

THE CORPORATION



This double DVD and book, both by Joel Bakan, a Canadian law professor, are lively and brilliantly researched campaigning tools that prise open the strange and unsettling world of the big corporations.

The film features evidence from the usual suspects: Noam Chomsky, Howard Zinn, Naomi Klein, Michael Moore, as well as some intrepid whistleblowers. It also gives a fair hearing to witnesses from the other side, such as Milton Friedman, the prophet of neo-liberalism, assorted chief executive officers, one brutally honest investment broker, a corporation spy, and other assorted pundits and players of the prevailing economic system.

Corporations benefit hugely from the legal fiction that they are persons, hence entitled to the legal rights of persons, even though their only duty is to maximise the profits of their shareholders. If that's the case, then what sort of people are they? A psychologist interviewed in the film points out that, if you gauge their behaviour against the failings of real flesh-and-blood people, then you have to conclude that they present all the defining characteristics of psychopaths. A chilling thought, given their accelerating power and global reach.

Both film and book highlight a revealing episode of US history that occurred during the Great Depression. Some elements of big business agreed with Roosevelt that capitalism could only be saved from itself by a partial limitation of corporate privileges, so they went along with the New Deal. Others – J P Morgan, Dupont, Goodyear Tire, and Rockefeller peripherally – agreed that there had to be a political solution, but looked to Italy and Germany for inspiration. They began to plot a coup d'état – to be led by a home-grown saviour, who was to be swept to power with the support of disgruntled veterans of 1914-1918, as Mussolini and Hitler had been.

Former Marine General Smedley D. Butler looked like he fitted the bill. Twice awarded the Congressional Medal of Honour, he was popular with service veterans whose interests he continued to support even after he retired. What's more, during his military career he had served the corporations well. Indeed he was refreshingly candid about it:

"I spent 33 years being a high-class muscle man for Big Business, for Wall Street and the bankers. In short I was a racketeer, a gangster for capitalism."

"I helped purify Nicaragua for the international banking house of Brown Brothers in 1909-1912. I helped to make Mexico safe for American oil interests in 1916... I helped make Haiti and Cuba decent places for the National City Bank boys to collect revenues in... I helped in the rape of half a dozen Central American republics for the benefit of Wall Street... I was rewarded with honours, medals, promotions..."

(Address to the American Legion convention in Connecticut on August 21, 1931.)

The plotters, who approached him two years later, don't seem to have done their homework. Or maybe they just assumed they could buy him. At any rate, by then Butler was sick of war – it was a racket – and he wasn't about to overthrow his own republic. He went along with the plot, gathered as much evidence as he could, and in November 1934 spilled the beans to a secret session of the House Un-American Activities Committee, which upheld his story in all essentials. The projected coup fell apart, though naturally nothing happened to the corporate plotters. The story was hushed up for decades.

The longer-term project to free corporations from democratic control continued, however. In recent years it began to enjoy unprecedented success, particularly as corporations went global – the real coup. The film features the current chairman of Goodyear Tire, Sam Gibara, who claims that "there's been a transfer of authority from the government to the corporations." He concludes that corporations should begin to act as "corporate global citizens" and assume the kind of responsibilities previously imposed on them by governments.

This goes to the heart of the matter, because the pious notion that corporations are going to observe some code of voluntary self-discipline flies in the face of everything we know about them.

Among activists there's some debate about this. There's plenty of evidence that government has lost its capacity to restrain corporate power, and in many ways has become its creature. So why bother with governments? Why not just confront corporations directly? Naomi Klein says that "We see corporations as the most powerful political entities of our time and we're responding to them as citizens... the corporation has become the new site of protest." On the other hand Joel Bakan ends his book with a strong case that it remains essential to push governments into exercising the powers over corporations that they undoubtedly have, but at present are too spineless or corrupt to exercise. Both sides are agreed that by itself consumer power won't be enough.

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A double DVD film by
Mark Achbar, Jennifer Abbott and Joel Bakan,
2005 based on:

THE CORPORATION:
the pathological pursuit of profit and power
by Joel Bakan, Constable 2005, £6.99

www.thecorporation.com