SUPREME COURT OF THE UNITED STATES

No. 91–594

AMERICAN NATIONAL RED CROSS, PETITIONER *v.* S. G. AND A. E.

ON WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FIRST CIRCUIT

[June 19, 1992]

JUSTICE SOUTER delivered the opinion of the Court.

The charter of the American National Red Cross authorizes the organization "to sue and be sued in courts of law and equity, State or Federal, within the jurisdiction of the United States." 33 Stat. 600, as amended, 36 U. S. C. §2. In this case we consider whether that "sue and be sued" provision confers original jurisdiction on federal courts over all cases to which the Red Cross is a party, with the consequence that the organization is thereby authorized to removal from state to federal court of any state-law action it is defending. We hold that the clause does confer such jurisdiction.

In 1988 respondents filed a state-law tort action in a court of the State of New Hampshire, alleging that one of respondents had contracted AIDS from a transfusion of contaminated blood during surgery, and naming as defendants the surgeon and the manufacturer of a piece of medical equipment used during the procedure. After discovering that the Red Cross had supplied the tainted blood, respondents sued it, too, again in state court, and moved to consolidate the two actions. Before the state court decided that motion, the Red Cross invoked the federal removal statute, 28 U. S. C. §1441, to remove the latter suit to the United States District Court for the District of New Hampshire. The Red Cross

claimed federal jurisdiction based both on the diversity of the parties and on the "sue and be sued" provision of its charter, which it argued conferred original federal jurisdiction over suits involving the organization. The District Court rejected respondents' motion to remand the case to state court, holding that the charter provision conferred original federal jurisdiction, see District Court order of May 24, 1990, reprinted at App. to Pet. for Cert. 18a–25a.

On interlocutory appeal, the United States Court of Appeals for the First Circuit reversed. 938 F. 2d 1494 (1991). The Court of Appeals compared the Red Cross charter's "sue and be sued" provision with analogous provisions in federal corporate charters previously examined by this Court, and concluded that the relevant language in the Red Cross charter was similar to its cognates in the charter of the First Bank of the United States, construed in *Bank of the United States* v. *Deveaux*, 5 Cranch 61 (1809), and in that of the federally chartered railroad construed in *Bankers Trust Co.* v. *Texas and Pacific R. Co.*, 241 U. S. 295 (1916), in neither of which cases did we find a grant of federal jurisdiction. The Court of Appeals distinguished *Osborn* v. *Bank of the United States*, 9 Wheat. 738 (1824), where we reached the opposite result under the charter of the second Bank of the United States, the Court of Appeals finding it significant that the second Bank's authorization to sue and be sued spoke of a particular federal court and of state courts already possessed of jurisdiction. The Court of Appeals also discounted the Red Cross's reliance on our opinion in *D'Oench, Duhme & Co.* v. *Federal Deposit Ins. Corp.*, 315 U. S. 447 (1942), concluding that in that case we had "not[ed] only incidentally" that federal jurisdiction was based on the "sue and be sued" clause in the FDIC's charter. See 938 F. 2d, at 1497–1499. The Court of Appeals found support for its conclusion in the location of the Red Cross charter's "sue and be sued" provision in the section "denominat[ing] standard corporate powers," *id.*, at 1499, as well as in legislative history of the amendment to the Red Cross charter adding the current "sue and be sued" language, and in the different form of analogous language in other federal corporate charters enacted contemporaneously with that amendment. See *id.*, at 1499–1500.

We granted certiorari, 502 U. S. ___ (1991), to

answer this difficult and recurring question.[1]

Since its founding in 1881 as part of an international effort to ameliorate soldiers' wartime suffering, the American Red Cross has expanded its activities to include, among others, the civilian blood-supply services here at issue. The organization was reincorporated in 1893, and in 1900 received its first federal charter, which was revised in 1905. See American National Red Cross, Report of the Advisory Committee on Organization 4 (1946) (hereinafter Advisory Report), reprinted at App. to Brief for Appellants in No. 90–1873 (CA1), pp. 94, 101.

The 1905 charter empowered the Red Cross "to sue and be sued in courts of law and equity within the jurisdiction of the United States." Act of Jan. 5, 1905, ch. 23, §2, 33 Stat. 600. At that time the provision would not have had the jurisdictional significance of its modern counterpart, since the law of the day held the involvement of a federally chartered corporation sufficient to render any case one "arising under" federal law for purposes of general statutory federal question jurisdiction. See *Pacific R. Removal Cases,* 115 U. S. 1, 14 (1885). In 1925, however, Congress restricted the reach of this jurisdictional theory to federally chartered corporations in which the United States owned more than one-half of the capital stock.

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[1]Although more than 40 district court cases have considered this issue, no result clearly predominates. Compare Pet. for Cert. 10, n. 4 (listing cases finding jurisdictional grant in Red Cross charter's "sue and be sued" provision) with *id.,* at 11, n. 5 (listing cases reaching opposite conclusion). Reflecting this confusion, the only other Court of Appeals to consider this issue decided differently from the First Circuit, see *Kaiser* v. *Memorial Blood Center of Minneapolis, Inc.,* 938 F. 2d 90 (CA8 1991).

Act of Feb. 13, 1925, ch. 229, §12, 43 Stat. 941; codified as amended at 28 U. S. C. §1349.[2] Since the effect of the 1925 law on non-stock corporations like the Red Cross is unclear, see, *e.g., C.H.* v. *American Red Cross,* 684 F. Supp. 1018, 1020–1022 (ED Mo. 1987) (noting split in authority over whether §1349 applies to nonstock corporations),[3] its enactment invested the charter's "sue and be sued" clause with a potential jurisdiction significance previously unknown to it. Its text, nevertheless, was left undisturbed for more than twenty years further, until its current form, authorizing the Red Cross "to sue and be sued in courts of law and equity, State or Federal, within the jurisdiction of the United States," took shape with the addition of the term "State or Federal" to the 1905 language, as part of an overall revision of the organization's charter and by-laws, see Act of May 8, 1947, Pub. L. 80–47, §3, 61 Stat. 80, 81. It is this language upon which the Red Cross relies, and which the Court of Appeals held to have conferred no federal jurisdiction.

As indicated earlier, we do not face a clean slate. Beginning with Chief Justice Marshall's opinion in

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[2]Congress had previously overruled much of *Pacific R. Removal Cases,* 115 U. S. 1 (1885), by withdrawing federal jurisdiction over cases involving federally chartered railroads based solely on the railroad's federal incorporation, see Act of Jan. 28, 1915, ch. 22, §5, 38 Stat. 803, 804, a limitation irrelevant for our purposes.

[3]We do not address this question, as we hold that the "sue and be sued" provision of the Red Cross's charter suffices to confer federal jurisdiction independently of the organization's federal incorporation.

1809, we have had several occasions to consider whether the "sue and be sued" provision of a particular federal corporate charter conferred original federal jurisdiction over cases to which that corporation was a party, and our readings of those provisions not only represented our best efforts at divining congressional intent retrospectively, but have also placed Congress on prospective notice of the language necessary and sufficient to confer jurisdiction, see, *e.g., United States* v. *Merriam,* 263 U. S. 179, 186 (1923) (Congress presumed to intend judicially settled meaning of terms); *Cannon* v. *University of Chicago,* 441 U. S. 677, 696–698 (1979) (presuming congressional knowledge of interpretation of similarly worded earlier statute). Those cases therefore require visitation with care.

In *Deveaux,* we considered whether original federal jurisdiction over suits by or against the first Bank of the United States was conferred by its charter. The language in point authorized the Bank ```to sue and be sued, plead and be impleaded, answer and be answered, defend and be defended, in courts of record, or any other place whatsoever,''' 5 Cranch, at 85. In the opinion written by Chief Justice Marshall, the Court held this language to confer no federal jurisdiction, reading it as a mere grant to the Bank of the normal corporate capacity to sue, *id.*, at 85–86. The Court contrasted the charter's "sue and be sued" provision with one authorizing the institution of certain suits against the bank's officers "in any court of record of the United States, or of *[sic]* either of them," a provision the Court described as "expressly authoriz[ing] the bringing of that action in the federal or state courts," *id,* at 86. The Chief Justice concluded that this latter provision "evince[d] the opinion of congress, that the right to sue does not imply a right to sue in the courts of the union, unless it be expressed," *ibid*.

The same issue came to us again 15 years later in

Osborn. By this time Congress had established the second Bank of the United States, by a charter that authorized it "to sue and be sued, plead and be impleaded, answer and be answered, defend and be defended, in all state courts having competent jurisdiction, and in any circuit court of the United States." Act of Apr. 10, 1816, ch. 44, § 7, 3 Stat. 266, 269. In its interpretation of this language, the Court, again speaking through Chief Justice Marshall, relied heavily on its *Deveaux* analysis, and especially on the contrast developed there between the first Bank charter's "sue and be sued" provision and its provision authorizing suits against bank officers, see *Osborn,* 9 Wheat., at 818. Holding that the language of the second Bank's charter "could not be plainer by explanation," *ibid,* in conferring federal jurisdiction, the *Osborn* Court distinguished *Deveaux* as holding that "a general capacity in the Bank to sue, without mentioning the Courts of the Union, may not give a right to sue in those Courts," *ibid*.

With the basic rule thus established, our next occasion to consider the issue did not arise until *Bankers Trust,* nearly a century later. The federal charter considered in that case authorized a railroad corporation "to sue and be sued, plead and be impleaded, defend and be defended, in all courts of law and equity within the United States." Act of Mar. 3, 1871, ch. 122, § 1, 16 Stat. 573, 574. Testing this language against that construed in *Deveaux* and *Osborn,* we concluded that it "d[id] not literally follow" its analogues considered in either of the earlier cases, 241 U. S., at 304, but held, nevertheless, that it had "the same generality and natural import" as the clause contained in the first Bank charter. Thus, we followed *Deveaux* and found in the failure to authorize federal court litigation expressly no grant of federal jurisdiction, *id.*, at 304–305.

Last came *D'Oench, Duhme,* where we held that the

FDIC's charter granted original federal jurisdiction. That jurisdiction was not, we explained, "based on diversity of citizenship. Respondent, a federal corporation, brings this suit under an Act of Congress authorizing it to sue or be sued `in any court of law or equity, State or Federal.'" 315 U. S., at 455–456 (citation and footnote omitted). It is perfectly true, as respondents stressed in argument, that in an accompanying footnote we quoted without comment another part of the same statute, providing that ```[a]ll suits of a civil nature at common law or in equity to which the Corporation shall be a party shall be deemed to arise under the laws of the United States: *Provided,* That any such suit to which the Corporation is a party in its capacity as receiver of a State bank and which involves only the rights or obligations of depositors, creditors, stockholders and such State bank under State law shall not be deemed to arise under the laws of the United States,''' *id.,* at 455–456, n. 2.[4] The footnote did not, however, raise any doubt that the Court held federal jurisdiction to rest on the terms of the "sue and be sued" clause. Quite the contrary, the footnote's treatment naturally expressed the subordinate importance of the provision it quoted. While as a state banks's receiver the FDIC might lose the benefit of the deemer clause as a grant of federal jurisdiction, the "sue and be sued" clause would settle the jurisdictional question

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[4]The "sue and be sued" language was originally enacted in the statute creating the FDIC, see Banking Act of 1933, ch. 89, §8, 48 Stat. 162, 172, and was reenacted in the 1935 amendments to that statute, see Banking Act of 1935, ch. 614, §101, 49 Stat. 684, 692. The 1935 amendments also enacted for the first time the deemer provision we quoted in footnote 2 of our opinion in *D'Oench, Duhme & Co.* v. *FDIC,* 315 U. S. 447, 455 (1942), see 49 Stat. 684, 692.

conclusively, in any case.[5]

These cases support the rule that a congressional charter's "sue and be sued" provision may be read to confer federal court jurisdiction if, but only if, it specifically mentions the federal courts. In *Deveaux,* the Court found a "conclusive argument" against finding a jurisdictional grant in the "sue and be sued" clause in the fact that another provision of the same document authorized suits by and against bank officers "in any court of record of the United States, or of either of them . . . ." See 5 Cranch, at 86. In contrasting these two provisions the *Deveaux* Court plainly intended to indicate the degree of specificity required for a jurisdictional grant.[6] That is certainly

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[5]Respondents argue that the parties in *D'Oench, Duhme* did not litigate the jurisdictional issue, see Brief for Respondents 18–22. But the parties' failure to challenge jurisdiction is irrelevant to the force of our holding on that issue, see, *e.g., FW/PBS, Inc.* v. *Dallas,* 493 U. S. 215, 231 (1990) (federal courts have independent obligation to examine their own jurisdiction); see also *Ex parte Bollman,* 4 Cranch 75, 100 (1807) (Marshall, C. J.) (giving controlling weight to previous jurisdictional holding by Court even though parties to previous case had not raised jurisdictional issue).

[6]The dissent reads *Deveaux* as distinguishing between these two provisions not on this basis, but rather on the ground that the provision authorizing suits against bank officers allowed the bringing of a particular cause of action, see *post*, at 6. That reading might be possible if Chief Justice Marshall had not nipped it in the bud. He did not explain the difference between the jurisdictional significance of the two clauses in question by saying that jurisdiction may be granted only in provisions referring to courts in which causes of action could be brought. He

how the *Osborn* Court understood *Deveaux,* as it described the latter provision as an "express grant of jurisdiction," 9 Wheat., at 818, in contrast to the first Bank charter's "sue and be sued" provision, which, "without mentioning the courts of the Union," *ibid,* was held merely to give the Bank "a general capacity . . . to sue [but not] a right to sue in those courts," *ibid.*[7] The *Osborn* Court thus found a jurisdictional grant sufficiently stated in the second Bank charter's "sue and be sued" provision, with its express federal reference, remarking that "[t]o infer from [*Deveaux*] that words expressly conferring a right to sue in those courts do not give the right, is surely a conclusion which the premises do not warrant," *ibid.*[8]

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explained it simply by inferring, from the drafting contrasts, "the opinion of congress that the right to sue does not imply the right to sue in the courts of the union *unless it be expressed*," *Deveaux*, *supra*, 5 Cranch, at 86 (emphasis added).

[7]The dissent accuses us of repeating what it announces as Chief Justice Marshall's misunderstanding, in *Osborn*, of his own previous opinion in *Deveaux*, see *post*, at 7. We are honored.

[8]Contrary to respondents' argument, our cases do not support a requirement that federal jurisdiction under a "sue and be sued" clause requires mention of the specific federal court on which it is conferred. *D'Oench, Duhme*, of course, bars any such reading. Nor would *Osborn* v. *Bank of United States,* 9 Wheat. 738 (1824), require such a specification even if *D'Oench, Duhme* were not on the books. When the second Bank was chartered, two sets of federal courts, the Circuit Courts and the District Courts, shared overlapping original federal jurisdiction. See, *e.g.*, E. Surrency, History of the Federal Courts 61 (1987). If (as apparently was the case) the framers of the second Bank's charter wished to provide that all

Applying the rule thus established, in *Bankers Trust* we described the railroad charter's "sue and be sued" provision, with its want of any reference to federal courts, and, holding it up against its analogues in *Deveaux* and *Osborn*, we found it closer to the former.[9] Finally, in *D'Oench, Duhme* we based our finding of jurisdiction on the "sue and be sued" provision of the FDIC charter, which mentioned the

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suits in federal court involving the Bank be brought in one set of courts, it would have been necessary for any jurisdictional grant to specify which set of federal trial courts was being invested with jurisdiction. This need no longer exists, and the means chosen by the drafters of the early charters to resolve that problem should not be thought significant in resolving the very different issue before us today. Moreover, the larger part of the Court's analysis in *Osborn* speaks only of the charter's mention of federal courts, not its specification of the Circuit Courts in particular. See 9 Wheat., at 817–818. The charter's specification of those courts would have made it natural for the *Osborn* Court to indicate its reliance on that narrower ground, had it believed such specificity to be required. The fact that it did not so indicate is strong evidence that the Court thought it unnecessary.

[9]The dissent is playful in manufacturing a conflict between our synthesis of the cases and the opinion in *Bankers Trust*, see *post*, at 8. The dissent first quotes the Court's construction in the *Bankers Trust* opinion, that the clause at issue there implied no jurisdictional grant, but simply rendered the corporation "`capable of suing and being sued by its corporate name in any court of law or equity — Federal, state or territorial — whose jurisdiction as otherwise competently defined was adequate to the occasion,'" *post*, at 8–9 (emphasis omitted) (quoting 241 U. S., at 303). The dissent then concludes that "[t]hat paraphrasing of the railroad charter, in terms that would spell

federal courts in general, but not a particular federal court.

The rule established in these cases makes it clear that the Red Cross charter's "sue and be sued" provision should be read to confer jurisdiction. In expressly authorizing the organization to sue and be sued in federal courts, using language resulting in a "sue and be sued" provision in all relevant respects identical to one on which we based a holding of federal jurisdiction just five years before, the provision extends beyond a mere grant of general corporate
capacity to sue, and suffices to confer federal jurisdiction.

Respondents offer several arguments against this conclusion, none of which we find availing.

First, we can make short work of respondents' argument that the charter's conferral of federal jurisdiction is nevertheless subject to the

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jurisdiction under the key the Court adopts today, belies any notion that *Bankers Trust* was using the same code-book," *id.*, at 9. The dissent thus attempts to set up a conflict between our analysis and the result in *Bankers Trust*, by suggesting that that Court's interpretation of the provision (*i.e.*, to confer capacity to sue in courts including federal ones) should itself be subject to a second-order interpretation, which under our analysis might require a holding of jurisdiction, the conclusion rejected by the *Bankers Trust* Court. This "interpretation of an interpretation" methodology is simply illegitimate, originating not in our opinion but in the dissent's whimsy. Like our predecessors, we are construing a charter, not a paraphrase.

requirements of the "well-pleaded complaint" rule (that the federal question must appear on the face of a well-pleaded complaint) limiting the removal of cases from state to federal court. See Brief for Respondents 38–46. Respondents erroneously invoke that rule outside the realm of statutory "arising under" jurisdiction, *i.e.,* jurisdiction based on 28 U. S. C. §1331, to jurisdiction based on a separate and independent jurisdictional grant, in this case, the Red Cross charter's "sue and be sued" provision. The "well-pleaded complaint" rule applies only to statutory "arising under" cases, see *Verlinden B.V.* v. *Central Bank of Nigeria,* 461 U. S. 480, 494 (1983); see also 13B Wright, Miller & Cooper, Federal Practice and Procedure §3566, pp. 82–83 (2d ed. 1984); Chemerinsky & Kramer, Defining the Role of the Federal Courts, 1990 B. Y. U. L. Rev. 67, 75, n. 17; it has no applicability here.

Respondents also claim that language used in congressional charters enacted closely in time to the 1947 amendment casts doubt on congressional intent thereby to confer federal jurisdiction over cases involving the Red Cross. Respondents argue that the 1948 amendment to the charter of the Commodity Credit Corporation (CCC), the 1947 amendment to the charter of the Federal Crop Insurance Corporation (FCIC), and the 1935 amendment to the FDIC's charter, each of which includes explicit grants of federal jurisdiction, together demonstrate "a practice of using clear and explicit language to confer federal jurisdiction over corporations [Congress] had created." Brief for Respondents 27.

The argument does not hold up. The CCC amendment is irrelevant to this enquiry, as it conferred exclusive, rather than concurrent, federal jurisdiction, see Act of June 29, 1948, ch. 704, §4, 62 Stat. 1070. There is every reason to expect Congress to take great care in its use of explicit language when

it wishes to confer exclusive jurisdiction, given our longstanding requirement to that effect.[10] Its employment of explicitly jurisdictional language in the CCC's case thus raises no suggestion that its more laconic Red Cross amendment was not meant to confer concurrent federal jurisdiction.

Nor do the other two enactments support respondents' argument. The statutes were passed twelve years apart and employed verbally and doctrinally distinct formulations. Compare Banking Act of 1935, ch. 614, §101, 49 Stat. 684, 692 (providing that suits involving FDIC "shall be deemed to arise under the laws of the United States") with Act of Aug. 1, 1947, ch. 440, §7, 61 Stat. 719 (providing that FCIC "may sue and be sued in its corporate name in any court of record of a State having general jurisdiction, or in any United States district court, and [that] jurisdiction is hereby conferred upon such district court to determine such controversies without regard to the amount in controversy").[11] These

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[10]See *Claflin* v. *Houseman,* 93 U. S. 130, 136 (1876) ("[O]ur judgment [has] been . . . to affirm [concurrent state court] jurisdiction, where it is not excluded by express provision, or by incompatibility in its exercise arising from the nature of the particular case"); see also *Charles Dowd Box Co.* v. *Courtney,* 368 U. S. 502, 508 (1962) (*Claflin*'s analysis of this question "has remained unmodified through the years").

[11]Respondents do not repeat the Court of Appeals's argument that the original language of the FCIC charter tracked in all relevant respects that in the Red Cross's post-1947 charter, and that Congress's later amendment of the FCIC charter to make jurisdiction more explicit thus implicitly suggests that Congress considered that language insufficient to confer jurisdiction. See 938 F. 2d 1494, 1500 (CA1 1991). We note here only that the Red Cross adequately rebuts that argument, see Brief for Petitioner 42–43.

differences are not merely semantic: the jurisdictional effect of the FDIC's provision depends on the 28 U. S. C. §1331 grant of general federal question jurisdiction, while the FCIC's provision functions independently of §1331. These differences of both form and substance belie respondents' claim of a coherent drafting pattern against which to judge the ostensible intent behind the Red Cross amendment.

If, indeed, respondents' argument could claim any plausibility, it would have to be at the cost of ignoring the 1942 *D'Oench, Duhme* opinion citing the FDIC charter's "sue and be sued" provision as the source of federal jurisdiction in that case, see 315 U. S., at 455. If the "sue and be sued" clause is sufficient for federal jurisdiction when it occurs in the same charter with the language respondents claim to be at odds with its jurisdictional significance, it is certainly sufficient standing alone. In any event, the fact that our opinion in *D'Oench, Duhme* was handed down before the 1947 amendment to the Red Cross charter indicates that Congress may well have relied on that holding to infer that amendment of the Red Cross charter's "sue and be sued" provision to make it identical to the FDIC's would suffice to confer federal jurisdiction, see, *e.g., Cannon, supra*, 441 U. S., 696–697. Congress was, in any event, entitled to draw the inference.

Respondents would have us look behind the statute to find quite a different purpose when they argue that the 1947 amendment may have been meant not to confer jurisdiction, but to clarify the Red Cross's capacity to sue in federal courts where an independent jurisdictional basis exists. See Brief for Respondents 23–27. The suggestion is that Congress may have thought such a clarification necessary after passage of the 1925 statute generally bringing an end to federal incorporation as a jurisdictional basis.

See 28 U. S. C. §1349.[12] But this suggestion misconstrues §1349 as somehow affecting a federally chartered corporation's capacity to sue, when by its own terms it speaks only to jurisdiction. If, then, respondents are correct that the enactment of §1349 motivated the 1947 amendment, that motivation cuts against them, given that §1349 affected only jurisdiction.

The legislative history of the 1947 amendment cuts against them, as well, to the extent it points in any direction.[13] Congress's revision of the charter was prompted by, and followed, the recommendations of a private advisory committee of the Red Cross. See H. R. Rep. No. 337, 80th Cong., 1st Sess., 6 (1947) ("[The 1947 amendment] was drafted as the result of recommendations made by [the Advisory committee] . . . . [They] incorporat[e] the recommendations

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[12]See Act of Feb. 13, 1925, ch. 229, §12, 43 Stat. 941 (currently codified at 28 U. S. C. §1349). The exception, for federally-chartered corporations over one-half owned by the United States, is irrelevant to our enquiry, see n. 3, *supra*.

[13]The only debate on the 1947 amendment to the charter's "sue and be sued" provision occurred at a Senate committee hearing, see Hearings on S. 591 before the Senate Committee on Foreign Relations, 80th Cong., 1st Sess. 10, (1947). The only two relevant comments, both made by Senator George, appear to be mutually contradictory on the matter at issue here. At one point Senator George said: "I think the purpose of the bill is very clear, and that is to give the jurisdiction in State courts and Federal courts, and I think we had better leave it there," *ibid*. Later, however, he stated: "I think there might be some question about the right of a Federal corporation to be sued in a State court. I thought that was, and I still think it is, the purpose of this provision," *id.*, at 11.

of th[at] advisory committee . . . ."); S. Rep. No. 38, 80th Cong., 1st Sess., 1 (1947) ("The present legislation incorporates, in the main, the recommendations of the [A]dvisory committee"). The Advisory Report had recommended that "[t]he charter should make it clear that the Red Cross can sue and be sued in the Federal Courts," reasoning that "[t]he Red Cross has in several instances sued in the Federal Courts, and its powers in this respect have not been questioned. However, in view of the limited nature of the jurisdiction of the Federal Courts, it seems desirable that this right be clearly stated in the Charter." Advisory Report 35–36, reprinted at App. to Brief for Appellants in No. 90–1873 (CA1), pp. 132–133.

The Advisory Report's explicit concern with the limited jurisdiction of the federal courts indicates that the recommended change, which prompted the amendment to the "sue and be sued" provision, spoke to jurisdiction rather than capacity to sue. Against this, respondents argue only that the Advisory Report's use of the words "can" and "power" indicate concern with the latter, not the former. See Brief for Respondents 25. This is fine parsing, too fine to overcome the overall jurisdictional thrust of the Report's recommendation.

In a final look toward the text, respondents speculate that the 1947 amendment can be explained as an attempt to clarify the Red Cross's capacity to enter the federal courts under their diversity jurisdiction. See Brief for Respondents 25–26, 29. The argument turns on the theory that federally chartered corporations are not citizens of any particular State, and thus may not avail themselves of diversity jurisdiction, see *id.,* at 26 (quoting *Walton* v. *Howard University,* 683 F. Supp. 826, 829 (DC 1987)). Respondents completely fail, however, to explain how the addition of the words "State or Federal" to the "sue and be sued" provision might address this claimed jurisdictional problem.

Indeed, the 1947 amendment, by specifying the particular courts open to the Red Cross, as opposed to the Red Cross's status as a party, seems particularly ill-suited to rectifying an asserted party-based jurisdictional deficiency.[14]

Perhaps most obviously, respondents' argument violates the ordinary sense of the language used, as

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[14]At oral argument respondents carried the suggestion a further step by speculating that the 1947 amendment could be explained as an attempt to ensure the Red Cross's access to federal courts when diversity jurisdiction existed, due to concern, presumably present until our 1949 decision in *National Mutual Ins. Co.* v. *Tidewater Transfer Co.*, 337 U. S. 582 (1949), about the constitutionality of the 1940 statute giving District of Columbia-chartered corporations the same rights to sue in diversity as state-chartered corporations. See Tr. of Oral Arg. 30–31. But the speculation, if sound, would prove too much. For on this theory Congress would have been hedging against a constitutional problem of diversity jurisdiction by resorting to a special grant of jurisdiction to cover the Red Cross, which is exactly what the Red Cross maintains was intended by following *D'Oench, Duhme* and *Osborn*.

Respondents complain that the Red Cross's theory is of recent vintage, citing a 1951 case in which the Red Cross removed a suit against it from state to federal court based not on any independent jurisdictional grant implicit in the "sue and be sued" provision, but rather on party diversity. See Brief for Respondents 29 (citing *Patterson* v. *American National Red Cross*, 101 F. Supp. 655 (SD Fla. 1951)). However, the Red Cross's failure in one forty year-old case to base its removal petition on the theory it advances today adds nothing to respondents' attack on the Red Cross's current interpretation.

well as some basic canons of statutory construction. The 1905 charter, authorizing the Red Cross "to sue and be sued in courts of law and equity within the jurisdiction of the United States," simply cannot be read as failing to empower the Red Cross to sue in federal courts having jurisdiction. That fact, when combined with the Advisory Report's justification of the 1947 amendment by reference to federal courts' limited jurisdiction, see *supra*, leaves it extremely doubtful that capacity to sue *simpliciter* motivated that amendment. Indeed, the Red Cross's clear preamendment capacity to sue in federal courts calls into play the canon of statutory construction requiring a change in language to be read, if possible, to have some effect, see, *e.g., Brewster* v. *Gage,* 280 U. S. 327, 337 (1930); 2A N. Singer, Sutherland Statutory Construction § 46.06 (5th ed. 1992), a rule which here tugs hard toward a jurisdictional reading of the 1947 amendment.[15]

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[15]The dissent adopts and refines respondents' argument, see Brief for Respondents 16, that the 1947 amendment's parallel treatment of federal and state courts counsels against reading that amendment as conferring jurisdiction, see *post*, at 4. The short answer is that *D'Oench, Duhme* forecloses the argument, since the charter language we held to confer federal jurisdiction in that case made exactly the same parallel mention of federal and state courts. But going beyond that, the reference to state as well as federal courts presumably was included lest a mention of federal courts alone (in order to grant jurisdiction to them) be taken as motivated by an intent to confer exclusive federal jurisdiction. Moreover, the Red Cross charter's "sue and be sued" provision, like its counterparts construed in *Osborn* and *D'Oench, Duhme*, confers both capacity to sue and jurisdiction. While capacity to sue in both federal and state courts was already clearly established

Our holding leaves the jurisdiction of the federal courts well within Article III's limits. As long ago as *Osborn*, this Court held that Article III's "arising under" jurisdiction is broad enough to authorize Congress to confer federal court jurisdiction over actions involving federally chartered corporations,

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before the 1947 amendment, it may have been feared that the addition of the word "Federal" to confer federal jurisdiction would be misread to limit the Red Cross's capacity to sue in state courts, if it were not reaffirmed by explicit inclusion of the word "State."

It is the dissent's conclusion that the 1947 amendment was meant to "eliminate[] the possibility that the language `courts of law and equity within the jurisdiction of the United States's that was contained in the original charter might be read to limit the grant of capacity to sue in federal court," *post*, at 11 (emphasis omitted); that is difficult to justify. Such a motivation is nowhere even hinted at in the Advisory Report, the document both houses of Congress acknowledged as the source for the amendment, see *supra*, at 14 (quoting congressional reports); indeed, the relevant part of the Advisory Report does not even mention state courts, see Advisory Report 35–36, reprinted at App. to Brief for Appellants in No. 90–1873, pp. 132–133. It is hardly a "reasonable construction," *post*, at 11, of the amendment to view it as granting something the Advisory Report never requested. While the dissent notes one of Senator George's comments supporting its hypothesis, it ignores the other, which explicitly notes a federal jurisdiction-conferring motivation behind the amendment, see *supra*, at 14 n.13.

Neither party reads the 1947 amendment to clarify the Red Cross's capacity to sue in state courts, and,

see 9 Wheat., at 823–828.[16] We have consistently reaffirmed the breadth of that holding. See *Pacific R. Removal Cases,* 115 U. S., at 11–14; *In re Dunn,* 212 U. S. 374, 383–384 (1909); *Bankers Trust,* 241 U. S., at 305–306; *Puerto Rico* v. *Russell & Co.,* 288 U. S. 476, 485 (1933); *Verlinden,* 461 U. S., at 492 (1983). We would be loathe to repudiate such a longstanding and settled rule, on which Congress has surely been entitled to rely, cf. *Pennsylvania* v. *Union Gas Co.,* 491 U. S. 1, 34–35 (1989) (SCALIA, J., concurring in part and dissenting in part), and this case gives us no reason to contemplate overruling it.

The judgment of the Court of Appeals is reversed, and the case is remanded for proceedings consistent with this opinion.

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as there is no evidence of such an intent, we do not embrace that reading here.

[16]Again, it should be pointed out that statutory jurisdiction in this case is not based on the Red Cross's federal incorporation, but rather upon a specific statutory grant. In contrast, the constitutional question asks whether Article III's provision for federal jurisdiction over cases "arising under federal law" is sufficiently broad to allow that grant.