BETHLEHEM STEEL CO. *v.* ZURICH GENERAL ACCIDENT & LIABILITY INS. CO.*

CERTIORARI TO THE SUPREME COURT OF NEW YORK.

No. 590. Argued February 9, 10, 1939. Reargued April 27, 1939.—Decided May 22, 1939.

Bonds of American corporations, payable in money of the United States or in fixed amounts of foreign currencies, which originally were sold in this country to bankers, but are now held by foreign corporations which purchased them abroad after the effective date of the Joint Resolution of June 5, 1933, and elected to demand payment in foreign currencies,—*held* subject to the Joint Resolution and payable dollar for dollar in United States legal tender. So decided upon the authority of the case last preceding.

279 N. Y. 495, 790; 18 N. E. 2d 673; 19 N. E. 2d 89, reversed.

CERTIORARI, 305 U. S. 594, to review judgments, entered on remittitur from the Court of Appeals of the State of New York, reversing judgments of the Supreme Court, Appellate Division. Both suits were brought to collect interest coupons from bonds of an American corporation payable alternatively in dollars or in fixed amounts of certain foreign currencies. In the first case, judgment was rendered by the New York Supreme Court, Special Term, for the exchange value of Swiss francs, and was reversed by the Appellate Division. In the second case, judgment at Special Term held against the right to recover exchange value of Dutch guilders, and was affirmed by the Appellate Division. For opinion at Special Term in the first case, see 254 App. Div. 839; 164 Misc. 498; 299 N. Y. S. 862.

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* Together with No. 591, *Bethlehem Steel Co.* v. *Anglo-Continentale Treuhand, A. G., et al.*, also on writ of certiorari to the Supreme Court of New York.

Mr. Frederick H. Wood, with whom *Mr. Wm. D. Whitney* was on the briefs, on the reargument and on the original argument, for petitioner.

Mr. Nathan L. Miller, with whom *Messrs. W. W. Miller* and *Redmond F. Kernan, Jr.* were on the briefs, on the reargument and on the original argument, for respondent in No. 590.

Mr. Harry Hoffman, with whom *Mr. Clifford R. Schuman* was on the briefs, on the reargument and on the original argument, for respondents in No. 591.

By leave of Court, briefs of *amici curiae* were filed by *Solicitor General Jackson, Messrs. Paul A. Freund, Edward H. Foley, Jr., Bernard Bernstein, John W. Pehle,* and *Joseph B. Friedman,* on behalf of the United States, urging applicability of the Joint Resolution to the obligations involved; and by *Messrs. Arthur B. Weiss* and *Abraham L. Pomerantz,* urging affirmance in No. 590.

Mr. Justice Black delivered the opinion of the Court.

As did Nos. 384 and 495, this day decided, *ante,* p. 247, these cases involve efforts to enforce foreign currency provisions of bond obligations payable in money of the United States and optional fixed amounts of foreign currencies. The obligations are essentially similar to those in Nos. 384 and 495, but differ in two respects: (1) the bonds, originally sold in this country to a group of bankers,[1] were offered by that group not only in this country, but also abroad, and (2) the present holders are foreign corporations, some of whose bonds were bought in foreign countries. These distinctions do not remove

[1] Some bonds were originally issued to stockholders in No. 590.

foreign holders from the operation of the Joint Resolution of June 5, 1933.

Respondents did not purchase their bonds or elect to demand payment in foreign currency until after the effective date of the Resolution. The court below held the Resolution was not applicable.[2]

It is respondents' contention that their bonds represent a form of private international obligation, in no wise subject to the laws of the United States. However, they seek to enforce that obligation in this country and Congress has, as it constitutionally may, provided that multiple currency provisions of dollar obligations are against public policy here and, thus, unenforceable. The Constitution provides "This Constitution, and the Laws of the United States which shall be made in Pursuance thereof; and all Treaties made, or which shall be 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, any Thing in the Constitution or Laws of any State to the Contrary notwithstanding." Courts in this country, State and Federal, can no longer enforce the contractual provisions which respondents have proceeded on, irrespective of their place of making.

In the absence of any claim of international rights based upon the treaty provision of the Constitution, it is enough that respondents' bonds are "obligations payable in the money of the United States," as we have this day held.

Under the governing principles announced in Nos. 384 and 495, the multiple currency provisions of respondents' bonds are within the operation of the Resolution, and their coupons are dischargeable dollar for dollar in current legal tender money of the United States.

Reversed.

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[2] 279 N. Y. 495, 790; 18 N. E. 2d 673; 19 N. E. 2d 89.

The CHIEF JUSTICE, MR. JUSTICE MCREYNOLDS, MR. JUSTICE BUTLER and MR. JUSTICE STONE think the judgments in these cases should be affirmed, for reasons stated in the opinion of MR. JUSTICE STONE in No. 384, *Guaranty Trust Co.* v. *Henwood,* and No. 495, *Chemical Bank & Trust Co.* v. *Henwood, ante,* p. 247.

LANE *v.* WILSON ET AL.

CERTIORARI TO THE CIRCUIT COURT OF APPEALS FOR THE TENTH CIRCUIT.

No. 460. Argued March 3, 1939.—Decided May 22, 1939.

1. A negro who is denied by state registration officials the right of registration, prerequisite to the right to vote, under color of a state registration statute which, in violation of the Fifteenth Amendment, works discrimination against the colored race, has a right of action in the federal court for damages against such officials under R. S. 1979; 8 U. S. C. § 43. *Giles* v. *Harris,* 189 U. S. 475, distinguished. P. 274.
2. This resort to the federal court may be had without first exhausting the judicial (distinguished from administrative) remedies of the state courts. P. 274.
3. Oklahoma statutes made registration prerequisite to voting, and provided generally that all citizens qualified to vote in 1916 who failed to register between April 30 and May 11, 1916, should be perpetually disfranchised, excepting those who voted in 1914. The effect was that white people who were on the lists in 1914 in virtue of the provision of the Oklahoma Constitution called the "Grandfather Clause" which this Court in 1915 adjudged unconstitutional, *Guinn* v. *United States,* 238 U. S. 347, were entitled to vote; whereas colored people kept from registering and voting by that clause would remain forever disfranchised unless they applied for registration during the limited period of not more than 12 days. *Held* repugnant to the Fifteenth Amendment. P. 275.

98 F. 2d 980, reversed.

CERTIORARI, 305 U. S. 591, to review the affirmance of a judgment, on a verdict directed for defendants in an action for damages, under R. S. 1979.