first national bankruptcy law was not enacted until 1800 and was repealed in 1803; the second was passed in 1841 and was repealed two years later; a third was enacted in 1867 and repealed in 1878.[1333] Thus, during the first eighty-nine years under the Constitution, a national bankruptcy law was in existence only sixteen years altogether. Consequently, the most important issue of interpretation that arose during that period concerned the effect of the clause on state law.

The Supreme Court ruled at an early date that, in the absence of congressional action, the states may enact insolvency laws, because it is not the mere existence of the power but rather its exercise that is incompatible with the exercise of the same power by the states.[1334] Later cases settled further that the enactment of a national bankruptcy law does not invalidate state laws in conflict therewith but serves only to relegate them to a state of suspended animation with the result that upon repeal of the national statute they again come into operation without re-enactment.[1335]

A state, of course, has no power to enforce any law governing bankruptcies that impairs the obligation of contracts,[1336] extends to persons or property outside its jurisdiction,[1337] or conflicts with the national bankruptcy laws.[1338] Giving effect to the policy of the federal statute, the Court has held that a state statute regulating this distribution of property of an insolvent was suspended by that law,[1339] and that a state court was without power to proceed with pending foreclosure proceedings after a farmer-debtor had filed a petition in federal bankruptcy court for a composition or extension of time to pay his debts.[1340] A state court injunction ordering a defendant to clean up a waste-disposal site was held to be a "liability on a claim" subject to discharge under the bankruptcy law, after the state had appointed a receiver to take charge of the defen-

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[1333] Hanover National Bank v. Moyses, 186 U.S. 181, 184 (1902).

[1334] Sturges v. Crowninshield, 17 U.S. (4 Wheat.) 122, 199 (1819); Ogden v. Saunders, 25 U.S. (12 Wheat.) 213, 368 (1827).

[1335] Tua v. Carriere, 117 U.S. 201 (1886); Butler v. Goreley, 146 U.S. 303, 314 (1892).

[1336] Sturges v. Crowninshield, 17 U.S. (4 Wheat.) 122 (1819).

[1337] Ogden v. Saunders, 25 U.S. (12 Wheat.) 213, 368 (1827); Denny v. Bennett, 128 U.S. 489, 498 (1888); Brown v. Smart, 145 U.S. 454 (1892).

[1338] *In re* Watts and Sachs, 190 U.S. 1, 27 (1903); International Shoe Co. v. Pinkus, 278 U.S. 261, 264 (1929).

[1339] International Shoe Co. v. Pinkus, 278 U.S. 261, 265 (1929).

[1340] Kalb v. Feurerstein, 308 U.S. 433 (1940).