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4-9-1971

Press Release - Muskie Endorses Campaign G. M. to Help Make Corporations Responsive to Society's Needs

Edmund S. Muskie

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MUSKIE

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A.M.'s
Friday, FOR RELEASE
April 9, 1971

MUSKIE ENDORSES CAMPAIGN G.M. TO HELP MAKE CORPORATIONS RESPONSIVE TO SOCIETY'S NEEDS

Senator Edmund S. Muskie (D-Maine) announced Friday his endorsement of Campaign G.M. as a means to make the nation's corporations "part of the solution" of society's problems. In a statement released by his office, Senator Muskie said, "The purpose of Campaign G.M. is not to attack any one corporation, but to make this corporation more responsible to the needs of the public and more conscious of the problems of our society."

Mr. Muskie added that Campaign G.M. and legislation he has proposed in the past -- the Corporate Participation Act -- "are both part of the movement to broaden the base of corporate decisions..."

The full text of Senator Muskie's statement follows:

I endorse this year, as I did last year, Campaign G.M. as an effort to make one corporation more responsive to the needs of those it affects. This year's effort revolves around three modest proposals that would provide a process for shareholders to nominate directors for election; that would allow G.M. workers, consumers and dealers to vote in the election of some of G.M.'s directors; and that would require G.M. to disclose information to the public about air pollution, auto safety and minority hiring and franchising practices.

Serious stockholder consideration of these three proposals would be of service and benefit to General Motors and to the general public.

The purpose of Campaign G.M. is not to attack any one corporation, but to make this corporation more responsive to the needs of the public and more conscious of the problems of our society. Campaign G.M. is actually profoundly conservative because it attempts to broaden corporate responsiveness by internally changing corporate procedures. It represents a faith which I share that our large institutions, such as

corporations, can be made to respond to the changing needs and requirements of our society.

A few men in the boardrooms of some of our large corporations make decisions that permanently affect our land and our lives. Many American corporations' total revenues far outstrip the production of entire countries. For instance, General Motors' 1969 sales exceeded the gross national product of all but nine countries. General Motors takes in more money and employs more people each year than this country's four largest states combined.

Clearly, corporate influence and power is pervasive in our society. Its effects, however, are not always benign. Corporations are organized for profit. Many corporate officers and directors fulfilling their fiduciary duties to their shareholders feel that they must consider profit foremost when making decisions. Many stockholders understandably consider the corporation as an investment affecting only their pocketbook.

But corporate pursuit of profits for shareholders can have baneful consequences to our society at large. Air and water pollution, product safety, economic security, and racial integration are all affected profoundly by these corporate decisions. And because corporations are institutions which are structured so that these larger effects of their power are often ignored, our society can suffer grievously from the policies of many private businesses.

The way out of this dilemma is not to attack corporations, but to make them a part of the solution. They must be restructured so that the public interest, as well as the interests of the shareholders and directors, is considered in the corporate boardroom.

Campaign G.M. and legislation that I have proposed in the past, the Corporate Participation Act, are both part of the movement to broaden the base of corporate decisions to include not only criteria for profit, but also the social consequences of corporate decisions. By providing a channel for stockholders to direct their corporations to be more sensitive to the effects of their decisions upon the general welfare, my bill attempts to improve corporate responsiveness to social and environmental issues.

Both my bill and Campaign G.M. are small steps in the long road to making our ossified institutions, private and public, responsive to the needs of our people.