

TRUSTEES OF DARTMOUTH COLLEGE v. WOODWARD

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Facts:

In 1769 King George III of England granted a charter to Dartmouth College. This document spelled out the purpose of the school, set up the structure to govern it (i.e. a board of trustees), and gave land to the college.

In 1816, over thirty years after the conclusion of the American Revolution, the legislature of New Hampshire attempted convert the school from a private college to a public university. They disbanded the board of trustees and gave the state governor the power to appoint new ones.

The old board of trustees sued to prevent the state from taking over.

Constitution:

The Constitution says "**No State shall** enter into any Treaty, Alliance, or Confederation; grant Letters of Marque and Reprisal; coin Money; emit Bills of Credit; make any Thing but gold and silver Coin a Tender in Payment of Debts; pass any Bill of Attainder, ex post facto Law, **or Law impairing the Obligation of Contracts**, or grant any Title of Nobility."

Arguments:

The original board of trustees argued that the original charter was a contract and that the national constitution prevented the state of New Hampshire from altering it. They argued that even though the United States was no longer a royal colony, the contract is still valid. The trustees said that the constitution limited the power of states and prevented them from interfering with charters, contracts and commercial enterprises.

The state of New Hampshire argued that since the original contract was with the government of the time, the school was already a public institution of sorts and so the state had the right to make whatever rules it saw fit. Additionally, they argued that because the contract was with a government that was no longer in power, it was no longer valid. The state argued that they had a right to alter charters and contracts when it was in the best interest of the state to do so.

MCCULLOUGH v. MARYLAND

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Facts:

On April 8, 1816, the Congress of the United States passed an act titled "An Act to Incorporate the Subscribers to the Bank of the United States" which created the Second Bank of the United States. The Bank first went into full operation in Philadelphia, Pennsylvania. In 1817, the Bank opened a branch in Baltimore, Maryland.

Maryland was opposed to the bank and in 1818 passed a law that was taxed any bank operating in Maryland that wasn't created by the state legislature of Maryland. The Second Bank of the United States was the only bank operating in Maryland that was created by the national government rather than the state government. The tax that Maryland imposed was so large that the Second Bank of the United States would not have the money to operate if they paid it.

Constitution:

The Constitution says "**The Congress shall have Power - To make all Laws which shall be necessary and proper...**" and "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, **anything in the constitution or laws of any state to the contrary notwithstanding.**"

Arguments:

The state of Maryland argued that they had the ability to pass taxes within their state and they were simply exercising that power. They argued that states had a right to regulate and tax businesses within their borders - even businesses created by the national government. Additionally, Maryland said that when the constitution talked about what Congress had the power to do, it didn't say anything about a bank and so Congress didn't have the authority to create a bank in the first place.

The national government argued that the Constitution gave them the right to regulate commerce and to do whatever was necessary to make that happen. They said that Congress thought a Bank of the United States was necessary to the nation's economy. Further, the national government argued that the tax wasn't meant to raise money or regulate - it was so high that it was meant to destroy the bank. They said that Maryland did not have the right to destroy something the national government had created.

GIBBONS v. OGDEN

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Facts:

In the 1820s, waterways like rivers and canals functioned as the interstate highways of the day - allowing goods to be shipped all over the country. The state of New York granted a specific company the exclusive right to navigate and conduct business on all of the state's waterways. Aaron Ogden got a license from that company to operate a steamboat service. The service operated without problem for several years.

Across the river, Thomas Gibbons operated a competing steamboat service between New Jersey and New York City that had been licensed by the United States Congress.

Ogden didn't want to compete with Gibbons as he would lose customers and money. Ogden went to court to stop Gibbons from operating.

Constitution:

The Constitution says " **[The Congress shall have Power] to regulate Commerce** with foreign Nations, and **among the several States**, and with the Indian tribes;"

Arguments:

Ogden argued that the constitution gave Congress the power to regulate interstate commerce (things that involved multiple states) but that states still had the right to control intrastate commerce (things that happened in just one state). Ogden said that New York had given him the exclusive right to operate in New York waters and that the national government couldn't give someone else the right to do the same thing.

Gibbons argued that the national government could control any aspect of commerce that had a substantial effect on interstate commerce - and that shipping along rivers and canals did have a substantial effect. Further, he argued that if each state had the right to create their own rules and regulations it would result in confusing and contradictory laws as you passed from one state to the next.