Although the rejection of corporate social responsibility played an important role in the formative stages of the economic analysis of corporate law developed by Henry G. Manne and his followers, the influence of and engagement with Ralph Nader, then America’s most outspoken critic of big business, has received little attention. This paper documents the rise of Nader, and discusses his campaign to tame the giant corporation by creating a system of federal chartering. An important episode of this crusade took place during hearings on Capitol Hill, at which both Nader and Manne testified. In this context, Manne argued that Nader had failed to understand the latest economic theories of the firm and the empirical evidence on the efficiency of the market for corporate control. This argument came to define the rising literature on the economic analysis of corporate law that successfully discredited Nader and other would-be corporate reformers.

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