

Support HJ 10

Corporations and their messages have become so pervasive that we hardly even question their place in our country anymore. It wasn't always so. Most of us remember our grievances that led to the American Revolution as being against good old King George. What most of us don't remember, or never learned, was that many of our grievances were with King George carrying out the bidding of the few corporations that dominated colonial America, like the East India Company - it was their tea, not King George's that was dumped in the harbor. In 1776 we declared our independence not only from British rule, but also from the corporations of England that dominated and controlled us, and extracted wealth from us.

In the early days of our country, we the people, through our state legislatures, allowed corporations to be chartered to serve solely as a tool to gather investment and disperse financial liability for the public good, such as construction of roads, bridges or canals. Our country's founders retained a healthy fear of the threats posed by corporate power and sparingly granted corporations a limited business role.

These state laws, many of which remain on the books today, imposed strict conditions. A corporate charter was granted for a limited time and for a specific public purpose - build your road, dissolve the corporation and pay the stockholders. Corporations could engage only in activities necessary to fulfill their chartered purpose - no cigarette companies pushing macaroni & cheese, and beer too. Corporations could be terminated if they exceeded their authority or if they caused public harm. Owners and managers were responsible for criminal acts committed by the corporation. Corporations could not make any political contributions, nor spend money to influence legislation. A corporation could not purchase or own stock in other corporations, nor own any property other than that necessary to fulfill its chartered purpose.

Granted limited powers, corporations continually sought more from state legislatures. Mindful of the corporate tyranny they had cast aside in the Revolution, most opposed any further expansion of corporate power. Thomas Jefferson said, "I hope we shall crush in its birth the aristocracy of our moneyed corporations which dare already to challenge our government in a trial of strength, and bid defiance to the laws of our country."

For 100 years after the Revolution, citizens and legislators tightly controlled the corporate chartering process. Having thrown off English corporate rule, we made certain that charters were issued one at a time, for a specific purpose and for a limited number of years, and, the laws restricting corporate actions were enforced by the states. Early legislators granted very few corporate charters, and only after debate. Citizens governed corporations by detailing operating conditions not just in charters but also in state constitutions and state laws. In Europe, charters protected directors and stockholders from liability for debts and harms caused by their corporations.

American legislators rejected this corporate shield. The penalty for abuse or misuse of the charter was not a plea bargain and a fine, but dissolution of the corporation.

The men running corporations were not content. They continued to battle over charter controls, and then to control labor, resources, community rights, and political sovereignty. Ever more frequently, corporations abused their charters to become conglomerates and trusts. They converted the nation's resources into private fortunes, creating factory systems and company towns. Political power began flowing to absentee owners, rather than community-based businesses.

The most severe blow to citizen control of corporations was the 1886 Supreme Court case of *Santa Clara County v. Southern Pacific Railroad*. A case about local taxation powers became the precedent by which corporations became "persons" under the U.S. Constitution, entitled to all the rights of any other person, even though the Constitution never mentions corporations. The 14th Amendment, enacted to protect rights of freed slaves, has since been used to strike down hundreds of local, state and federal laws enacted to protect people from corporate harm.

Having gained Constitutional equality with we the people, corporations have moved on to demand special treatment. Not content with getting protection for directors and stockholders from liability for debts and harms caused by their corporations, a special immunity rejected when we the people still remembered our English corporate abusers, corporations now seek protections for the corporations themselves for the harms they cause. Whether it's asbestos manufacturers, insurers, drug companies or makers of dangerous products, they all ply the halls of Congress, by the thousands, seeking, no, demanding, and getting, protection from we the people.

Here, we ignore Article XIII, Section 1 of our Montana Constitution. It provides for our power to charter corporations, and a mandate to the Montana legislature to "provide protection and education for the people against harmful and unfair practices by" corporations.

We have gone from protecting people from harmful corporations to protecting corporations from accountability to the people they harm. If we want to protect ourselves, our property, our freedom, and our country, we need to heed the warnings of those liberal radicals that founded our country and reassert our power over corporations - entities that exist only because we the people allow them.

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Constitution of Montana -- Article XIII --

Section 1. Nonmunicipal corporations. (1) Corporate charters shall be granted, modified, or dissolved only pursuant to general law.

(2) The legislature shall provide protection and education for the people against harmful and unfair practices by either foreign or domestic corporations, individuals, or associations.