

## **Fletcher v. Peck (1810)**

**Concepts:** Ex Post Facto Legislation/Contract Clause

**Facts:**

In 1795, the Georgia legislature sold thirty-five million acres of Native American land to four land speculating companies for one-half million dollars. In 1796, a newly elected legislature rescinded and revoked the sale of the land because of widespread fraud and bribery that influenced the original sale of the thirty-five million acres.

Mr. John Peck purchased some of the land from one of the original land speculating companies and resold the land to Mr. Robert Fletcher. When Mr. Fletcher learned of the new legislature's repeal of the original land sale, he demanded his contract with Mr. Peck be declared null and void and his money be returned. Mr. Fletcher claimed his sale of land to Mr. Peck was valid and protected by the Contracts Clause, Article 1, Section 10, of the Constitution of the United States.

**Issue:** Can the contract entered into by Mr. Fletcher and Mr. Peck be invalidated by the new law passed by the Georgia legislature?

**Opinion:** In a unanimous opinion, the Supreme Court of the United States ruled that the original land grant was a valid contract despite the fact that it was corruptly passed by the Georgia legislature. The Court held that the new Georgia legislature could not annul the land sale ex post facto (after the fact). The Court noted that nothing in the Constitution allows states to pass laws which void contracts or land grants made by previous state legislatures. The Constitution prohibits states from passing any "law impairing the obligation of contracts."

**Source:** <http://www.tourolaw.edu/patch/casesummary.asp>

## **Dartmouth College v. Woodward (1819)**

**Concepts:** Contractual Obligations/State Rights/Private Rights

**Facts:** Dartmouth College was established in 1769 under a corporate charter from King George III of England, which was to last “forever.” When the United States was formed, the agreement with the King became an agreement with the state of New Hampshire. In 1816, the New Hampshire state legislature amended (changed) the College’s charter, making it a state university, enlarging the number of trustees, and revising the educational purpose of Dartmouth College. The trustees of the College protested, stating that the original charter was still valid, and sued. Daniel Webster represented Dartmouth College and argued that such amendments were contrary to the original charter and therefore could not be changed by the state.

**Issue:** Whether the Dartmouth College’s private corporate charter was constitutionally protected against any state law designed to interfere with the nature and purpose of the original charter.

**Opinion:** In a 6-1 decision, the Supreme Court of the United States ruled that the Dartmouth College charter was a contract and was unconstitutionally interfered with by the new laws enacted by the New Hampshire legislation. Chief Justice Marshall stated that the College charter was a contract protected by the Constitution and the state of New Hampshire was bound to respect the original charter.

**Source:** <http://www.tourolaw.edu/patch/casesummary.asp>

## **McCulloch v. Maryland (1819)**

**Concepts:** “Necessary & Proper” Clause/Federal Supremacy v. State Rights

**Facts:**

In 1791, the U.S. government created the first national bank for the country. During this time, a national bank was controversial because people had different opinions about what powers the national government should have. When Thomas Jefferson was president, he did not renew the national bank's charter. After the War of 1812, President James Madison decided that the country needed a national bank, and he asked Congress to create a Second Bank of the United States in 1816.

After President Madison approved the bank, many branches were opened throughout the country. Many states did not want the new bank branches to open. There were several reasons why the states opposed these national banks. They competed with the state banks, many national bank managers were thought to be corrupt, and the states believed that the national government was getting too powerful.

Maryland tried closing down the Baltimore branch of the national bank by passing a law that forced all banks that were created outside of the state pay a \$15,000 tax each year. James McCulloch, who worked at the Baltimore Branch, refused to pay the tax. The State of Maryland took McCulloch to court saying that Maryland had the power to tax any business in its state. He also said that the Constitution does not give Congress the power to create a national bank.

**Issue:** Whether the state of Maryland had the right to tax a federal agency which was properly set up by the United States Congress.

**Opinion:** In a unanimous decision, the Supreme Court of the United States ruled that the “power to tax involves the power to destroy,” and that the federal government’s national bank was immune to state taxation. The Court reasoned that Congress could set up a United States Bank and write laws “necessary and proper” to carry out its constitutional power to coin and regulate money.

**Sources:** <http://www.tourolaw.edu/patch/casesummary.asp> and <http://www.landmarkcases.org/mcculloch/background2.html>

## **Gibbons v. Ogden** (1824)

**Concepts:** Interstate Commerce/Federal Supremacy v. State Rights

**Facts:** Robert Livingston secured from the New York State Legislature an exclusive twenty-year grant to navigate the rivers and other waters of the State. The grant further provided that no one should be allowed to navigate New York waters by steam without a license from Livingston and his partner, Robert Fulton, and any unlicensed vessel should be forfeited to them. Ogden had secured a license for steam navigation from Fulton and Livingston. Gibbons originally had been partners with Ogden but was now his rival. Gibbons was operating steamboats between New York and New Jersey under the authority of a license obtained from the United States. Ogden petitioned the New York court and obtained an injunction ordering Gibbons to stop operating his boats in New York waters.

**Issues:** Whether the New York statute that prohibited vessels licensed by the United States from navigating the waters of New York was unconstitutional and, therefore, void.

**Opinion:** Writing for the Supreme Court of the United States, Justice Marshall said that the injunction against Gibbons was invalid because the monopoly granted by the New York statute conflicted with a valid federal law. The Court used this case to put forth the position that Congress can legislate and regulate *all* matters of interstate commerce as long as there is some commercial connection with another state. While interstate commerce is regulated by Congress, power to regulate “completely internal” commerce (trade carried on in a state that does not affect other states) is reserved to the states.

**Source:** <http://www.tourolaw.edu/patch/casesummary.asp>