

Sec. 10—Powers Denied to the States

Cl. 1—Treaties, Coining Money, Etc.

But the most striking exertions of the police power touching private contracts, as well as other private interests within recent years, have been evoked by war and economic depression. Thus, in World War I, the State of New York enacted a statute which, declaring that a public emergency existed, forbade the enforcement of covenants for the surrender of the possession of premises on the expiration of leases, and wholly deprived for a period owners of dwellings, including apartment and tenement houses, within the City of New York and contiguous counties, of possessory remedies for the eviction from their premises of tenants in possession when the law took effect, providing the latter were able and willing to pay a reasonable rent. In answer to objections leveled against this legislation on the basis of the Contract Clause, the Court said: "But contracts are made subject to this exercise of the power of the State when otherwise justified, as we have held this to be."²⁰⁹² In a subsequent case, however, the Court added that, although the declaration by the legislature of a justifying emergency was entitled to great respect, it was not conclusive; a law "depending upon the existence of an emergency or other certain state of facts to uphold it may cease to operate if the emergency ceases or the facts change," and whether they have changed was always open to judicial inquiry.²⁰⁹³

Summing up the result of the cases referred to above, Chief Justice Hughes, speaking for the Court in *Home Building & Loan Ass'n v. Blaisdell*,²⁰⁹⁴ remarked in 1934: "It is manifest from this review of our decisions that there has been a growing appreciation of public needs and of the necessity of finding ground for a rational compromise between individual rights and public welfare. The settlement and consequent contraction of the public domain, the pressure of a constantly increasing density of population, the interrelation of the activities of our people and the complexity of our economic interests, have inevitably led to an increased use of the organization of society in order to protect the very bases of individual opportunity. Where, in earlier days, it was thought that only the concerns of individuals or of classes were involved, and that those of the State itself were touched only remotely, it has later been found that the fundamental interests of the State are directly affected; and that the question is no longer merely that of one party to a contract as against another, but of the use of reasonable means to safeguard the economic structure upon which the good of all depends. . . . The principle of this development is . . . that the reser-

²⁰⁹² *Marcus Brown Co. v. Feldman*, 256 U.S. 170, 198 (1921), followed in *Levy Leasing Co. v. Siegel*, 258 U.S. 242 (1922).

²⁰⁹³ *Chastleton Corp. v. Sinclair*, 264 U.S. 543, 547-48 (1924).

²⁰⁹⁴ 290 U.S. 398 (1934).