THE DISPATCH OF MERCHANTS

A short presentation on the subject of sources of the liability for the so called Income Tax as grounded in the Law Merchant through the Federal Reserve and other statutes.

INTRODUCTION

Gallant tax-fighters and other live Patriots have hauled considerable law into the courts on tax and money issues. Yet, whatever evidence of law they bring and however extensively they research their cases, they are ruled against and even imprisoned in criminal courts. We have yet to gain a single decision on substantive law to free us from the corporate feudalism suffocating the world in the name of anti-Communism. So, there has got to be a reason why we meet failure after failure beyond the charge that the judges are all corrupt and godless. The truth seems to be that we have simply not yet hit upon the vital nerve which will convulse the whole swindling law (formally constitutional law) upon which the judges are compelled to give their decisions. It is the only answer that makes sense. Is this answer discoverable so that we can beat those that function by these laws at their own game? The writer believes that he has discovered the answer through various heated confrontations and pleadings in several courts. Indeed, in September of 1975, the writer succeeded in cornering the county judge on the money and tender issue, and by badgering and blistering him until he choked with rage, compelled him to blurt out the secret allowing him to sign a writ of assistance (remember those?) against the writer for doggedly refusing to bargain with banker swindlers over the right to his own property. The recent Complaint, in a civil action in Federal Court, resulting from this act is added as part of the appendix to this book. Well, the answer is in the money, all right, but far beyond what has been pleaded so far. It ties into other substantive issues raised by Bill Hanks on non-liability of natural persons for income taxes on franchises granted by the states. This is the only genuine basis for overturning the illegal personal (individual) income tax, which is a nullity to begin with and absolutely "voluntary" for

reasons that will be covered later. The entire tax scheme is grounded in the so called "commerce clause" of Article I, section 1, clause 3, of the Federal Constitution, allowing Congress to "regulate commerce with foreign nations, and among the several states, and with the Indian tribes." The Supreme Court held in Gibbons v. Ogden in 1824 that commerce "comprehends traffic, trade, navigation, communi-cation, the transit of persons and the transmission of messages by telegraph; indeed every species of commercial-intercourse. This clause was written to prevent the States from wrecking the Union upon erroneous theories of **"interposition"** to **"nullification"** and to guarantee the "free flow of inter-state commerce," certainly a legit-imate aim. However, to regulate and guarantee are not the same as sponsor and promote. Nevertheless, commencing with the **Interstate Commerce Act of 1887**, monolithic private enterprise succeeded in expropriating the Federal government to its own uses by several clever laws. One such was the **Sherman Anti-Trust Act of 1890**, whose wording protects far different "persons" than one might suspect. By it, even the innocent unemployed are "in restraint of trade" by the mere fact of being unemployed. The fundamental premise has been to compel as many private individuals as possible to become "merchants" subject to these laws, where they could be subject to no others, and had actually been promoting the "free flow of interstate commerce," but right straight into one monopolized ocean of private control outside the government. This result is achieved through the **United Nations treaty**, upon which, by the commerce clause and the "law of nations," every human being has become, in one way or another, a "merchant" subject to an international super-something called the **"Law Merchant."** This is strictly a voluntary law nowhere written down and it is strictly a private law of negotiable instruments, sales, in-surance, and other matters binding only upon the honor of "merchants," as the personal income tax. Thus, the simplest way to compel everyone to become a "merchant" under this unwritten law is to compel him to accept bills of exchange as money. These **compulsory bills of exchange** are none other than the **Federal Reserve Notes, series 1963, 1969, and 1974, legalized as "money" on March 18,1968,** being also irredeemable perpetual annuity bonds, or small change for government securities.

The basis for this action was laid in the Federal Reserve Act which makes commercial paper the fundamental "lawful money" which form the reserves of member banks. This means private notes, acceptances, and bills of

exchange, become lawful money but not legal specie, for specie defeats the swindle by destroying credit and debt. It likewise means checks. Thus, by the daily passing of Federal Reserve Notes
and endorsing of checks and the use of Credit Cards, every individual, whatever his calling, becomes a credit merchant subject to summary judgment under the private custom of merchants, whose primary rule is the liability to inform on oneself upon one's own acts, goods, and dealings. Now, this **Law Merchant** has never been the public positive law of any particular country, but the mere private, consensual, voluntary practice of international merchants and traders. Although partially incorporated into various uniform state codes on negotiable instruments, much of it is not necessarily in print. Indeed, some of it changes with women's fashions. Thus, it is this unwritten private law of which the judges are bound to take "judicial notice" in their rulings. The principle being that, whatever else can be pleaded, any supposedly national law of civil constitutional right claimed
violated can be ruled immaterial on the basis of this unseen, unspoken, im-printed, "natural" law. **It never needs to be given in evidence**, **and always favors the practicing "merchant" communizer,** as against the **quasi "merchant-citizen"** who hasn't the faintest idea that the judge sees him as a merchant, unable to understand. This is the "law" under which anti-Communist-communizers promote "with God's help, a better world" of Mercantile Super Republic, in which the "personal responsibility" of self-incrimination will be the fundamental rule, protected under the 14th Amendment. **Incorporation of this Law Merchant into the English common law by Lord Mansfield subsequent to 1756 set off the American Revolution.** This proves that it has never been a part of our own law, even by deceit. These are the issues of law upon which we can recover our privacy, our freedom, our nation, and our money at par.

The following pages present detailed discussions of these issues, and likewise present many obvious bases on which defenses and attacks in the courts can very effectively be made. The content of these pages, at the least, will for the first time provide us with a footing equal to that of our tormentors and perhaps even more advantageous. The author was for several years an editor and translator of the commercial codes of many West European nations, and most South and Central American nations, and of the corporate income taxes of the same, including court case decisions. The substance of the

outline of historical background on the pages immediately following should first be well digested before proceeding. **The most disastrous course we can pursue is to blame our plight on "the Government"** when, as will be seen, it is private interests alone which are enslaving us in the name of freedom. Bill Avery Franklin, New York July 4, 1976

OUTLINE AND HISTORICAL BACKGROUND OF THE ARGUMENT

1215 -- Magna Charta guarantees foreign merchants the right to trade freely in England.

1247 -- Hamburg, Lubeck, and Brunswick begin the Hansabund or Hanseatic
League of mercantile cities in Germany.

1283--11 Edw. I. Statute of Acton Bumel. First law to enable (foreign) merchants to collect debts by summary process and arbitrary seizure of
property and imprisonment. Jews are specifically excluded from the benefits of this law.

1338--Edward III grants extensive priv-ileges to the Hansa in return for funds to redeem his Queen's jewels pawned to money merchants in Cologne.

1535--John Calvin's Institutes of the Christian Religion gives the blessings of the reformed religion to the taking of interest and usury.

1535-- Henry VIII seizes the monast-eries.

1535 --Machiavelli's The Prince.

1588 -- Spanish Armada launched by Dutch and Spanish mercantile interests against England is wrecked by storms.

1598-- Elizabeth I expels the Hanseatic merchants from England for refusing to grant reciprocal privileges to English traders. Closes the Steelyard. They retire to Hamburg.

1604-- James I of England. The Law Merchant effectively incorporated into the common law of England. This is essentially the law on negotiable ins-truments and insurance erected out of the Civil Law.

1618-48--Religious wars destroy mil-lions in Germany. Northern mercantile
cities escape hardly touched.

1649-- Charles I murdered for opposing the mercantile interests of the City of London. Cromwell and clique.

1688-- Dutch and German mercantile interests place William II of orange on the British throne.

1714 -- House of Hanover and Brunswick acquires the British throne in the person of George I, father of George II,and great grandfather of George III.

1756-- Lord Mansfield becomes Chief Justice of the King's Bench, make vast additions to Civil Law into the Common Law. Especially turned the **action of assumpsit (for debt) into an equitable action, thus denying trial by jury on writs of assistance**.

1775--Revolt of American colonies against British mercantile law derived from Lord Mansfield's decisions.

1810-- League of Hamburg, Lubeck, and Bremen temporarily broken by Napoleon.

1842-- Case of Swift v. Tyson declares the mercantile law (merchant) to be common law of the United States, thus guaranteeing trial by jury under the Seventh Amendment in the U.S. Courts in commercial disputes. In effect granted a preferential forum in Federal Court where relief might not be had in a State Court.

1861-65 --American Civil War.

1869 -- Jay Gould attempts to comer gold. Morgan to the rescue.

1870-- Principle of limited liability for corporate commercial interests enters practice. Principles of Calvin applied to trade.

1870--Hamburg, Lubeck, and Bremen again become independent.

1870 Prussia defeats France, exacts an indemnity of one billion dollars gold.

1890-- Sherman Anti-Trust Act makes illegal all combinations in restraint of trade in interstate or foreign commerce. Does not apply to manufac-turing monopolies. Effectively makes every citizen a "merchant" even upon his own person under the commerce clause.

1890 -- United States adopts the gold standard.

1900-- United States ceases coinage of the gold dollar.

1907 Rockefeller-Harriman launch war on Morgan interests. Panic.

1908 Rockefeller and Aldrich seek out Warburgs of Hamburg to set up the Federal Reserve.

1913 Creation of Federal Reserve and of so-called Income Tax, together the bases I for the universal debt-and-credit franchise upon which private individuals can be compelled to inform on themselves as "merchants."

1914 Clayton Act reinforces the Sherman Act. Exempts "non-profit" organizations from all anti-trust laws, i.e. foundations.

1914-18 --World War I. Rockefeller-German clique defeats Morgan-Rothschild clique, launch campaign to chemicalize and plasticize the world into synthetic life.

1915-- Case of Brushaber v. Union Pacific, reiterates the non-liability of private individuals for the so-called Income Tax. Declares genuine "Income Tax" to be a direct tax not authorized by the 16th Amendment, and that 16th Amendment is superfluous because Congress already had power to authorize the tax in question, namely an excise tax on corporate or juristic privileges meas-ured by the amount of income produced by the exercise of the privilege.

1917--Bolshevik Revolution. Launched to fasten the German yoke on Russia and create a permanent element "hostile" to the U.S. and the free world. Pan-Germanism at work under cover of pan-Savism to conquer both USSR and USA under the British flag.

1929-- Crash induced. Germany and Rockefellers tighten grip on U.S. Coal and petroleum cartels make first-hand agreements on world markets. Rocke-fellers-I.G. Farben alliance.

1938-- Case of Erie R.R. v. Tompkins reverses Swift v. Tyson, declaring there is no general federal common law, thus destroying rights to normal jury trial as guaranteed by Swift. Also allows judge to give judicial notice to the indiscriminate and unwritten "custom of Merchants" as domestic rule of law, e.g. puberty rites in Samoa. Hinderlider case decided the same day.

1939--W.W.II. Renewal of Rockefeller alliance with Nazi LG. Farben.

1941 "The President and the Prime Minister" by the Atlantic Charter, made on the high seas, arrogate to them-selves the capacity to grant "human rights" in the "Four Freedoms" to the peoples of the U.S., Britain and the world. Makes all "Civil Rights" ef-fective only in enforcement of "natural law" of **summary judgment under the Law of Merchants,** and that protected by the UN treaties to be made in 1945.

1942--Case of D'Oench, Duhme & Co. v. FDIC enlarges scope of Erie R.R. and Hinderlider.

1943-- Case of Keasley & Matteson v. Rothensies further ratifies Brushaber.

1943-- Income Tax withholding begins on July 1.

1945--UN Treaty turns all U.S. courts into trading pits and courts of the staple upon the unwritten practice of merchants.

1945--Rockefeller-Nazi axis launches phony "Cold War" at Fulton, Missouri, in speech by Winston Churchill on the "Iron Curtain."

1947--Israel created as diversionary "Zionist" pawn of Germany to conceal true Calvinist Zionism of Pan-Germanism under the Fourth Reich building on American soil. Red, lily-White, and Blue-sans-Black-and-Jew.

1957-- U.S. sources launch Soviet "sputnik" to compel USA into phony compulsive "space race." Soviets lose by design.

1967-- 25th Amendment changes Vice-presidency into a Board of Directors of corporate America which may dismiss the President at will. Presidency now effectively a Chancellorship in executive equity.

1968-- Withdrawal of 1st gold redeema-bility for U.S. currency by Public Law 90-269 locks all U.S. citizens into status of permanent feudalistic debtor /creditor on the "natural law" of summary judgment through use of nego-tiable instruments in the form of **irredeemable perpetual annuity bonds** (FRN's), checks, and credit cards. This is the universal credit-and-insurance franchise upon which the enforcement of the code of the IRS is based, including the Social Security grounds.

1973--Yom Kippur War. Rockefeller petroleum and energy gang launches World War III against peoples of U.S. and Britain, instituting mass triage amongst all peoples (separation of the "reprobate" unable to defend them-selves from "God's People" of the Exxon), promoting fraudulent energy crisis. Rockefeller-German element begins final imperialistic assault on all remaining free and independent enterprise in the world, to subject it to a pyramid of minimum investment private interlocking corporate feudal-istic credit-franchises or privileges.

1973 -- U.S. Supreme Court on abortion, under color of Law Merchant, allowing women the "human right" of treating their bodies as wares and commodities. So the unborn, who are not considered to be "human" or have "human rights" before four months. Effectively legislates the materialistic rationale establishment. Legalizes basis for mass-murders under color of "natural law, further separ-ating the millions of the "Reprobate" from the handful of self-appointed "Saints" who become the "fittest" by nicely surviving their own wars and political assaults.

1976-- Ralph Nader proposes that the federal government take over the fran-chises of the petroleum companies out of the hands of the states.

PREFATORY MEMO ON THE LAW MERCHANT

The 16th Amendment and Federal Reserve both passed in 1913, the same year of revision of the Federal Equity Rules. Purpose of the Federal Reserve (Notes): To subject all interstate commerce to the rule of Equity (overruling Swift v. Tyson of 1842) upon claim that there is no federal common law (except Law Merchant under FRN's and National Banks), "common law" = law of private property grounded in land as expounded in the case decisions. Statute law is "civil law. "Thus, the Robber Barons acquired the means of evading the Constitutional **injunction of Article I, section 10, clause 1, on the subject of tender by the States**. In 1938 they extended it by means of the Erie R.R. decision. By it, the un- written Law Merchant was taken out of the common law **(defeating the Seventh Amendment) and put into Equity, where it could be "judicially noticed" in any jurisdiction. Law Merchant = Summary Judgment = "Law of Nature" (tooth and claw).** FRN's declared lawful by Milam, which reiterated the legal tender cases of 1884 (Juilliard, for example). The meaning is that the Federal Government can outlaw common law on the Federal level and replace it with an Equity enforceable upon statutes and a new manner of pleading **("confession and avoidance" instead of the demurrer)**, thus turning the courts into trading and bargaining pits, formerly called merchant courts of the staple. (private). But the **Federal Government cannot (by Article I, section 10, clause 1) outlaw the substance of the common law** of the several states and thus regulate commerce within the States by compelling equitable money (commercial paper, negotiable instruments) in exchanges between States and citizens of States. Nor can the States. The best the Federal Government can do is to compel the acceptance of paper between individuals. **Look carefully at your State Civil Practice Law and Rules. The "Law" is the Law of the State; the Rules are the Equity of the Law Merchant. That's where we've got them. Thus, the simplest plea in State tax cases, as in Federal, is Inability to Perform. But you had better know why.** This book tells why. **No Federal law can outlaw the cash basis of the law imposed on the States by Article I, Section 10**. In the same connection, the federal Government cannot touch allodial land titles in the States, nor turn equitable mortgages into legal one by magic. Under the "Commerce clause," Congress can regulate (in Equity by FRN's)inter-state commerce (i.e. inter-national too) in the name of convenience, but it cannot touch the 1331 and others.

THE SMASHING OF THE STATE

Patriots and Tax-Protesters constantly lament the acts of "Oath-Breakers" and "Law-Breakers" in every kind of position who, to their mind, subvert the Constitution. They claim that a vicious Government is lawlessly destroying all our freedoms in order to promote even more tyrannical "Government," smothering private enterprise. Yet, the exact opposite is true, for the Law promoted and protected by all these "Oath-Breakers" and 'Law-Breakers" is the purest law of private enterprise there is. This "Law" is the private law of mercantile practice put into operation through the Federal Reserve and the Income Tax. These laws were ratified in the decision of the Supreme Court in 1938 in the case of Erie R.R. v. Tompkins, which effectively declared that there is no general federal law of private property except the private equity of mercantile arrangements grounded in bills and notes, insurance, and transport and called the Law Merchant. These acts effectively repealed the American Revolution under color of clauses 30 and 48 of the Magna Charta. It is the Magna Charta which has been itself employed to "smash the State" retroactively under pretense that it was originally smashed under King John in the first instance. Now, the fact of the operation of this private law is kept a secret by people who equate "corporations" with "businesses" for the simple reason that the proprietors of the Federal Reserve (including the IMF and the BIS) are not quite yet ready to provoke the people into the streets to have them "smash the state" officially in a staged "Second American Revolution," thus confining "de jure" what has been the situation "de facto" for a considerable time. The modem corollary to the clauses of the Magna Charta, which prepared the way for the United Nations (purely commercial) Treaties and their Articles 55 and 56, was the "Atlantic Charter" of the so-called Four Freedoms promulgated on August 15, 1941, by "the President and the Prime Minister" (F.D. Roosevelt and Winston Churchill) upon the high seas. The judges have thus become administrators of private commercial law in the role or capacity as judges of the old courts of the staple; this one being credit and debt.

This is the Equity upon which all our federal statutes are built, namely the "privileges and immunities" of franchises in credit called "Liberties." These are the grounds upon which "individuals" are "immune" from prosecution along with swarms of bureaucrats, for they are not really public servants (persons) but private individuals protected under the 14th Amendment. Can anyone be so naive as not to believe that the pompous ceremony

over the Magna Charta (in gold yet) and the new "Liberty Bell" on July 4, 1776, was not still another hoax on the American people under the concealed boast that government control over commercial interests is really non-existent, and that in fact it is vast private interest which own the Government. This is the plain fact of the matter. We have had no "Government" since the institution of the private Federal Reserve and its private collection agency, the IRS. Such is the hoax carefully concealed and promoted by certain so-called "patriotic" organizations which constantly rant against "the Government" or "Big Government," when we haven't had a real government for years; nothing but private plunder under the auspices of the international (multinational) commercial interests which have devoured the wealth of the world and its help-less people through the octopus of the United Nations. Nor will the Government, as it is called, "Get U.S. out of the UN until it suits the commercial-interests of those who promote the slogan and who wish to make every last tribe on earth tributaries to them and compulsory-consumers of their synthetic products. **"One wonders, does Government exist to protect us from commercial interests, or do commercial interests exist to protect us from Government?** Is private enterprise the same as free enterprise? **One of the ancillary hoaxes promoted by these monopolistic commercial and percentile interests is the repeal of the so-called Income Tax, which is technically a uniform tax levied on the "privilege" of doing business in a corporate capacity (with perpetual existence - and limited liability) called a "franchise".** Private individuals have for some time been subjected to the penalties of this tax ostensibly on the **grounds of being beneficiaries of the limited liability of these franchise taxes called income taxes.** Private individuals in all other callings (with no "privileges") subjected to this tax are being **persecuted in increasing numbers with the hidden purpose of getting them to work for repeal of a tax which was never lawfully laid on the individuals in the first place, but on the benefits of corporate interests.** Thus, the mercantile interests which have subjected us to the arbitrary rule of the **Law Merchant, now wish to use people never liable for the tax to be a part of the granting of total tax immunity for commercial corporations created by the several States, and immunity from the necessity of reporting on their activities and operations.** Further protections are afforded them by the International Organization Immunities Act. **Upon repeal of the 16th Amendment, mercantile corporations will**

become absolutely untouchable by any victim. Thus, the "Law" of the Lawless, the Law Merchant, is neither more or less than the raw convenience of the mercantile interests in compelling the maximum worldwide consumption of their products. This scheme is further promoted under such domestic law as the "commerce clause" of the Constitution (Article I, Section 8), as the Sherman Act of 1890 (26 Stat. 209). See also U.S. v. Addyston Pipe Co., 475 FU.2.1271."Thus it is laid down by books of authority that as a man draws a bill of exchange, he is, for the purposes of that bill, a merchant." Comyns, Digest; Merchant, A.l.

THE MAGIC OF THE FRN

As stupendous as Jerome Daly's victory was in his foreclosure fight with the Montgomery Bank, and as stupendous as the courage of the jury in rendering the verdict they did, and of the judge in his judgment, still even more stupendous is the fact that the Bank declined to go to appeal after Judge Mahoney had rejected the tender of the two Federal Reserve Notes. Surely they could not have been afraid of losing. And it would have been an easy matter for the Bank to pay the fee in silver certificates or in United States Notes or even in coin. The question is, why should they decline to do so? After all, their stand and their case were clear, and if Judge Mahoney had erred or the jury had erred, well, the courts at the higher levels would surely get the Bank off the hook and prove it right, whatever tender they made to the Judge. So, then, there must be something intrinsic about the Federal Reserve Notes tendered; something about the notes themselves, particularly since March 18, 1968, which give them a power not possessed by silver certificates, say, or United States Notes. By the Congressional Joint Resolution of June 5, 1933, the silver certificates became legal tender, which they had not been before, though already lawful money to begin with, being interchangeable with silver, and being "paper silver" and immediately interchangeable on demand. The United States Notes were also lawful money and redeemable in specie on presentation. Neither the silver certificates nor United States Notes bore interest, obviously, being "lawful money" intrinsically of themselves. And so, it is assumed, that the Federal Reserve Notes, series 1963 (as well as the later series 1969 and 1970, on until March 18, 1968, were thus payable), or at least so marked. Yet if, by the Federal Reserve Act, every Federal Reserve Note, whatever the series, is a "legal tender," is it also "lawful money ?" Treasury officials now tell us that both expressions mean the same thing. Take it

or leave it, whatever bears the "legal tender" quality is "lawful money. "Yet as easily as they could have done with no apparent jeopardy to the substance of their defense to Daly's assertions and the jury's findings, the **Bank declined to tender anything but the Federal Reserve Notes**. We rightly ask our-selves "Why?" Well, why indeed? What makes them so special? Let's see if we can find out why. When we do, we will have the answer to the so-called Income Tax and United Nations Treaties and every one of the authorities will be founded in our own Constitutional law; perverted perhaps, but, as our tormentors say, "as American as apple pie. **"What is "lawful money?"** That's a good question to start. It has never been defined in the statutes, but we can still discover what it is from indirect sources. A Federal Reserve Note as we know it, though always legal tender, did not become absolute "lawful money" until March 18, 1968. We remember that "lawful money" prior to the Civil War, United States Notes (red-seal notes) became "lawful money." That is, **the equivalent of coin, not a substitute**, but the equivalent. They were paid into circulation by the government and without interest. They were not lent into circulation, but outright paid. Thus, while they were "lawful money," banknotes never were. They were not for the reason that, although lawful money may be privately lent at interest, **it is the non-interest bearing quality that makes the lawful money as currency without a premium or discount. Lawful money may be lent at interest, but is not issued at interest.** Thus, **legal tender may either bear interest, or it may not, before being lent commercially at private interest.** Federal Reserve Notes today do not bear interest, according to correspondence with the Federal Reserve Bank of New York. Thus, banknotes are only legal tender redeemable in lawful money. **Lawful money may be defined partially as a circulating medium of exchange issued without interest, and representing standard specie, and payable on demand.** Suffice it to say that, up until 1913, "lawful money" was recognized as whatever might comprise the reserves of a National Bank, that was gold coin, silver coin, gold and silver certificates, Treasury Notes, and United States Notes. **What happened in 1913?** What else, after 1913, besides the above, could comprise the reserves of a National Bank? **Something new was added called Federal Reserve Notes.** What was supposed to be the heart of the Federal Reserve System, that is, commercial paper or what either are or amount to private obligations of debt, all kinds of long-term or short-term private obligations,

obligations upon which credit in legal tender was granted or which contracted payment in "lawful money" at the end of the line of negotiability now took on a capacity of clearing house certificates just as Federal Reserve Notes. Now, this commercial paper, as it was called, has always been considered "as good as gold" upon the merchant's word in general commercial circles whether domestic or international. So, too, has the word of any merchant, domestic or inter-national, among themselves, and based upon it, been considered "as good as gold." That is, ultimately payable in hard money at the end of the line, on the same principle as a bill of exchange. Here, parenthetically, we see the meaning of the summary judgment. This notorious equitable device, passing as legal, is the means by which credit-money can be converted into "lawful money" and be compelled of acceptance as such. Since the summary judgment accomplishes the demand payment of specie or its equivalent in tangible property, it causes the "dispatch of merchants." On this basis and for this purpose did commercial paper become "lawful money" under the Federal Reserve, that is, mere choses-in-action could be considered the equivalent of tangible specie. Now, the strange thing is that the practices of merchants and traders have never been based on the law of any particular nation or locality, or been derived from such. On the contrary, they were solely and strictly the practice of private merchants. And although it was never any single nation's "law," the private commercial practice of merchants was dignified with the title of "law" merchant. As it was strictly private custom and practice, it could not be enforced in the domestic courts of any host country including particularly Great Britain, and the reason was that it was not immediately founded in hard money, but only upon what are generally called "negotiable instruments". Indeed, as long as individual countries preserved their national moneys in hard coin, commercial practice in commercial paper could not demand hearing in the courts in an action for debt (called an assumpsit). Nor could it be enforced in the courts of England until a certain gentleman named Lord Mansfield became Chief Justice of the King's Bench to George II in 1756, commencing a heavy tour of duty in dealing in commercial equity.

LAW AND EQUITY

The fundamental difference between Law and Equity is that Law is grounded in or derived from guaranteed allodial land titles, while equity is based on enforcement of "natural" rights which the common law does not necessarily provide

for. That is an overall simplification, but discloses what is essentially at issue. Law deals in substance, Equity in potentiality upon the substance. It could be said that Law deals with the reality of the substance, while Equity deals in only the theory of the substance. What has this to do with Federal Reserve Notes and with United States Notes? Just this, namely that a Federal Reserve Note, being a private written obligation, is what we call commercial paper. Though it bears no interest, it is based on obligations which do bear interest, and is negotiable, allegedly issued "for value received," that is for United States securities or other "lawful money" of the United States. They are "as good as gold," but only between merchants. Thus, to compel you to accept them, you yourself must somehow be made a merchant despite yourself or your inclinations. Unlike United States Notes, **Federal Reserve Notes are not the equivalent of specie**, since it is a commercial obligation, and not in any way payable in specie to intermediaries. They can be redeemed only in United States Bonds.

CONFISCATION OF REAL PROPERTY

It so happens that the judges are bound by Constitutional clauses and UN treaties to take **"judicial notice" of this "natural" Law Merchant,** which has been only partially written into commercial and mercantile codes, or codes of law, of the states, or of uniform codes of law on negotiable instruments. There are several reasons for this, which must be understood for us to pursue our argument. The rule of all rules of this Law Merchant, this law supreme of "private enterprise" is, who trades with a merchant becomes a merchant for the purpose of the transaction at hand. That is, liable to support the paper at whatever stage it is in or at. Further, it **makes anyone liable in equity on a summary judgment to any merchant who may bring a charge of default**. And that means **no jury trial, despite what one might be led to believe under the Seventh Amendment because jury trials are based in Money transactions and not Debt transactions. Equity,** you see, is not strictly "common Law." **The rule can also compel what is called an "action of account" (in equity)** on the debtor/creditor basis. It is this continuing relation-ship which creates the liability to file (not necessarily to give information, or to pay tax) under the Code of the I.R.S..Thus, the **continuing debtor-creditor relationship creates the running account,** which cash transactions do not. That is the heart of the matter, but only the beginning of the maze of deceit and treachery revealed in challenging the system. The only word

for what follows is "sly. "Since jury trials in our system of law originated in land and real property titles and in their protection, it follows that summary judgments in equity on the law merchant are the essence of communistic socialism and the means of wholesale confiscation and destruction of private land titles. The Federal Reserve Note is thus a multiple-party communist groupie-dollar confiscatory of real property, where all wealth originates. Indeed, if the Federal Reserve Notes have one overriding purpose (and the same thing goes for any such notes issued by the so-called International Monetary Fund), it is to confiscate in equity (summary judgment) all private landed property for the benefit of certain international commercial "private enterprise" interests which issue them. It is on this grounds that Federal Reserve Notes can rationally be attacked as illegal by calculated discrimination under the equal protection clause of the 14th Amendment. They discriminate against real property, as real property is not personality or what is called a chose-in-action. Since March 18,1968, there are technically no more rights to a jury trial in common law default cases. Through "negotiable instruments," Federal Reserve Notes and checks which represent the commercial paper called "lawful money" in the banks, every individual who accepts one of these, or indeed a draft or check upon them, whether he likes it or not becomes a credit merchant with no right of defense against others upon a jury trial of peers (per pais). The IRS also operates on the same unprincipled principle, but in different areas. Consider the following for a moment. Almost the only jury trials remaining generally at common law cases are not upon substantive law but upon nothing more than the amount of damages (in debt money) to be awarded in civil cases. It is the judge who decides whether there are to be any damages awarded by fast deciding whether there is any "controversy" or "triable issue of fact." The judge decides the guilt by allowing the trial, and the jury the amount of damages upon the trial. This is essentially true in criminal cases too where the amount of "damages" or "penalty" is technically governed by the severity of the punishment. The juries find on "degrees of guilt" which has already been determined in a prior equitable proceeding, as one is predetermined for "failure to file" grounded in an action of account on the debtor/creditor relationship. So, we understand something further about Federal Reserve Notes. We understand **why** they have effectively outlawed trials by jury on anything but the amount of damages or extent of punishment. This is the

basis of the executive summary Judgments of the Internal Revenue and they are all called "civil." **All the "criminal" charges arise in want of performing "civil" acts under the just "natural law" of the Law Merchant.** Let us see further what the Federal Reserve Notes have to do with liability for the Income Tax itself, and how they create liability where none exists by all the other law we ever knew except the private Law Merchant of international enterprise, which can override all local Constitutions1.l. See Letter From Attorney, Appendix.

CORPORATE PRIVILEGE

The Supreme Court has itself ruled that the Sixteenth Amendment created no new American law, gave Congress no powers it did not already have, and in effect might just as well not have been written. It has further declared repeatedly that the alleged "Income Tax" it created is not an Income Tax at all, because a generic Income Tax is a direct tax on property, while the tax legislated under the Sixteenth Amendment is no more than a tax on a franchise, or more precisely on the privilege of doing business in a corporate capacity, that is the privilege of perpetual existence, perpetual succession, and limited liability for debt. And it is so, because it is not apportioned among the several states as a direct tax would have to be. This so-called Income Tax, is a tax on a franchise (privilege) of juristic persons and is only measured by the amount of income property of a juristic person or corporation subjected to it upon some clear contractual franchise or privilege. And the juristic person, being created by society, can be compelled by law to reveal how it operates on the privilege granted to it, and also to report its earning and pay a return for the privilege. What it does is to render unto its creator a measure of gratitude and liability of discipline for its creation. In plain down to earth terms, the tax is upon the quasi-immortality granted to society. [To see this in operation during the time of Jesus, see Matt. 22.17-21.] **Natural persons cannot be subjected to being compelled to informing on themselves in either criminal or civil cases**. The IRS intimidation artists will tell you that the liability to inform on oneself is only a civil liability under the Code, and one can indeed be compelled to give information. **But what you are not told is that information can automatically change the case from allegedly civil to outright criminal because of information right out of ones mouth.** So the IRS will try anything to keep its goons in business as private contractors in harassment and shake down. So, if only

juristic persons are liable under the Sixteenth Amendment, **how can natural persons be liable for the tax?** Very simple: by enjoying the favors of the holder of the franchise they become debtor/creditor merchants themselves by bargaining with merchants on the corporate franchise, and thus enjoying the right to summary judgment themselves on a default of whatever description against the chicken next down the pecking-order in this "natural law" of summary judgment. This is a **double-barreled trap for the natural or non-juristic person.** He becomes liable on a corporate franchise and on the commercial paper (checks) which it issues, supposedly "as good as gold." Thus, the corporate franchise pretends not to destroy his civil immunity and not reveal information under the 5th Amendment and the 4th Amendment, while the Federal Reserve Notes as well as business and **personal checks guarantee a summary judgment on any charge brought against the person "enjoying" the benefits of the commercial paper.** Thus, the employer, the beneficiary of the franchise, reveals on his information returns the amount of wages allegedly paid, called income, upon which charges can be brought against the employee for "willful failure" to file upon the paper, because "income" is now considered to be any kind of "consideration," just as it used to be on His Lordship's manor in feudal times.

But now, all that can be successfully attacked, because you have here learned the fundamental secret relationship between the Income Tax and the Federal Reserve Notes. So the rest is up to you. And what kind of defenses can be made? Well, let's see.

DEFENSES TO THE FRN

Actually, there are many defenses. The fact is the defense that **a natural person or individual cannot be liable on a franchise, as he has granted no franchise to himself**. Can an individual render himself immortal or liberate himself from natural process? Nor can an individual be liable on a corporate franchise because no one can be compelled to submit to an unsolicited or unwanted private boon. Individuals cannot be enfranchised by their own creation. Did God create men so that men could alter their creator? These franchises are derived only from the People themselves who are policed only by the Providence of their own Creator.

Defense on the Federal Reserve Notes is essentially that they clearly discriminate against holders of allodial land titles in favor of law merchants. This is because the Federal Reserve Notes and demand deposits passed by check (in equity) lay a disproportionate burden of from 10 to 1

to about 16 to 1 upon real property or substance (in law). That is, the real property must yield or produce from ten to sixteen tax or income "Dollars" for every one tax or income "Dollar" paid by the juristic person. In other words, "equitable" commercial paper is worth from ten to sixteen times as much in pure money-of-account as legal specie of gold and silver, or the real property (substance) which it re-presents. It is thus eminently clear, why the Montgomery Bank chose not to appeal on anything but a fee paid in Federal Reserve Notes. In order to win their case any other way, they would have had to compel the court to play merchant to the Bank's trade of merchant upon the commercial paper called the Federal Reserve Note, and upon no other. So a Federal Reserve Note is a negotiable instrument, negotiable by mere delivery and forced acceptance upon everyone except the proprietors of the Federal Reserve by the same private corporation in order to **compel subjection to summary judgments under the Law Merchant**. It is as simple as that. For the proprietors of the Federal Reserve hold the real gold which cannot make them liable in, equity. The Federal Reserve Note, for allied and subsidiary purposes, also passes as several other things under color of law. **It passes as a bill of exchange, as a currency bond, and most important of all perhaps as an irredeemable perpetual annuity bond charged upon he land**. It is technically itself a bond, being "small change" for the United States securities which allegedly back it along with other commercial paper. The sole legitimate purpose for the Federal Reserve Note, by the Federal Reserve Act, is to cash-balance inter-bank accounts in demand deposits at the end of the day.

WHAT THE JUDGES KNOW

Should we assume that Judge Mahoney knew something which other judges don't know? Not necessarily. The probability is that it was his mere directness rather than any sophisticated knowledge which thwarted the bank's swindle upon the Federal Reserve Notes. In any case, we shall discover yet more of the mercantile basis upon which, particularly since March l8, 1968, the hidden owner of the Federal Reserve have promoted the communization of the world. This mercantile basis of communization is laid in absolutely nothing but the Law Merchant, the law of private traders which supposedly in the many cases decided by the Lord Mansfield above mentioned, became a part of the "common law of England" just prior to the American Revolution. Indeed, it was this new law of summary judgments which sparked the American Revolution, which

itself rejected the new law. Surely, the judges who enforce it are not all either ignorant or criminal, but they do know something that the vast numbers of the rest of us only dimly suspect in our apparently fruitless efforts to achieve justice in cases involving not only money and taxes, but many other areas as well, particularly those bearing on marriage and family life. We need to examine the one particular place where the United States Constitution mentions the "common law," and that is in the Seventh Amendment. Once we look carefully at it, and thus determine all that it implies, we shall see that "communism" and the brutalizing of America derive from the one thing which many tax-resisters unwittingly promote themselves; the Law Merchant.

THE SEVENTH AMENDMENT

The worst of the erroneous assumptions that certain Tax and Money Fighters make, and the most self-defeating, is that the judges either don't know the Constitution and the Laws, or that they are all corrupt and bought. But it just can't be so. Why should we prejudice our own cause by assuming that we know all the laws by the mere fact that we can read and quote the Constitution with dexterity, giving an immediate judgment on its content? Let's look at the Seventh Amendment, for example: "In suits at common law, where the value in controversy shall exceed twenty dollars, the right of trial by jury shall be preserved." What this says in effect is that the **Congress shall pass no law denying the right of trial by jury in suits of common law where the value in controversy exceeds twenty dollars.** It says not a word about what State legislatures may do. This Amendment merely protects in the courts of the Union common law rights arising in the States and comparable to those of the Amendment. Now let's go even further. What is "common law," anyway? Do all the states have the same common law? No. Is there a federal common law? No. If there is no general federal common law, can one institute a "common law" action in a Federal Court? Answer, No. However, a civil action can be instituted. As regards the states, what does "common law" mean? Are suits at common law mere suits over amounts of damages? No, yet some pretend yes. What is "common law," anyway? It is the unwritten law of sanctioned spontaneous practice upon informed consent as expounded by the judges in the case decisions, which do not create the law, but disclose it. Can the Federal Courts impose the common law of one state upon another? No. The common law mentioned in this Amendment is the common law prevailing in each state at the time of the adoption of their

Constitutions. In some, it bars any common law of England prior to 1607, in most of the others prior to 1776. It enters Federal Courts only on appeals from State courts or in diversity suits between citizens of different states. Much more on this subject follows below. Do income taxes exist under the common law? Absolutely not! They are **enforced primarily upon statutes, primarily in equity by summary judgments of the executive (writs of assistance). "natural persons". The alleged liability of the liability lies completely in equity, for the Code nowhere defines**. In the Seventh Amendment above, what **exactly is "value?"** Who decides the **"value?"** The Plaintiff? Defendant? Jury? Judge? **What is "controversy** ?" Do controversies exist over "Law" as well as over "fact?" Of course. Are all controversies triable by jury? No. Can the Congress suppress debatable issues of fact by incorporating them in a statute (IRS tax tables, for example) and thus call them matters of Law? You'd better believe it. Do the judges deal in Law in that case? No, but in equity. **That is, essentially inquisitory justice on summary judgment, in which case the judge is advocate for the plaintiff, thus making it a semi-criminal case just as most of equity amounts to. Sometimes the courts decide that "facts" too are only for the court. What is a "jury ?**" Twelve men or six? Can a judge be a "jury?" Jury means, sworn to indifferent truth upon the law. A judge can be a jury in a case of "facts for the court." Judges and juries are called **"persons indifferent,"** and if they are not they can be sued or prosecuted. There are not genuine juries in equity. Juries charged by a judge from following anything but what he directs are no more that advisory juries in equity.**Is this "equity" a part of the Constitution?** Let's see Article III, Section 2, of the Constitution: 'The judicial power shall extend to all cases, in law and equity, arising under this Constitution, the laws of the United States; and treaties made, or which shall be made under their authority." Federal equity rules were revised in 1913, the same year as the Federal Reserve and the Income Tax were instituted. Imagine that! Equity was originally an extraordinary jurisdiction of the King's prerogative in deficient common law principles. It has now come to be almost any kind of sociological justification whatever passing as natural or human rights, by the very laws of the Congress. This is where the judges get the jurisdiction they exercise; from the Congress and the legislatures, where else? So, it is not necessarily the judges who are traducing us, for they are, whether we like it or not, or whether we understand it or not, ruling in

"all cases in law and equity, arising under this Constitution, the laws of the United States, and treaties made, or which shall be made, under their authority." And that covers a great deal of territory, whether we like it not, or whether we understand it or not. What it has long since been our obligation to do is to discover the source of the difficulty, to see how the Constitution can seemingly be made to contradict itself. "The legislature has exclusively the power to say what the laws shall be." we read in Ogden v. Blackledge, 2 Cranch 272. That obviously means within the powers granted it under the Constitution. Now let's see what "common law" we have to deal with on the federal level.

FEDERAL COMMON LAW

Since the courts have declared there is no general federal common law, outside the principles of the Constitution, the federal courts deal essentially, unless a state right is involved, with either equity or statute law or civil law. And equity and Civil Law can convey almost anything, as we shall see, including the Law Merchant. **There are three fundamental case decisions of the Supreme Court on "federal common law" since 1900, and two before. They are these: Wheaton v. Peters, 8 Peters (U.S.) 591; Swift v. Tyson, 16 Peters (U.S.) 19; Erie R.R. v. Tomkins, 304 U.S. 64; Hinderlider v. LaPlata, 304 U.S. 92; D'Oench, Duhme & Co. v. FDIC, 315 U.S. 447**. First let us consider this: there are **three schools of thought** on what comprises the Anglo-American "common law." The **first says it includes the entire system of Anglo-American law as contrasted with the Roman or Civil Law.** This means all the unwritten law and all the English statutes woven upon it. It means also the law given primarily in the case decisions. **Second,** in narrower sense, it distinguishes between common law and equity, admiralty, and ecclesiastical, though including the older English statutes, especially on property. **Third**, in the narrowest sense, it excludes even the ancient statutes, and means only the law of the case decisions. In the light of that, we must consider the case of U.S. v. Read, 12 How (U.S.) 361, 13 L.Ed. 1023, which declares that the English statutes do indeed form a part of the common law. If so, that would include one of the earliest called Acton Bumel, of which more later. The first of the cases mentioned above, Wheaton v. Peters, 8 Peters 659, de-clares this: "It is clear there can be no common law of the United States. No one will contend that the common law, as it existed in England, had ever been in force in all its provisions in any state in this Union. It was adopted so far as its

principles were suited to the condition of the colonies; and from this circumstance we see what is common law in one state is not so considered in another. The judicial decisions, the usage's and customs of the respective states, must determine how far the common law has been adopted and sanctioned in each." Thus, the Federal courts must rely on state case law as precedent. Wheaton v. Peters stood until 1842, when it was overruled by Swift v. Tyson, thus: "In this case, notwithstanding section 34 of the Judiciary Act, which provides that the laws of the several states, except where the Constitution, treaties, or statutes shall otherwise provide, shall be regarded as rules of decision binding upon the federal courts and the highest court of the State of New York had established a rule upon the question, the Federal Court decided contrary to that rule, upon the broad principle of commercial or maritime law indicated." Also the same court held that the Federal Court is bound by the general commercial law, independent of the law of any particular state. This decision was reported again in Camenter v. Providence-Washington Insurance Company, 16 Peters 494-511, and also in Railway Company v. National Bank, 102 U.S. 14. Swift v. Tyson also declared, by Justice Story: "The law respecting negotiable instruments may be truly declared in the language of Cicero, adopted by Lord Mansfield in Luke v. Hyde (2 Burr. R. 883-887) to be in a great measure not the law of a single country only, but of the commercial world. The fame of Mansfield, whose decisions were deplored by Thomas Jefferson, lay in moving into equity out of the law the action called assumpsit, giving summary judgments to merchants on writs of assistance. The very thing that, in fact, sparked the American Revolution. Further, "It is observable that the law merchant and the maritime law are not generally distinguished from each other, but are frequently used indiscriminately. The only real difference is in the sanction. When viewed as a part of the municipal law the rules are called the law merchant, when regarded from the standpoint of international law the same rules are the law maritime." Does that last not lend some sinister atmosphere to the Atlantic Charter "granted" by Roosevelt and Churchill on the high seas? **Swift V. Tyson effectively made the law merchant a part of our common law, thus bringing up the question of jury trials at common law under the Seventh Amendment.** This decision stood from 1842 until 1938, when its application was overruled by the well-known case of Erie R.R. v. Tompkins, which said: "Except in matters governed by the Federal Constitution, or by acts of

Congress, the law to be applied in any case is the law of the State. Whether the law of a State shall be declared by the legislature in a statute or in its highest court in a decision, is not a matter of federal concern." The case at hand was a **diversity of citizenship** case, but the intent of the decision was of universal application in federal courts. The decision declared further, "There is no general federal common law. Congress has no power to declare substantive rules of common law applicable in a state, and no clause in the Constitution purports to confer such a power on the Federal Courts." On the same day was decided the Hinderlider case, which declared essentially the same thing, adding that there is a federal common law specifically created by the federal courts themselves and applicable to those areas where the state laws cannot be relied upon. In 1942 another case of importance was decided, namely D'Oench, Duhme & Co. v. FDIC, which expanded on the doctrine of Hinderlider that there is a federal common law specifically created by the federal courts themselves and likewise applicable to those areas where the state laws cannot be relied upon. Indeed, in the D'Oench case, Justice Jackson went so far as to refer to federal judge-made case law as a federal common law. The law creating the FDIC said in part that "all suits of a civil nature at common law or in equity to which the corporation shall be a party shall be deemed to arise under the laws of the United States." Based upon that, here is what Justice Jackson said: "Although by Congressional command this case is to be deemed one arising under the laws of the United States, no federal statute purports to define the corporation's rights as a holder of the note in suit or the liability of the maker thereof. There arises therefore, the question of whether in deciding this case we are bound to apply the law of some particular state or other or whether, to put it bluntly, we may make our own law from materials found in common law sources." The Justice certainly did not say "American common-law sources," because of the fact that the American Revolution itself outlawed the indiscriminate application of the mercantile law injected into it by Lord Mansfield out of the Civil Law promoted on the Continent. There is much more, but have we not essentially revealed the secret of the brutalization of America which is brought by resort to the private custom of merchant international known as the Law Merchant? This law cannot be made a part of our substantive or municipal law as it is called. **It can only be enforced upon acquiescence or, where that is like to**

fail, upon intimidation by private contractors on franchise, as operate in and out of the Internal Revenue Service. Thus, while the application of the Erie Railroad case pretended to overthrow Swift v. Tyson, what it did bluntly was to open up the way for new resorts to establishment of a definitive "federal common law," while each of the three cases had said that there was no general federal common law. The sole question was one of where to resort to find one beyond the general common law of the states which could be called a "national common law" generally shared by the states on the principle of the Federal Constitution, and particularly the Bill of Rights, whose preamble echoes the ringing phrases of the Declaration of Independence. So **we can now understand the tremendous lack of due process which has grown in the courts since 1938. Civil rights (rights of citizens of the Union) have become essentially those which promote trade and commerce under the custom of merchants, and supported to the last syllable by the rope-merchants of the so-called service organizations such as the Rotary International.** Too few Patriots realize that "communism" is a hoax and is not more than the excuse for swallowing up millions of small commercial enterprises into the maw of monstrous cartels in the tradition of the Deutsche Hansabund, from which came the Warburg architects of the infamous Federal Reserve. **It will be good and sufficient time for covert promoters of mercantilism to "get U.S. out" of the UN only when, after repeated empty exhortations, the entire world commerce has been monopolized by the proprietors of this credit.**

BUSINESS IN GOVERNMENT

One of the first things for us to realize, is that it is not "the Government" which is traducing and betraying us, but private interests which have usurped the powers and offices of government under color of the Law Merchant. **The purpose has been to create two things.** One, a vast bureaucracy, and secondly a tyranny. **So that in the end, carefully upon cue, we can be saved from destruction and from "tyranny" by splitting up the bureaucracy into waiting private hands and by creating a decentralized feudalistic state in which the tyranny is farmed out through private corporations and not by public bureaus.** This is precisely what such dangerous proposals as the so-called **"Liberty Amendment"** will help to bring about; the mere replacing of a public tyranny with a private one. The "Liberty Amendment" was written in good faith over thirty years ago after Franklin Roosevelt's assault upon the Montgomery Ward Corporation, but is now a lamentable hoax and fraud upon

every working person in the nation, whether regularly for wages or as private contractor. **This Amendment is not designed to protect private under-takings, but to protect corporate limited liability upon public franchises granted by the Peoples of the States.** To repeal the "Income Tax" (which lawfully applies to corporations on franchises and not to private citizens) and still leave the corporations with the perpetual succession and the limited liability for debts is to turn the nation into a single gigantic private corporation, untouchable by any individual, precisely as Jefferson warned us. The author of the "Amendment" declines outright to discuss its true meaning under the opinions of the Supreme Court in the several so-called Income Tax cases we shall also consider, especially the Brushaber case. The deceptive scheme is also served by promoters of a federal-corporate monolith posing as self-styled "educational" organizations which corral decent, concerned citizens, and "educate" them in every-thing but the real truth of how to defend themselves, and do not more year after year than soothe and "build morale" among the brutalized with name-calling and finger-pointing, while the whole vile, rotten swindle is creatively cultured to ripen (at the appropriate moment) into violent Revolution by which the over-ripe (nay, rotten) fruit will fall into their own hands for "regeneration" and "protection" and "cleaning-up" under the auspices and jackboots of pyramids and private enterprise hirelings on immunity franchises who will either obey company orders or lose their meals. **For an interesting parallel see Revelation 13:17. We don't need to "Get Government out of Business" we need to Get Business Out Of Government. The Federal Reserve, is one of the finest instances of naked "private enterprise," with an absolute throttle-hold on the fiscal economy of the nation.** The benevolent founders of the Federal Reserve did get the Government out of the Money Business for sure. Is there any other that really counts? To take a further step toward seeing the problems for what they are, let's permit ourselves a closer look at the sources of jurisdiction used by our regimentators.

JURISDICTION

The following are the bases on which the courts principally operate, whether we understand it or not, on the **jurisdiction given by the Constitution, Congress, and the Legislatures**. There is no sense in being in the ball game if we don't know the rules under the Constitution. Ground Rules of Law Merchant Article I, Section 8. The Congress shall have power: **To..... lay and collect excises. To.....**

regulate commerce with foreign nations, and among the several states. To..... define and punish . . . offenses against the law of nations. To..... make all Laws which shall be necessary and proper for carrying into Execution the fore-going Powers, and all other powers invested by this Constitution in the Government of the United States, or in any Department or officer thereof. Article III, Section 2. The **Judicial power** shall extend to all cases in **Law and Equity**, arising under this Constitution, the Laws of the United States, and Treaties made, or which shall be made, under their authority. In all other cases before mentioned the Supreme Court shall have appellate jurisdiction, both as to Law and Fact, with such exceptions, and under such Regulations as the Congress shall make. Article IV This Constitution, and the Laws of the United States which shall be made in pursuance thereof, and all treaties made, under the authority of the United States, shall be the Supreme Law of the Land. And the judges in every state shall be bound thereby, anything in the Constitution or Laws of any State to the Contrary notwithstanding. Article V No person shall be compelled in any criminal case to be a witness against himself. Article VII In suits at common law, where the value in controversy shall exceed twenty dollars, the right of trial by jury shall be preserved. Suits in common law, it must be pointed out, do not include suits in Chancery, better known as equity, such as suits for injunction, divorce, enforcing a trust, canceling naturalization, accounting, and specific performance. An important note about treaties must be made here. Anyone who believes that the United Nations treaties can lawfully override the clear intent of the Constitution will do well to notice the following, taken from A View of the Constitution of the United States of America, by William Ralle, LL.D., which clearly explains the matter of treaties under the United States Constitution. "There is a variance in the words descriptive of laws and those of treaties - in the former it is said those laws which shall be made in pursuance of the Constitution, but treaties are described as having been made, or which shall be made under the authority of the United States.” The explanation is that at the time of adopting the Constitution, certain treaties existed, which had been made by Congress under the Confederation (with France, the United Netherlands, and particularly the treaty of peace with Great Britain), the continuing obligations of which it was proper to declare. The words 'under the authority of the United States' were considered as extending equally to those previously made,

and to those which should subsequently be effected. But although the former could not be considered as pursuant to a Constitution, which was not then in existence, the latter would not be made under the authority of the 'United States,' unless they were conformable to its Constitution." **What kind of law is it that the United Nations treaties protect - private or public? Or is it natural or positive? Or is it aggressive or defensive?**

NATURAL LAW

For those many Patriots concerned over what they often refer to as their **Natural Rights, the following short passage dealing with the Law Merchant may perhaps provide a clue to why they may not come by all the immediate justice in the courts, to which they may believe themselves entitled, in the field of Natural Rights.** The excerpt is found at page 207 in the American edition of Colin Blackburn's essay on Contract of Sale, published at Philadelphia, 1847, by T. and J.W. Johnson. These notes follow a discussion of some of the pertinent law antecedent to the famous decision on stoppage in transit in the case of Lickbarrow v. Mason, 2 T.R. 63, in the year 1786. Blackburn writes thus: "There is no part of the history of English law more obscure than that connected with the common maxim that the Law Merchant is part of the law of the land. In the earlier times it was not a part of the common law as it is now, but administered in its own courts in the staple, or else in the Star Chamber. The Chancellor, in the 13 Edw. 4, 9, declares his view of the law thus: 'This suit is brought by a alien merchant who is come by safe conduct here, and he is not bound to sue by the law of the land, to abide the trial of twelve men, and other forms of the law of the land; but he ought to sue here (in the Star Chamber) and it shall be determined by the law of nature in Chancery, and he may sue from hour to hour for the dispatch of merchants; and he said further that a merchant is not bound by statues, where the statutes are introductiva novae legis; but if they are declarative antiqui juris (that is to say of nature, etc.). And since they have come into the kingdom, the king has jurisdiction over them to administer justice, but that shall be secundum legem naturae which is called by some the Law Merchant, which is the law universal of the world.' And the justices being called on, certified that the good of this plaintiff were not forfeited to the crown as a waif (though those of a subject would have been) because he was an alien merchant. It is obvious that at that time the law merchant was a thing distinct from the common law. This accounts for

the very remarkable fact that there is no mention whatever of bills of exchange, or other mercantile customs in our early books; not that they did not exist, but they were tried in the staple, and therefore were not mentioned in the books of the common law; just as the matters over which the Courts of Admiralty, or Ecclesiastical Courts, have exclusive jurisdiction, are at this day never treated as part of the common law. But as the courts of the staple decayed away, and the foreign merchants ceased to live subject to a peculiar law, those parts of the law merchant which differed from the common law either fell into disuse, or were adopted into the common law as the custom of merchants, and after a time began to appear in the books of common law. How this great change which was brought about does not appear, but though bills of exchange were in common use among merchants in the 13th century; the first mention of one in an English report is in Cro. Jacl., in the beginning of the 17th century; and though, the right of rei vindicatio must have prevailed in the continent from the time of the revival of the Civil Law, the first mention of it in our books is as late as 1690. It seems quite impossible that such matters should not have been the subject of litigation in some shape or other in England for centuries before those times." The remainder of this section is devoted to excerpts from 19th Century printed matter on the subject of Law Merchant, with only minor alterations by the author of this books. "Blackstone, whom internationalists prefer to quote over Lord Coke, classified the Law Merchant as one of the 'customs' of England, and so a part of the common law; but it is not properly a custom, as it is not restricted to a single community, and is not the municipal law of a single country, but regulated commercial contracts in all civilized countries. The body of mercantile usage's which compose this branch of law, having no dependence upon locality, does not need to be established by witnesses, but judges are bound to take official notice of it. The principle branches of the law merchant are the law of shipping, the law of marine insurance, the law of sales, and the law of bills and notes. The feudal law, which grew up in a time when property consisted chiefly on land upon whose alienation great restraints were laid, was found inadequate for the needs of the mercantile classes who were coming into prominence. The courts when commercial contracts were brought before them, adonted from the rules which regulated their business dealing and made them rules of law. Many of these rules were in direct contradiction to

the common law. Magna Charta contained a special provision guaranteeing to merchants, among other things, the right 'to buy and sell according to their ancient customs,' and many later statutes were enacted for their special protection. As the custom of merchants began to encroach upon the common law, there was a determined effort on the part of lawyers to resist it. It was attempted to make the custom of merchants a particular custom, peculiar to a single community, and not a part of the law of the land. It was finally decided in the reign of James I (1603-1625) to be a part of the law of the realm. An attempt was then made to restrict the application of the law merchant to persons who were actually merchants, but the courts, after considerable variance, held that it applied to the same contracts between parties and merchants." The paragraphs following to the end of this section, as the one immediately preceding, are taken from the articles of Mercantile Law in the American Universal Cyclopedia, Volume lX, New York, 1884, S. W. Green's. They serve to demonstrate to the reader how alien this law is to our Constitution and to our ancient common law on real property, and to show that the true purpose of it is indeed to confiscate all real property to the uses of a private mercantile cartel. "Mercantile law is the only branch of municipal law which, from the necessity of the case, is similar, and in many respects identical, in all the civilized and trading countries of the world. In determining the relations of the family, the church, and the state, each nation is guided by its own peculiarities of race, of historical tradition, of climate, and numberless other circumstances which are almost wholly unaffected by the conditions of society in the neighboring stores. But when the arrangements for buying, selling, and transmitting commodities from state to state alone are in question, all men are very much in the same position. The single object of all is that the transaction may be effected in such a manner as to avoid what in every case must be sources of loss to somebody, and by which no one is ultimately a gainer, viz., disputes and delay. At a very early period in the trading history of modern Europe, it was found that the only method by which these objects could be attained was to establishing a common under-standing on all the leading points of mercantile, and more particularly of maritime law. This was effected by the establishment of those maritime codes, of which the most famous, though not the earliest, was the Consolato del Mare. It is sometimes spoken of as a collection of maritime laws of Barcelona,

but it would seem rather to have been a compilation of the laws and trading customs of various Italian cities such as Venice, Pisa, Genoa, and Amalfi, together with those of the cities with which they chiefly traded - Barcelona, Marseilles, and the like. That it was published at Barcelona towards the end of the 13th century, or the beginning of the 14th century, in the Catalonian dialect, indicates that it is of Italian origin. As commerce extended itself to the northwestern coasts of Europe, similar codes appeared. There was the Guidon de la Mer, the Roles d' Oleron, the Usages de Damme, and most important of all the ordinances of the great Henseatic League (Deutsche Hansabund). As the central people of Europe, the French early became distinguished as cultivators of maritime law, and one of the most important contributions that ever was made to it was the famous ordinance of 1681, which formed part of the ambitious and in many respects successful legislation and codification of Louis XIV. All these earlier attempts at general mercantile legislation were founded, as a matter of course, on the Roman Civil Law, or rather on what that system had borrowed from the laws which regulated the intercourse of the trading communities of Greece, perhaps Phoenicia and Carthage, and which had been reduced to a system by the Rhodians. "From the intimate relations which subsisted between Scotland and the continent of Europe, the lawyers of Scotland became early acquainted with the commercial arrangements of the continental states; and to this cause is said to be ascribed the fact that down to the period when the affairs of Scotland were thrown into confusion by the rebellions of 1715 and 1745, mercantile law was cultivated in Scotland with much care and success. The Work of Lord Stair, the greatest of all the legal writers of Scotland, is particularly valuable in this department." In England the case was very different. After the loss of her French provinces in 1543, the legal system of England became wholly insular, and there was no branch of it which suffered more in consequence of being cut off from the general stream of European progress than the law merchant. It was Lord Mansfield who, whether guided by the wider traditions of his original country, Scotland, or deriving his views from the scourge from which these traditions sprung, viz., the Roman Law, as modified and developed by continental jurisprudence, introduced those doctrines of modem commercial law which English lawyers have since developed with so much acuteness and logical consistency. Many attempts have recently been made to assimilate the

commercial law of England and Scotland, and a commission of lawyers of both countries was recently appointed for the purpose. One of the most important results of their deliberations was the mercantile law amendment act, 19 and 20 Vict. c. 60."

LAW MERCHANT

The **direct relationship between Federal Reserve Notes and the Income Tax as grounded in the Law Merchant is nowhere more strikingly revealed than in the following excerpt from the Richard Wooddesson's exhaustive Lectures on The Laws of England, to be found in Littell's Law Library, Philadelphia, 1842.** "The Law of Nations is another constituent part of the British jurisprudence, and has always been most liberally adopted and attended to by our municipal tribunals, in matters where that rule of decision was proper to be resorted to, as questions respecting the privileges of ambassadors, and the property in maritime captures and prizes." But the branch of the Law of Nations, which there have been the most frequent occasions of regarding, especially since the great extension of commerce, and intercourse with foreign traders, is called the Law of Merchants. This system of generally received law has been admitted to decide controversies touching bills of exchange, policies of insurance, and other mercantile transactions, both where the subjects of any foreign power, and (for the sake of uniformity) where natives of this realm only, have been interested in the event. Its doctrines have of late years been wonderfully elucidated, and reduced to rational and firm principles in a series of litigations before a judge, long celebrated for his great talents, and extensive learning in general jurisprudence, and still more venerable for his animated love of justice (Lord Mansfield; to whose name we may now add that of Lord Ellenborough). Under his able conduct and direction, very many of these causes have been tried by a jury of merchants in London; and such questions of this kind as have come before the Court of the Ring's Bench in term time, are laid before the public by a copious and elaborate compiler (Sir James Burrows). **"The Law of Merchants, as far as it depends on custom, constitutes a part of the voluntary, not of the necessary, Law of Nations. It may, therefore, so far as it is merely positive, be altered by any municipal legislature, where its own subjects only are concerned. Innovations may also be made in the voluntary Law of Nations, so as to effect the inhabitants of different states, either by the sovereign thereof (Eden's Prim. Law, sect. 3) or any confederated union of human authority."**

There, then, in the United Nations, we find our "confederated union of human authority" imposing the Law Merchant upon every human creature alive. **How pathetic and frightening it is to see and hear alleged American Patriots publicly declaiming that they are being deprived of their rights by Communist hirelings out of the Moscow Kremlin, when the perversion of the American Constitution can clearly be discerned to have its sole authentic source in the law delineated in the three paragraphs above.** To read the whole of Smith's lectures is a shocking experience, for it reveals the mechanics of the entire **swindle perpetrated against the American people by their own best "Conservative" politicians and organizational "educators."** To read Smith is to discover not only the meaning of Federal Reserve Notes, or the 1040 form, but also the joint return and the turning of families into hives of warring cannibals. The motto is then, "Every man and woman and child a trader upon the Law Merchant," whether he will or not. The technical term for an individual trader or merchant is **Sole Trader**. Let us see what we may discover about Sole Traders in John William Smith's Mercantile Law, again in Littell's series. "The word trader is used in the bankrupt laws in a definite and peculiar sense, which will be treated of in the Fourth Book under the title of Bankruptcy. For the general purposes of law it seems to have a wider signification than is either there, or in the common parlance of mankind, attributed to it; and perhaps it is not going too far to say that every man who does an act upon which any of the rules of mercantile law operate becomes, quoad that act, a trader though his ordinary pursuits may not be of a mercantile character. Thus, it is laid down by books of authority that if a man draws a bill of exchange, he is, for the purposes of that bill, a merchant (Comyns digest, Merchant, A.1). The French law defines the word 'trader' as follows: 'Sont commercan ceux qui exercent les actes de commerce et en font leur profession habituelle.' (Co.8. 85. 631 s. 638)"The law of England, following in this respect the maxims of sound and liberal policy, licenses every individual, who is desirous of so doing, to assume the character and functions of a trader, unless he fall within the letter of some special prohibition, which takes his case out of the ordinary rule, and subjects him to a peculiar disqualification; nay, such is the anxiety with which the law watches over the interests of trade and commerce, that it will not allow a man to deprive himself of his right of embarking in commercial enterprise. A bond or other contract by which a

person binds himself generally not to exercise his trade or business in this country is merely void (Mitchell v, Reynolds, 1 P. Wins. 181. Law Lib. New Series, vol. vii); for "the law," to use the expressions of Best, C.J., "will not permit anyone to restrain a person from doing what his own interest and the public welfare require that he should do." (Homer v. Ashford, 3 Bing. 328). A partial restraint of this kind will indeed be upheld, provided it be reasonable in its nature and extent, and founded on an adequate consideration (Mitchell v. Reynolds, ubi supra; Chesman v. Nainby, 2 Str. 739). But if it want these 2 qualities it will be void (see Horner v. Gravs, 7 Bing. 743; Young v. Timmons, 1 Tyrwh. 226). And all contracts in restraint of trade are, if not special circumstances appear to show them to be reasonable, invalid in the eye of the law (Horner v. Graves, ubi supra). Particular personal disqualifications, however, as has been said, exist, which incapacitate the individuals laboring under them from engaging in commercial pursuits. It may be proper to adduce one or two examples of this sort of disability; the instances of most usual occurrence are to be found in the law relating to the capacity of aliens, infants, married women, and clergymen. "Now, if it is everyone's lot or choice of duty to become a merchant or trader merely by purchasing a meal, for the sake of example, and if contracts in restraint of trade are all absolutely illegal, and if a marriage contract can prevent spouses from being or becoming Sole Traders, then does the abolition of marriage serve the ends of private mercantilism or of something called "Communism?' Let's consider another short excerpt from Smith, this one dealing with "joint tenancy" or its variant "tenancy by the entirety:" "For the most distinguished incident of joint tenancy is the Jus acrescendi, by which, when one joint tenant dies, his interest is not transmitted to his heirs, in the case of descendible property, nor to his personal representatives, in the case of personal effects or chattels, but vests in the survivor or survivors; this right of survivorship being admitted equally in regard to personal chattels, as in estates of every denomination. Now if stock in trade were subject to the same claim, one of two evils might ensue: either the family of a deceased partner might be left destitute; or man's fear of employing a considerable part of their property in these undertakings might check the spirit of commerce. It is therefore, the established law of merchants, that among them joint tenancy and survivorship do not prevail. (Co.Li. 182a; Anon. 2 Browne. 99; Anon.

Noy. 55; Hall v. Huffam, 2 Lev. 188; Annand v. Honiwood , 2 Ch.C. 129) **"This right of survivorship Sir William Blackstone apprehends to be the reason why neither the king nor any corporation can be a joint tenant with a private person.** (2 Comm. 184). **But the rule is more extensive: for two corporations cannot be joint tenants together** (Litt. s. 296; C.Li. 189b, 190a). "An understanding of the full implications of such law is the only basis on which we can hope to retrieve our rights and our Republic in the courts or, indeed, anywhere else.

NEGOTIABLE INSTRUMENTS

Regarding Federal Reserve Notes and what they are or what they represent, let us consider another short passage from Smith's Mercantile Law, particularly on the subject of negotiable instruments, keeping in mind that a Federal Reserve Note is a negotiable instrument, negotiable merely by delivery as "paper gold". "Under the head of mercantile property, it seems right to advert to a peculiarity in the mode in which title may be acquired to a description of chattels, most usually found in the hands of mercantile men, viz., negotiable instruments. The common and well-known rule of law is that property in a chattel personal cannot, except by sale in market overt, be transferred to a vendee, however innocent, by a party who does not himself possess it. (See Peer v. Humphrey, 2 A & E. 495). The contrary, however, is the case with negotiable instruments, a transfer of which, when in that state in which by law and the usage of trade they accustomably pass from one man to another by delivery, causes the property in them, like that in coin, to pass along with the possession (see Grant v. Vaughn, 3 Burr. 1516; Lang v. Smyth, 7 Bingh. 284; Gorgier v. Mieville, 3 B & C 45) provided that the transferee has been guilty of no fraud (Gross negligence was ruled to be the correct expression in Crook v. Jadis, 6 C & P 194; 5 B & Ad 909). The negligence must however be so gross as to render it impossible that the instrument should have been taken bona fide, and the case of Hill v. Cubitt seems not to be supportable. Backhouse v. Harrison, 5 B & Adol. 1105. See the observation of Parke, B., in Foster v. Pearson, 5 Tyrwh. 255; Cunliffe v. Booth, 3 Bing. N.C. 821. In the case however of Goodman v. Harvey, 4 A & E 870, the Q.B. ruled that gross negligence would not be a sufficient answer where a party has given consideration for the bill, and that gross negligence could only be important so far as it supplied evidence of mala fides (bad faith) in taking them, in which case he would be forced to bear the loss.." An instrument is, properly speaking, negotiable when the

legal right to the property which they secure may be conveyed. For there are other instruments (See Glynn v. Baker, 13 East 509; Talyer v. Kymer, 3 B & Ad 338; s, 1 M 8z M 453; 1 Lloyd & Walsh. 184. See Ford v. Hopkins, 1 Sal. 284, and see 1 Burr, 452, Ambl. 187, and Turner V. Cruikshank, there cited) which, though salable in the market by the usage of merchants, can yet only be put in suit in the name of the original contractee, and are not, properly speaking, negotiable. More-over, instruments which in one state would be negotiable, may by being put into another, cease to be so. Thus, though a bill or note will be negotiable if indorsed in blank, yet the holder may, by a special endorsement, determine its negotiability. (Segourney v. Lloyd, 8 B & C 622; 5 Bingh. 525; Ancher v. Bank of England, Douglas 639. Snee v. Prescott 1 Ark. 249, per Lord Hardwicke, Treutell v. Barandon, 8 Taunt. 100. Cunliffe v. Whitefield, 3 Bing. N.C. 828"

NOW YOU SEE IT, NOW YOU DON'T

We do not need to reach so far back as the detailed early cases cited above to show the reckless disregard that tax-and-money litigants have had for the vast amount of law available on which to mount offensives against the grand larceny in our tax and money laws. Only two cases, or extracts from them, will suffice to demonstrate grounds and arguments available to anyone who take the trouble to discover them. One of these cases is British, and the other American, as late as 1926, with domestic references to the "unheard of' law merchant. The first is the case of Goodwin v. Robarts, Exchequer, 1875 (L.R. 10 Ex. 337, 346), as follows: "Godburn, C.J., Having given the fullest consideration to this argument, we are of opinion that it cannot prevail. It is founded on the view that the law merchant thus referred to is fixed and stereotyped, and incapable of being expanded and enlarged so as to meet the wants and requirements of trade in the varying circumstances of commerce. It is true that the law merchant is sometimes spoken of as a fixed body of law, forming part of the common law, and as it were coeval with it. But as a matter of legal history, this view is altogether incorrect. The law merchant thus spoken of with reference to bills of exchange and other negotiable securities, though forming part of the general body of the lex mercatoria, is of comparatively recent origin. It is neither more nor less then the usages of merchants and traders in the different departments of trade, ratified by the decisions of Courts of law, which, upon such usages being moved before them, have adopted them as settled law with a view to the

interests of trade and the public convenience, the Court proceeding hearing on the well-known principle of law that, with reference to the transactions in the different departments of trade, Courts of law, in giving effect to the contracts and dealings of the parties, will assume that the latter have dealt with one another on the footing of any custom or usage prevailing generally in the particular department. By this process, what before was usage only, unsanctioned by legal decision, has become engrafted upon, or incorporated into, the common law, and may thus be said to form part of it. 'When a general usage has been judicially ascertained and established,' says Lord Campbell, in Brandao v. Barnett (12 Cl & F at p. 805), 'it becomes a part of the law merchant, which Courts of justice are bound to know and recognize.' "Bills of exchange are known to be of comparatively modern origin, having been first brought into use, so far as it is at present known, by the Florentines in the twelfth, and by the Venetians about the thirteenth century. The use of them gradually found its way into France, and, still later and but slowly, into England. We find it stated in a law tract, by Mr. McLeod, entitled Specimen Digest of the Law of Bills of Exchange, printed, we believe, as a report to the government, but which, from its research and ability, deserves to be produced in a form calculated to insure a wider circulation, that Richard Malynes, a London merchant, who published a work called the Lex Mercatoria, in 1622; and who gives a full account of these bills as used by the merchants of Amsterdam, Hamburg, and other places, expressly states that such bills were not used in England. There is reason to believe, however, that this is a mistake. Mr. McLeod shows that promissory notes, payable to bearer, or to a man and his assigns, were known in the time of Edward IV. Indeed, as early as the statute of 3 Rich.2, c.3, bills of exchange are referred to as a means of conveying money out of the realm, though not as a process in use among English merchants. But the fact that a London merchant writing expressly on the law merchant was unaware of the use of bills of exchange in this country, shows that, that use at the time he wrote must have been limited. According to Professor Story, who herein is, no doubt, perfectly right, 'the introduction and use of bills of exchange in England,' as indeed it was everywhere else, 'seems to have been founded on the mere practice of merchants, and gradually to have acquired the force of a custom.' With the development of English commerce the use of these most convenient instruments of commercial traffic

would of course increase, yet, according to Mr. Chitty, the earliest case on the subject to be found in the English books is that of Martin v. Boure (Cro. Jac. 6), in the first James I. Up to this time the practice of making these bills negotiable by endorsement had been unknown, and the earlier bills are found to be made payable to a man and his assigns, though in some instances to bearer. But about this period, that is to say at the close of the sixteenth or the commencement of the seventeenth century, the practice of making bills payable to order, and transferring them by endorsement, took its rise. Hartmen, in a very learned work on Bills of Exchange, recently published in Germany states that the first known mention of the endorsement of these instruments occurs in the Neapolitan Pragmatica of 1607. Savary, cited by Mons. Nouguier, in his work Des Lettres de change, had assigned it to a later date, namely 1620. From its obvious convenience, this practice speedily came into general use, and as part of the general custom of merchants, received the sanction of our courts. At first the use of bills of exchange seems to have been confined to foreign bills between English and foreign merchants. It was afterwards extended to domestic bills between traders, and finally to bills of all persons, whether traders or not: see Chitty on Bills, 8th Ed., p. 13. "In the meantime, promissory notes had also come into use, differing herein from bills of exchange in that they were not drawn upon a third party, but contained a simple promise to pay by the maker, resting, therefore, upon the security of the maker alone. They were at first made payable to bearer, but then the practice of making bills of exchange payable to order, and making them transferable by endorsement, as had been done with, bills of exchange, speedily prevailed. And for some time the courts of law acted upon the usage with reference to promissory notes, as well as with reference to bills of exchange. "In 1680, in the case of Shaldon v. Hentley (2 Show. 160) an action was brought on a note under seal by which the defendant promised to pay to bearer 100£, and it was objected that the note was void because not made payable to a specific person. But it was said by the Court, 'Traditio facit chatam loqui, and by the delivery he (the maker) expounds the person before meant; as when a merchant promises to pay to the bearer of the note, anyone that brings the note shall be paid.' Jones, J., said that 'it was the custom of merchants that made that good.' In Bromwich v. Lloyd the Plaintiff declared upon the custom of merchants in London, on a note for money payable on demand, and recovered; and Treby, C.J., said that 'bills of

exchange were originally between foreigners and merchants trading in England, and then afterwards between any traders whatsoever, and now between any persons, whether trading or not; and therefore, the plaintiff need not allege any custom, for now these bills were of that general use that upon an indebitatus assumpsit they may be given in evidence upon the trial.' To which Powell, J., added, 'On indebitatus for money received to the use of the plaintiff the bill may be left to the jury to determine whether it was given for value received.' (2 Lutw. 1582)"In Williams v. Williams (1 Carth. 269), where the plaintiff brought his action as endorsee against the payee and endorser of a promissory note, declaring on the custom of merchants, it was objected on error, that the note having been made in London, the custom if any should have been laid as the custom of London. It was answered 'that this custom of merchants was part of the common law, and the Court would take notice of it ex officio; and, therefore, it was needless to set forth the custom specially in the declaration, but it was sufficient to say that such a person secundum usum et consuetudinem mercatorum, drew the bill.' And the plaintiff had judgment. "Thus far, the practice of merchants, traders, and others of treating promissory notes, whether payable to order or bearer, on the same footing as bills of exchange had received the sanction of the courts, but Hold having become Chief Justice, a somewhat unseemly conflict arose between him and the merchants as to the negotiability of promissory notes, whether payable to order or to bearer, the Chief Justice making what must now be admitted to have been a narrow-minded view of the matter, setting his face strongly against the negotiability of these instruments, contrary, as we are told by authority, to the opinion of Westminster Hall, and in a series of successive cases, persisting in holding them not to be negotiable by endorsement or deliver. The inconvenience to trade arising therefrom led to the passing of the statute of 3 & 4 Anne, c.9, whereby promissory notes were made capable of being assigned by endorsement, or made payable to bearer, and such assignment was thus rendered valid beyond dispute or difficulty." It is obvious from the preamble of the statute, which recites that '& had been held that such notes were not within the custom of merchants,' that these decisions were not acceptable to the profession of the country. Nor can there be much doubt that by the usage prevalent amongst merchants, these notes had been treated as securities negotiable by the customary method of assignment as much

as bills of exchange properly so-called. The Statute of Anne may indeed, practically speaking, be looked upon as a declaratory statute, confirming the decisions prior to the time of Lord Holt. "We now arrive at an epoch when a new form of security for money, namely, goldsmiths' or bankers' notes, came into general use. Holding them to be part of the currency of the country, as cash, Lord Mansfield and the Court of King's Bench had no difficulty in holding, in Miller v. Race (1 Burr. 452), that the property in such a note passes, like that in cash, by delivery, and that a party taking it bona fide, and for value, is consequently entitled to hold it against a former owner from whom it has been stolen. "In like manner it was held, in Collins v. Martin (1 B. & P. 648), that where bills indorsed in blank had been deposited with a banker, to be received when due, and the latter had pledged them with another banker as security for a loan, the owner could not bring trover to recover them from the holder." But these decisions of course preceded on the ground that the property in the bank-note payable to bearer passed by delivery, that in the bill of exchange by endorsement in blank, provided the acquisition had been made bona fide." A similar question arose in Wookey v. Pole (4 B. & Ald. l), in respect of an exchequer bill, notoriously a security of modern growth. These securities being made in favor of blank or order, contained this clause, 'If the blank is not filled up, the bill will be paid to bearer.' Such an exchequer bill, having been placed without the blank being filled up, in the hands of the plaintiff's agent, had been deposited by him with the defendants, on a bona fide advance of money. It was held by three judges of the Queen's Bench, Bayley, J., dissentient, that an exchequer bill was a negotiable security, and judgment was therefore given for the defendants. The judgment of Holroyd, J., goes fully into the subject, pointing out the distinction between money and instruments which are the representatives of money, and other forms of property. 'The courts,' he says, 'have considered these instruments, either promises or orders for the payment of money, or instruments entitling the holder to sum of money, as being appendages to money, and following the nature of their principal.' After referring to the authorities, he proceeds: 'These authorities show, that not only money itself may pass, and right to it may arise, by currency alone, but further, that these mercantile instruments, which entitle the bearer of them to money, may also pass, and the right to them may arise, in like manner, by currency of delivery. These decisions

proceed upon the nature of the property (i.e., money), to which such instruments give the right, and which is in itself current, and the effect of the instruments, which either give to their holders, merely as such, a right to receive the money, or specify them as the persons entitled to receive it." Another very remarkable instance of the efficacy of usage is to be found in much more recent times. It is notorious that, with the exception of the Bank of England, the system of banking has recently undergone an entire change. Instead of the banker issuing his own notes in return for the money of the customer deposited with him, he gives credit in account to the depositor, and leaves it to the latter to draw upon him, to bearer or order, by what is now called a check. Upon this state of things the general course of dealing between bankers and their customers has attached incidents previously unknown, and by these decisions of the courts have become fixed law. Thus, while an ordinary drawee, although in possession of funds of the drawer, is not bound to accept, unless by his own agreement or consent, the banker, if he has funds, is bound to pay on presentation of a cheque on demand. Even admission of funds is not sufficient to bind money deposited with a banker is not only money lent, but the banker is bound to repay it when called for by the draft of the customer (See Pott v. Clegg, 16M &W 321). Besides this, a custom has grown up among bankers themselves of making cheques as good for the purposes of clearance, by which they become bound to one another. "Though not immediately to the present purpose, bill of lading may also be referred to as an instance of how general mercantile usage may give effect to a writing which without it would not have had that effect at common law. It is from mercantile usage, as provided in evidence, and ratified by judicial decision in the great case of Lickbarrow v. Mason, that the efficacy of bills of lading to pass the property in goods is derived." It thus appears that all these instruments which are said to have derived their negotiability from the Law Merchant had their origin, and that at no very remote period, in mercantile usage, and were adopted into the law by our courts as being in conformity with the usages of trade; of which, if it were needed, a further confirmation might be found in the fact that, according to the old form of declaring on bills of exchange, the declaration always was founded on the custom of merchants. "Usage, adopted by the Courts, having been thus the origin of the whole of the so-called Law Merchant as to negotiable securities, what is there to prevent our acting upon the principle acted upon

by our predecessors, and followed in the precedents they have left to us? Why is it to be said that a new usage which has sprung up under altered circumstances, is to be less admissible than the usages of past time? Why is the door to be now shut to the admission and adoption of usage in a manner altogether of cognate character, as though the law had been finally stereotyped and settled by some positive and peremptory enactment? It is true that this script purports, on the face of it, to be a security not for money, but for the delivery of a bond; nevertheless we think that, substantially and in effect, it is a security for money, which, till the bond shall be delivered, stands in the place of that document, which when delivered, will be beyond doubt the representative of the sum it is intended to secure. Suppose the possible case that the borrowing government, after receiving one or two installments, were to determine to proceed no further with its loan, and to pay back to the lenders the amount they had already advanced; the script with its receipts would be the security to the holders of the amount. The usage of the money market has solved the question whether script should be considered security for, and the representative of, money, by treating it as such. "The universality of a usage voluntarily adopted between buyers and sellers is conclusive proof of its being in accordance with public convenience; and there can be no doubt that by holding this species of security to be incapable of being transferred by delivery, and as requiring some more cumbrous method of assignment, we should materially hamper the trans-actions of the money market with respect to it, and cause great public inconvenience. No doubt