

The Corporation  
1<sup>st</sup> in a series  
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Charley Lewis, center for public integrity, tells us that corporations produce great wealth but also enormous and often hidden harm. In this series, we will look at the history of corporations and at some of the *enormous hidden harm* they have caused.

The “corporation” has become the most dominate institution in American Society but how much do we understand about the basics of its purpose? It is one type of business ownership. In the early history of America, corporations were given a narrow legal mandate, for example, building a bridge. And when the purpose for the corporation’s existence was no longer present, building a bridge in this example, the corporation was dissolved and its life was over.

In the early American landscape corporations were chartered for a specific function. In their creation there were stipulations in their government granted charter as to how long they could operate, the amount of capitalization needed to complete the task for which the corporation was being created and what the corporation could do. At this early time, a corporation could not own another corporation, nor could they own property. The shareholders were liable for the actions of the corporations, but that is no longer the case today. In the beginning, in both law and culture, the privilege of corporate status was a gift *from the people* to serve the public good and provide an opportunity for some to profit from the undertaking.

In 1712, Thomas Newcomen invented a steam driven pump for English miners. Instead of carrying buckets of water, miners could mine more coal. The operative word in the world of business and corporations is MORE. More coal per man hour, more iron-ore per man hour, more steel production per man hour, more textiles per man hour, more automobiles per man hour, more chips per man hour, more gizmo’s per man hour. More, more, more. So much so that we now measure the productivity of our workforce in seconds to four decimal places. Just recently in my little town of Willows, the postmen who deliver the mail were being timed on each delivery. MORE, more letters delivered per second.

It’s like being constantly under a microscope. If you are now 38-years-old and your productivity has dropped from 5-gizmo’s-a-second down to 4.8-gizmo’s-per-second, it is probably time that an attractive 20-year-old was brought in to replace you.

When the 14<sup>th</sup> amendment to the united States Constitution passed in 1868, its intent was to give equal rights to the black people who had previously been slaves and property. The language of this amendment provided that no state can deprive any person of life, liberty or property without due process of law. For those who have read the “Do We Have A Clue” series may remember that a “person” is a corporation. As a fact, 14<sup>th</sup> amendment citizen’s are *enfranchised*. This amendment was intended to prevent the states from taking the life, liberty or property from black people as was so often the practice.

But the taking of life, liberty and property from Black people continued pretty much unabated. Strangely, the major change following the passage of the 14<sup>th</sup> amendment mostly applied to corporations. Corporations came into court with their lawyers, who are very clever, and they essentially said, ‘Oh, you cannot deprive a person of life, liberty or property? Well, WE [the corporation] ARE A PERSON.’ And can you believe it, the Supreme Court of the United States accepts this premise, granting the status of “person” to the corporations.

Between the passage of the 14<sup>th</sup> amendment in 1868 and 1910, there were 307 cases brought before the court under provisions of the 14<sup>th</sup> amendment. Of these, 288 cases were brought by corporations and only 19 by black Americans. So the corporation, as a “legal fiction” became a *person* with essentially the same rights and privileges possessed by the people of the united States. But one of the big differences is that corporations have the resources of many people and they do not die. Their life is virtually unlimited.

Six-hundred-thousand people died in securing rights for black human beings in the united States of America. Then over the next 30 years following the passage of the 14<sup>th</sup> Amendment, judges, with the stroke of a pen, granted and applied these rights to an artificial person while actively stripping the unalienable rights from the people of the united States and converting the people into an artificial person in our courts. This was never the intent nor reason that 600,000 people died. But it is an example of how the courts *legislate* from the bench and how the trust of the American people has been betrayed and continues to be betrayed.

Now that the corporation was a “person”, it could own real estate, own other corporations, own virtually anything and everything (and do), and do so with unlimited life.

In a business owned by a sole businessman or individual, the business owner has liability for the actions and conduct of his business. If the business breaks a law, he is personally liable. However, incorporating a business removes personal liability from the businessman. It gives the business *limited liability*. When the government issues a charter to incorporate, the corporation is now an individual person, it is not a group of people. The corporation becomes *a legal person*.

As a *legal person*, a corporation can buy and sell property, it can borrow money, it can sue in court, and be sued. All of these *legal corporate persons* are a part of our daily living. They are members of our society.

Having acquired the legal rights of a *person*, the question arises, what kind of *person* is a corporation? In future columns we will delve into the character corporations often possess.