

## [What The Founding Fathers Thought About Corporations](#)

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Citizens United. This is the 2010 Supreme Court case that shocked America, influenced an election, and reversed over 100 years of campaign finance laws. In this case, corporations were declared as people and as such declared to have the same rights as people do. It also opened the doors for corporations to pour unprecedented amounts of campaign donations into elections, and what's more, these donations can be totally secret. Corporations can now literally and legally buy elections and shape the government like never before in our nation's history.

The economic world we live in today is dominated by corporations. Huge corporations that boast massive profits and span continents. But corporations also wield political power and are lobbying heavily to be free from any and all government regulations that would make them responsible and liable. Republicans have been defending corporations since the late 1800's and have literally gone on a history revising crusade to show that even the founding fathers supported corporations. But is this the case? What did the founders really think about corporations?

The origin of modern corporations can be traced all the way back to 17th century England when Queen Elizabeth I created the East India Trading Company. At first, corporations were small, quasi government institutions that were chartered by the crown for a specific

purpose. If corporations stepped out of line, the crown did not hesitate to revoke their charters. Corporations generated so much revenue that they even began taking on increased political power. Corporations were also organized to finance large projects such as exploration, which leads us to the American colonies.

To say that the founding fathers supported corporations is very absurd. Its quite the opposite in fact. Corporations like the East India Trading Company were despised by the founders and they were just one reason why they chose to revolt against England. Corporations represented the moneyed interests much like they do today and they often wielded political power, sometimes to the point of governing a colony all by themselves like the Massachusetts Bay Company did.

But there is more evidence that the Revolutionary generation despised corporations. The East India Company was the largest corporation of its day and its dominance of trade angered the colonists so much, that they dumped the tea products it had on a ship into Boston Harbor which today is universally known as the Boston Tea Party. At the time, in Britain, large corporations funded elections generously and its stock was owned by nearly everyone in parliament. The founding fathers did not think much of these corporations that had great wealth and great influence in government. And that is precisely why they put restrictions upon them after the government was organized under the Constitution.

After the nation's founding, corporations were granted charters by the state as they are today. Unlike today, however, corporations were only permitted to exist 20 or 30 years and could only deal in one commodity, could not hold stock in other companies, and their property holdings were limited to what they needed to accomplish their business goals. And perhaps the most important facet of all this is that most states in the early days of the nation had laws on the books that made any political contribution by corporations a criminal offense. When you think about it, the regulations imposed on corporations in the early days of America were far harsher than they are now. That is hardly proof that the founders supported corporations. In fact its quite the opposite. The corporate entity was so restrictive that many of America's corporate giants set up their entities to avoid the corporate restrictions. For example, Andrew Carnegie set up his steel company as a limited partnership and John D. Rockefeller set up his Standard Oil company as a trust which would later be rightfully busted up into smaller companies by Theodore Roosevelt.

For those who need more evidence, how about statements from the founders themselves. As we all know, big banks are also considered corporations and here is what Thomas Jefferson thought about them. In an 1802 letter to Secretary of State Albert Gallatin, Jefferson said,

“If the American people ever allow private banks to control the issue of their money, first by inflation and then by deflation, the banks and corporations that will grow up around them (around the banks), will deprive the people of their property until their children will wake up homeless on the continent their fathers conquered.”

Thomas Jefferson also said this in 1816,

“I hope that we shall crush in its birth the aristocracy of our monied corporations, which dare already to challenge our government to a trial of strength, and bid defiance to the laws of our country.”

Jefferson wasn't the only founding father to make statements about corporations. John Adams also had an opinion.

“Banks have done more injury to the religion, morality, tranquility, prosperity, and even wealth of the nation than they can have done or ever will do good.”

These statements make it pretty clear that corporations were not trusted by the founders. The founders knew that huge corporations only preyed upon the people. But as the founding generation began to fade away, corporations began using their power to gain political favor and eventually that political favor would turn into political power. And corporations would take advantage of a war to do it. As the Civil War raged across the land, corporations made an effort to take advantage of the situation, selling products at high prices, especially to the government. Corporations even sold to both sides throughout the war. Basically, corporations proved even then that they had no allegiance to any country when great profits were at stake. Abraham Lincoln, the first Republican to be President also had plenty to say about corporations...

“The money powers prey upon the nation in times of peace and conspire against it in times of adversity. The banking powers are more despotic than a monarchy, more insolent than autocracy, more selfish than bureaucracy. They denounce as public enemies all who question their methods or throw light upon their crimes. I have two great enemies, the Southern Army in front of me and the bankers in the rear. Of the two, the one at my rear is my greatest foe.”

And in a November 21, 1864 letter to Col. William F. Elkins, Lincoln wrote,

“We may congratulate ourselves that this cruel war is nearing its end. It has cost a vast amount of treasure and blood ... It has indeed been a trying hour for the Republic; but I see in the near future a crisis approaching that unnerves me and causes me to tremble for the safety of my country. As a result of war, corporations have been enthroned and an era of corruption in high places will follow, and the money power of the country will endeavor to prolong its reign by working upon the prejudices of the people until all wealth is aggregated in a few hands, and the Republic is destroyed. I feel at this moment more anxiety for the safety of my country than ever before, even in the midst of war. God grant that my suspicions may prove groundless.”

Unfortunately, Lincoln’s suspicions were anything but groundless. They were in fact, prophetic. After the Civil War, corporations began aligning themselves with Republican politicians, who proved themselves to be up to the task of helping corporations gain more power. Corporations had free reign and total power over its workforce and could sell virtually anything they wanted even if the product was a bad one. Corporations treated workers like slaves. Wages were extremely low. Workers received no benefits, no vacation days, no health insurance, no workers compensation. President Grover Cleveland witnessed how corporations treated its labor force and had this to say in 1888,

“As we view the achievements of aggregated capital, we discover the existence of trusts, combinations, and monopolies, while the citizen is struggling far in the rear, or is trampled beneath an iron heel. Corporations, which should be the carefully restrained creatures of the law and the servants of the people, are fast becoming the people’s masters.”

To put it bluntly, corporations didn’t care about its workers or the people who bought

their products. The only rule of the game was to make as much profit as possible, no matter what. As the 19th century ended and the 20th century began, corporations were getting bigger and bigger. Many began buying up smaller companies, becoming monopolies that controlled whole industries. This practice eliminated competition and as a result, prices had skyrocketed and no one could challenge them. That was, until Theodore Roosevelt became the President. Theodore Roosevelt did not hate corporations. He simply wanted them to treat workers how they deserved to be treated and to serve the public faithfully and honestly. He believed in honest competition and fair prices. Roosevelt believed that government had not only a duty, but a right to regulate corporations just as the founding generation had done, stating that,

“The great corporations which we have grown to speak of rather loosely as trusts are the creatures of the State, and the State not only has the right to control them, but it is duty bound to control them wherever the need of such control is shown.”

And in his State of The Union Address in 1902, Roosevelt stated his intentions toward corporations.

“Our aim is not to do away with corporations; on the contrary, these big aggregations are an inevitable development of modern industrialism, and the effort to destroy them would be futile unless accomplished in ways that would work the utmost mischief to the entire body politic. We can do nothing of good in the way of regulating and supervising these corporations until we fix clearly in our minds that we are not attacking the corporations, but endeavoring to do away with any evil in them. We are not hostile to them; we are merely determined that they shall be so handled as to serve the public good. We draw the line against misconduct, not against wealth.”

To that end he fought for corporate regulation, he fought for fair wages for workers, he fought for safe and healthy work environments, and he fought to protect consumers. And the people loved him for it. Roosevelt’s policies toward corporations were immensely popular. He busted up so many giant corporations that he became known as a “trust buster”. The busting up of these corporations created a lot more competition for customers and for employees, resulting in higher wages and lower prices and more jobs. And you know what? Corporate profits did just fine.

Teddy never stopped fighting for workers and consumers even after his presidency when he said this as the Progressive Party candidate for President in 1912,

“We wish to control big business so as to secure among other things good wages for the wage-workers and reasonable prices for the consumers. Wherever in any business the prosperity of the businessman is obtained by lowering the wages of his workmen and charging an excessive price to the consumers we wish to interfere and stop such practices. We will not submit to that kind of prosperity any more than we will submit to prosperity obtained by swindling investors or getting unfair advantages over business rivals.”

Roosevelt didn't win the presidency in 1912, although he most certainly would have if the Republican ticket hadn't been split. But Woodrow Wilson would continue the fight for workers and consumers. As America entered the 1920's, corporations began to gain political favors once again as business minded Republicans controlled the White House and Congress. Regulations were being stripped away and banks as large entities were on the rise. These banks and corporations abused the stock market which would lead to the crash of 1929 and the Great Depression. Corporate profits had surged throughout the decade and unfair speculation had caused economic bubbles that had to burst.

Corporate bosses also flexed their muscles over America's legal system, spending great deals of money to get away with nearly anything. In a statement of sarcasm that speaks to this despicable practice, Senator George Norris, after an industrialist was acquitted of charges of corruption, said that “We ought to pass a law that no man worth \$100,000,000 should be tried for a crime.”

The Franklin Roosevelt era would bring new calls for corporate regulation and corporate tax hikes. These new regulations once again kept corporations honest and protected consumers. Workers also benefited from these new regulations, getting fair wages, pensions, and safe working conditions. Corporations were taxed at a rate of 91% and even with all of that, corporations still made huge profits. Life changed dramatically for the middle class. People had jobs with livable wages and promise for the future. Corporations once again served a purpose as consumers were treated fairly and the economy soared.

Unemployment was also very low. But these trends did not last long as corporate greed would once again fuel another grab for political power. Corporations began aligning themselves more and more with the Republican Party, and as this relationship grew, corporations found a way to make record profits. Throughout the 1980's up to today, corporations have outsourced millions of American jobs to cheap labor overseas. As a result of this, corporate profits have broke record after record, while the unemployment rate has jumped higher and higher. Corporate tax rates began getting lower and lower, while more tax loopholes were created to help corporations evade most of them altogether. When the Republican Party took control of government in 2001, they went on a crusade on behalf of corporations (how could they refuse, they were on the payroll), to blame workers for economic downturns and outsourcing. Corporations also decided to take advantage of a national tragedy. After 9/11, there was an understandable push to go to war against terrorists hiding in Afghanistan. But corporations, as in other times of war and tragedy, began pushing for a war against Iraq. And they got their wish. Corporations have since made billions in war profits off of the War in Iraq and have proven once again that profit is far more important than the lives of soldiers. Lincoln was right. This is yet another reason why corporations need to be put in their place. As Henry Ford once said, "Do you want to know the cause of war? It is capitalism, greed, the dirty hunger for dollars. Take away the capitalist and you will sweep war from the earth."

Republicans are now on the verge of stripping away all corporate regulations and worker's rights. But it was the 2010 Citizens United decision that really made corporations into political powers. Not only were corporations declared to be people but corporations also now have the power to buy elections at will. The problem with this Supreme Court decision is that it goes against everything the founding fathers believed in. In the Constitution, it says "We the people...", not "We the corporations...". The founding fathers never addressed corporations in the Constitution because it never occurred to them that corporations would be perceived as people. And why would they have? Corporations don't eat, they don't breathe, they don't vote, they don't fight battles in wars. Remember all the limitations the founders placed on corporations mentioned earlier? In the Constitution, the founders speak only of the people. The founders did not limit lifetimes of people, nor did they outlaw a persons right to donate to political campaigns. They also did not limit people to specific life goals like they did with corporations. This should make it absolutely clear that the founders never intended for corporations to be people. The

decision by the clearly activist, conservative majority of the court is an abomination that can never be Constitutionally justified. Now it is our duty to call on Congress to bring forward a Constitutional Amendment that bans corporate personhood and bans corporations from interfering with government and legal elections that only real people have the right to donate to and vote in. Because whatever these greedy, arrogant CEO's and Republicans think, its the opinion of the founding generation that matters most. Corporations are not people. People are people.