

Citizen vs Corporate Power Timeline in Ohio

Excerpted from *Citizens over Corporations: A Brief History of Democracy in Ohio and Challenges to Freedom in the Future* and other sources
Number () are *Citizens over Corporations* page citations

- 1802** Ohio holds its first constitutional convention, drawing up a constitution that clearly values the sovereign power of people over corporations. Almost all power is vested in the legislature and the governor is a figurehead with no veto power. Private property is “always subservient to the public welfare” (pp 13-4).
- 1803** In its first year of statehood, Ohio passes laws granting charters to the first corporations in the state. Ohioans affirm corporations’ subordinate position to citizens by setting rigid controls on companies such as limiting the time they can exist, the amount of land they can own, how much money owners can invest and allowing companies to form only for a specific purpose (p 13).
- 1812** Corporations profit heavily from the War of 1812, allowing them to amass wealth and increasing political power over state legislatures (pp 17-8).
- 1819** At the national level, corporations win an early victory when the US Supreme Court decides that corporate charters are equal to contracts in the case *Dartmouth College v Woodward*. Because charters are contracts, the court rules, they cannot be taken away from a private entity (p 31).
- 1825** The first trade union in Ohio is formed by the Journeyman Printers in Cincinnati (p 52).
- 1833** State legislators increasingly cater to corporations. During this year alone, the legislature passes 250 pieces of “special legislation” to benefit corporations and only 30 general laws for citizens (p 23).
- 1837** A sure sign of corruption in the statehouse, the Ohio legislature passes the “Plunder Law” which requires the state to give tax dollars to private railroad, canal and turnpike companies. At the same time, citizens are charged tolls by the same corporations they are funding. Ohio’s deficit climbs to \$12 million as a result of this law (p 23).
- 1838** Ohio’s General Assembly passes *Quo Warranto* Act (meaning “by what authority”). This allows Ohioans to keep corporations on a short leash by giving them the power to dissolve a company when it acts outside of its charter (p 42).
- 1839-49** Ohio General Assembly repealed the charters of several corporations for exceeding their chartered authority. Turnpike corporations and banks were the most common targets (p 20).
- 1840’s** Rural Ohioans organize against the growing power of banks, corporations and other forms of special privilege. These “Locofocos” influence the Democratic party and subsequent state constitutional convention (p 53).
- 1842** After extreme public dissent, the Plunder Law is repealed and a new general law governing corporations enacted. The new law removes the requirement that companies must be incorporated by a specific statute. Another provision makes corporate officials and stockholders personally liable for corporate wrongdoing, making corporations once again subordinate to citizens (p 24).
- 1845** Corporations fight back against their new subordinate position to citizens under the 1842 act and use their power over the state legislature to force through a repeal of the law that made corporate officials liable for corporate wrongdoing (p 24).
- 1851** Sickened by the control corporations had gained in the state, citizens call for a constitutional convention, where an anti-corporate sentiment prevails. The constitution is amended to bar the legislature from passing “special legislation” to aid corporations. Another article is added that prohibits the state from giving loans or gifts to corporations (p 25-6).
- 1852** In an effort to tighten controls on out-of-state corporations, Ohio Supreme Court rules on a number of cases reinforcing the states power over “foreign corporations.” In one such case, *Curtis v Hutchinson*, the court rules that a foreign banking corporation does not have any rights except those derived from the state where it was incorporated (pp 34-5).

- 1852** Ohio workers win laws to limit labor 10 hours per day for children under 18 (p 52).
- 1852** Corporations doing interstate business begin using the “Commerce Clause” under the US Constitution as a defense against states control. Businesses argue that because they operate interstate, they cannot be controlled as a state corporation (p 35).
- 1853** The Ohio Supreme Court defies the 1819 US Supreme Court equating corporate charters with contracts in two separate rulings, thus upholding the right of the state to dissolve a charter when a corporation acts beyond its scope (p 31).
- 1861-65** The civil war leaves corporations more powerful and wealthier than ever, and the first US conglomerates are born. Corporations expand the use of their money to buy, rent, lease or influence politicians (p 68).
- 1886** In a devastating blow to peoples sovereign power over corporations, the US Supreme Court ruled in *Santa Clara County v Southern Pacific RR* that a corporation is a natural person and subject to the same protections as freed slaves under the 14th amendment. It paved the way for corporations to participate in political and charitable activities beyond the scope of their charter and resulted in the reversal of hundreds of laws designed to control corporations (p 69).
- 1888** In one of several rulings upholding people over corporations, Ohio Supreme Court rules in *Valley R Co. v Lake Erie Iron Co.* that a corporation cannot purchase the capital stock of another corporation (p 78).
- 1890** US passes Sherman Anti-Trust Act to prevent the formation of monopolies such as the Ohio-based Standard Oil Trust. The bill was intended, however, to regulate, not abolish or define corporate power (p 39).
- 1892** Ohio Attorney General seeks to revoke the charter of the Standard Oil Co. for forming a trust. A second Attorney General, also a Republican, took Standard Oil to court 6 years later for ignoring a court decision to dissolve the trust (p 49).
- 1900** In a ruling to revoke the charter of a corporation, the Ohio Supreme Court stated: “The time has not yet arrived when the creates is greater that the creator, and it still remains the duty of the courts to perform their office in the enforcement of the laws, no matter how ingenious the pretexts for their violations may be, nor the power of the violators in the commercial world” (p 45).
- 1908** To prevent the corruption of elections of political parties by corporations, the General Assembly outlaws all direct and indirect corporate political contributions (Ohio Law, 99, 1908) (p 90).
- 1912** Another constitutional convention results in reforms aimed more at regulating corporations than controlling them. The new constitution establishes workers compensation, the 8 hour work day, abolishes prison contract labor and gives the state legislature greater authority to regulate the mining of timber, water and minerals (p 73).
- 1915** Corporations gain full status as people in Ohio after the Ohio Supreme Court rules in *Brannan v Shartzer* that corporations have the same rights as people under the Ohio Bill of Rights (p 70).
- 1927** The Ohio General Assembly overhauled its laws governing corporations amending 70 statutes and enacting over 50 new laws loosening the restrictions on corporations. Some of the many changes included making the incorporation process just a matter of filling out a form and allowing corporate officials to escape personal liability for corporate wrongdoing (p 76).
- 1965** The Ohio constitution is amended to allow the state to make loans and issue bonds to corporations in order to “promote economic development in industry, commerce, distribution and research” (p 77)
- 1978** Corporations begin enjoying the full reign they now have over politicians after the state passes a law allowing corporations to form political action committees.