consequence of intrinsic value. Their quality as a legal tender is an attribute of law aside from their bullion value. They bear, therefore, the impress of sovereign power which fixes value and authorizes their use in exchange. As an incident, government may punish defacement and mutilation, and constitute any such act, when fraudulently done, a misdemeanor. Rev. Stat. § 5189, 5459, U. S. Comp. Stat. 1901, pp. 3484, 3684.

However unwise a law may be, aimed at the exportation of such coins, in the face of the axioms against obstructing the free flow of commerce, there can be no serious doubt but that the power to coin money includes the power to prevent its outflow from the country of its origin. To justify the exercise of such a power it is only necessary that it shall appear that the means are reasonably adapted to conserve the general public interest, and are not an arbitrary interference with private rights of contract or property. The law here in question is plainly within the limits of the police power, and not an arbitrary or unreasonable interference with private rights. If a local coinage was demanded by the general interest of the Philippine Islands, legislation reasonably adequate to maintain such coinage at home as a medium of exchange is not a violation of private right, forbidden by the organic law. Obviously, if the Philippine government had power to prohibit the exportation or melting of Philippine silver pesos, it had the power to make the violation of the prohibition a misdemeanor. The proceedings for the enforcement of the law included the ordinary process in criminal cases lawful in the islands, and not forbidden by the act of July, 1902.

Judgment affirmed.