

Our Friends: The Limited Liability Corporations

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The alleged oldest commercial corporation in the world, the *Stora Kopparberg* mining community in Falun, Sweden, obtained a charter from King Magnus Eriksson in 1347. One of the earliest English joint-stock companies was the East India Company (also known as the East India Trading Company, English East India Company, or the British East India Company), which was chartered by Elizabeth I in 1600. However, it was not until the enactment of the Limited Liability Act of 1855 that publicly owned corporations in Great Britain gave their stockholders protection from liability for the debts of the corporation.

<http://thevethanlawfirm.blogspot.com/2010/08/origins-of-corporation.html>

In Parliament, the basic argument against the creation of an entity which would not be fully responsible to Society was:

“It [the *Limited Liability Act of 1855*] proposes to depart from the old-established maxim that all the partners are individually liable for the whole of the debts of the concern.”

The argument in favor, which carried the day, was:

“...it appears to me that a time of war is the very time which you ought to free commerce from restrictions, and, therefore that the reason he mentioned is an especial reason for pressing on the Bill instead of retarding it.”

http://en.wikipedia.org/wiki/Limited_Liability_Act_1855

Under the aegis of the Social Contract, any recourse to the strengthening of the Group’s ability to wage war, was and is patriotic, and any argument against – Treason! The mumbled, “In time of War...” or the updated, “For national security...” continue to cover a multitude of governmental sins, and is the first excuse to fall from the mouths of Criminals in Government, no matter what outrage they pursue.

How did Corporations gain such power and protection?

- 1) Kings had Projects they wanted to pursue in order to gain revenue.
- 2) These projects were very risky, and very expensive.
- 3) To raise the cash to do them, the Kings would have had to increase taxes on the People.
- 4) The People would surely have resisted if forced to pay any more taxes.
- 5) The Kings needed another way to get the Projects done without obviously taxing the people.
- 6) The *Limited Liability Corporation* concept was developed.
- 7) The King guaranteed huge profits to rich individuals of the kingdom if they would invest their own money in the Project – and the Project was a success. If the Project failed, the King promised to shield the individuals from any Liability from other sectors of the population for unpaid debts or damages done.
- 8) Now we witness the wringing hands and the wailing voices of politicians and other Statists, who point out how destructive Corporations have become.
- 9) They do not want to eviscerate the Laws of special Limited Liability provisions, they want to institute more controls by even more impenetrable Limited Liability entities – Government Regulatory Agencies.
- 10) Until *Government* the largest, earliest, and now most pernicious of Limited Liability entities is brought to heel, Corporations – the creations of those Governments – will continue to amass riches for the few, while leaving destruction in their wakes for the masses.