



Teacher Notes: Gibbons v. Ogden (1824)

Part 1: Introduction

With your group, brainstorm three inventions that had a major impact on human civilization.

Invention	Impact

Can you think of any laws that have been put in place related to these inventions? If so, which ones?

Part 2: Background (00:00-2:27)

What two important events took place in Philadelphia in 1787?

1. Writing of the U.S. Constitution
2. Introduction of the steamboat

While the second event is not nearly as well known, it is also very important. Explain why.

Roads at the time were really bad and travel was very difficult. The steamboat opened up new possibilities for travel and trade across the country.

By the 1800s, the steamboat's design had been improved by Robert **Fulton**. In 1808, he and his business partner, Robert **Livingston**, were granted a 20-year **monopoly** over the operation of steamboats in New York's waters by New York lawmakers. It became known as the Fulton–Livingston Monopoly.

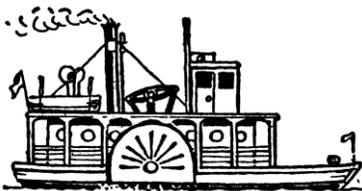
Define monopoly: A company or group having exclusive control over a commercial activity.

What were some of the negatives of this monopoly?

Poor service and high prices because consumers had no other options.

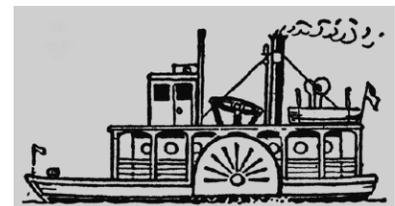
Part 3: (2:28-6:10)

Thomas **Gibbons** also operated steamships between **NJ** and **NY**. His license was granted by the **federal government**.



New Jersey

Hudson River



New York

Aaron Ogden operated steamships between NY and NJ. His license was granted by the state of New York.

As a result, Ogden sued Gibbons claiming he was violating his monopoly rights. Ogden asked the court to issue an injunction (which basically means, “Stop doing that!”). The New York courts sided with Ogden. Gibbons appealed his case to the Supreme Court.

The case became known as the Steamboat Monopoly Case and it attracted an enormous amount of attention. Why? Steam power was the latest and greatest invention and people were curious about how it. People were also interested to see how much power Congress had to regulate commerce (trade).

Much like *McCulloch v. Maryland*, this case was ultimately about federal vs. state power.

Part 4: Words to Know

Commerce: Buying or selling of goods

Interstate: Between states

Navigation: Travel by vessels, especially commercial shipping

The ruling in this case hinged on the Supreme Court’s interpretation of the Commerce Clause. With your group, read the clause below. Circle the words and/or phrases you think would need to be interpreted to truly understand its meaning. Explain your choices in the space below.

Article 1, Section 8, Clause 3: “The United States Congress shall have power... To regulate Commerce with foreign Nations, and among the several States, and with the Indian Tribes.”

Part 5: The Issues and the Ruling (6:11-12:34)

The Supreme Court had to answer two questions:

1. What is commerce?
2. If running a steamship between two states is commerce, what truly defines something as interstate commerce?

The Court also had to determine if the definition of commerce also included navigation. The Court ruled that it did.

The Court also had to decide what is meant by the phrase “among the several States” in the Commerce Clause. The Court interprets it to include not just sales that cross state lines, but also sales within one state that can affect commerce in other states.

Lastly, the Court had to define what was meant by the term to regulate. This was the most important part of the ruling. The Court ruled that the power to regulate interstate commerce belonged only to Congress, not the states. By ruling this way, the Court declared the New York monopoly to be in conflict with the Constitution and therefore void.

In other words, if two laws are passed, one by the state and one by the federal government, and they are in conflict, who wins? **The Constitution (federal government)**. (Remember the Supremacy Clause.)

Part 6: The Result (12:35-End)

The steamboat industry **exploded** as a result of the ruling. The destruction of the **monopoly** led to a huge increase in the number of steamboat operators.

Give one example of how this ruling effected future actions of Congress: **Social Security, Medicare, ACA, etc.**

Discussion Questions:

1. Do you think this interpretation of the Commerce Clause gives Congress too much power? Explain your answer giving a specific example.
2. Would you have ruled the same way as the Supreme Court? Explain your answer.
3. How might the U.S. economy be different if the Supreme Court had not interpreted Congress' power under the Commerce Clause the way it did in *Gibbons v. Ogden*?