attempted to levy taxes of this character, clearly within the letter and the spirit of the constitutional prohibition, show the necessity of a rigid adherence to the demands of that instrument. If hardships arise in the enforcement of this principle, and the just necessities of a local commerce require a tax which is otherwise forbidden, it is presumed that Congress would not withhold its assent if properly informed and its consent requested.

This is a much wiser course, and Congress is a much safer depositary of the final exercise of this important power than the ill-regulated and overtaxed towns and cities, which are not likely to look much beyond their own needs and their own interests.

We are of opinion that the ordinance under which the levee dues were assessed upon the plaintiff's vessel is unconstitutional and void.

JUDGMENT REVERSED, and the case remanded to the Supreme Court of Louisiana for further proceedings,

IN CONFORMITY TO THIS OPINION.

CLARK *v.* IOWA CITY.

1. The statute of limitations of Iowa, which bars actions upon all written contracts within ten years after the cause of action thereon has accrued, commences to run against actions upon coupons for interest annexed to municipal bonds in that State, when they have been detached from the bonds and transferred to parties other than the holders of the bonds, from the maturity of the coupons respectively.
2. The cases of *The City of Kenosha* v. *Lamson* (9 Wallace, 477) and of *The City of Lexington* v. *Butler* (14 Wallace, 282) commented upon and explained.
3. Coupons for interest when severed from the bonds to which they were annexed originally are negotiable and pass by delivery. They then cease to be incidents of the bonds, and become independent claims; and do not lose their validity, if for any cause the bonds are cancelled or paid before maturity.

Statement of the case.

ERROR to the Circuit Court for the District of Iowa. The case was thus:

On the 1st of March, 1856, Iowa City issued a number of bonds, dated on the day just named, promising in each to pay to the bearer, on the 1st of January, 1876, the sum of $500, with interest at 10 per cent., payable on the 1st of January in each year. For this interest ten coupons, or interest warrants in negotiable form, for $50 each, were annexed to the bonds. From ten of these bonds the coupons were subsequently cut off, and long before the commencement of this suit—which was on the 31st of January, 1874—were negotiated and by purchase and delivery became the property of a certain Clark. The ten bonds themselves, from which the coupons were thus severed, were paid off and satisfied by the company prior to the said date; Clark not being at the time owner or holder of any of them.

In this state of things Clark, on the said 31st of January, 1874, sued the city on ten coupons representing the instalments *due on the 1st of January*, 1860. More than fourteen years had thus elapsed since the coupons had become due, and since suit might have been brought on them.

The statute of limitations in Iowa, making no distinction between simple contracts and specialties, enacts that all actions "founded on *written contracts*" must be brought within ten years after the cause of action accrued.

In bringing his suit so long after the coupons became due, the plaintiff's idea, founded on his interpretation of the decisions in *The City of Kenosha* v. *Lamson** and *The City of Lexington* v. *Butler*,† in this court, was that the statute began to run against the coupons only from the maturity of the bond, and as the bond would not be barred until January 1st, 1886, that his suit on the coupons, though brought more than fourteen years after they became due, was still in time.

The defendant's position was that the cases just mentioned and relied on by the plaintiff were *mis*interpreted by him; that suits on the coupons were barred in ten years after *their*

* 9 Wallace, 477.

† 14 Id. 282.

own maturity, or barred January 1st, 1870, more than four years before this suit was brought.

The defendant accordingly pleaded the statute of limitations, alleging that more than ten years had elapsed since the cause of action arose and before the bringing of the suit.

He pleaded further the facts abovementioned about the coupons and bonds; to wit, that the plaintiff got them by purchase in the market after they had been severed from the bonds; that long before the suit brought the bonds had been satisfied, and that the plaintiff was not owner of them when they were so paid.

To this plea the defendant demurred, assigning for cause "that the statute had not run for ten years against the covenant in the bonds to pay the interest, and that the payment of the bonds to another person than the holder of the coupons did not bar his remedy on the coupon, his right of action running on the coupons until the remedy thereon was barred by running of the statute against the bond itself."

A point thus made was—

"Does the statute of limitation commence to run upon the coupons in suit from their own maturity respectively, or does it commence to run upon the coupons only from the maturity of the bonds to which said coupons belonged?"

The judges being opposed in opinion on the question, they certified it to this court for answer.

Mr. James Grant, for the plaintiff:

As we interpret the decisions of this court, the point raised has been decided here in our favor.

In *The City of Kenosha* v. *Lamson*, in 9th Wallace, a suit on coupons which, not having been under seal, were barred as a simple contract by the statute, though the bond which was under seal was, as a specialty, not barred, Nelson, J., giving the judgment, says:

"The coupon is not an independent instrument, . . . but is given for interest thereafter to become due upon the bond, *which interest is part of the bond and partakes of its nature*, and the bond . . . is not barred by lapse of time short of twenty years."

This language may perhaps be capable of two interpretations, but the most reasonable seems to be that which would make it say that all rights belonging to the creditor on the bonds belong to him also on the coupons. If that is its meaning, then as suit on the bond in this case would not be barred till January 1st, 1886, neither will suit on the coupons be. That the meaning which we assume to be the true meaning of this case was subsequently understood in this court to be so, appears by the case of *The City of Lexington* v. *Butler*, in 14th Wallace. There Clifford, J., says expressly, and in a way which leaves no doubt as to the conception by that learned justice of the former case, and of his meaning in the one then before the court:

"It is well-settled law that a suit upon a coupon is not barred by the statute of limitations *unless the lapse of time is sufficient to bar also a suit upon the bond*, as the coupon, if in the usual form, is but a repetition of the contract in respect to the interest, for the period of time therein mentioned which the bond makes upon the subject, being given for the interest thereafter to become due upon the bond, which interest is parcel of the bond, and partakes of its nature, and is not barred by lapse of time except for the same period as would bar a suit, unless it is barred on the bond to which it was attached."

Mr. L. B. Patterson, contra.

Mr. Justice FIELD delivered the opinion of the court.

The bonds of Iowa City were taken up and cancelled before the commencement of this action, but previous to such cancellation the coupons for interest due on the 1st of January, 1860, upon which the action is brought, were detached and negotiated to other parties until by purchase they came to the possession of the plaintiff. The statute of Iowa prescribes the limitation of ten years to actions on all written contracts, whether under seal or otherwise.

The simple question, therefore, presented for our determination is whether the statute is a bar to an action upon the coupons detached from the bonds and transferred to parties other than the holders of the bonds, when it would

not be a bar to an action on the bonds themselves had they not been cancelled.

The counsel for the plaintiff cites the case of *The City of Kenosha* v. *Lamson*, reported in the 9th of Wallace, and the case of *The City of Lexington* v. *Butler*, reported in the 14th of Wallace, as conclusive against the bar of the statute. There are expressions in the opinions of the court in those cases which, detached from the context, would seem to justify this conclusion. But the whole purport of the decisions in those cases was to the effect that the coupons being given for interest on the bonds, partook of their nature and were equally high as security, and therefore the statute could only run against them when it would run against instruments of the dignity of the bonds. In other words, the decisions only established the doctrine that the coupons so far partook of the nature of the bonds that as the latter were specialties so were they specialties also, and not mere simple contracts.*

The first case, that of *The City of Kenosha* v. *Lamson*, arose in Wisconsin, where actions upon sealed instruments are not barred until the lapse of twenty years, whilst actions upon simple contracts are barred in six years. The action was brought upon the coupons when more than six years but less than twenty years had elapsed after their maturity. And the court held that the coupons were substantially copies of the bond in respect to the interest, and were given to the holder of the bond for the purpose of enabling him to collect the interest at the time and place mentioned, without the trouble of presenting the bond every time the interest became due, and to enable him to realize the interest by negotiating the coupons in business transactions; and that the coupons partaking of the nature of the bonds, which were of higher security than the coupons, were not barred by lapse of time short of twenty years. The court concluded its opinion by observing that it would be a departure from the purpose for which the coupons were issued, and from

* See also Commissioners of Knox County *v.* Aspinwall, 21 Howard, 539, 546.

the intent of the parties, to hold that when they are cut off from the bonds the nature and character of the security changes and becomes a simple contract debt and adds: "Our conclusion is that the cause of action is not barred by lapse of time short of twenty years."

The case of *The City of Lexington* v. *Butler* arose in Kentucky, where the statute prescribes fifteen years as the limitation for actions on bonds and only five years for actions on simple contracts. The action was upon coupons of certain bonds issued by the city, and the city pleaded the statute of limitations of five years, but the court answered that bonds were specialties not falling within the period prescribed; that suits on bonds might be maintained if commenced within fifteen years after the cause of action accrued, and that a suit upon a coupon was not barred by the statute unless the lapse of time was sufficient to bar also a suit upon the bond, as the coupon, if in the usual form, was but a repetition of the bond in respect to the interest for the period of time therein mentioned, and partook of its nature.

It is evident from this examination of the cases cited that it was not the intention of the court to decide that an action upon a coupon detached from the bond, and negotiated to other parties, was not subject to the same limitations as an action upon the bond itself; much less to hold that the coupons remained a valid and existing cause of action not only for the period prescribed for actions on the bond after its maturity, but for the additional period intervening between the maturity of the coupon and the maturity of the bond, however great that might be. The question before the court in those cases was only whether the time the statute ran against the coupons was the longest or shortest period;—was it six or twenty years in the Wisconsin case, or was it five or fifteen years in the Kentucky case;—and the court held that the statute ran for the longest period, because the coupons partook of the nature of the bonds and the statute ran for that period as to them.

Most of the bonds of municipal bodies and private corporations in this country are issued in order to raise funds for

works of large extent and cost, and their payment is, therefore, made at distant periods, not unfrequently beyond a quarter of a century. Coupons for the different instalments of interest are usually attached to these bonds, in the expectation that they will be paid as they mature, however distant the period fixed for the payment of the principal. These coupons, when severed from the bonds, are negotiable and pass by delivery. They then cease to be incidents of the bonds, and become in fact independent claims; they do not lose their validity, if for any cause the bonds are cancelled or paid before maturity; nor their negotiable character; nor their ability to support separate actions; and the amount for which they are issued draws interest from its maturity. They, then, possess the essential attributes of commercial paper, as has been held by this court in repeated instances.* Every consideration, therefore, which gives efficacy to the statute of limitations when applied to actions on the bonds after their maturity, equally requires that similar limitations should be applied to actions upon the coupons after their maturity.

Coupons, when severed from the bonds to which they were originally attached, are in legal effect equivalent to separate bonds for the different instalments of interest. The like action may be brought upon each of them, when they respectively become due, as upon the bond itself when the principal matures; and to each action—to that upon the bond and to each of those upon the coupons—the same limitation must upon principle apply. All statutes of limitation begin to run when the right of action is complete, and it would be exceptional and illogical to hold that the statute sleeps with respect to claims upon detached coupons, whilst a complete right of action upon such claims exists in the holder.

We answer, therefore, the question certified to us, that the statute of Iowa which extends the same limitation to

* Thompson *v.* Lee County, 3 Wallace, 327; Aurora City *v.* West, 7 Id. 105. See also County of Beaver *v.* Armstrong, 44 Pennsylvania State, 63, and National Exchange Bank *v.* Hartford, Providence, and Fishkill Railroad Co., 8 Rhode Island, 375.

actions on all written contracts, sealed or unsealed, began to run against the coupons in suit from their respective maturities; and accordingly

AFFIRM THE JUDGMENT.

CLIFFORD, J.: I dissent from the opinion of the court, upon the ground that the case is governed by our prior decisions.

MURDOCK *v.* CITY OF MEMPHIS.

1. The second section of the act of Feb. 5th, 1867 (14 Stat. at Large, 385), "to amend" the Judiciary Act of 1789, operates as a repeal of the twenty-fifth section of that act; and the act of 1867, as it is now found in the Revised Statutes of the United States, § 709, is the sole law governing the removal of causes from State courts to this court for review, and has been since its enactment in 1867.
2. Congress did not intend, by omitting in this statute the restrictive clause at the close of the twenty-fifth section of the act of 1789 (limiting the Supreme Court to the consideration of Federal questions in cases so removed) to enact affirmatively that the court *should* consider all other questions involved in the case that might be necessary to a final judgment or decree.
3. Nor does the language of the statute, that "the judgment may be re-examined and reversed or affirmed on a writ of error . . . in the same manner and under the same regulations, and the writ shall have the same effect as if the judgment or decree complained of had been rendered or passed in a court of the United States," require the examination of any other than questions of Federal law.
4. The phrase above quoted has reference to the manner of issuing the writ, its return with the record of the case, its effect in removing the case to this court, and the general rules of practice which govern the progress of such cases to final judgment, and is not intended to prescribe the considerations which should govern this court in forming that judgment.
5. But the language of the statute in making the jurisdiction of this court dependent on the decision of certain questions by the State court against the right set up under Federal law or authority, conveys the strongest implication that these questions alone are to be considered when the case is brought here for revision.
6. This view is confirmed by the course of decisions in this court for eighty years, by the policy of Congress, as shown in numerous statutes, conferring the jurisdiction of this class of cases in courts of original jurisdiction, viz , the District and Circuit Courts, whether originally or by removal from State courts, when it intends the whole case to be tried, and by the manifest purpose which caused the passage of the law.