

of the corporation. It was settled very early that corporate charters, particularly the charters of "eleemosynary institutions" established for "useful purposes," are contracts between the corporations and the state, protected under the contract clause. 1/ By virtue of the logic discussed below in connection with the enforceability of the agreement between the corporation and the United States, the United States would be forbidden under the Constitution, and the Trust Territory government under Sections 4 and 5 of the Bill of Rights of the Trust Territory, 2/ from impairing the charter of the corporation.

The courts have upheld a broad power to modify corporate charters and other forms of government grant when such a power is expressly reserved in the grant or the general legislation authorizing it. 3/ But even this power is said to be subject to limitations which appear to parallel those discussed below in connection with the enforceability of the contract: 4/

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1/ Dartmouth College v. Woodward, 17 U.S. (4 Wheat.) 518, 637 (1819).

2/ 1 T.T.C. §§4, 5.

3/ Sinking-Fund Cases, 99 U.S. 700 (1878).

4/ Phillips Petroleum Co. v. Jenkins, 297 U.S. 629, 634-35 (1936).