

# TRANSCRIPT: MCCULLOCH V. MARYLAND | BRI'S HOMEWORK HELP SERIES

**i** *The following transcript is a verbatim account of the video or audio file accompanying this transcript.*

can you or your state government tax to federal government at the founding of our nation this question was in hot dispute and the 1819 Supreme Court case of McCulloch versus Maryland would help answer it this case was the result of the founders grappling with the concept of federalism what is federalism you ask well it's the idea that the federal government and state government share power and when those towers are not clearly defined it can cause disputes hence the case of McCulloch versus Maryland but to understand this case we need to take a quick look at the history on the bank of the United States the creation of a National Bank was one of the hottest issues at the founding of our country Alexander Hamilton was pitted against Thomas Jefferson and James Madison it was the founding father rivalry of the century Hamilton supported the founding of a National Bank for the purpose of controlling the nation's finances Jefferson on the other hand opposed the National Bank because he thought there was no authority in the Constitution to create one round one would go to Hamilton as Congress chartered the First National Bank in Philadelphia in 1791 to fight however was far from over twenty years later in 1811 Jefferson saw victory as President James Madison and Congress refused to renew the bank's Charter and let it die this takes us to 1816 and the Supreme Court case McCulloch versus Maryland that year a second National Bank was created when President James Madison signs a bank back into law to deal with

the debts America gained from the war of 1812 this thrust the issue of a National Bank back into the center of the Ring this time the bank set up shop in Maryland in a strategic move an attempt to exert control over the National Bank Jefferson's party the Democratic Republican Party which controlled the state of Maryland decided to tax the National Bank as it resided within its borders now federal bank cashier James McCulloch refused to pay this tax he didn't believe the states had the power to tax the National Bank conversely Maryland argue that it had the right to tax any business in their space this brought into question whether the establishment of a national bank was constitutional in the first place so the important issue of balancing federal and state powers or the principle of federalism was taken to the Supreme Court the court decided unanimously that Congress did have the authority to create a National Bank Chief Justice John Marshall and writing the opinion for the court highlighted that under the Necessary and Proper Clause Congress has the right to make all laws which shall be necessary and proper for carrying into execution the foregoing powers in other words at the time the court felt it was constitutional because the powers of the bank were related to several powers in article 1 section 8 of the Constitution the court also ruled that the state of Maryland could not tax the national government this decision was made citing the supremacy clause in the Constitution which makes Center a law superior to state law Marshall wrote the power to tax involves the power to destroy therefore the federal government had the upper hand under the Supremacy Clause which made a bank constitutionally created under the Necessary and Proper Clause superior to state Authority this case further defined federalism within the United States as the federal government gained more power from the court's decision this case is important to understand as

our nation still faces many issues that deal with federalism and the Necessary and Proper Clause these include health care the legalization of marijuana the Second Amendment immigration and LGBT issues for more information on this and many other important court cases throughout history be sure to check out the other videos in our homework healthcare you