

The United States of Corporate America: From Democracy to Plutocracy

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“The price of apathy towards public affairs is to be ruled by evil men.” Plato, ancient Greek philosopher

...“The 20th century has been characterized by three developments of great political importance: The growth of democracy, the growth of corporate power, and the growth of corporate propaganda as a means of protecting corporate power against democracy.” Alex Carey, Australian social scientist

“The most effective way to restrict democracy is to transfer decision-making from the public arena to unaccountable institutions: kings and princes, priestly castes, military juntas, party dictatorships, or modern corporations.” Noam Chomsky, M.I.T. Emeritus Professor of Linguistics

On Tuesday, January 19 (2010), the Obama administration got a kick in the pants from the Massachusetts voters when they filled former Senator Ted Kennedy’s seat by electing a conservative Republican candidate. The essence of their message was: stop dithering and start governing; stop trying to satisfy the bankers and please the editors of Rupert Murdoch’s Wall Street Journal, and start caring for the ordinary people.

Two days later, President Barack Obama seemed to have understood the people’s message when he announced a “Volcker rule” that will forbid large banks from owning hedge funds that make money by placing large bets against their own clients, using information that these same clients gave them. It was time. Such a policy should have been announced months ago, if not years ago.

On the same day, however, a nonelected body, the U.S. Supreme Court, threw a different challenge to the Obama administration. Indeed, on Thursday January 21 (2010), a Republican-appointed majority on the U.S. Supreme Court [<http://www.nytimes.com/aponline/2010/01/21/us/AP-US-Supreme-Court-Campaign-Finance.html?src=tptw>] took it upon itself to profoundly change the U.S. Constitution and American democracy. Indeed, in what can be labeled a most reactionary decision, the Roberts U.S. Supreme Court, [<http://www.nytimes.com/aponline/2010/01/21/us/AP-US-Supreme-Court-Campaign-Finance.html?src=tptw>] ruled that legal entities, such as corporations and labor unions, have the same purely personal rights to free speech as living individuals. Indeed, the First Amendment of the U.S. Constitution [http://en.wikipedia.org/wiki/First_Amendment_to_the_United_States_Constitution] says “Congress shall make no law ... abridging the freedom of speech.

The only problem with such a wide interpretation of the U.S. Bills of Rights

[http://en.wikipedia.org/wiki/United_States_Bill_of_Rights] (N.B.: The first ten amendments to the United States Constitution are known as the Bill of Rights) is that this runs contrary its letter and its spirit, since it clearly states later on that “the enumeration in the Constitution, of certain rights, shall not be construed to deny or disparage others retained by the people, and reserves all powers not granted to the federal government to the citizenry or States.” The words “people” and “citizenry” clearly refer here to living human beings, not to legal or artificial entities such as business corporations, labor unions, financial organizations or political lobbies.

Such entities, for example, cannot vote in an election. Indeed, laws governing voting rights in the United States clearly establish that only “Adult citizens of the United States who are residents of one of the 50 states have the right to participate fully in the political system of the United States”. No mention is made of corporations or other legal entities.

However, with its January 19 (2010) decision, the majority on the Roberts U.S. Supreme Court is saying in effect that even if artificial entities cannot vote in an election, they can spend as much money as they like to influence the outcome of an election. Money is speech for them, and the more a legal entity has of it, the more it has a right to become powerful politically and control the political agenda.

In fact, what Chief Justice Roberts and his conservative Supreme Court majority have done is to overcome a century-old democratic tradition in the United States in granting a constitutional right to business corporations and to banks, (because they are really the ones with a lot of money), to use their enormous resources to not only participate in debates about public issues, but also, and above all, to de facto dictate the election of candidates of their choice to public office.

That’s plutocracy, not democracy!

Plutocracy [<http://en.wikipedia.org/wiki/Plutocracy>] is defined as a political system characterized by “the rule by the wealthy, or power provided by wealth.” Democracy, on the other hand, is defined as a political system where political power belongs to the people. This means “a political government either carried out directly by the people (direct democracy) or by means of elected representatives of the people (representative democracy). The terms “the power to the people” are derived from the words “people” and “power” in Greek.

This fundamental idea of democracy was well summarized by President Abraham Lincoln, in his 1863 Gettysburg Address, when he said that it is “a government of the people, by the people and for the people.” This is a definition that is based on the basic democratic principle of equality among human beings.

But now, the Roberts Court’s decision must have made President Lincoln turn in his grave, because that decision, in effect, transfers political power from the living “people” to artificial corporate entities, with tons of money to spend. If Congress does not act quickly to reverse this decision, legal entities will be able to spend freely in the media to support or oppose political candidates for president and Congress, and this, as far as the last moment of a political campaign. This is quite something!

By a stroke of the pen, the Roberts Court has thus abolished the laws governing American electoral financing and removed limits to how much special money interests can spend to have the elected officials they want. The government they want will largely be “a

government of the corporations, by the corporations, for the corporations.” Truly amazing!

To reflect the new political philosophy of the five-member majority of the Roberts Court, the Preamble of the U.S. Constitution [<http://www.answers.com/topic/preamble-to-the-constitution>] that says “We the People of the United States, in order to form a more perfect Union...” should, maybe, more appropriately be changed for “We, the business corporations of America...”

It is that much more ironic that the word “corporation” appears nowhere in the U.S. Constitution or in the Bill of Rights. It is scarcely conceivable that the drafters of the Constitution had anything resembling corporate entities in mind when they drafted the Bill of Rights. But the Roberts Court majority does not seem to agree with Washington, Jefferson, Franklin, Madison, Mason...etc. Because of their decision, the five conservative members of the U. S. Supreme Court of today have become the new Fathers of the U. S. Constitution.

For nearly a century, it has been assumed that the U.S. Bill of Rights protected persons, not corporations. Even if sometimes the courts have extended the rights of the 14th Amendment banning the deprivation of property without due process or equal protection of the law to the property of corporations, it was never thought that the purely personal rights of the first Amendment of the Bill of Rights applied to corporate entities as well as to human beings. This is understandable. Business corporations are created through legislation that gives them potentially perpetual life and limited liability to enhance their efficiency as economic entities. While such characteristics can be beneficial in the economic sphere, they represent special dangers in the political sphere. That is the rationale for not extending constitutional rights to purely legal entities.

But now, the five-member majority of the Roberts Court have said that such legalized artificial entities have the same constitutionally protected rights to engage in political activities as living individuals.

This is clearly revolutionary or, more precisely, counter-revolutionary.

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