

I have often wondered why libertarians are blind to the virtues of men such as Byrd and Randolph: patriots, lovers of our history, defenders (in the most general sense) of America First. Senator Byrd, unlike almost every Republican member of Congress, at least stands for some semblance of republican government. I do not know, nor do I care about, his position on the capital gains tax: he is, in the fall of 1993, an eloquent and principled foe of the Wilsonian imperialism whose premises our two parties share. Yes, a couple of Republicans — notably, the praiseworthy Senator Hank Brown of Colorado and my favorite Keating Fiver, Arizona's John McCain — have criticized our blundering in Somalia, but where were they when Reagan and Bush were spilling blood and money around the globe? The only Republican senators who opposed the shameful Gulf War were Oregon's pacifist Hatfield and Iowa's agrarian Grassley. They deserved our thanks and prayers then, as Byrd does now. —BK

**Guilt and sympathy** — The AIDS epidemic has spawned a bevy of support groups — for people with AIDS, for those who have or had friends or lovers or family members with AIDS, and now, in Michigan, for men who *don't* have AIDS and feel guilty about it. According to founder Craig Covey, HIV-negative gay men "are affected differently, but just as much" as those who test positive. "A lot of them who have survived can almost feel like they are missing out on something," he adds. "What's happening to the gay community is what is happening to people who survived the Holocaust," another spokesperson asserts.

I suppose there are *some* gay people who feel guilty about not having AIDS, and *some* Jews who feel guilty about not having been gassed. In that spirit, I think I'll start a support group for people unlucky enough not to be gay or Jewish at all. In fact, I think I'll limit membership to guilty well-off HIV-negative heterosexual white Anglo-Saxon males without disabilities.

But alas! America's universities have beaten me to the punch. Is there a support group available for people who fail in their attempts to start support groups? —WPM

**Funny money** — There's some funny language on the money in England. The five-pound note contains the statement, "Bank of England: I promise to pay the bearer on demand the sum of five pounds." Five pounds of *what*? If you

ask anybody on the street, the note is five pounds, and they obviously aren't talking about units of weight — so what could that statement possibly mean? I decided to visit the Bank of England in downtown London to make them make good their promise. What would they do — hand me back another five-pound note in exchange for the one I offered?

I was stopped at the door by a security guard. I explained that my note said that the Bank would give me five pounds upon demand for it, and that I was hereby demanding they fulfill their obligation. He explained I couldn't get past the front desk without wearing a three-piece suit and having "official business." The man behind the front desk had little patience, telling me that perhaps I'd find some information if I went to the Bank of England Museum around the corner.

So I left and went to the museum, which is quite nice, actually. I explained to a curator what had happened, and that I was interested in finding out what exactly the language could mean. It obviously didn't function as a promise to pay me five pounds — the bank wouldn't even let me through the door! She disappeared into a back room and, finally, dug up an old photocopy from God-alone-knows-where, which attempts to explain the meaning and evolution of the "I promise to pay the bearer" language. I took the pages home and tried to understand them. Apparently, the Bank is now contending that the language only means, and only ever meant, that it has an obligation to replace old, out-of-circulation pound notes with new, in-circulation ones.

Right. That's what "I promise to pay the bearer on demand the sum of five pounds" means.

—guest reflection by N. Stephan Kinsella

**Free at last** — For some reason, in the late summer of 1985, I was suddenly filled with a desire to join the military. I didn't want to interrupt my schooling for three or four years, so the reserves seemed to be the way to go. Although I went through the formality of talking to an Army recruiter, there was never any question about which branch I would join. I had seen John Wayne's *The Sands of Iwo Jima* when I was a kid; I had watched *Baa Baa Blacksheep* in junior high school; and I was working for an ex-Marine who had served in Vietnam, who had regaled me with stories about boot camp. I would not have been able to face him after joining the Army or Navy.

My Marine odyssey began in the early morning hours of



The "I promise to pay" wording has frequently been criticised usually on the assumption that this promise was originally one to pay gold on presentation of a note, whereas now all the holder receives is another note which is legal tender. In fact, the origin of the promise is that Bank of England notes began by being receipts for deposits left with them which they promised to repay, that promise gradually evolving into a promissory note to bearer. It is such promissory notes that the Bank are authorised to issue under the terms of the Bank Charter Act 1844, Section I, and the Currency and Bank Notes Act 1954, Section 3. Section I (4) of the latter Act states:

"The holder of bank notes of any denominations shall be entitled, on a demand made by him during office hours at the Head Office of the Bank of England or, in the case of notes payable also at some place other than Head Office, either at the Head Office or that other place, to receive in exchange for the notes bank notes of such lower denominations, being bank notes which for the time being are legal tender in the United Kingdom or in England and Wales, as he may specify".

The point of the promise has always<sup>b.s.</sup> been that the bearer is entitled to receive payment in legal tender, be it gold or a bank note. Bank of England notes remained formally exchangeable on demand for gold coin until 1925; in that year the Gold Standard Act confined the Bank's obligation in respect of such notes to the sale, at a stated price, of gold bullion in the form of bars of a certain weight. The Bank were later released from this obligation by the Gold Standard (Amendment) Act 1931.

20

In discharge of their obligation towards their notes the Bank nowadays therefore pay in legal tender notes. The legal tender status of Bank of England notes which have been withdrawn from circulation may lapse but the promise is unlimited in time and the holder of a note no longer having legal tender status is entitled to payment in legal tender. *But what is legal tender?*

# Liberty

Editor & Publisher:  
R. W. Bradford

Senior Editors:  
John A. Baden  
Stephen Cox  
Karl Hess  
John Hospers  
Jane S. Shaw

Contributing Editors:  
David Boaz  
Douglas Casey  
Brian Doherty  
David Friedman  
Robert Higgs  
Bill Kauffman  
Bart Kosko  
Richard Kostelanetz  
Ronald F. Lipp  
Loren E. Lomasky  
Rex F. May  
William P. Moulton  
Ross Overbeek  
Ralph Raico  
Scott J. Reid  
Sheldon L. Richman  
James S. Robbins  
Sandy Shaw  
Thomas S. Szasz  
James Taggart  
Ethan O. Waters  
Leland B. Yeager

Assistant Editor:  
Jesse Walker

Editorial Assistant:  
Clark Stooksbury

Assistant Publisher:  
Timothy Virkkala

October 2, 1993

N. Stephan Kinsella  
Jackson & Walker L.L.P.  
PO Box 4771  
Houston, TX 77210

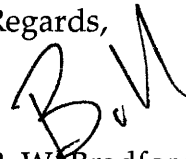
Dear Mr Kinsella:

We would very much like to publish as a "guest reflection" your account of trying to redeem a 5 pound note at the Bank of England, about which you inquired in your letter of March 3.

However, I do not think it necessary to elaborate it as you propose.

Is this all right with you?

Regards,



R. W. Bradford

P.S: I apologize for the tardiness of my reply. Somehow, your query got mislaid.

N. Stephan Kinsella  
713/752-4360

Monday, March 1, 1993

Timothy Virkkala, Assistant Editor  
*Liberty*  
P.O. Box 1167  
Port Townsend, WA 98368

Dear Mr. Virkkala,

In your letter of February 25, 1993, you inform me that my essay, "The Hard-Core Juvenile Defender," has not been selected for publication in *Liberty*. However, I did not write nor submit such an article. I did submit, in a letter dated December 18, 1992, an essay entitled "The Perpetual Federal Budget *Surplus?*". If I recall, I also submitted some time thereafter a copy of my recent article "Estoppel: A New Justification for Individual Rights," published in the latest issue of *Reason Papers*, along with a proposal to write a shorter, more popular version of the article for you. I would appreciate it if you would check your records and inform me of your decision on these two submissions.

Additionally, I would like to propose to you an idea for an article or perhaps for a "Guest Reflection," which I would be happy to write if you think you would be interested in considering it for publication. The essay would concern the following:

I spent last year in London. On the pound notes, for example the £5 note, is the language: "BANK OF ENGLAND: I promise to pay bearer on demand the sum of five pounds." Well, since there is no longer any metal standard, I wondered what this could mean. The note *is* five pounds; what could it mean to promise to pay the bearer of it five pounds? This promissory note language is a facade, a completely illusory promise. I decided to visit the Bank of England, located in downtown London, in the Financial District, to call their bluff, to make them make good on their promise. What would they do, I wondered—hand me back another five-pound note in exchange for the one I offered?

I made it there, and was stopped at the door by security, and I could not get past the main front desk without having a three-piece suit and "official business." In other words, the doors of the Bank were not even open to all the holders of notes which promised them that the Bank would give them five pounds

Timothy Virkkala  
Monday, March 1, 1993  
Page 2

“on demand” upon presentation of their “note”. I explained that my note said the Bank would give me five pounds upon demand for my note, and that I was hereby demanding that the Bank fulfill its obligations under the note. The man behind the front desk had little patience and told me that perhaps I’d find some information if I went to the Bank of England Museum around the corner.

So I left and went to the Museum, which is quite nice, actually. I explained to a curator what had happened, and that I was interested in finding out exactly what the language could mean, since obviously it didn’t function as an actual promise to pay me five pounds—they wouldn’t even let me in the door! She went into a back room, and finally dug up an old photocopy, from God knows what source, which attempts to explain the meaning and evolution of the “I promise to pay the bearer” language. I took the pages home, and tried to understand them. Apparently, the Bank is contending now that the language only means, and only ever meant, that the Bank has an obligation to replace old, out-of-circulation pound notes with new, in-circulation ones. Right. That’s what “I promise to pay bearer on demand the sum of five pounds” means.

If you would be interested in this essay idea, please let me know and I will be happy to submit a finalized version, which would contain more elaboration on the nature of money and the “legal tender” language in the U.S., to you for your consideration. If you have any questions or comments, please do not hesitate to call or write.

Very truly yours,

N. Stephan Kinsella