CHARTER. An act of a legislature creating a corporation, or creating and defining the franchise of a corporation. Baker v. Smith, 41 RI. 17, 102 A. 721, 723; Bent v. Underdown, 156 Ind. 516, 60 N.E. 307. Also a corporation's constitution or organic law; Schultz v. City of Phcenix, 18 Ariz. 35, 156 P. 75, 76; C. J. Kubach Co. v. McGuire, 199 Cal. 215, 248 P. 676, 677; that is to say, the articles of incorporation taken in connection with the law under which the corporation was organized; Chicago Open Board of Trade v. Imperial Bldg. Co., 136 Ill.App. 606; In re Hanson's Estate, 38 S.D. 1, 159 N.W. 399, 400. The authority by virtue of which an organized body acts. Ryan v. Witt, Tex. Civ.App., 173 S.W. 952, 959. A contract between the state and the corporation, between the corporation and the stockholders, and between the stockholders and the state. Bruun v. Cook, 280 Mich. 484, 273 N.W. 774, 777. Corporate charters (licenses to exist) were granted for a limited time and could be revoked promptly for violating laws, or caused public harm.

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Initially, the privilege of incorporation was granted selectively to enable activities that benefited the public, such as construction of roads or canals. Enabling shareholders to profit was seen as a means to that end. The states also imposed conditions (some of which remain on the books, though unused) like these:

Corporate charters (licenses to exist) were granted for a limited time and could be revoked promptly for violating laws, or caused public harm.

Corporations could engage only in activities necessary to fulfill their chartered purpose.

Corporations could not own stock in other corporations nor own any property that was not essential to fulfilling their chartered purpose.

Owners and managers were responsible for criminal acts committed on the job.

Corporations could not make any political or charitable contributions nor spend money to influence law-making.

He then went on to discuss,

one of Clinton's throwaway lines in his speech [when he said] "The era of big government is over". . . And you will recall that there was a round of applause on both sides of the isle. I would submit to you that here, this evening, the era of the Giant Corporation is over and that it is time for us to take the offensive in the struggle to establish democratic control over corporations.

Here is an eleven-point program for doing just that:

We can start by revoking the charters of especially harmful corporations who have inflicted mass harm on innocent people. As Richard indicated, there are provisions for the revocation of charters in 49 of the 50 states. They have some provisions similar to that in the New York Business Corporation Law, Section 1101, which specifies that corporations that act contrary to the public policy of the state are subject to dissolution.

We can recharter corporations to limit their powers and make them entities subordinate to the sovereign people. For example by granting charters (as used to be the case) for limited time periods, requiring that there be a conscious, deliberate act of approval by communities and workers for corporations to continue beyond the initial time in which they have been chartered. For making corporate managers and directors liable for the harms done by corporations.

We can address what I think is a fundamental obstacle to democratic control over corporations, which is their sheer size. I think many of you are well aware that the largest corporations today are larger than most nation-states. General Motors has gross income greater than the gross domestic product of Denmark. So we need to reduce the size of corporations by breaking them into smaller units with less power to undermine democratic institutions.

For those of you who think this is a wild flight-of-fancy, I would remind you that as an issue in public policy, this has historical precedence in the Public Utility Holding Company Act of 1935 which did just that: it said certain public utility companies will divest themselves because they may not be larger than a given set of criteria determined through a democratic process.

We need to establish effective worker and community control over production units in order to protect the "reliance interest", an important, if not fully developed, legal doctrine which workers and communities acquire over time in the actions, the activities, and indeed the assets of corporations.

This could be done in a variety of ways including prohibitions in the charter of the corporation in the future, prohibitions for the hiring of replacement workers (scabs in other words), requiring independent health and safety audits by experts chosen by workers in the affected communities, and so on.

We can initiate referendum campaigns, or take action through state legislatures and the courts, to end constitutional protections for corporate persons. As Richard indicated, we are, in a certain sense, in the belly of the beast here in Santa Clara County, because that is where all this terrible mischief of corporations being persons before the law, began.

We can prohibit corporations from making campaign contributions to candidates in any elections, and from lobbying any local, state, and federal government bodies.

And if you think this is off-the-wall, you should be aware that in the state of Wisconsin, up until a couple of decades ago, it was a felony for corporations to make political contributions.

We can stop subsidy abuse and extortion by corporations through which large corporations rake off billions of dollars from the public treasury. Please let us not call it "corporate welfare". Welfare should be a positive concept. This is extortion and subsidy abuse and we need to stop it.

We need to launch campaigns to cap salaries of corporate executives, and tie them to a ratio of average compensation for production workers (say, five or ten to one). I'll return to this subject in a moment, as the reality is much different today as all of you know.

We can encourage worker and community-owned and -controlled cooperatives and other alternatives to conventional limited liability profit-making corporations. They need not be the only game in town, in fact they are not the only game in town. But we need to work hard to expand alternative types of enterprises that will subject themselves to genuine democratic control.

We can prepare model state corporation codes based on the principle of citizen sovereignty, and begin the campaign for their adoption, state-by-state.

(and I'm sorry Richard didn't have more opportunity to talk about this important subject, but perhaps we can explore it further in the discussion) We can invigorate, from the grassroots up, a national debate on the relationship between public property and private property -- including future value -- and the rights of natural persons, communities, and other species when they are in conflict with those corporations.

This whole subject of how we define property rights is at the heart of much of the accumulation and codification of corporate power.

So there is an eleven-point agenda to get you started on this challenging task. A Canadian friend of ours, who has given a lot of thought to how we develop a dynamic for dealing with corporations and corporate power, has suggested that we need to follow what he calls "the 5 D's of Action": We need first to define corporate power, then to dissect it, then to denounce it, then to disrupt it, and finally to dismantle it. And I would submit to you that that is the challenge before all of us here this evening. [8]

Under the form of ownership, known to us today as "the corporation," the legal act of incorporation creates a `person' or `corpus'. For over the past 100 years these legal entities have been exercising more and more of their powers to recreate the circumstances of their own existence. This is exactly what the first citizens of this country feared the most, and attempted to prevent the occurence of by defining the subordinate nature of such legal ficticious entities to that of flesh-and-blood human beings. They implemented this through the legal mechanism of charters -- the certificates of incorporation.