

## Sec. 10—Powers Denied to the States

## Cl. 1—Treaties, Coining Money, Etc.

duct of its citizens upon the high seas is analogous to the sovereign authority of the United States over its citizens in like circumstances.”<sup>1901</sup>

**Bills of Credit**

Within the sense of the Constitution, bills of credit signify a paper medium of exchange, intended to circulate between individuals, and between the government and individuals, for the ordinary purposes of society. It is immaterial whether the quality of legal tender is imparted to such paper. Interest-bearing certificates, in denominations not exceeding ten dollars, that were issued by loan offices established by the state of Missouri and made receivable in payment of taxes or other moneys due to the state, and in payment of the fees and salaries of state officers, were held to be bills of credit whose issuance was banned by this section.<sup>1902</sup> The states are not forbidden, however, to issue coupons receivable for taxes,<sup>1903</sup> nor to execute instruments binding themselves to pay money at a future day for services rendered or money borrowed.<sup>1904</sup> Bills issued by state banks are not bills of credit;<sup>1905</sup> it is immaterial that the state is the sole stockholder of the bank,<sup>1906</sup> that the officers of the bank were elected by the state legislature,<sup>1907</sup> or that the capital of the bank was raised by the sale of state bonds.<sup>1908</sup>

**Legal Tender**<sup>1909</sup>

Relying on this clause, which applies only to the states and not to the Federal Government, the Supreme Court has held that, where the marshal of a state court received state bank notes in payment and discharge of an execution, the creditor was entitled to demand payment in gold or silver.<sup>1910</sup> Because, however, there is nothing in the Constitution prohibiting a bank depositor from consenting when he draws a check that payment may be made by draft, a state law

<sup>1901</sup> 313 U.S. at 78–79.

<sup>1902</sup> *Craig v. Missouri*, 29 U.S. (4 Pet.) 410, 425 (1830); *Byrne v. Missouri*, 33 U.S. (8 Pet.) 40 (1834).

<sup>1903</sup> *Virginia Coupon Cases (Poindexter v. Greenhow)*, 114 U.S. 270 (1885); *Chaffin v. Taylor*, 116 U.S. 567 (1886).

<sup>1904</sup> *Houston & Texas Central R.R. v. Texas*, 177 U.S. 66 (1900).

<sup>1905</sup> *Briscoe v. Bank of Kentucky*, 36 U.S. (11 Pet.) 257 (1837).

<sup>1906</sup> *Darrington v. Bank of Alabama*, 54 U.S. (13 How.) 12, 15 (1851); *Curran v. Arkansas*, 56 U.S. (15 How.) 304, 317 (1854).

<sup>1907</sup> *Briscoe v. Bank of Kentucky*, 36 U.S. (11 Pet.) 257 (1837).

<sup>1908</sup> *Woodruff v. Trapnall*, 51 U.S. (10 How.) 190, 205 (1851).

<sup>1909</sup> *Juilliard v. Greenman*, 110 U.S. 421, 446 (1884).

<sup>1910</sup> *Gwin v. Breedlove*, 43 U.S. (2 How.) 29, 38 (1844). *See also Griffin v. Thompson*, 43 U.S. (2 How.) 244 (1844).