

## Sec. 8—Powers of Congress

## Cl. 3—Power to Regulate Commerce

will not second-guess legislative judgments, the Court nonetheless will not accept, without more, state assertions of safety motivations. “Regulations designed for that salutary purpose nevertheless may further the purpose so marginally, and interfere with commerce so substantially, as to be invalid under the Commerce Clause.” Rather, the asserted safety purpose must be weighed against the degree of interference with interstate commerce. “This ‘weighing’ . . . requires . . . a sensitive consideration of the weight and nature of the state regulatory concern in light of the extent of the burden imposed on the course of interstate commerce.”<sup>1169</sup>

Balancing has been used in other than transportation-industry cases. Indeed, the modern restatement of the standard was in such a case.<sup>1170</sup> There, the state required cantaloupes grown in the state to be packed there, rather than in an adjacent state, so that in-state packers’ names would be associated with a superior product. Promotion of a local industry was legitimate, the Court said, but it did not justify the substantial expense the company would have to incur to comply. State efforts to protect local markets, concerns, or consumers against outside companies have largely been unsuccessful. Thus, a state law that prohibited ownership of local investment-advisory businesses by out-of-state banks, bank holding companies, and trust companies was invalidated.<sup>1171</sup> The Court plainly thought the statute was protectionist, but instead of voiding it for that reason it held that the legitimate interests the state might have did not justify the burdens placed on out-of-state companies and that the state could pursue the accomplishment of legitimate ends through some intermediate form of regulation.

In *Edgar v. MITE Corp.*,<sup>1172</sup> an Illinois regulation of take-over attempts of companies that had specified business contacts with the state, as applied to an attempted take-over of a Delaware corporation with its principal place of business in Connecticut, was found to constitute an undue burden, with special emphasis upon the extraterritorial effect of the law and the dangers of disuniformity. These problems were found lacking in the next case, in which the state statute regulated the manner in which purchasers of corporations chartered within the state and with a specified percentage of in-state shareholders could proceed with their take-over efforts. The Court emphasized that the state was regulating only its own corpo-

<sup>1169</sup> *Kassel v. Consolidated Freightways Corp.*, 450 U.S. 662, 670–71 (1981), (quoting *Raymond Motor Transp. v. Rice*, 434 U.S. 429, 441, 443 (1978)). Both cases invalidated state prohibitions of the use of 65-foot single-trailer trucks on state highways.

<sup>1170</sup> *Pike v. Bruce Church, Inc.*, 397 U.S. 137 (1970).

<sup>1171</sup> *Lewis v. BT Investment Managers, Inc.*, 447 U.S. 27 (1980).

<sup>1172</sup> 457 U.S. 624 (1982) (plurality opinion).