Worth A Look: *Munn v. Illinois* (1877)

> *When one becomes a member of society, he necessarily parts with some rights or privileges which, as an individual not affected by his relations to others, he might retain. "A body politic," as aptly defined in the preamble of the Constitution of Massachusetts, "is a social compact by which the whole people covenants with each citizen, and each citizen with the whole people, that all shall be governed by certain laws for the common good."*
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> *This does not confer power upon the whole people to control rights which are purely and exclusively private… but it does authorize the establishment of laws requiring each citizen to so conduct himself, and so use his own property, as not unnecessarily to injure another. This is the very essence of government…*
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> *Under these powers, the government regulates the conduct of its citizens one towards another, and the manner in which each shall use his own property, when such regulation becomes necessary for the public good. In their exercise, it has been customary in England from time immemorial, and in this country from its first colonization, to regulate ferries, common carriers, hackmen, bakers, millers, wharfingers, innkeepers, &c., and, in so doing, to fix a maximum of charge to be made for services rendered, accommodations furnished, and articles sold. To this day, statutes are to be found in many of the States upon some or all these subjects; and we think it has never yet been successfully contended that such legislation came within any of the constitutional prohibitions against interference with private property…*
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> (from the Court's Majority Opinion, by Chief Justice Morrison R Waite)

Responding to pressure from the National Grange (a farmers' cooperative often remembered simply as the "Grangers"), the state of Illinois passed legislation capping the amounts grain elevators and storage warehouses could charge. A Chicago warehouse run by the firm of Munn & Scott was caught overcharging and found guilty after a brief trial. The firm appealed, claiming that the state-imposed limits on their income was a violation of the Fourteenth Amendment which says, in part, that no State may "deprive any person of life, liberty, or property, without due process of law."

The Supreme Court rejected this line of reasoning and validated the "Granger Laws" as entirely appropriate and constitutional. Since before the founding of the United States, Chief Justice Waite explained, the central purpose of enlightened government has been to support and regulate the social contract – each citizen giving up a small bit of autonomy for the larger good. In the end, this benefits everyone, including those making these minor sacrifices.

The Court also noted that while the Commerce Clause (in Article I, Section 8 of the U.S. Constitution) gives the federal legislature final power over interstate commerce, this doesn't prevent states from reasonable regulation and oversight of the portion of that commerce taking place within their borders. The extent to which states could exercise this regulation and oversight was severely rolled back a decade later in *Wabash, St. Louis & Pacific Railway Company v. Illinois* (1886), after which Congress created the Interstate Commerce Commission to regulate railroad and storage rates (and eventually a wide range of public utilities).

Munn established the validity of legislation regulating any industry or service determined to be essential to public interests. In the short term that primarily meant those related to farming and distribution of crops – meaning even the all-mighty railroads were impacted by the Court's decision. Which specific products or services are considered essential to the public good have evolved over the years, but the underlying principle has held ever since.