

Gibbons v. Ogden, 1824

In 1808, Robert Fulton and Robert Livingston were granted an exclusive 20 year grant from the New York legislature to operate steamboats on the state's waterways. This monopoly was very important because steamboats carried both people and goods and was very profitable. Aaron Ogden was operating steamboats under a license from the Fulton-Livingston Company and he had a route between

Key concepts:

- ◆ Interstate commerce
- ◆ Federal supremacy versus state rights

New York and New Jersey. Thomas Gibbons, originally partners with Ogden, had a federal coasting license and competed with Ogden operating along the same route.

Ogden was upset by the competition and petitioned the New York court. He obtained an injunction ordering Gibbons to stop operating his boats in New York waters. Gibbons appealed to the Court of Errors of New York which agreed with the lower court decision. Thomas Gibbons finally appealed his case to the Supreme Court of the United States which ruled that the injunction against him was invalid.

The monopoly granted by the New York statute conflicted with the Constitution of the United States. The Court used *Gibbons v. Ogden* to establish the position that Congress can legislate and regulate all matters of interstate commerce as long as there is a commercial connection with another state. Power to regulate intrastate commerce (trade completely within the state) is reserved to the states.

Interstate Commerce: between 2 or more states	Intrastate Commerce: within the state

Newspaper Activities:

- ◆ Look through the newspaper for articles or advertisements that show examples of interstate commerce and intrastate commerce. Brief a sentence or two describing each in the chart above.
 - Imagine the troubles that would arise if each state had conflicting laws regarding these business practices. Write a brief report on the issues you imagined.