vation of the reasonable exercise of the protective power of the States is read into all contracts . . . ." [2095]

Evaluation of the Clause Today.—It should not be inferred that the Contract Clause is today totally moribund. Even prior to the most recent decisions, it still furnished the basis for some degree of judicial review as to the substantiality of the factual justification of a professed exercise by a state legislature of its police power, and in the case of legislation affecting the remedial rights of creditors, it still affords a solid and palpable barrier against legislative erosion. Nor is this surprising in view of the fact that, as we have seen, such rights were foremost in the minds of the framers of the clause. The Court's attitude toward insolvency laws, redemption laws, exemption laws, appraisement laws and the like, has always been that they may not be given retroactive operation,[2096] and the general lesson of these earlier cases is confirmed by the Court's decisions between 1934 and 1945 in certain cases involving state moratorium statutes. In *Home Building & Loan Ass'n v. Blaisdell*,[2097] the leading case, a closely divided Court sustained the Minnesota Moratorium Act of April 18, 1933, which, reciting the existence of a severe financial and economic depression for several years and the frequent occurrence of mortgage foreclosure sales for inadequate prices, and asserting that these conditions had created an economic emergency calling for the exercise of the State's police power, authorized its courts to extend the period for redemption from foreclosure sales for such additional time as they might deem just and equitable, although in no event beyond May 1, 1935.

The act also left the mortgagor in possession during the period of extension, subject to the requirement that he pay a reasonable rental for the property as fixed by the court. Contemporaneously, however, less carefully drawn statutes from Missouri and Arkansas, acts that were not as considerate of creditor's rights, were set aside as violating the Contract Clause.[2098] "A State is free to regulate the procedure in its courts even with reference to contracts al-

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[2095] 290 U.S. at 442, 444. *See also* Veix v. Sixth Ward Ass'n, 310 U.S. 32 (1940), in which was sustained a New Jersey statute amending in view of the Depression the law governing building and loan associations. The authority of the state to safeguard the vital interests of the people, said Justice Reed, "extends to economic needs as well." Id. at 39. In Lincoln Federal Labor Union v. Northwestern Iron & Metal Co., 335 U.S. 525, 531–32 (1949), the Court dismissed out-of-hand a suggestion that a state law outlawing union security agreements was an invalid impairment of existing contracts, citing *Blaisdell* and *Veix*.

[2096] *See* Edwards v. Kearzey, 96 U.S. 595 (1878); Barnitz v. Beverly, 163 U.S. 118 (1896).

[2097] 290 U.S. 398 (1934).

[2098] W. B. Worthen Co. v. Thomas, 292 U.S. 426 (1934); W. B. Worthen Co. v. Kavanaugh, 295 U.S. 56 (1935).