

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Repealed by Act of Dec. 19, 1803, ch. 6.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