



# Introduction to the Topic and Each Other

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Why We Created this Course



GRASSROOTS  
INSTITUTE

Progressive Solutions  
for the Common Good

under attack  
to recapture  
our Democracy  
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THE FUTURE  
IS IN OUR HANDS



# Objectives

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Orient the facilitators to the purposes of the course and important preparations to make the course a success.

To build a community spirit among the participants by giving them a common bond in understanding why they are taking the class and highlighting their common goals and aspirations

# Paradigm

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In this burgeoning age of money as power, with corporate billionaires directing public policy for their self-interest from the heights of our political system, it is increasingly important for all citizens to engage in our political process to ensure that public policy favors the common good rather than the monied few. The Grassroots Institute recognizes that our current political and economic systems, built by the power of money and obsolete economic theories, have created public policies that fail to protect the common good while fostering the destruction of nature and the demise of human happiness. We must create systemic solutions that maximize the public good.



“Community” is one of the basic mechanisms for creating strong, citizen-based self-governance. Giving people a chance to fully reveal their personal experiences and identify their common goals in taking this class is an important part of building community. We often point out that we all live in a capitalist sea and as Daniel Tygel of the Brazilian Solidarity Economy points out, we all “get our hands dirty” to survive in our economic system. Since we all have to get “our hands dirty,” it is always important for people to share that part of their lives.

# Context

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There are many goals for people taking this class including:

- Understanding the historical context and present reality of money power;
- Grasping the connection between money power and our most dire problems on the planet;
- Identifying groups that are allied with your visions and are working on solutions to money power;
- Learning how to strengthen local self-government;
- Creating public policies to enhance the common good;
- Learning talking points to engage in constructive conversation with people who view the world differently;
- Identifying your allies in the local community; and extending your social community.

The classes concentrate on our:

- Political System;
- Economic System;
- System of Natural and Cultural Commons:  
Climate, Water, Health and Information
- System of Global Policy Making.

[Course Outline](#)



Each of the four themes is divided into subject areas that examine the origin of the system, the reality of the system today, and systemic changes that need to occur in each system to maximize the health and well being of all. Background for each class is provided by readings from *Justice Rising: Grassroots Solutions to Corporate Power*, published by the Alliance for Democracy, as well as additional readings relevant to each class. The heart of the class, however, comes from the class discussion stimulated by a series of questions for that particular class.

The course provides people with talking points to carry on vital conversations with both allies and foes. The class also provides entry points for active citizens to intervene in public policy-making. Most importantly, the class can build community – perhaps the most significant tool for changing the destructive aspects of our political, economic and environmental systems.

# Your Facilitators

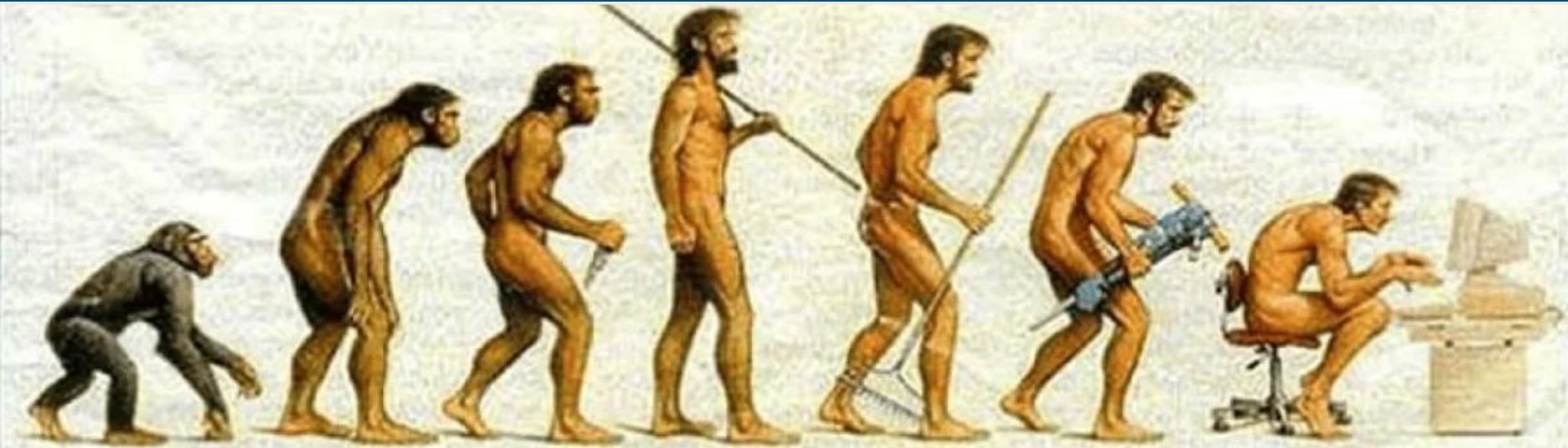
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- Jess Green
- Jim Tarbell
  
- Class Participants are encouraged to make a presentation at some point during the course.
  
- Questions?

# Discussion

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Who are our class participants? Why are you taking this class?



# It's Time for the People Power Over Money Power Quiz!

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When and how are the origins of corporations, capitalism, democracy, the wealthy merchant class and Christianity all related? What did Adam Smith say? Who was David Ricardo? How were corporations involved in the founding of America? How was the American Revolution a revolt against money power? How did the American revolution impact the corporate form? Why was the US Constitution written in 1787? Who opposed the Constitution, and why? What concessions were made to get the Constitution ratified? Who was the wealthiest American in 1787 when the Constitution was written? How did corporations evolve under the new Constitution? (Handout)

# When and how are the origins of corporations, capitalism, democracy, the wealthy merchant class and Christianity all related?

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During Queen Elizabeth's Protestant reign in the latter half of the 1500s, both England and the Protestant Dutch Republic stole the Portuguese trade routes around South Africa to Asia, and the burgeoning merchant class in both countries made great wealth partnering in the spice trade. In the first years of the 1600s, merchants in both countries merged their capital into a corporate form giving their capital a long-term institutional significance. They formed the British East India Company and the Dutch Verenigde Oost-Indische Compagnie. Both companies gained monopoly privileges to build the British and Dutch empires with their own private armies. In London's fledgling democracy the head of the British India Company continually revolved into serving as the mayor of London. Money power, democracy and empire have long been joined at the hip.

# What did Adam Smith say? Who was David Ricardo?

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Adam Smith's *Wealth of Nations* (1776) is held up as a primer on capitalism. In it, "He shows how monopolies hinder prosperity and contain the seeds of their own destructions. The merchants and other laborers who work within market systems will always be chipping away at their power."

David Ricardo, a wealthy London stockbroker, based the initial treatises for Classical Economic Theory on faulty assumptions that served the wealthy. These formed the rationale for our capitalist economy that makes the rich richer, depletes natural resources and destroys the systems of nature

John Stuart Mill, the son of Ricardo's friend and fellow stock broker James Mill, continued this tradition throughout the nineteenth century.

# How were corporations involved in the founding of America?

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America was founded by huge development corporations. The Virginia Company, Plymouth Company, Massachusetts Bay Company, Dutch West India Co. were issued charters by the Monarchy to colonize North America and organize governments. These corporations typically were run by wealthy stockowners in England.

Many of the “Founding Fathers” were among the wealthiest Americans, and most of them were business owners. After the revolution, new legislators had to figure out what to do with the charters, which were mostly schools and municipalities. The legislators gradually integrated them into the structure of the republic. In the 1790s, we began to see economic enterprises chartered, such as infrastructure companies that were contracted to build bridges, canals, etc.



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“Early Americans had a far more comprehensive and nuanced understanding of corporations than the Court gives them credit for. They were much more comfortable with retaining pre-Revolutionary city or school charters than with creating new corporations that would concentrate economic and political power in potentially unaccountable institutions. When you read Madison in particular, you see that he wasn’t blindly hostile to banks during his fight with Alexander Hamilton over the Bank of the United States. Instead, he’s worried about the unchecked power of accumulations of capital that come with creating a class of bankers.

So even as this generation of Americans became comfortable with the idea of using the corporate form as a way to set priorities and mobilize capital, they did their best to make sure that those institutions were subordinate to elected officials and representative government. They saw corporations as corrupting influences on both the economy at large and on government – that’s why they described the East India Company as imperium in imperio, a sort of “state within a state.” This wasn’t an outcome they were looking to replicate.”

-Brian Murphy, history professor at Baruch College in New York, in response to the Citizens United Decision (2010)

[Source](#)

How was the American Revolution a revolt against money power?

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The Sons of Liberty were against the monopoly companies, such as the East India Company (Boston Tea Party.)

In 1816, Thomas Jefferson wrote, “I hope we shall crush in its birth the aristocracy of our moneyed corporations, which dare already to challenge our government to a trial of strength and bid defiance to the laws of our country.”

# How did the American revolution impact the corporate form?

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Wealthy Americans came out on top after the American Revolution.

George Washington was the wealthiest man in America when he became the first president of the United States. All hopes that the American Revolution was for the common man who fought in the trenches were smashed by state laws that allowed only white male property owners to vote, and by the defeat of Shays Rebellion in 1787.

# Shays Rebellion Video

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After the American revolution ended, the soldiers that had fought the war realized that the wealthy colonial elite, supported by the courts, ruled the new republic. Those soldiers came together in Western Massachusetts to depose the ruling elite with Shay's Rebellion. Boston merchants had to finance their own army to put down the revolt. Fearing similar revolts throughout the new states, slave-owning white men, who made up the new ruling American elite, came together to create a strong central government that could put down such revolts. Meeting in secret, they gathered to amend the existing Articles of Confederation, but quickly threw them out and started writing a new Constitution for the United States to serve their own ends.

# Shays Rebellion challenges the corporate class (1787)

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The roots of Shay's Rebellion grew out of the first actions of the American Revolution in the early 1770s. In those years, farmers in Western Massachusetts got rid of the oppressive taxing and judicial system of the British Empire by surrounding British courthouses in their towns and making the British judge, hat in hand, walk the gauntlet of irate farmers and accept banishment from town. By the time of Lexington and Concord, all British authority had been vacated from Western Massachusetts and pushed into Boston.

Ten years later, with the United States an independent country, the farmers in Western Massachusetts were appalled when they discovered that now American legislators and judges were creating laws in their towns favoring the American upper class, leaving farmers once again burdened by unfair taxes.

In response, farmers again came together, bravely took over the courthouses, made the judges depart, and established their own local authority. Outraged, Boston merchants financed an army to defeat the farmers, bringing Shay's rebellion to an end. But that was not the end of the story.

# Why was the US Constitution written in 1787?

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The new American aristocracy throughout the United States felt frightened by the rebellion of the farmers and anxious about the inability of the federal government to raise an army to fight them.

Culturally and politically, the corporate–financed political class was losing power.

These concerns led a small group of prosperous, slave-owning, white men to secretly write the Constitution of the United States under the guise of rewriting the Articles of Confederation. The Constitution they proposed created a strong central government that could raise an army and protect the interests of the wealthy.

[Source](#)

# Who opposed the Constitution and why?

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Anti Federalists, supporting state and local control, did not want an autocratic central government, and worried about the Supreme Court being the re-establishment of the monarchy with no democratic oversight.



# What concessions were made to get the Constitution ratified?

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To obtain consent for the new US Constitution, ten amendments to the US Constitution known as the "Bill of Rights." But Thomas Jefferson originally demanded 12 Amendments. The two amendments not included in the Bill of Rights were: No Standing Armies; and No Monopolies

# Who was the wealthiest American in 1787 when the Constitution was written?

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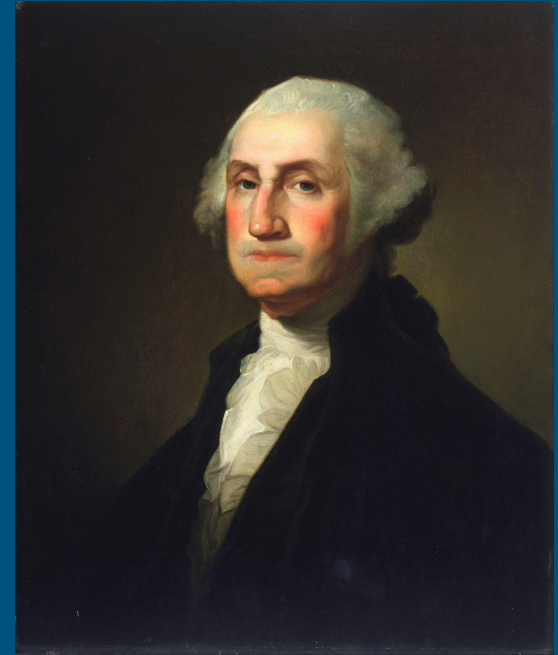
George Washington acquired extensive land holdings in the Ohio River Valley in the colonial era. The British, however, forbid white settlers from moving there. It was only after the Revolution that Washington could sell his land there and become the wealthiest man in America. A great lesson for all Americans is to visit his home at Mount Vernon to get a visceral experience that money power has long-ruled the USA.

# George Washington

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Washington's \$780,000 estate was equivalent in value to almost one-fifth of 1 percent—0.19 percent—of the \$411 million GDP. If Washington had lived two centuries later, and boasted a fortune worth 0.19 per cent of the nation's approximately \$15 trillion 2011 GDP, he would have been worth \$25.9 billion.

Most of this wealth can be traced to Washington's success as a land speculator, an enterprise that grew out of his early career as land surveyor. Added to that was his firsthand experience of the frontier country beyond the Allegheny Mountains gained during the French and Indian War. The area's potential, strategically and economically, made a lasting impression on the young officer and was the key that opened the door to financial opportunity.



[Source](#)

# How did corporations evolve under the new Constitution?

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After a century of US Supreme Court decisions, starting with the 1819 Dartmouth decision, on to the 1919 decision in Dodge Brothers v Ford Motor Company, the socio/political legal relationship between corporations and the democratic citizens of the United States went through a seismic change. In that hundred years, corporate charters went from a privilege granted by democratic state legislatures, to a business contract between equal institutions, and from entities dedicated to providing for the common good, to businesses legally mandated to maximize corporate profits for the benefits of their shareholders. In the same period, the Supreme Court gave corporations the rights of human beings. Now corporations are automatically chartered by the offices of the Secretaries of State of each state.

How have people gained rights under the Constitution since it was ratified in 1788?

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Slaves gained the rights of citizens through a long, bloody civil war. Women gained the right to vote after seventy years of protests and continual political pressure.

# How have corporations gained rights under the Constitution since it was ratified?

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A cohort of activists, scholars, and lawyers in Point Arena CA compiled this valuable timeline as they worked to pass the first resolution against corporate personhood 25 years ago. Starting in 1772 this timeline follows court cases giving corporations personhood rights, and political movements that had to struggle to give all adult citizens the right to vote. While corporations were given rights simply by having their lawyers make those decisions on the Supreme Court, people had to struggle for half a century or more and wage a civil war to gain women and African Americans the right to vote. Click the timeline above and study how this all happened.

[Corporate Rights Timeline](#)

# What is corporate personhood, exactly?

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Historically, treating corporations as "persons" was a convenient legal fiction that: allowed corporations to sue and to be sued, provided a single entity for easier taxation and regulation, and simplified complex transactions

In the late 1800s Supreme Court Justices extended this concept and began giving corporations many of the same rights as people.

This all hung on the interpretation of the word "person" in the Fourteenth Amendment that was meant to free the slaves. Corporate lawyers on the Supreme Court used it to free corporations from democratic oversight. Opponents of corporate personhood seek to amend the U.S. Constitution to limit these rights to those provided by state law and state constitutions.

# Santa Clara County v. Southern Pacific Railroad (1886) sets groundwork for corporate personhood

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Southern Pacific Railroad was owned by Leland Stanford.

“...after California lawmakers imposed a special tax on railroad property, Southern Pacific pushed back, making the bold argument that the law was an act of unconstitutional discrimination under the Fourteenth Amendment. Adopted after the Civil War to protect the rights of freed slaves, that amendment guarantees every “person” the “equal protection of the laws.” Stanford’s railroad argued that it was a person too, reasoning that just as the Constitution prohibited discrimination on the basis of racial identity, so did it bar discrimination against Southern Pacific on the basis of its corporate identity.”

[Source](#)



# Corporate Personhood Established in 1886, via headnote...

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Before argument, Mr. Chief Justice Waite said: "The court does not wish to hear argument on the question whether the provision in the Fourteenth Amendment to the Constitution, which forbids a State to deny to any person within its jurisdiction the equal protection of the laws, applies to these corporations. We are all of the opinion that it does."

In other words, the headnote claimed that all of the justices believed that corporations enjoyed rights under the Fourteenth Amendment, adopted in 1868.

The headnote marked the first occasion on which the Supreme Court indicated that the Equal Protection Clause granted constitutional protections to corporations as well as to natural persons.

# Supreme Court Justices on Corporate Personhood

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In his dissent in the 1938 case of Connecticut General Life Insurance Company v. Johnson, Justice Hugo Black wrote "in 1886, this Court in the case of Santa Clara County v. Southern Pacific Railroad, decided for the first time that the word 'person' in the amendment did in some instances include corporations. [...] The history of the amendment proves that the people were told that its purpose was to protect weak and helpless human beings and were not told that it was intended to remove corporations in any fashion from the control of state governments. [...]"

Justice William O. Douglas wrote in 1949, "the Santa Clara case becomes one of the most momentous of all our decisions. [...] Corporations were now armed with constitutional prerogatives."

# Money Power in Politics

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A central point of debate in recent years has been what role corporate money plays and should play in democratic politics. This is part of the larger debate on campaign finance reform and the role that money may play in politics.

Enter citizens united...

Citizens United v. Federal Election Commission, 558 U.S. 310 (2010), a landmark United States Supreme Court case in which the Court held that the First Amendment prohibited the government from restricting independent political expenditures by corporations and unions.

Which is a discussion for the next class!!

[Source](#)

# What Can We Do?

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- Be lifelong learners so that we can understand the social, environmental and economic history that deeply affects of the world that we live in today.
- Look for opportunities to build community and participate or facilitate community based discussions about this issues. Educate yourself and others!
- Use the tools and resources in this course to fix the systemic problems we have in our political and economic systems and how we treat nature.
- What else?

# For next week...

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- Review Justice Rising Articles
  - [Volume 5 #2](#)
  - [Spring 05](#)
  - [Vol 6 # 4](#)
- Preview the [Discussion Questions for next week](#)

# Additional Readings & Viewings

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[Justice Rising Spring 2005, Page 1-2](#)

[The Wisdom to Survive](#)

[The Corporation](#)

<https://www.history.com/news/14th-amendment-corporate-personhood-made-corporations-into-people>

<https://www.theatlantic.com/business/archive/2018/03/corporations-people-adam-winkler/554852/>

[https://www.voanews.com/a/usa\\_all-about-america\\_todays-democracy-isnt-exactly-what-wealthy-us-founding-fathers-envisioned/6201097.html](https://www.voanews.com/a/usa_all-about-america_todays-democracy-isnt-exactly-what-wealthy-us-founding-fathers-envisioned/6201097.html)

<https://hbr.org/2010/04/what-the-founding-fathers-really-thought-about-corporations>