DARTMOUTH COLLEGE v. WOODWARD

Term: 1792-1850  1818
Location: Dartmouth College

Facts of the Case
In 1816, the New Hampshire legislature attempted to change Dartmouth College—a privately funded institution—into a state university. The legislature changed the school's corporate charter by transferring the control of trustee appointments to the governor. In an attempt to regain authority over the resources of Dartmouth College, the old trustees filed suit against William H. Woodward, who sided with the new appointees.

Question
Did the New Hampshire legislature unconstitutionally interfere with Dartmouth College's rights under the Contract Clause?

Conclusion
Decision: 5 votes for Dartmouth College, 1 vote(s) against
Legal provision: US Const. Art 1, Section 10

In a 5-to-1 decision, the Court held that the College's corporate charter qualified as a contract between private parties, with which the legislature could not interfere. The fact that the government had commissioned the charter did not transform the school into a civil institution. Chief Justice Marshall's opinion emphasized that the term "contract" referred to transactions involving individual property rights, not to "the political relations between the government and its citizens."

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