

by the first section of this act: *Provided*, that no such vessel or goods shall be adjudged to be restored to such former owner or owners, in any case where the same shall have been, before the recapture thereof, condemned as prize by competent authority, nor in any case where by the law or usage of the prince, government, or state, within whose territory such former owner or owners shall be resident as aforesaid, the vessel or goods of a citizen of the United States, under like circumstances of recapture, would not be restored to such citizen of the United States: *Provided also*, that nothing herein shall be construed to contravene or alter the terms of restoration in cases of recapture, which are or shall be agreed on in any treaty between the United States, and any foreign prince, government or state.

Distribution  
of salvage.  
Act of March  
2, 1799, ch. 24,  
sec. 97. Act of  
April 23, 1800,  
ch. 33.

SEC. 4. *And be it further enacted*, That all sums of money which may be paid for salvage, as aforesaid, when accruing to any public armed vessel, shall be divided to and among the commanders, officers and crew thereof, in such proportions as are or may be provided by law, respecting the distribution of prize money: and when accruing to any private armed vessel, shall be distributed to and among the owners and company concerned in such recapture, according to their agreements, if any such there be; and in case there be no such agreement, then to and among such persons, and in such proportions, as the court having jurisdiction thereof shall appoint.

Repeal of for-  
mer laws.

SEC. 5. *And be it further enacted*, That such parts of any acts of Congress of the United States, as respect the salvage to be allowed in cases of recapture, shall be, and are hereby repealed, except as to cases of recapture made before the passing of this act.

APPROVED, March 3, 1800.

STATUTE I.

CHAP. XV.—*An Act declaring the assent of Congress to certain acts of the States of Maryland and Georgia.*

March 17, 1800.

[Expired.]  
Act of April  
20, 1808, ch. 47.  
Act of April 16,  
1814, ch. 60.  
Act of April 20,  
1822, ch. 29.

SECTION 1. *Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled*, That the consent of Congress be, and hereby is granted to the operation of an act of the General Assembly of the state of Maryland, passed on the twenty-sixth day of December, one thousand seven hundred and ninety-one, entitled "An act empowering the wardens of the port of Baltimore to levy and collect the duty therein mentioned," and also to so much of an act of the state of Georgia, passed February the tenth, one thousand seven hundred and eighty-seven, entitled "An act for regulating the trade, laying duties on all goods, wares, liquors, merchandise and negroes imported into this state; and also an impost on the tonnage of shipping, and for other purposes therein mentioned," as authorizes a duty of three pence per ton on all shipping entering the port of Savannah, to be set apart as a fund for clearing the river Savannah.

SEC. 2. *And be it further enacted*, That this act shall be, and continue in force until the third day of March, one thousand eight hundred and eight, and no longer.

APPROVED, March 17, 1800.

STATUTE I.

March 19, 1800.

[Obsolete.]  
Act of March  
3, 1797, ch. 27.  
Act of Feb. 13,  
1801, ch. 4.  
Act of March 3,  
1801, ch. 32.

CHAP. XVI.—*An Act to alter the times of holding the District Court in North Carolina.*

SECTION 1. *Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled*, That the sessions of the district court for the district of North Carolina, shall hereafter be holden on the first Monday in February, May, August and November annually.

SEC. 2. *And be it further enacted*, That all process which shall

have been issued, and all recognizances returnable, and all suits and other proceeding, which have been continued to the said district court on the first Monday in April next, shall be returned and held continued to the said court on the first Monday of May next.

APPROVED, March 19, 1800.

STATUTE I.

CHAP. XVIII.—*An Act to extend the privilege of franking letters and packages to Martha Washington.*

April 3, 1800.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That all letters and packages to and from Martha Washington, relict of the late General George Washington, shall be received and conveyed by post free of postage, for and during her life.

APPROVED, April 3, 1800.

STATUTE I.

CHAP. XIX.—*An Act to establish an uniform System of Bankruptcy throughout the United States.*(a)

April 4, 1800.

SECTION I. *Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That from

Repealed by Act of Dec. 19, 1803, ch. 6.

(a) *Decisions on the Bankrupt Law of the United States.*—The holder of a promissory note, drawn before, but transferred after a commission of bankruptcy had issued against the drawer, is entitled to prove his debt under the commission, and to receive a dividend. *Humphreys v. Blight's Assignees*, 4 Dall. 370.

In the case of negotiable paper, the assignee takes it, discharged of all the equity as between the original parties, of which he had no notice. But wherever the assignee has notice of such equity, either positively or constructively, he takes the assignment at his peril. A commission of bankruptcy is legal notice that wherever mutual debts subsisted between the bankrupt and his creditors, the right of set-off attaches. When the negotiable paper was assigned after the commission of bankruptcy, the party takes it, subject to any set-off as between the drawer and payee. *Ibid.*

Under the bankrupt law of the United States, a joint debt may be set-off against the separate claim of the assignee of one of the partners; but such set-off could not have been made at law, independent of the bankrupt law. *Tucker v. Oxley*, 5 Cranch, 34; 2 Cond. Rep. 132.

A joint debt may be proved under a separate commission, and a full dividend received; it is equity alone which can restrain the joint creditor from receiving his full dividend until the joint effects are exhausted. *Ibid.*

Wherever the terms in which a power is granted by the constitution to Congress, or wherever the nature of the power itself, requires that it shall be exclusively exercised by Congress, the subject is completely taken away from state legislatures, as if they had been forbidden to act upon it. The power granted to Congress of establishing uniform laws on the subject of bankruptcy, is not of this description. *Sturges v. Crowninshield*, 4 Wheat. 122; 4 Cond. Rep. 409.

In the distribution of a bankrupt's effects in this country, the United States are entitled to a preference, although the debt was contracted by a foreigner in a foreign country; and although the United States had proved their debt under the commission of bankruptcy, and had voted for an assignee. *Harrison v. Sterry et al.*, 5 Cranch, 289; 2 Cond. Rep. 260.

A conveyance on the eve of bankruptcy, to give a preference to a particular class of creditors, is a fraud on the bankrupt law and void. *Ibid.*

Such assignment may be valid to secure money actually advanced on the credit of it, and subsequent to its date. *Ibid.*

Under a separate commission of bankruptcy, against one partner only, his private property, and his interest in the funds of the company passes. *Ibid.*

The right to compensation from Spain, held under an abandonment made to underwriters, and accepted by them, for damages and injuries, which were to be satisfied under the treaty, by the United States; passed to the assignees of the bankrupt, who held such rights by the provisions of the bankrupt law of the United States, passed April 4, 1800. *Comegys et al. v. Vasse*, 1 Peters, 193.

The circuit courts of the United States have jurisdiction of matters arising under the bankrupt law of the United States, as they have of any other subject, where the constitution and laws of the United States give jurisdiction; but the district courts have not the same jurisdiction in cases of bankruptcy, as the chancellor of England has. *Lucas et al. v. Morris et al.*, 1 Paine's C. C. R. 396.

The district courts of the United States have not, like the chancellor in England, exclusive jurisdiction over the entire execution of the bankrupt law. They cannot remove assignees, nor compel them to account. *Ibid.*

Upon the death of an assignee under the bankrupt law of the United States, the right of action for a debt due to the bankrupt, vested in the executor of the assignee. *Richards et al. Assignees, &c. v. Maryland Ins. Co.*, 8 Cranch, 84; 3 Cond. Rep. 45.

Where the original ground of action is founded on contract, but the immediate cause arises *ex delicto*, and the claim is for damages, unliquidated by any express agreement, or such as the law will not imply an agreement to pay; the certificate of bankruptcy is no bar; because such claim could not have been proved under the commission. *Dusar v. Murgatroyd*, 1 Wash. C. C. R. 13.