

Sec. 10—Powers Denied to the States

Cl. 1—Treaties, Coining Money, Etc.

ter having been granted imports consideration from the point of view of the state.²⁰¹⁴ With this doctrine before it, the Court in *Providence Bank v. Billings*,²⁰¹⁵ and again in *Charles River Bridge v. Warren Bridge*,²⁰¹⁶ admitted, without discussion of the point, the applicability of the *Dartmouth College* decision to purely business concerns.

Reservation of Right to Alter or Repeal Corporate Charters.—There are four principles or doctrines by which the Court has broken down the force of the *Dartmouth College* decision in great measure in favor of state legislative power. By the logic of *Dartmouth College* itself, the state may reserve in a corporate charter the right to “amend, alter, and repeal” the same, and such reservation becomes a part of the contract between the state and the incorporators, the obligation of which is accordingly not impaired by the exercise of the right.²⁰¹⁷ Later decisions recognize that the state may reserve the right to amend, alter, and repeal by general law, with the result of incorporating the reservation in all charters of subsequent date.²⁰¹⁸ There is, however, a difference between a reservation by a statute and one by constitutional provision. Although the former may be repealed as to a subsequent charter by the specific terms thereof, the latter may not.²⁰¹⁹

Is the right reserved by a state to “amend” or “alter” a charter without restriction? When it is accompanied, as it generally is, by the right to “repeal,” one would suppose that the answer to this question was self-evident. Nonetheless, there is judicial dicta to the effect that this power is not without limit, that it must be exercised reasonably and in good faith, and that the alterations made must be consistent with the scope and object of the grant.²⁰²⁰ Yet

²⁰¹⁴ 17 U.S. at 637; *see also* *Home of the Friendless v. Rouse*, 75 U.S. (8 Wall.) 430, 437 (1869).

²⁰¹⁵ 29 U.S. (4 Pet.) 514 (1830).

²⁰¹⁶ 36 U.S. (11 Pet.) 420 (1837).

²⁰¹⁷ *Dartmouth College v. Woodward*, 17 U.S. (4 Wheat.) 518, 712 (1819) (Justice Story).

²⁰¹⁸ *Home of the Friendless v. Rouse*, 75 U.S. (8 Wall.) 430, 438 (1869); *Pennsylvania College Cases*, 80 U.S. (13 Wall.) 190, 213 (1872); *Miller v. New York*, 82 U.S. (15 Wall.) 478 (1873); *Murray v. Charleston*, 96 U.S. 432 (1878); *Greenwood v. Freight Co.*, 105 U.S. 13 (1882); *Chesapeake & Ohio Ry. v. Miller*, 114 U.S. 176 (1885); *Louisville Water Company v. Clark*, 143 U.S. 1 (1892).

²⁰¹⁹ *New Jersey v. Yard*, 95 U.S. 104, 111 (1877).

²⁰²⁰ *See* *Holyoke Company v. Lyman*, 82 U.S. (15 Wall.) 500, 520 (1873), *See also* *Shields v. Ohio*, 95 U.S. 319 (1877); *Fair Haven R.R. v. New Haven*, 203 U.S. 379 (1906); *Berea College v. Kentucky*, 211 U.S. 45 (1908). Also *Lothrop v. Stedman*, 15 Fed. Cas. 922 (No. 8519) (C.C.D. Conn. 1875), where the principles of natural justice are thought to set a limit to the power.