

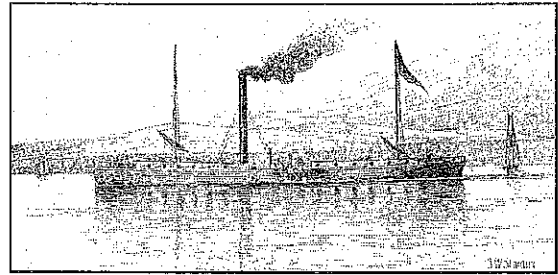
Gibbons v. Ogden (1824)

Name: _____

Take Your Boat and Go Home

In 1803, the State of New York passed a law giving two men, Livingston and Fulton, the right to be the only ones allowed to operate steamboats in New York waters. Later, these men transferred their right to a man named Ogden. This meant that under New York law, nobody could operate a steamboat in New York without a license from Ogden.

Gibbons was a New Jersey citizen who also had a steamboat. Gibbons had licensed his boat under a law passed by the United States Congress. Gibbons ran his steamboat between New Jersey and New York. In 1818, Ogden filed suit against Gibbons to stop him from operating his steamboat in New York. The New York court ordered Gibbons to stop.



Livingston and Fulton's first successful steamboat, the Clermont

Is it constitutional for both states and the federal government to regulate interstate

No. The Constitution gives the federal government sole power over interstate commerce.

The Arguments

Gibbons took his case to the Supreme Court. He argued that New York's law violated the **Commerce Clause** in the U.S. Constitution, which says "Congress shall have power to regulate commerce with foreign nations, and among the several States, and with Indian tribes." **Commerce** means business activity. Gibbons said his business activity took place "among the several States" because it happened in both New Jersey and New York.

Ogden argued the words "among the several States" did not give Congress the power pass laws that affect business activity *inside* a state's borders. He also argued that, in the same way both states and the federal government can tax citizens, they should both be able to license boats.

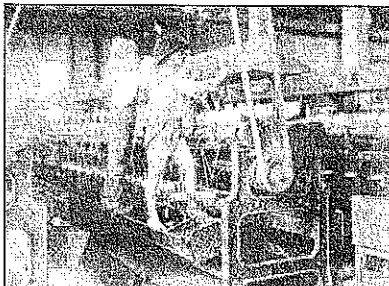
The Decision

The Supreme Court agreed with Gibbons. The Court said it would be impossible for Congress to regulate business activity "among" the states without regulating activity that took place inside a state's borders. Further, licensing boats is not like taxes. Two parts of government cannot issue licenses for the same thing without interfering with each other. The Court pointed to the **Supremacy Clause** in the Constitution, which says the laws of the federal government are superior to state laws.

The Court said the Constitution gives Congress the sole power to regulate business activity that affects more than one state. A state may only regulate business activity that takes place entirely inside its own borders, where no part of that activity affects any other state.



Chief Justice John Marshall wrote the Court's opinion



Children working at a textile mill

So What?

In the years since the decision in *Gibbons*, the U.S. Congress has used its Commerce Clause power to pass many laws, for example:

- Set a national minimum wage and maximum worker hours, by saying goods produced in violation of this law could not cross state lines
- Limit the age of child laborers to kids 16 and over
- Prohibit racial discrimination in motels that served mostly travelers and in restaurants where the food served had crossed state lines