

McCulloch v. Maryland, 17 U.S. (4 Wheat.) 316 (1819)

<https://lawcasesummaries.com/knowledge-base/mcculloch-v-maryland-17-u-s-4-wheat-316-1819/>

Facts

- The American state of Maryland had attempted to impede an operation by the Second Bank of the United States through a tax on all notes of banks not chartered in Maryland.
- Though the law was generally applicable to all banks not chartered in Maryland, the Second Bank of the United States was the only out-of-state bank then existing in Maryland, and the law was recognised in the Court's opinion as having specifically targeted the Bank of the United States.
- The Court invoked the "Necessary and Proper Clause" of the US Constitution, which allows the federal government to pass laws not expressly provided for in the Constitution's list of express powers if the laws are useful to further the express powers of Congress under the Constitution.

Held

- The US Supreme Court first established that the "Necessary and Proper" Clause of the US Constitution gives the US federal government certain implied powers that are not explicitly stated in the Constitution.
- The Supreme Court also held that the American federal government is supreme over the States, granting the States limited ability to interfere with federal issues.
- The Court rejected Maryland's narrow interpretation that the word "necessary" in the clause meant that Congress could only pass laws that were utterly essential in the execution of its enumerated powers. The Court rejected this argument on the basis that many of the powers under the Constitution would be useless if only laws deemed "necessary" could be passed.
- Although the Constitution does not specifically give Congress the power to establish a bank, it delegates the ability to tax and spend. Since a bank is a proper and suitable instrument to assist the operations of the government in the collection and disbursement of the revenue, and federal laws have supremacy over state laws, Maryland had no power to interfere with the bank's operation by taxing it.

Quotes

"Let the end be legitimate, let it be within the scope of the Constitution, and all means which are appropriate, which are plainly adapted to that end, which are not prohibited, but consist with the letter and spirit of the constitution, are constitutional."

(Marshall CJ)

Significance

- Obviously, this case is non-binding on Australian courts. However, it provides a useful comparator as to how American courts deal with the topic of inconsistency.
- The case was a seminal moment in US federalism: the formation of a balance between federal powers and state powers and how the Court would approach that balance.
- *McCulloch v. Maryland* was cited in the Australian constitutional law case of *D'Emden v Pedder* (1904). *D'Emden v Pedder* was the first significant constitutional law case in Australia.
- The High Court determined that the *McCulloch* decision provided the best guideline for the relationship between the Commonwealth federal government and the Australian States. This was due to the strong similarities between the American and Australian constitutions.

Full Text

The full text is available here: <https://supreme.justia.com/cases/federal/us/17/316/>

Law case summary from www.lawcasesummaries.com