ence between these two cases is obviously slight, but the later one is unquestionable authority for the proposition that legislative bounties are repealable at will.

Furthermore, exemptions from taxation have in certain cases been treated as gratuities repealable at will, even when conferred by specific legislative enactments. This would seem always to be the case when the beneficiaries were already in existence when the exemption was created and did nothing of a more positive nature to qualify for it than to continue in existence.[1997] Yet the cases are not always easy to explain in relation to each other, except in light of the fact that the Court's point of view has altered from time to time.[1998]

"Contracts" Include Public Contracts and Corporate Charters.—The question, which was settled very early, was whether the clause was intended to be applied solely in protection of private contracts or in the protection also of public grants, or, more broadly, in protection of public contracts, in short, those to which a state is a party.[1999] Support for the affirmative answer accorded this question could be derived from the following sources. For one thing, the clause departed from the comparable provision in the Northwest Ordinance (1787) in two respects: first, in the presence of the word "obligation;" secondly, in the absence of the word "private." There is good reason for believing that James Wilson may have been responsible for both alterations, as two years earlier he had denounced a current proposal to repeal the Bank of North America's Pennsylvania charter in the following words: "If the act for incorporating the subscribers to the Bank of North America shall be repealed in this manner, every precedent will be established for repealing, in the same manner, every other legislative charter in Pennsylvania. A pre-

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[1997] *See* Rector of Christ Church v. County of Philadelphia, 65 U.S. (24 How.) 300, 302 (1861); Seton Hall College v. South Orange, 242 U.S. 100 (1916).

[1998] *Compare* the above cases *with* Home of the Friendless v. Rouse, 75 U.S. (8 Wall.) 430, 437 (1869); Illinois Cent, R.R. v. Decatur, 147 U.S. 190 (1893), with Wisconsin & Michigan Ry. Co. v. Powers, 191 U.S. 379 (1903).

[1999] According to Benjamin F. Wright, throughout the first century of government under the Constitution "the contract clause had been considered in almost forty per cent of all cases involving the validity of State legislation," and of these the vast proportion involved legislative grants of one type or other, the most important category being charters of incorporation. However, the numerical prominence of such grants in the cases does not overrate their relative importance from the point of view of public interest. B. Wright, The Contract Clause of the Constitution 95 (1938).

Madison explained the clause by allusion to what had occurred "in the internal administration of the States" in the years preceding the Constitutional Convention, in regard to private debts. Violations of contracts had become familiar in the form of depreciated paper made legal tender, of property substituted for money, of installment laws, and of the occlusions of the courts of justice. 3 M. Farrand, The Records of the Federal Convention of 1787 at 548 (rev. ed. 1937); The Federalist, No. 44 (J. Cooke ed. 1961), 301–302.