

Northern California City Challenges Corporate Personhood

A New Strategy for Placing Limits on Corporate Power

June 2000

How many people know that under U.S. law corporations are persons? And that, as a result, corporations have been able to amass ever greater power to influence democratic processes and restrain governmental regulation? For example...

- Do advocates for campaign finance reform know that corporations cannot be prevented from contributing money to political campaigns? Corporate personhood means that any restraints on campaign contributions represent an abridgement of corporate rights to free speech.
- Do those who favor increased public monitoring of the operations of oil refineries, chemical manufacturers, paper mills, silicon chip makers, hospitals, or other plants generating toxic waste or emissions know that corporations can deny access to their premises by citizens wishing to determine whether government regulations are being followed? Personhood means that corporations are protected from warrantless search and seizure.
- Do supporters of local, independent businesses know that citizens cannot limit access by, or create special requirements for, any corporation that wishes to conduct business in their community? Corporate personhood means that such practices would infringe on corporate rights to equal protection.
- Do labor rights supporters know that people lose their rights to free speech and freedom of association, as well as other Bill of Rights protections, when on corporate property? Personhood reinforces a corporation's private property rights.

News Item

On April 25, 2000 the City Council of Point Arena, California, passed by a vote of 4 to 1 a resolution that rejects the concept of corporate personhood.

Why This Is Significant

- This is the first such action taken in the United States.
- It represents a new strategy designed to restrain corporate power. Rather than use incentives and regulations to guide corporate behavior — practices that at best result in incremental gains in the public interest — the citizens of Point Arena have asserted their democratic right to challenge a fundamental aspect of corporate existence. They have taken a step to assert sovereignty over corporations.
- Citizens of other cities, including Eugene, Oregon, and Santa Cruz, California, are initiating campaigns to challenge corporate personhood.
- Communities and groups across the United States and Canada are pursuing complementary tactics designed to define what corporations can and cannot do.
- These activities are manifestations of a new movement supporting the spread of political and economic democracy.

Brief Background

The Supreme Court first gave corporations, a legal creation, personhood (for purposes of the 14th amendment) in an 1886 decision. Other court cases led to full corporate personalization in 1910. Corporations have used this court-assigned status since the late 19th century to advocate successfully for having the protections and rights granted to people by the U.S. Constitution and Bill of Rights. As a consequence, corporations have been able to limit governmental efforts at regulation, constrain the workings of democracy, and subordinate the rights of people.

Members of the Redwood Coast Chapter of the Alliance for Democracy were inspired to challenge corporate personhood by the work of the Program on Corporations, Law and Democracy (POCLAD), devoted to "instigating democratic conversations and actions that contest the authority of corporations to govern." Alliance members engaged members of the community of Point Arena in learning about corporate personhood, its history and consequences, and the consequences of revoking it. They then placed a Resolution on Corporate Personhood before the City Council. Following sessions of public debate and revisions of the original document, the City Council adopted the following resolution:

Resolution on Corporate Personhood in the City of Point Arena

Whereas, the Citizens of the City of Point Arena hope to nurture and expand democracy in our community and our nation; and

Whereas, democracy means governance by the people and only natural persons should be able to participate in the democratic process; and

Whereas, interference in the democratic process by corporations frequently usurps the rights of citizens to govern; and

Whereas, corporations are artificial entities separate and apart from natural persons, are not naturally endowed with consciousness or the rights of natural persons, are creations of law and are only permitted to do what is authorized under law; and

Whereas, rejecting the concept of corporate personhood will advance meaningful campaign finance reform.

Now, therefore, be it resolved that: the City Council of the City of Point Arena agrees with Supreme Court Justice Hugo Black in his 1938 opinion in which he stated, "I do not believe the word 'person' in the 14th Amendment includes corporations;" and

Be it further resolved that: the City of Point Arena shall encourage public discussion on the role of corporations in public life and urge other cities to foster similar public discussion.

For more information, contact Jan Edwards, 707-882-1818, janedwards@mcn.org. If you would like to have an article submitted for publication, contact Alis Valencia, 707-964-7964, avalencia@mcn.org.

website: <http://www.iiipublishing.com/alliance.htm>