By What Authority, the name of our publication, is English for *quo warranto*.

*Quo warranto* is the sovereign's command to halt continuing exercise of illegitimate privileges and authority. Evolved over the last millennium by people organizing to perfect a fair and just common law tradition, the spirit of *By What Authority* animates people's movements today.

We the people and our federal and state officials have long been giving giant business corporations illegitimate authority.

As a result, a minority directing giant corporations privileged by illegitimate authority and backed by police, courts, and the military, define the public good, deny people our human and constitutional rights, dictate to our communities, and govern the Earth.

*By What Authority* is an unabashed assertion of the right of the sovereign people to govern themselves.

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THE RULE OF LAW

VERSUS

DEMOCRACY

**By Doug Hammerstrom**

Politicians like to say that the rule of law is a feature of democracy. The implication is that law is an unchanging set of principles that resolves conflicts impartially. But law is not impartial; it reflects the political and social biases of the legislators and judges who make it. Furthermore, law is not unchanging. An examination of 19th century legal history in the United States shows not only rapid changes but the reversal of many previously long-standing legal principles. This revolution of law in the 1800s facilitated the industrialization of the US and the growth of corporate power.

Imagine yourself in Louisville, Kentucky, in 1839. Newfangled railroads are running through the city, throwing off sparks and setting homes and other buildings on fire. The authorities of Louisville, recognizing the fire-setting trains as a disaster, sought an injunction against the operation of trains in the city until the problem of the sparks was resolved. The trial court heard the evidence of people's homes and livelihoods being harmed and issued the injunction.

The Kentucky Court of Appeals dissolved the injunction, saying that "private injury and personal damage . . . must be expected from . . . agents of transportation in a populous and prospering country." Furthermore:

The onward spirit of the age must, to a reasonable extent, have its way. The law is made for the times, and will be modified by them . . . And therefore, railroads . . . should not, in themselves, be considered nuisances, although in ages that are gone, they might have been so held, because they would have been comparatively useless, and therefore more mischievous.

That the Kentucky Court of Appeals would assert itself so strongly reflects a view just emerging at the beginning of the 19th century — that the common law could be an instrument for social engineering rather than a reflection of traditional values. Armed with this instrumental concept, judges began to reframe law to make it friendly to an industrial society. One of the new legal principles created by 19th century judges was to weigh social utility against injury. This subjective principle had a vagueness that judges used to tip the scales in favor of the rich and powerful, leaving the majority of people to suffer the injuries, and resulting in a huge transfer of wealth to the wealthy. The previous principle, even though it may have been unevenly applied, was that people could not lawfully engage in any activity that caused injury. This change enabled the industrialization of the United States. Without a

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Rule of Law (continued from page 1)

legal accommodation of its clearly harmful effects, industrial activity would have faced the likelihood of being prohibited by the courts.

It was no accident that judges were positioned to make this change. The Federalists who drafted the Constitution did not trust the majority to make social or political decisions and successfully created a system in which the property-owning elite would rule. The constitutional role of the courts is an integral part of that system. The Federalists made certain that law would become the supreme medium of discourse to resolve conflicts in the new republic. Community values, religion, morality, and other mediating processes long used by human societies were subordinated to the rule of law.5

As evidence of their awareness of the power of judges to rule the nation, when the Federalists lost the presidency to Jefferson in the election of 1800, their response was to pack the courts with Federalist judges, including John Marshall as the Chief Justice of the Supreme Court. In more than 30 years in this role, Marshall made many highly political decisions and established the doctrine of judicial review, by which the unelected Supreme Court could overturn legislation by Congress and the states.

The result of judges making social decisions for the country was not even-handed justice. The earliest cases of judges allowing harms granted the right to flood neighboring land to the builders of mill ponds. The original justification for limiting compensation to the people whose land was flooded was that the mills were open to all members of the community to grind their grain and thus provided a public benefit. But as private factories began to use water power from mill ponds, the rule was extended to them as well.6 In 1827, a mill pond owner was allowed to escape paying damages altogether on the theory that the owner of the flooded land received a benefit of irrigation!7 The supposed beneficiary was stripped of the power to say whether a benefit was received — the Federalist scheme ensured that the elite would define such questions through the courts.

This slow creep of changes in rationale is a repeating theme in the transformation of law. In the early 19th century, courts devised rules to limit the liability of both the state and the corporations chartered to undertake works of public improvement. Damage judgments would not be imposed on those engaged in public works if they were “careful.” Gradually this criteria came to be applied to all acts that caused harms in all cases, not just public works. Eventually the courts applied the same rule to human injuries.

Further limitation of liability was created by the courts in what has been called “running down” cases — in which, for instance, horse-drawn carriages ran down pedestrians. Courts invented the idea that blame was necessary for determining liability. Carelessness — the violation of a social duty to exercise “due care” toward someone who might be injured by one’s actions — was the test judges developed to determine blame. Moving steadily away from the common law principle that a person causing an injury could be liable for the resulting harm, the 19th century courts conjured a number of indefinite legal doctrines as necessary prerequisites for imposing liability, which allowed judges to play favorites in their rulings.

One legal commentator observed that the American attitude toward legal liability was based on the assumption that the “quiet citizen must keep out of the way of the exuberantly active one.” Law became a leading means by which the exploitative and dynamic forces in American society were able to overwhelm the weak and relatively powerless. After 1840 the principle that one could not be held liable for “socially useful” activity exercised with “due care” became a regular feature of US law.

If law is immutable, how could these significant changes occur? To idealists, law is about justice. But to most attorneys, law is a business and justice is a commodity sold to the most active bidder. Whatever position their clients desire is the interpretation of the law argued by most lawyers in court. As a result, the law changes to provide for the needs of those who can afford to be clients.8 The story of how this dynamic played out in the US
during the 19th century begins before the Revolutionary War.

In colonial times lawyers did not have the prominent position they have today. Their clients were the landed gentry and their role was primarily drawing deeds and wills. As trade and manufacturing grew after the Revolution, lawyers began seeking another set of clients, which required a fundamental shift in legal perspective. The landed wealthy were content to exploit people by overstating the rental value of their land. They prospered by preserving a static view of their property rights, referred to as the “quiet enjoyment” of their lands, which fit well in an agrarian society. The emerging commercial class, however, was intent on engaging in new activities that would upset the status quo. In the process of expanding industrialization, they disturbed the previously sanctioned right of property-owning individuals to be free of harms created by the activity of others. The way for lawyers to attract these new clients was to advocate in court for the changes in law that they wanted.

In the early days of the US, the courts, too, had an interest in attracting these new litigants. Extra-legal means of resolving disputes, such as arbitration and referees with special commercial knowledge, had arisen because merchants distrusted the courts and lawyers. In order to preserve and enhance their role as the institution that wields power by resolving disputes, judges made decisions to make the courts more appealing to industrialists and capitalists. The direction of that change is reflected in these comments from an early 19th century ruling: “Distributing the [burdens] of losses, among the greater number, to prevent the ruin of a few... is... most conducive to the general prosperity of commerce.”

One of the main complaints of the new merchant-clients was what they called “excessive” jury awards. (Sound familiar?) The merchants asked their attorneys to change the law to shield them from the consequences of their violations of community norms. After 1790 courts quickly began to limit the role of juries by developing several procedural devices, such as granting new trials, creating special proceedings in which judges decided cases, and labeling some questions that juries had previously decided as “questions of law” for judges to decide. By asserting their will to a greater extent than before, judges changed the law for the benefit of the merchants at the expense of the common people.

Participation in political processes was severely limited in the 19th century, and these changes took away what little role the average citizen had in making law and put it in the hands of judges. In 1842 the Supreme Court continued this trend by ruling in Swift v. Tyson that the federal judiciary was not bound by state court rulings in the area of commercial law, which limited the interference of sometimes anti-commercial state courts.

Among the other ways laws were twisted by judges in the 19th century was changing the basis of contract law from examining the fairness of contracts to the laissez faire doctrine of caveat emptor — let the buyer beware. This doctrine served the few who wanted everyone and everything to be viewed as a commodity in which they could speculate. However, for the vast majority it meant that the force of law amplified the raw power of those in command of the greatest resources. Laissez faire contract law made the rule of the jungle the rule of law.

The class bias of judges is most clearly seen in labor law, which 19th century judges chose to develop from a concept called “master and servant.” One of the features of labor law in that era was the criminal prosecution of workers’ collective bargaining attempts as “conspiracy.” Employers were not similarly treated for their collective efforts.

State legislatures in the latter half of the century responded to popular demands to curb the excesses of corporations by passing laws designed to limit corporate behavior. Price gouging by the railroads was particularly devastating to farmers, who were dependent on railroads to move their crops to market. In response, large populist movements like The Grange and the Farmer’s Alliance brought together millions of people to challenge the corporations. The US Supreme Court, reflecting its Federalist, anti-democratic roots, rose to the occasion to rescue property owners from this outbreak of democracy.

In the 1886 case of Santa Clara County v. Southern Pacific Railroad, a legal sleight-of-hand provided corporations with the same protections as human beings (“persons”) under the 14th Amendment. In a series of cases in the late 1800s, the Court developed a doctrine known as “substantive due process,” by which the Court could substitute its judgment for that of the legislature to decide whether a particular law was wise policy. This doctrine was fully formed in the 1905 case, Lochner v. New York, in which the Court overturned a New York law limiting bakery workers to 12-hour days.

The combination of these two doctrines — corporate personhood and substantive due process — enabled corporations to wield the 14th Amendment (as persons) as a tool of the coercive force of law against the efforts of real people to provide for community needs. On the basis of 14th Amendment protection, and using their self-generated power to override legislatures, the Supreme Court invalidated hundreds of democratically enacted laws designed to promote human relationships and values. The populist efforts to restrain the power of corporations were struck down by judicial fiat.

Despite these revolutionary changes in the law during the 1800s, the unspoken
The clever despot, observed French philosopher Michel Foucault, binds us by the chains of our own ideas. We who seek to build democracy must not be bound by the false assertion that the rule of law is democratic. A re-examination of history teaches us that our powerful legal system is a massive fortress against popular sovereignty. One of our most important tasks is to revisit fundamental questions that were resolved by undemocratic means in the past. An even deeper aspect of our work is to bring hope to replace the despair people have internalized because of the futility of their own decision-making when the courts and the wealthy have usurped that power.

The history of law in the US — indeed, the history of the US — can be seen as an outgrowth of the legal duty to protect and advance the position of the client. One of the intentions of society in creating the corporate form is to allow aggregation of wealth for large economic projects. Corporations have used their vast accumulations of resources to hire lawyers to influence law and promote their interests. Individuals are seldom able to bring a competing amount of resources to defend their interests. As a result, we have inherited a legal system in which wealth and property have near-absolutist protections against the compromised rights of the rest of society, which will only get worse without a strong, countervailing people’s movement.

We hear daily the hollow rhetoric that we live in the contemporary world’s foremost democracy, but an examination of the legal history of the US exposes just the opposite. The Federalists succeeded in their goal of creating a Constitution that protects property rights from the “rabble.” They were less successful at protecting political rights. The task of nurturing democracy remains for us. Part of that task must be to recognize the political nature of law. We must not let the changes we seek be constrained by believing that the law that does exist is the only law that can exist. In combating the power of corporations we cannot concede the legitimacy of that power simply because current law sanctions it.

Doug Hammerstrom is an activist attorney living in Gualala, California.

ENDNOTES

1. The historical research for this article comes from The Transformation of American Law, two volumes—one subtitled 1780-1860; the other, 1870-1960—by Morton J. Horwitz. I thank him profusely for his scholarship and acknowledge that after reading his books many of my thoughts are compelled by the history he so thoroughly relates.

2. Lexington & Ohio Rail Road v. Applegate (1839) 8 Dana 289, at page 305.

3. Id at page 309.

4. Common law is judge-made law traditionally based on custom and usage.

5. For a thorough discussion of all these alternatives and how law was selected as the medium of discourse in US society, see Law, Labor and Ideology in the Early American Republic, by Christopher L. Tomlin, Cambridge University Press (1993).


Abolish Corporate Personhood
T-shirts

The Women’s International League for Peace and Freedom (WILPF) has t-shirts available for sale.

On the front of the shirt it says...

Slavery is the Legal Fiction
that a Person is Property.
Corporate Personhood is the
Legal Fiction that Property is
a Person.

The back of the shirt proclaims...

Abolish Corporate Personhood!

and includes the organization’s name, website, and the above Matt Wuerker cartoon.

Shirts are made from organic cotton, printed with environmentally sensitive inks, and produced in fair-labor shops. Sizes are small, medium, large, and extra-large. Men’s styles are natural color (light beige) and the women’s styles are white. The ink is black on both sides.

Prices for shirts are $15 plus $5 for shipping and handling. To order, send a check payable to WILPF and a note indicating style and size, plus ship-to address, to WILPF, 1213 Race Street, Philadelphia, PA 19107. For questions and quantity orders, phone 215.563.7110.

Reclaiming the Bill of Rights,
BUILDING A MOVEMENT

Jeff Milchen is the founder of ReclaimDemocracy.org, a young but increasingly influential organization in the Democracy Movement. Molly Morgan interviewed him about their strategy and campaigns.

**BWA:** What is the focus and mission of ReclaimDemocracy.org’s work?

**Jeff Milchen:** Well, our tagline is “Restoring Citizen Authority Over Corporations,” and like POCLAD we focus on effecting long-term structural change that cuts across many different issues. An ongoing part of our work is delivering radically democratic perspectives through mass media to people who don’t necessarily consider themselves radical or even progressive. We dissect current issues to expose how problems are rooted in the illegitimate power wielded by corporations and moneyed interests, and we try to show clearly how changing the system could directly improve people’s lives.

Another major component of our work is building concrete tools for change and replicable models that decentralize power so that average citizens and communities have more influence in the decisions that affect them. We think the more people experience democracy close to home, the more likely they are to value it and work to expand it. People across the political spectrum who may disagree on outcomes still have common goals in creating a more democratic society, but their differences may hide those shared interests. One reason is that so much of the “news” is alienating and disempowering — it obscures the work and impact of ordinary citizens while exaggerating the power of those in official positions.

**BWA:** How do you get your message out?

**JM:** Our media outreach has focused primarily on print media plus some talk radio programs. We’ve had significant success — from op-eds in mainstream newspapers like the Washington Post, Newday, and the San Francisco Chronicle to strategy and solution-oriented pieces in environmental journals like The Ecologist and major Spanish-language newspapers like La Opinion and La Prensa. As an example of how revoking illegitimate corporate power concerns people across the political spectrum, our work has been written up in business magazines and conservative tabloids like American Free Press as well as progressive magazines like Utne Reader.

**BWA:** Describe your campaign to revoke corporate free speech.

**JM:** We’re helping to instigate what we hope will be the broad national coalition necessary to put this issue on the radar screen. We believe that corporate free speech is a desecration of our Constitution and that this is an especially good time to generate public debate about it because a case called Kasky v. Nike stands a good chance of being reviewed by the Supreme Court in 2003. The case centers around the issue of commercial speech — a category of communication created by the Court [see sidebar on page 6].

The Supreme Court is a political institution that responds to major shifts in public opinion. Our goal is to use Kasky to make the issue of corporate free speech a high-profile controversy, framed as a matter of justice, like other struggles for civil rights. We need huge numbers of citizens generating pressure on our courts and influencing their thinking, and it’s a challenge because the injustice is less direct and obvious than it is for other abuses of our rights.

Our initial focus in this effort is on the American Civil Liberties Union (ACLU). We want to persuade their lead-
ers that their mission to defend civil liberties for human beings is undermined by their consistent support of corporate "rights." This is especially disturbing when our civil liberties are under siege by the Bush Administration and Congress. The ACLU also expends resources to oppose most significant campaign reform efforts by supporting the doctrine that spending money to influence elections is protected "free speech."

Our position is that all communication by for-profit corporations is inherently commercial speech and that no constitutional protection exists — it's up to We the People, working through our democratic institutions, to decide what privileges commercial entities should enjoy. The Bill of Rights was intended to protect only human beings, but previous Courts have claimed that speech itself is protected by the First Amendment — that a thing is protected rather than the right of a person — which goes against any reasonable interpretation of the Bill of Rights.

BWA: Wouldn't revoking corporate free speech diminish the First Amendment and limit opportunities for organizations like ReclaimDemocracy.org and the ACLU to speak?

JM: No. The Supreme Court has distinguished explicitly between advocacy groups and profit-centered corporations in two cases: Austin v. Michigan Chamber of Commerce (1990) and FEC v. Massachusetts Citizens For Life (1986). In FEC, the majority said: "Massachusetts Citizens For Life was formed to disseminate political ideas, not to amass capital. The resources it has available are not a function of its success in the economic marketplace, but its popularity in the political marketplace."

It's worth noting that in colonial times, the word "speech" often described discourse — an interactive communication, as in, "I'd like to have a speech with you." The Constitution writers likely wanted to protect dialogue, not just broadcasting one's views. How can people dialogue with something like the Nike Corporation, which has no mouth or ears, let alone a mind?

Restoring a reasonable definition of free speech would actually amplify the voice of small organizations like ours with a genuine human constituency. Individual citizens and grassroots organizations can never speak as loudly with our own voices as corporations can with the unlimited amplification of money. But if our relative impact corresponded to the quality of our ideas and how effectively we worked to promote them, rather than how much money we spend, we'd have a very different country.

Of course, corporate speech has been key to amassing wealth and power for corporations, and their hirelings will fight to retain it. Public relations departments will churn out messages framing corporations as the defenders of liberty. Corporate lawyers will argue about slippery slopes and the freedom of speech being sacrosanct. They'll say even speech we don't like needs to be protected and use examples of unpopular speakers like the Ku Klux Klan. Our work is to properly frame the debate: the Constitution protects the rights of human beings, not things, and only people have rights to free speech. The popularity of a speaker is not an issue, but the speaker's humanity is!

BWA: How does corporate free speech affect public policy?

JM: Virtually every issue of consequence is affected by the illegitimate influence of corporations derailing democracy, but here's one: both of the dominant political parties constantly espouse the value of "free trade," yet they pass laws that preclude or destroy competition in countless industries. Take pharmaceuticals. The government creates and enforces monopolies [patents] on drugs, not for the benefit of taxpayers who fund the development of two-thirds of the most medically significant drugs, but for corporations. As a result, Bristol-Meyers-Squibb Corporation can gouge cancer victims for 20 times the production cost of its patented drug, Taxol. Did cancer patients and citizens have an opportunity to participate in the decision to give away the patent? Hell, no. We were never even informed that we paid for its development!
Squibb exercises its "speech" by spending millions for paid lobbyists in Washington, who shape issues and frame debate in ways that bypass the most critical questions entirely. This is why we never hear ideas like "let's keep public control of these drugs and contract a corporation to produce it at a modest profit." As long as we allow corporate wealth to translate readily into political power, these abuses of the public interest will be the norm.

BWA: What kinds of positive alternatives to corporate power do you work to create?

JM: Ultimately, corporate power comes from a single source — our money — so we work to divert money and power away from absentee-owned corporations and toward community businesses that are locally rooted. It's tough to hide from the consequences of your business decisions when they have a visible impact on your neighbors and the town you live in. We show people that there are many alternatives to giant corporations — that, in most cases, local businesses can provide the bulk of communities' needs and do it as well or better.

A few years ago we started the Boulder [Colorado] Independent Business Alliance (BIBA) with the goal of helping the community to stop chainstores from continuing to displace local businesses. We organized collaborative campaigns funded by independent local businesses, including public education, direct pooling of resources for group purchasing and marketing, and political organizing to promote local policies favoring community-rooted businesses. BIBA opened a lot of doors for democratic conversations that included many people and organizations who would have been difficult to engage through, say, POCLAD or ReclaimDemocracy.org.

We consciously worked to develop a model that others could employ, and last year we launched the American Independent Business Alliance (AMIBA) to help other communities use it. There are three more IBAs now with substantial paying memberships — Salt Lake City, Utah; Corvallis, Oregon; and Austin, Texas — and several other communities are in earlier stages of organizing. We're helping to seed and connect these groups to build a national network that eventually will change trends on a larger scale.

I believe that owners of farms and other small businesses are essential to the success of the Democracy Movement. These folks know as well as anyone how destructive giant corporations can be, but not only have most activists failed to forge alliances with small-business owners, we tend to alienate them with broadbrush attacks on business. Sloppy use of language like "business interests" does great harm to our cause.

A long-term goal of ours is to develop a powerful counterforce to entities like the US Chamber of Commerce, which gains its legitimacy from thousands of small member businesses, but actually exploits them to promote the agenda of the transnationals that drive its agenda. We should seize the label of "pro-business" for ourselves, making it clear what kind of business we're for and why. After all, small-business owners already know that "corporate speech" only helps those big enough to hire lobbyists and public relations firms.

For more information visit the website at www.reclaindemocracy.org, or call 303.402.0105. A sample of their newsletter, The Insurgent, is available free upon request.

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**TAKING CARE OF BUSINESS**

The 1993 booklet, "Taking Care of Business," by Richard Grossman and Frank Adams, is in its fifth and final printing. POCLAD is making them available for the cost of postage: $1 for a single copy, $3 for two to five copies, and $4 for six to 15 copies. (Those are total prices, not per copy prices.) Make checks payable to POCLAD and send them to P.O. Box 246, South Yarmouth, MA 02664-0246 with a note indicating quantity desired and ship-to address.

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**To Wave or Not to Wave?**

While ReclaimDemocracy.org and POCLAD share a common mission, our two organizations use different tactics to present US history, reflecting the different audiences we are trying to reach.

We [ReclaimDemocracy.org] tell the story that American ideals of equality and justice have been corrupted, and we rally people to resist and revalue the illegitimate corporate power that desecrates our flag and Constitution. POCLAD deconstructs history more deeply, accurately explaining that our founders intentionally elevated property rights above democracy in many ways. This is important for activists, who are more open to this provocative analysis, but we have found that trying to strip away all illusions is usually not the most effective way to reach or inspire mainstream audiences.

Most people are easily upset about their country being attacked, which motivates them to fight back. In such situations, it's not only difficult but counter-productive to tell people that their beliefs are faulty. This is why ReclaimDemocracy.org has chosen to embrace the flag as our symbol — carefully defining what it stands for from our point of view. For outreach to many kinds of people, we believe this approach is vital to the success of our organization and building the Democracy Movement.

— Jeff Milchen

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