

SUPREME COURT OF THE UNITED STATES

United States v. Pink

315 U.S. 203 (1942) · No. No. 42 · Decided February 2, 1942

SUMMARY

The Supreme Court held that the Litvinov Assignment transferred to the United States claims arising from the Soviet nationalization of Russian insurance companies, including assets located in New York. It concluded that federal foreign-relations authority and the international compact associated with recognition of the Soviet Union preempted conflicting New York policies and required enforcement of the assignment. The Court reversed the judgment dismissing the United States' action.

CASE DETAILS

COURT	Supreme Court of the United States
WRITING FOR THE COURT	Justice Douglas; Justice Frankfurter; Chief Justice Stone; Justice Roberts
JURISDICTION	Federal
DECIDED	February 2, 1942
DOCKET	No. 42
DISPOSITION	reversed_and_remanded
PROCEDURAL POSTURE	The United States brought an action in the Supreme Court of New York to recover surplus assets held by New York's Superintendent of Insurance under the Litvinov Assignment. The New York trial court granted respondent's motion for summary judgment and dismissed the complaint on the merits; the Appellate Division affirmed without opinion, and the New York Court of Appeals affirmed per curiam. The United States Supreme Court granted certiorari.
STANDARD OF REVIEW	The Court independently determined questions of foreign law on which the asserted federal right depended and reviewed whether state law and policy conflicted with federal foreign-relations policy.
PRECEDENTIAL VALUE	binding
PARTIES	United States v. Louis H. Pink, Superintendent of Insurance of the State of New York, Foreign creditors and other claimants of First Russian Insurance Co.

TOPICS

foreign affairs federalism supremacy clause insurance commercial litigation

PRACTICE AREAS

constitutional law foreign affairs insurance commercial litigation federalism

QUESTIONS PRESENTED

1. Whether the Russian nationalization decrees were intended under Russian law to reach the New York assets of First Russian Insurance Co.
2. Whether the Supreme Court could independently determine foreign-law questions on which the United States' federal claim under the Litvinov Assignment depended.
3. Whether New York law and public policy could prevent enforcement of the Litvinov Assignment and the federal foreign-relations policy embodied in the recognition of the Soviet Government.
4. Whether the United States was entitled to the surplus funds as against the Russian corporation and foreign creditors whose claims did not arise from transactions with the New York branch.

HOLDINGS

1. The Russian nationalization decree, as authoritatively interpreted by the Russian Commissariat for Justice, was intended to embrace the New York assets of First Russian Insurance Co.
2. When a federal right depends on the interpretation of foreign law, the question is not exclusively for the state court; the Supreme Court may review or independently determine it.
3. New York law and policies must yield when they conflict with the federal foreign-relations policy embodied in recognition of the Soviet Government and the Litvinov Assignment.
4. Title to the funds vested in the Soviet Government as successor to First Russian Insurance Co., passed to the United States under the Litvinov Assignment, and entitled the United States to the property as against the Russian corporation and the foreign creditors involved in the case.

KEY QUOTATIONS

"The external powers of the United States are to be exercised without regard to state laws or policies." (223-224)

"state law must yield when it is inconsistent with, or impairs the policy or provisions of, a treaty or of an international compact or agreement." (231)

"No State can rewrite our foreign policy to conform to its own domestic policies." (233-234)

"Power over external affairs is not shared by the States; it is vested in the national government exclusively." (234)

"We hold that the right to the funds or property in question became vested in the Soviet Government as the successor to the First Russian Insurance Co.; that this right has passed to the United States under the

Litvinov Assignment; and that the United States is entitled to the property as against the corporation and the foreign creditors.” (234)

FACTUAL BACKGROUND

First Russian Insurance Co., organized under Russian law, operated a New York branch and deposited assets with New York's Superintendent of Insurance to secure local policyholder and creditor claims. Russian decrees issued in 1918 and 1919 nationalized Russian insurance companies and their property wherever situated. After all domestic creditors were paid, more than \$1 million remained; New York courts ordered distribution to foreign creditors and the company's directors. Following United States recognition of the Soviet Union in 1933, the Soviet Government assigned claims against American nationals to the United States through the Litvinov Assignment, and the United States sought the remaining New York assets.

PROCEDURAL HISTORY

After the New York courts relied on *Moscow Fire Insurance Co. v. Bank of New York & Trust Co.* to reject the United States' claim, the Supreme Court reviewed the federal questions underlying the assignment and the effect of Russian nationalization decrees on New York assets. The Court reversed the New York judgment and remanded for proceedings consistent with its opinion.

DISPOSITION

reversed_and_remanded

REMAND INSTRUCTIONS

Remanded to the Supreme Court of New York for proceedings not inconsistent with the opinion.

CASES CITED

- *United States v. Bank of New York & Trust Co.*, 296 U.S. 463 (1936)
- *United States v. Belmont*, 301 U.S. 324 (1937)
- *Guaranty Trust Co. v. United States*, 304 U.S. 126 (1938)
- *Stone v. Farmers' Bank of Kentucky*, 174 U.S. 409 (1899)
- *Durant v. Essex County*, 7 Wall. 107 (1869)
- *Hertz v. Woodman*, 218 U.S. 205 (1910)
- *United States v. Ansonia Brass & Copper Co.*, 218 U.S. 452 (1910)
- *Ancient Egyptian Order v. Michaux*, 279 U.S. 737 (1929)
- *Broad River Power Co. v. South Carolina*, 281 U.S. 537 (1930)
- *Pierre v. Louisiana*, 306 U.S. 354 (1939)
- *Huntington v. Attrill*, 146 U.S. 657 (1892)
- *Adam v. Saenger*, 303 U.S. 59 (1938)
- *Oetjen v. Central Leather Co.*, 246 U.S. 297 (1918)

- Underhill v. Hernandez, 168 U.S. 250 (1897)
- Tucker v. Alexandroff, 183 U.S. 424 (1902)
- Jordan v. Tashiro, 278 U.S. 123 (1928)
- Hines v. Davidowitz, 312 U.S. 52 (1941)
- Chy Lung v. Freeman, 92 U.S. 275 (1876)
- Santovincenzo v. Egan, 284 U.S. 30 (1931)
- United States v. Curtiss-Wright Corp., 299 U.S. 304 (1936)
- Monaco v. Mississippi, 292 U.S. 313 (1934)
- The Federalist No. 64
- Kennett v. Chambers, 14 How. 38 (1852)
- Canada Southern Railway Co. v. Gebhard, 109 U.S. 527 (1883)
- Clark v. Williard, 294 U.S. 211 (1935)
- Matter of People, 242 N.Y. 148, 151 N.E. 159 (1926)
- Russian Volunteer Fleet v. United States, 282 U.S. 481 (1931)
- Disconto Gesellschaft v. Umbreit, 208 U.S. 570 (1908)
- Griffin v. McCoach, 313 U.S. 498 (1941)
- Guaranty Trust Co. v. United States, 304 U.S. 126 (1938)