


## OUTLINE

- **INTEREST GROUPS PAST AND PRESENT: THE “MISCHIEFS OF FACTION”**
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- **THE INFLUENCE OF LOBBYISTS**
- **MONEY AND POLITICS**
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- **CURING THE MISCHIEFS OF FACTION—TWO CENTURIES LATER**



**T**he 2004 presidential election featured not only ads from the candidates but also ads from interest groups opposing and, less frequently, supporting

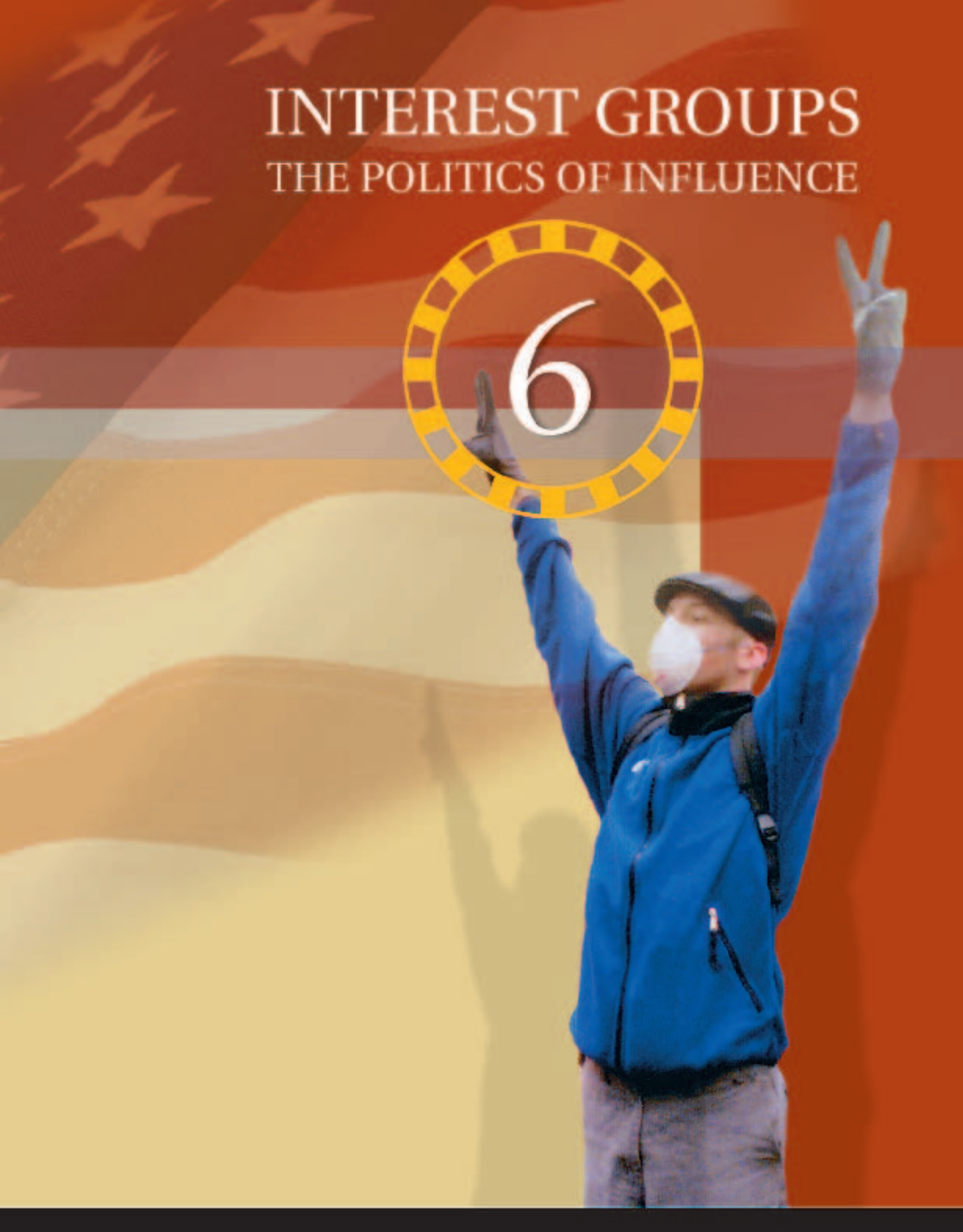
one of the candidates. During the Democratic convention, John Kerry and his advocates emphasized his preparation to be Commander-in-Chief and his Vietnam War heroism. Shortly after the convention, a group called Swift Boat Veterans for Truth started running ads questioning Kerry's heroism and patriotism. The group also released a book titled *Unfit for Command*,<sup>1</sup> which accused Kerry of lying about his record and exaggerating the atrocities committed by U.S. troops in Vietnam. Kerry responded by calling their claims “categorically false,” arguing that the Bush campaign was behind the attacks, and calling on Bush to repudiate them.<sup>2</sup> Bush in turn suggested that both candidates urge all interest groups to stop running ads.<sup>3</sup>

Individuals closely connected to key Bush political advisors or family provided early funding and support for the Swift Boat Veterans for Truth. Bob J. Perry, a longtime associate of Karl Rove, the chief political strategist for President Bush, provided \$200,000 to help launch the group.<sup>4</sup> The veterans group also had the same attorney as the Bush campaign. A candidate campaign and interest group using the same attorney was not limited to the Bush campaign nor was it illegal, but these facts did not diffuse the Kerry campaign's claim that the Swift Boat Veterans for Truth was a front for the Bush campaign.<sup>5</sup>

Swift Boat Veterans for Truth was not the only interest group to run ads critical of candidates in 2004. In fact, it spent far less on ads than liberal groups opposing President Bush.<sup>6</sup>

# INTEREST GROUPS

## THE POLITICS OF INFLUENCE



## TIME LINE

## INTEREST GROUPS

<b>1833</b>	Anti-Slavery Society founded
<b>1890</b>	National American Woman Suffrage Association formed
<b>1893</b>	Anti-Saloon League formed
<b>1912</b>	U.S. Chamber of Commerce is created
<b>1920</b>	American Civil Liberties Union is founded
<b>1925</b>	Passage of Federal Corrupt Practices Act
<b>1955</b>	AFL and CIO merge to form the largest labor union
<b>1958</b>	AARP is created but growth comes with the aging of Baby Boomers
<b>1960</b>	President Eisenhower warns against the “military-industrial complex”
<b>1970</b>	Common Cause represents the interests of middle-class reformers
<b>1971</b>	Federal Election Campaign Act passed
<b>1976</b>	<i>Buckley v. Valeo</i> ruling upholds public financing of presidential elections and contribution limits in congressional elections
<b>2002</b>	Bipartisan Campaign Reform Act limits “soft money”

Early in the primary season, a liberal group called MoveOn ran ads critical of President Bush. Some of these ads ran even before the Democrats had selected their nominee, reflecting the strong anti-Bush sentiment of the group. Both Swift Boat Veterans for Truth and MoveOn demonstrated that comparatively modest media buys could capture the interest of the media and greatly expand the impact of an ad. The Media Fund—a group with much more substantial advertising expenditures—also had defeating Bush as its primary objective.

All three of these interest groups were organized under Section 527 of the Internal Revenue Code. As so-called “527” organizations, these groups could raise and spend unlimited amounts of money as long as the expenditures were independent of the candidates or parties and did not use corporate or union treasury funds within thirty days of a primary election or within sixty days of a general election. Interest groups like these have long been important in electing and defeating candidates, in providing information to officeholders, and in setting the agenda of American politics. In some important respects the power and influence of interest groups has been enhanced by recent campaign finance legislation. Americans have long been concerned about the power of what some call “special interests” and the tendency of groups to pursue self-interest at the expense of less organized groups or the general public. Restraining the negative tendencies of interest groups while protecting liberty is not an easy task. Efforts to reform campaign finance and limit the potential for interest-group corruption of that process while also safeguarding electoral competition are examples of this balancing. In this chapter we examine the full range of interest-group activity as well as efforts to limit their potentially negative influences.

## INTEREST GROUPS PAST AND PRESENT: THE “MISCHIEFS OF FACTION”

What we call interest groups today, the founders of the Republic called **factions**. (They also thought of political parties as factions.) For the framers of the Constitution, the daunting problem was how to establish a stable and orderly constitutional

*Interest groups often use advertising to promote issues that they consider important. This advertisement, created by the National Rifle Association, is a caricature of John Kerry as a dog that “don’t hunt.” Judging from the animal’s appearance, this dog was obviously not bred to be a hunting dog. This mailer attacks Kerry’s positions on gun-related issues.*



### faction

A term used by the founders of this country to refer to political parties and special interests or interest groups.

system that would also respect the liberty of free citizens and prevent the tyranny of the majority or of a single dominant interest. As a good practical politician and a brilliant theorist, James Madison offered both a diagnosis and a solution in *The Federalist*, No. 10 (reprinted in the Appendix). He began with a basic proposition: “The latent causes of faction are thus sown in the nature of man.” All individuals pursue their self-interest, seeking advantage or power over others. Acknowledging that Americans live in a maze of group interests, Madison went on to argue that the “most common and durable source of factions has been the various and unequal distribution of property.”

## A Nation of Interests

As we noted in Chapter 5, some Americans identify with groups distinguished by race, gender, ethnic background, age, occupation, or sexual orientation. Others form groups based on issues like gun control or tax reduction. When such associations seek to influence government in some way, they are **interest groups**.

Interest groups are sometimes called “special interests.” Politicians and the media often use this term in a pejorative way. What makes an interest group a “special” one? The answer is highly subjective. One person’s special interest is another’s public interest. Some interest groups claim to speak for the “public interest,” yet so-called public interest groups like Common Cause or the League of Women Voters support policies that not everyone agrees with. Politics is best seen as a clash among interests with differing concepts of what is in the public interest rather than a battle between the special interests on one side and “the people” or the public interest on the other.

When political scientists call something an “interest group” or a “special interest,” they are not calling it names. These are analytic terms to describe a group that speaks for some but not all of us. Much of our politics focuses on arguments about what is in the national interest. In a democracy, there are many interests and many organized interest groups. The democratic process exists to decide among those competing interests. Part of the politics of interest groups is to persuade the general public that your group’s interest is better, broader, more beneficial, and more general than other groups’ and at the same time label groups that oppose yours as “special interests.” The term “special interest” conveys a selfish or narrow view, one that may lack credibility. For this reason, we use the neutral term “interest groups.”

## Social Movements

Interest groups sometimes begin as movements. A **movement** consists of a large body of people who are interested in a common issue, idea, or concern that is of continuing significance and who are willing to take action. Examples include the abolitionist, temperance, civil rights, environmental, antitax, animal rights, and women’s rights movements. Each movement represents groups who have felt unrepresented by government. Such groups often arise at the grassroots level and evolve into national groups. Movements tend to see their causes as morally right and the positions of the opposition as morally wrong.

To a marked degree, our Constitution protects the liberties and independence of movements. The Bill of Rights guarantees movements, whether popular or unpopular, by supporting free assembly, free speech, and due process. Consequently, those who disagree with government policies do not have to engage in violence or other extreme activities in the United States, as they do in some countries, and they need not fear persecution for demonstrating peacefully. In a democratic system that restricts the power of government, movements have considerable room to operate *within* the constitutional system.

## TYPES OF INTEREST GROUPS

Interest groups vary widely. Some are formal associations or organizations like the National Rifle Association; others have no formal organization, like Bubba’s List, a group from Austin, Texas (Bubba stands for Brothers United for Building a Better America).

### interest group

A collection of people who share some common interest or attitude and seek to influence government for specific ends. Interest groups usually work within the framework of government and employ tactics such as lobbying to achieve their goals.

### movement

A large body of people interested in a common issue, idea, or concern that is of continuing significance and who are willing to take action. Movements seek to change attitudes or institutions, not just policies.



Some are organized primarily to lobby for limited goals such as restrictions on gun ownership, conducting research, or broadly influencing public opinion by publishing reports and mass mailings.

Interest groups can be categorized into several broad types: (1) economic, including both business and labor; (2) ideological or single-issue; (3) public interest; (4) foreign policy; and (5) government itself. Obviously, these categories are not mutually exclusive. The varied and overlapping nature of interest groups in the United States has been described as *interest group pluralism*, meaning that competition among open, responsive, and diverse groups helps preserve democratic values and limits the concentration of power in any single group.

Most Americans are represented by a number of interest groups, some of which they are aware of and others of which they may not be and often with which they differ. For instance, citizens over 50 may not be aware that the AARP (which began as the American Association of Retired Persons) claims to represent their interests, and now is open to anyone over fifty years of age. Others may not know that when they join the American Automobile Association (AAA), they are not only purchasing travel assistance and automobile towing when needed but also joining a group that lobbies Congress and the Federal Highway Administration on behalf of motorists.

### Economic Interest Groups

There are thousands of economic interests: agriculture, consumers, plumbers, northern businesses, southern businesses, labor unions, the airplane industry, landlords, truckers, bondholders, property owners, and on and on.

**BUSINESS** The most familiar business institution is probably the large corporation. Corporations range from one-person enterprises to vast multinational entities. Large corporations—General Motors, AT&T, Microsoft, Coca-Cola, McDonald's, Phillip Morris, and other large companies—exercise considerable political influence, as do hundreds of smaller corporations (see Tables 6–1 and 6–2). Corporate power and the implications of a changing domestic and global economy make business practices important political issues. As Microsoft and Wal-Mart have come under heightened government and public scrutiny, their political contributions have grown substantially. Wal-Mart contributed \$450,000 in 2001–2002 to federal candidates or parties compared with \$75,000 in 1999–2000.<sup>7</sup> Microsoft also donated roughly three times the amount in the 2000 and 2002 cycles than in the '98 cycle.<sup>8</sup>

Small business also is an important interest and can have an important voice in public policy. Within the Commerce Department there is a Small Business Administration. Small businesses are also organized into groups. An example is the National

**TABLE 6–1 PACs THAT GAVE THE MOST TO FEDERAL CANDIDATES, 2000–2004 (MILLIONS OF DOLLARS)**

	<b>2004</b>	<b>2002</b>	<b>2000</b>
National Association of Realtors	3.77	3.65	3.42
Wal-Mart Stores	1.65	1.08	0.46
National Association of Home Builders	2.06	1.92	1.85
Association of Trial Lawyers of America	2.17	2.81	2.66
International Brotherhood of Electrical Workers	2.33	2.22	2.62
National Auto Dealers Association	2.58	2.58	2.50
Laborers Union	2.63	2.26	1.79
Carpenters and Joiners Union	1.88	2.09	1.72
United Parcel Service	2.14	1.62	1.76
SBC Communications	1.95	1.47	1.29

SOURCE: [www.opensecrets.org/pacs/topacs.asp?strid=&cycle=2004&type=C&filter=P&txt=A&Format=Print](http://www.opensecrets.org/pacs/topacs.asp?strid=&cycle=2004&type=C&filter=P&txt=A&Format=Print).

**TABLE 6-2 TOP TEN ALL-TIME DONORS 1989-2004**

	<i>Total</i>
American Federation of State, County & Municipal Employees	\$35,408,631
National Association of Realtors	\$26,276,380
National Education Association	\$24,170,353
Association of Trial Lawyers of America	\$24,094,416
Communications Workers of America	\$22,601,816
Service Employees International Union	\$22,486,475
International Brotherhood of Electrical Workers	\$22,122,055
Laborers Union	\$21,899,082
American Medical Association	\$21,774,021
Carpenters and Joiners Union	\$21,567,447

Based on data released by the FEC on October 25, 2004.

SOURCE: Opensecrets.org at [www.opensecrets.org/index.asp](http://www.opensecrets.org/index.asp).

Federation of Independent Business, which is involved in electing pro-business candidates, and lobbying national government on behalf of this constituency.

**TRADE AND OTHER ASSOCIATIONS** Businesses with similar interests in government regulations and other issues join together as *trade associations*, which are as diverse as the products and services they provide. In addition, businesses of all types are organized into large nationwide associations such as the National Mining Association, the National Association of Realtors, and the National Federation of Independent Business.

The broadest business trade association is the Chamber of Commerce of the United States. Organized in 1912, the Chamber is a federation of several thousand local Chambers of Commerce representing tens of thousands of firms. Loosely allied with the Chamber on most issues is the National Association of Manufacturers, which, since its founding in the wake of the depression of 1893, has tended to speak for the more conservative elements of American business.

**LABOR** Workers' associations have a range of interests, from professional standards to wages and working conditions. Labor unions are one of the most important groups representing workers. The American work force is the least unionized of almost any industrial democracy (see Figure 6-1).

Probably the oldest unions in the United States were farm organizations. The largest farm group now is the American Farm Bureau Federation, which is especially strong in the Corn Belt. Originally organized around government agents who helped farmers in rural counties, the federation today is almost a semigovernmental agency, but it retains full freedom to fight for such goals as price supports and expanded credit. As farming has grown in scale and workers are less and less likely to be members of the farmer's family, there have been efforts to organize farm workers into unions. Noteworthy here have been the efforts of the late César Chávez and others to organize migrant farm workers.

Throughout the nineteenth century, workers organized political parties and local unions. Their most ambitious effort at national organization, the Knights of Labor, claimed 700,000 members. By the beginning of the twentieth century, the American Federation of Labor (AFL), a confederation of strong and independent-minded national unions mainly representing craft workers, was the dominant organization. During the ferment of the 1930s, unions more responsive to industrial workers broke away from the AFL and formed a rival national organization organized by industry, the Congress of Industrial Organizations (CIO). In 1955, the AFL and CIO reunited into the organization that exists today.

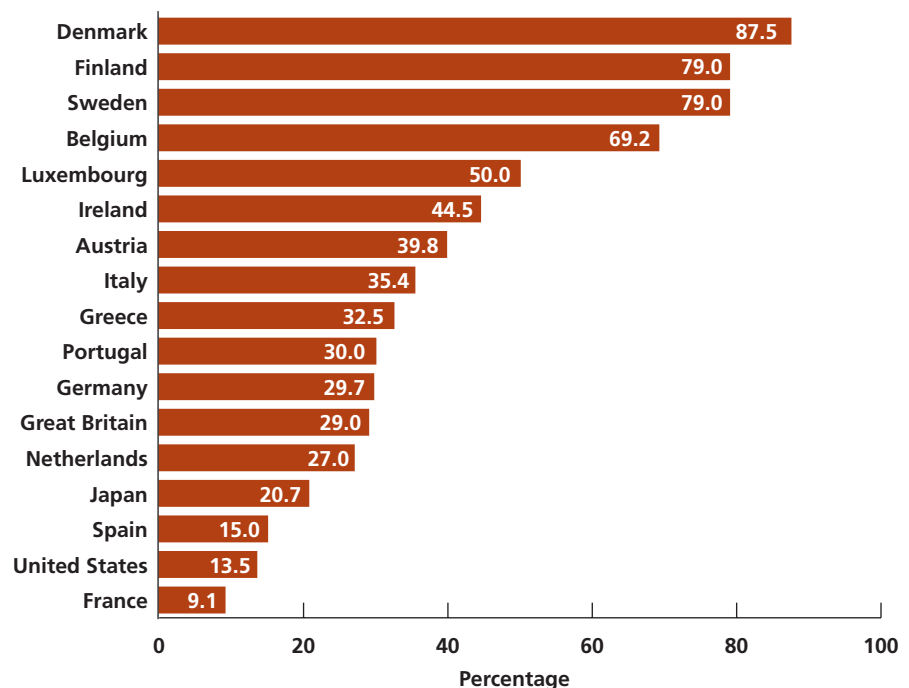
Union membership is optional in states whose laws permit the **open shop**, in which union membership cannot be required as a condition of employment. In states with the **closed shop**, union membership may be required as a condition of employment if most employees so vote. In both cases, the unions conduct negotiations with management, and the benefits the unions gain will be shared with all workers. In open-shop states, many

**open shop**

A company with a labor agreement under which union membership cannot be required as a condition of employment.

**closed shop**

A company with a labor agreement under which union membership can be a condition of employment.



**FIGURE 6-1 Union Membership in the United States Compared to Other Countries (Estimated Percentage of the Work Force).**

SOURCE: European Industrial Observatory On-line, "Industrial Relations in the EU, Japan, and the US, 2001," at [www.eiro.eurofound.eu.int/2002/12/feature/tn0212101f.html](http://www.eiro.eurofound.eu.int/2002/12/feature/tn0212101f.html).

workers choose not to affiliate with a union, as they can secure the same benefits without incurring the costs associated with union membership. When a person benefits from the work or service of an organization like a union (or even a public TV or radio station) without joining or contributing, this condition is referred to as the **free rider** problem.

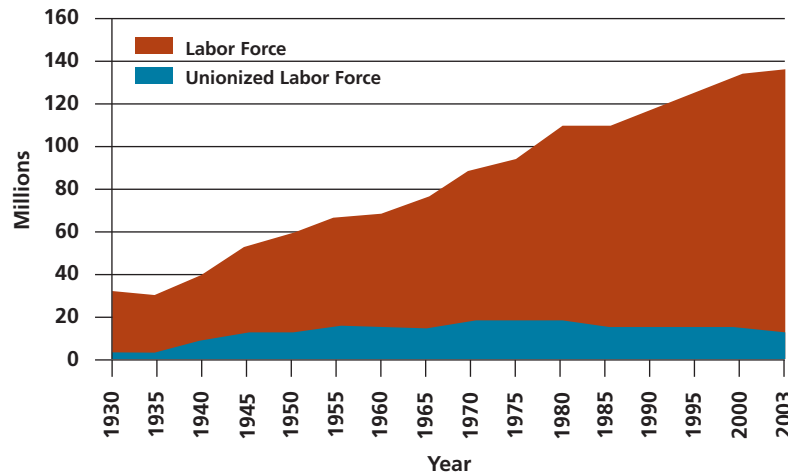
The AFL-CIO speaks for about 80 percent of unionized labor, but unions represent only about 14 percent of the nation's work force (see Figure 6-2).<sup>9</sup> The drop in the proportion of the work force belonging to unions is explained in part by the shift from an industrial to a service and information economy. Dwindling membership limits organized labor's political and lobbying muscle, and its prospects for increasing influence in the future are dim. Recently there has been growth in public sector unions, however, and even some doctors have unionized.

For some years, the Committee on Political Education (COPE) of the AFL-CIO was one of the most respected—and most feared—political organizations in the country. In the Kennedy and Johnson years, it won a reputation for political effectiveness. It encouraged and supervised grassroots political activity, and at the national level, it prepared and adopted a detailed platform that spelled out labor's position on issues. Labor contributed money to candidates, ran registration and get-out-the-vote campaigns, and otherwise supported its favorites. In recent elections, COPE has had a fairly successful record of wins for its endorsed House and Senate candidates.<sup>10</sup> Labor unions invested heavily in the fight against the North American Free Trade Agreement (NAFTA), claiming it would cost jobs. Labor's defeat in this battle was compounded by the 1994 election, which put Republicans in charge of the House of Representatives for the first time in forty years.

Unions have been effective in communicating with their members and organizing them for political purposes. In the 1998 elections and again in 2000 and 2002, unions sent mailings to their members, organized get-out-the-vote drives, and paid for television advertising. In the 2004 presidential primaries unions were divided; most supported former Missouri Congressman Dick Gephardt, but some—like the Service Employees International Union (SEIU) and the American Federation of State, County, and

#### **free rider**

An individual who does not join a group representing his or her interests yet receives the benefit of the influence the group achieves.



**FIGURE 6-2 Labor Force and Union Membership, 1930–2003.**

SOURCE: *The World Almanac and Book of Facts, 2000*. Copyright © 1999 Primedia Reference, Inc. Reprinted with permission; all rights reserved. U.S. Bureau of Labor Statistics, at [www.stats.bls.gov/news.release/union2.toc.htm](http://www.stats.bls.gov/news.release/union2.toc.htm) and [www.bls.gov/cps/cpsaat40.pdf](http://www.bls.gov/cps/cpsaat40.pdf). 2003 data taken from Department of Labor, Bureau of Labor Statistics. "Press Release," January 21, 2004, at [www.bls.gov/news.release/pdf/union2.pdf](http://www.bls.gov/news.release/pdf/union2.pdf).

## IN COMPARATIVE PERSPECTIVE

### UNIONS IN SWEDEN

Interest groups are stronger in some countries and weaker in others. Organized labor, or unions, are a common feature of advanced democracies and industrial and postindustrial economies, but that does not mean that unions exercise the same influence over policy or politics in all countries.

In Sweden, unions are large and cohesive.\* Nearly four out of five (79 percent) of the Swedish workforce is unionized,<sup>†</sup> compared with the United States, where less than one-seventh are unionized.<sup>‡</sup> In Sweden, moreover, unions form a single large labor federation, the Swedish Trade Union Confederation, which provides a powerful and cohesive voice in public policy. American unions are fragmented into several federations, and even within federations there are tensions between particular unions.

The Swedish Trade Union Confederation has a close relationship with the Social Democratic Party (SDP), with union leaders among the party leadership. One scholar has observed that in Sweden the Confederation supports the SDP with "money, manpower, and influence with the rank and file."<sup>§</sup> In the United States, most, but not all, unions support the Democratic party, and they are not as central to the Democratic coalition as unions are to Sweden's SDP.

Swedish unions are also more powerful in collective bargaining. In 2004, four industrial sectors agreed to a new three-year deal that would provide generally for a 6.8 percent pay raise, plus working time cuts worth a further 0.5 per-

cent.<sup>||</sup> Swedish unions are also working to further reduce the statutory normal work week, which is presently 40 hours per week.<sup>¶</sup> Because of the close relationship the unions have with the governing party, they can significantly influence legislation. In the United States, labor unions opposed the reelection of George W. Bush, whose administration was seen by them as hostile.\*\* With Republicans in control of both houses of Congress and the White House in recent years, labor unions in the United States were much less involved in policy making than were Swedish unions.

\*Michael Roskin, *Countries and Concepts: Politics, Geography, Culture*, 8th ed. (Upper Saddle River, N.J.: Prentice Hall, 2004), p. 205.

<sup>†</sup>European Industrial Relations Observatory On-line, "Overall Union Membership Declines," at [www.eiro.eurofound.eu.int/2001/06/feature/se0106105f.html](http://www.eiro.eurofound.eu.int/2001/06/feature/se0106105f.html).

<sup>‡</sup>European Industrial Relations Observatory On-line, "2001–2 Annual Review for the USA," at [www.eiro.eurofound.eu.int/2002/11/feature/us0211101f.html](http://www.eiro.eurofound.eu.int/2002/11/feature/us0211101f.html).

<sup>§</sup>Michael Roskin, *Countries and Concepts: Politics, Geography, Culture*, 8th ed. (Upper Saddle River, N.J.: Prentice Hall, 2004), p. 205.

<sup>||</sup>European Industrial Relations Observatory On-line, "First Agreements in 2004 bargaining round concluded in Industry," at [www.eiro.eurofound.eu.int/2004/03/feature/se0403103f.html](http://www.eiro.eurofound.eu.int/2004/03/feature/se0403103f.html).

<sup>¶</sup>European Industrial Relations Observatory On-line, "Working Time Developments–2003," at [www.eiro.eurofound.eu.int/2004/03/update/tn0403104u.html](http://www.eiro.eurofound.eu.int/2004/03/update/tn0403104u.html).

\*\*Steven Greenhouse, "A.F.L.-C.I.O. Plans to Spend \$44 Million to Unseat Bush," *The New York Times*, March 11, 2004, p. A26.



Municipal Employees—supported former Vermont Governor Howard Dean. Finally, the firefighters supported Massachusetts Senator John Kerry. Unlike 2000, where unions were seen as important to Al Gore's securing the nomination, in 2004 they did not play that role in the Iowa caucus or other primaries.<sup>11</sup>

Traditionally identified with the Democratic party, unions have not enjoyed a close relationship with Republican administrations. Given labor's limited resources, one option for unions is to form temporary coalitions with consumer, public interest, liberal, and sometimes even with industry groups, especially on issues related to foreign imports. Few of labor's recent legislative initiatives have been successful, and turning to the courts has yielded mixed results.<sup>12</sup>

In recent elections, the AFL-CIO has mounted vigorous campaigns to elect a Democratic president and majority in Congress. Some foes of labor have proposed legislation and ballot initiatives called "paycheck protection," which would require annual authorization by union members for portions of their dues to be used for political purposes. Labor unions have successfully defeated these measures.

## GLOBAL Perceptions

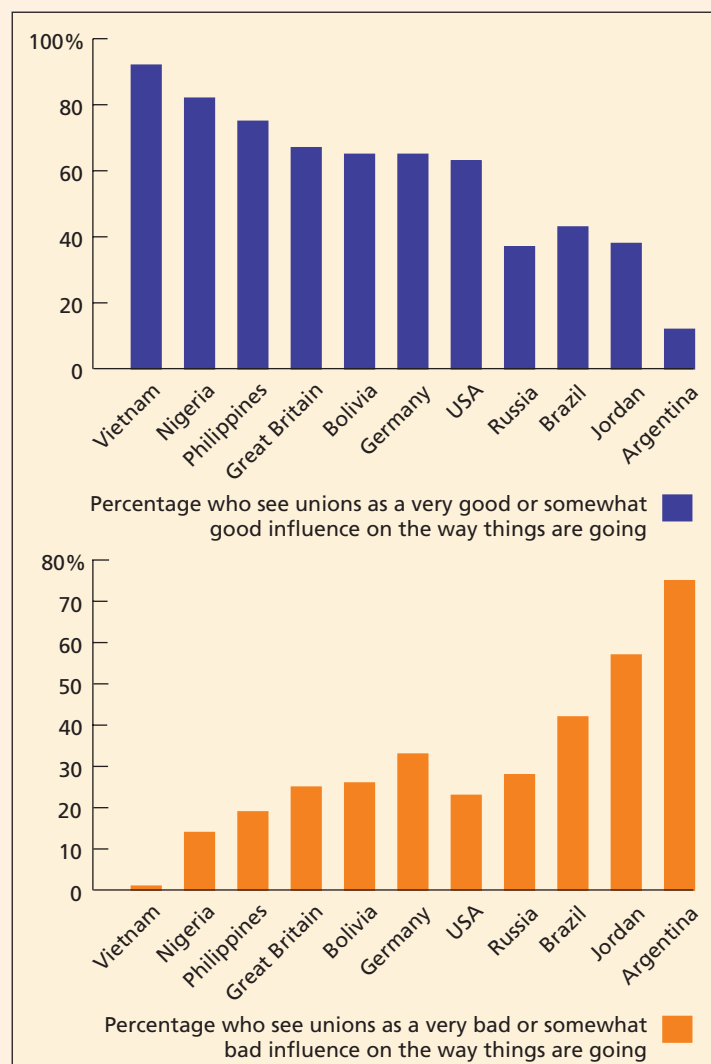
### QUESTION: Is the influence of trade unions very good, somewhat good, somewhat bad, or very bad?

**H**ow do the views of people in other countries on unions compare with the views of people in the United States? The Pew Global Attitudes Project allows us to explore this question.

Unions are seen very positively in Vietnam, where 59 percent said they were a "very good" influence and 92 percent said they were a "very good" or "somewhat good" influence. People in Argentina had strongly negative views of unions, with 42 percent saying they were "very bad."

In addition to Vietnam, combining the "very good" and "somewhat good" responses found most people in these countries likely to see unions positively: Nigeria (82%), Philippines (75%), Great Britain (67%), Uganda (67%), Bolivia (65%), Germany (65%), USA (63%), and South Korea (62%). In contrast, Unions were seen as bad in Argentina (75%) and by two-out-of-five respondents or more in Russia, Brazil, Mexico, Venezuela, Italy, Poland, Slovak Republic, Jordan, and Turkey.

Unions were seen as having a good influence on a country more than did multinational corporations in the United States, Canada, and Europe (excluding Italy), but not in other parts of the world. Countries like Great Britain, Slovak Republic, and several countries in South America, Africa, and Asia saw multinational corporations as having a good influence. The positive view of unions in Vietnam does not limit the enthusiasm for multinational corporations, where 93 percent said such corporations were a good influence.



SOURCE: The Pew Research Center. *Views of a Changing World*, 2003, pp. 100, T-43.

**PROFESSIONAL ASSOCIATIONS** Professional people have organized some of the strongest unions in the nation. Some are well known, such as the American Medical Association and the American Bar Association. Others are divided into many subgroups. Teachers, for example, are organized into large groups such as the National Education Association, the American Federation of Teachers, and the American Association of University Professors and also into subgroups based on specialties, such as the Modern Language Association and the American Political Science Association.

Government, especially at the state level, regulates many professions. Lawyers, for example, are licensed by states, which, often as a result of pressure from lawyers themselves, have set up certain standards of admission to the state bar. Professional associations also use the courts to pursue their agendas. In the area of medical malpractice, for example, doctors lobby hard for limited liability laws, while the trial lawyers resist such efforts. Teachers, hairstylists, and marriage therapists work for legislation or regulations of concern to them. It is not surprising, then, that among the largest donors to political campaigns through political action committees are those representing professional associations such as the American Medical Association and the American Realtors Association.

### Ideological or Single-Issue Interest Groups

Ideological groups behave very much like economic interest groups, although they are usually not driven by a desire to make money. Some of these groups are *single-issue groups*, often highly motivated and seeing politics primarily as a means to pursue their one issue. Such groups are often adamant about their position and unwilling to negotiate compromises. Right-to-life and pro-choice groups on abortion fit this description, as does the National Rifle Association.

Countless groups have organized around other specific issues, such as civil liberties, environmental protection, nuclear energy, and nuclear disarmament.<sup>13</sup> Such associations are not new. The Anti-Saloon League of the 1890s was single-mindedly devoted to barring the sale and manufacture of alcoholic beverages, and it did not care whether legislators were drunk or sober, as long as they voted dry. One of the best-known ideological groups today is the American Civil Liberties Union (ACLU), with roughly 250,000 members committed to the protection of civil liberties.<sup>14</sup> Religious groups are thriving in the otherwise pragmatic, pluralistic politics of today; an example is the Christian Coalition, which distributes voter guides before elections, although it has had less of a presence in recent years than it had in the 1990s.<sup>15</sup> African American churches have long been important politically and continue to encourage voter participation.

### Public Interest Groups

Out of the political ferment of the 1960s came groups that make a specific claim to promote “the public interest.” For example, Common Cause, founded in 1970 by independent Republican John W. Gardner and later led by noted Watergate prosecutor Archibald Cox, campaigns for electoral reform and for making the political process more open. Its Washington staff raises money through direct-mail campaigns, oversees state chapters, issues research reports and press releases on current issues, and lobbies on Capitol Hill and in major government departments.

Ralph Nader started a conglomerate of consumer organizations that investigates and reports on governmental and corporate action—or inaction—relating to consumer interests. Public Interest Research Groups (PIRGs) founded by Nader are among the largest interest groups in the country. PIRGs have become important players on Capitol Hill and in several state legislatures, promoting environmental issues, safe energy, consumer protection, and good government. Nader ran for president in 2000 as the nominee of the Green party and in 2004 as an independent. Despite his reputation as an advocate for consumers, he received only 3 percent of the popular vote in 2000 and one-third of 1 percent in 2004.

A specific type of public interest group is the tax-exempt public charity. Examples include the American Heart Association, the Girl Scouts of the U.S.A., and the American Cancer Society. These organizations must meet certain conditions, such as educational or philanthropic objectives, to qualify for this preferred status. Not only are public charities



The Women's Christian Temperance Union, a movement dedicated to the prohibition of drinking liquor, succeeded in passing the Eighteenth Amendment, which outlawed the manufacture and sale of alcoholic beverages. It was later repealed by the Twenty-first Amendment.

tax-exempt, but donations to these organizations are tax-deductible, and the organizations are not required to disclose information about their donors publicly. These organizations cannot participate in elections or support candidates, nor can they benefit an individual or small group. Despite these limitations, tax-exempt charitable organizations have been very active in voter registration efforts and in advertising campaigns designed to influence public opinion.

### Foreign Policy Interest Groups

Domestic policy is not the only matter of concern to interest groups. Groups also organize to promote or oppose certain foreign policies. Among the most prestigious foreign affairs groups is the Council on Foreign Relations in New York City. Other groups, devoted to narrower areas of American foreign policy, exert pressure on members of Congress and the president to enact specific policies. For example, interest group pressure influenced U.S. policy toward South Africa and played a role in South Africa's decision to abandon apartheid. Groups ranging from student organizations to national lobbies like the American

Committee on Africa urged divestment, sanctions, or other policy measures that ultimately promoted change in South Africa. Other groups support or oppose free trade.

The American-Israel Political Action Committee (AIPAC) has more than 50,000 members and has been very successful. Because AIPAC's primary focus is lobbying and not distributing campaign funds, it is not required to disclose where its money comes from or goes. Included in the long list of AIPAC lobbying successes are enactment of aid packages to Israel, passage of the 1985 United States-Israel Free Trade Agreement, and emergency assistance to Israel in the wake of the 1992 Gulf War. Its counterpart, the National Association of Arab Americans, lobbies for action in support of Arab causes. Efforts to secure a negotiated settlement between the Palestinians and Israel have meant that American interest groups on both sides of the dispute remain visible and important.

### Public Sector Interest Groups

Governments are themselves important interest groups. Many cities and most states retain Washington lobbyists, and cities also hire lobbyists to represent them at the state legislature. Governors are organized through the National Governors Association, cities through the National League of Cities, and counties through the National Association of Counties. Other officials have their own national associations.

Government employees form a large and well-organized group. The National Education Association (NEA), for example, claims 2.7 million members.<sup>16</sup> Bush Administration Secretary of Education Rod Paige created controversy when he labeled the NEA a terrorist organization, a remark for which he later apologized.<sup>17</sup> Paige was at odds with teachers' unions because they disagreed with some of his agenda. His characterization, which caused ire among teachers, may have helped motivate teachers to participate even more in 2004 than they had in the past. Public employees are also important to organized labor, and they are the fastest-growing unions.

### Other Interest Groups

Americans are often emotionally and financially involved in a variety of groups: veterans' groups such as American Legion or Veterans of Foreign Wars; nationality groups such as the multitude of German, Irish, Hispanic, Palestinian, and Korean organizations; or religious organizations such as the Knights of Columbus or B'nai B'rith. More than 150 nationwide organizations are based on national origin alone. In recent years,



Interest groups such as Greenpeace stage demonstrations to call attention to environmental issues.



there has been a virtual explosion in the number and variety of interests and associations. This is especially true for environmental groups (see Table 6–3).

## CHARACTERISTICS AND POWER OF INTEREST GROUPS

Groups vary in their goals, methods, and power. Among the most important group characteristics are size, resources, cohesiveness, leadership, and techniques.

### Size and Resources

Obviously, size is important to political power; an organization representing 5 million voters has more influence than one speaking for 5,000. Perhaps even more important than size is the extent to which members are actively involved and fight for policy objectives. Often people join an organization for reasons that have little to do with its political objectives. They may want to secure group insurance, take advantage of travel benefits, participate in professional meetings, or get a job.

How do associations motivate potential members to join them? Organizations must provide incentives, material or otherwise, that are compelling enough to attract the potential free rider.<sup>18</sup> Unions are organized not just for lobbying but also to perform other important services for their members. They derive much of their strength from their negotiating position with corporations, which they use to obtain wage increases or improved safety standards. Similarly, the AARP, in addition to lobbying for prescription drug benefits and speaking out on other issues of concern to older citizens, offers incentives such as a free subscription to one of its magazines and member discounts at certain hotels. This combination of size and strength sets these groups apart from other large organizations in their effectiveness, since members derive numerous benefits from joining. The AARP was part of the coalition pushing the partial prescription drug for seniors bill that President Bush signed into law in 2003. Some AARP members, as well as former allies in Congress, expressed irritation at AARP supporting this partial benefit, which they thought was inadequate.<sup>19</sup>



Some interest groups focus on foreign policy issues, such as U.S. aid to Israel in light of Israel's construction of a separation wall along the West Bank. Opponents argue that the wall is tantamount to apartheid and the Israeli government argues that it is a necessary security measure.

**TABLE 6–3 SOME ENVIRONMENTAL GROUPS AND HOW THEY DO BUSINESS**

Group	Membership	Issues	Activities
Greenpeace USA	250,000	Forests, global warming, genetically engineered foods, oceans, persistent organic pollutants, nuclear weapons	Media events; mass mailings; grassroots activity; does not lobby government
Natural Resources Defense Council	1,000,000	Resources, energy, global warming, pollution, nuclear weapons	Lobbying; litigation; watchdog; its scientists compete with experts from agencies and industry
Sierra Club	700,000	Wilderness, pollution, global warming, human rights, population, suburban sprawl	Grassroots action; litigation; news releases
Wilderness Society	250,000	Wilderness areas, public lands, energy development	Scientific studies; analysis; advocacy group

SOURCE: Greenpeace USA at [www.greenpeaceusa.org](http://www.greenpeaceusa.org); Natural Resources Defense Council at [www.nrdc.org](http://www.nrdc.org); Sierra Club at [www.sierraclub.org](http://www.sierraclub.org); Wilderness Society at [www.wilderness.org](http://www.wilderness.org).





In 2003, the AARP successfully lobbied for passage of a prescription drug plan that many seniors argued would ultimately increase the cost of their prescription medications. To protest the AARP's position, some people burned their AARP cards.

While the size of an interest group is often important, so, too, is its *spread*—the extent to which membership is concentrated or dispersed. Automobile manufacturing is concentrated in Michigan and a few other states, and as a result, the auto industry's influence does not have the same spread as that of the American Medical Association, which has an active chapter in virtually every congressional district. An association consisting of 3 million supporters concentrated in a few states will usually have less influence than another group consisting of 3 million supporters spread out in a large number of states.

Interest groups also differ in the extent to which they preempt a policy area or share it with other groups. Doctors and the AMA have effectively preempted the health care policy area because they play such an important role in the delivery of health care. But in the transportation policy area, railroads must compete with interstate trucking and even air freight companies.

Groups also differ in their *resources*, which include money, volunteers, expertise, and reputation.

Some groups can influence many centers of power—both houses of Congress, the White House, federal agencies, the courts, and state and local governments—while others cannot.

### Cohesiveness

Usually, a mass membership organization is made up of three types of members: (1) a relatively small number of formal leaders who may hold full-time, paid positions or devote much time, effort, and money to the group's activities; (2) people intensely involved in the group who identify with the group's aims, attend meetings, faithfully pay dues, and do a lot of the legwork; and (3) people who are members in name only, do not participate actively, and cannot be depended on to vote in elections or otherwise act as the leadership wants.<sup>20</sup> In a typical large organization, for every top leader there might be a few hundred hard-core activists and thousands of essentially inactive members.

Another factor in group cohesiveness is its *organizational structure*. Some associations have a strong formal organization; others are local organizations that have joined together in a loose state or national federation in which they retain a measure of separate power and independence. Separation of powers may be found as well: The national assembly of an organization establishes, or at least ratifies, policy; an executive committee meets more frequently; a president or director is elected to head and speak for the group; and permanent paid officials form the organization's bureaucracy. Power may be further divided between the organization's main headquarters and its Washington office. An organization of this sort tends to be far less cohesive than a centralized, disciplined group such as some trade unions, trial lawyers, and realtors.

### Leadership

Closely related to cohesion is the nature of the leadership. In a group that embraces many attitudes and interests, leaders may either weld the various elements together or sharpen their disunity. The leader of a national business association, for example, must tread cautiously between big business and small business, between exporters and importers, between chain stores and corner grocery stores, and between the producers and the sellers of competing products. The group leader is in the same position as a president or a member of Congress; he or she must know when to lead followers and when to follow them.

## Techniques

Interest groups seeking to wield influence choose from a variety of political weapons and targets. They present their case to both houses of Congress, the White House staff, state and local governments, and federal agencies and departments. They also become involved in litigation. Other techniques include protest, election activities, establishing political parties, and lobbying.

**PUBLICITY AND MASS MEDIA APPEALS** Interest groups exploit the communications media—television, radio, newspapers, leaflets, signs, direct mail, and word of mouth—to influence voters during elections and to motivate constituents to contact their representatives between elections. Business enjoys a special advantage in this arena, and businesspeople have the money and staff to use propaganda machinery. As large-scale advertisers, they know how to deliver their message effectively or can find an advertising agency to do it for them. But organized labor is also effective in communicating with its membership through shop stewards, mail, and phone calls.

As people communicate more and more via e-mail, this technology will become an important means of political mobilization. Howard Dean effectively used e-mail in the 2004 primary campaign to turn out crowds in Iowa, New Hampshire, and other states.<sup>21</sup> He also did well in raising money via the Internet.<sup>22</sup> John Kerry and George W. Bush also had success raising campaign funds in this way and used the Internet in their voter mobilization efforts.<sup>23</sup> Candidates at all levels used e-mail for fund raising and to motivate supporters. E-mail will likely become part of political communication at the workplace as management communicates information to its workers about the candidates and ballot issues.

**MASS MAILING** One means of communication that has increased the reach and effectiveness of interest groups is computerized and targeted mass mailing.<sup>24</sup> Before computers, interest groups had to cull from telephone directories and other sources lists of people to contact, and managing these lists was time-consuming. As a result, some groups sent out mailings indiscriminately. Today the computer permits easy data storage and efficient management of mailing lists. Mass mailing is now used by all kinds of interest groups. Today's technology can produce personalized letters targeted to specific groups. Such targeted direct mail can also appeal to people who share a common concern, such as environmental groups.

**INFLUENCE ON RULE MAKING** Organized groups have ready access to the executive and regulatory agencies that write the rules implementing laws passed by Congress. Government agencies publish proposed regulations in the *Federal Register* and invite responses from all interested persons before the rules are finalized. The *Federal Register* is published every weekday. You can find it at the library or on the Internet at [www.gpoaccess.gov](http://www.gpoaccess.gov). Well-staffed associations and corporations peruse the *Register*, ever alert for actions that will affect their interests. Lobbyists prepare written responses to the proposed rules, draft alternative rules, and appear at the hearings to make their case. These lobbyists seek to be on good terms with the staff of the agencies so that they can learn what rules are being considered long before they are released publicly and thus have input in the early stages. Administrative rules are defined over time through legal cases and agency modifications, so even if an interest group fails to get what it wants, it can fight the rules in court or press for a reinterpretation when the agency leadership changes hands.

Finally, an interest group can seek to modify rules it does not like by pressuring Congress to change the legal mandate for the agency or have the agency's budget



*The NRA is a large, powerful interest group with considerable political clout, dedicated to fighting all gun control legislation and to electing candidates who oppose any form of gun control.*

### **Federal Register**

Official document, published every weekday, that lists the new and proposed regulations of executive departments and regulatory agencies.

# Taylor clipped the taxpayers by abusing student loans.



**Mike Taylor made a fortune in the hair care industry. He also made up his own rules for awarding student loans.**

—Mike Taylor, Beauty Center, Denver, Colorado



### Abusing Student Loans

In a hair-raising scheme to ensure the success of his "Institute of Hair Design," Mike Taylor improperly gave out thousands of dollars in federal student loan funds. Mike Taylor's "Institute of Hair Design" profited from the misuse of money that was meant for educational purposes.<sup>1</sup>



### Ability to Directly Issue Student Loans Revoked

In 1998, based on "repeat findings" of violations, the U.S. Department of Education revoked Mike Taylor's authority to directly disperse federal student loan monies.<sup>2</sup> In 1999, the U.S. Department of Education followed up on this action by assessing the Institute of Hair Design about \$159,000 for the numerous violations uncovered by department investigators.<sup>3</sup>

## With Mike Taylor, There's no telling who will get clipped.

*The use of both conventional and electronic mail is an effective way of reaching a large number of people during political campaigns. The Montana Democratic Party sent this ad to potential voters informing them of Republican candidate Mike Taylor's misuse of student loan money several years prior when he operated a beauty school in another state. The ad prompted Taylor to withdraw from the race.*

reduced, making enforcement of existing rules difficult. In short, interest groups and lobbyists never really quit fighting for their point of view.

**LITIGATION** When groups find the political channels closed to them, they may turn to the courts.<sup>25</sup> The Legal Defense and Education Fund of the National Association for the Advancement of Colored People (NAACP), for example, initiated and won numerous court cases in its efforts to end racial segregation and to protect the right to vote for African Americans. Urban interests and environmental groups, feeling underrepresented in state and national legislatures, turned to the courts to influence the political agenda.<sup>26</sup> Women's groups, such as the National Organization for Women and the American Civil Liberties Union's Women's Rights Project, also used the courts to pursue their objectives.<sup>27</sup> Conservative religious groups like the Washington Legal Foundation and groups identified with the Religious Right have also actively used litigation as a strategy to pursue their objectives.<sup>28</sup>

In addition to initiating lawsuits, associations can gain a forum for their views in the courts by filing *amicus curiae* briefs (literally, "friend of the court" briefs) in cases in which they are not direct parties. Despite the general impression that associations achieve great success in the courts, groups are no more likely than individuals to win their cases at the district court level.<sup>29</sup>

**PROTEST** Movements arise around particular issues but often lack widespread support. To generate interest and support for their cause, movements often use protest demonstrations. An example of a movement that used protest demonstrations to call attention to its

#### ***amicus curiae* brief**

Literally, a "friend of the court" brief, filed by an individual or organization to present arguments in addition to those presented by the immediate parties to a case.



concerns is the diverse set of interest groups that opposed the labor, environmental, and trade practices fostered by the World Trade Organization (WTO). The 1999 protest against a WTO meeting in Seattle turned into a riot.<sup>30</sup> Peaceful groups like Public Citizen and the AFL-CIO were brushed aside by more violent protesters, such as the Ruckus Society and the Direct Action Network. The Seattle police, unable to contain the situation and fearful that they would be unable to protect delegates from 135 countries, resorted to riot control tactics, including tear gas, rubber bullets, and pepper spray. They also arrested more than 400 protesters.<sup>31</sup> Newspapers and television broadcasts around the world showed the confrontations, arrests, and destruction.

The protesters succeeded in forcing the topic of globalization and the negative consequences of increased international trade onto the political agenda. Other movements or groups that have used protest include the civil rights movement, antiwar groups, and environmental groups.<sup>32</sup>

**ELECTION ACTIVITIES** Although nearly all large organizations say they are nonpolitical, almost all are politically involved in some way. What they usually mean when they say they are nonpolitical is that they are *nonpartisan*. A distinguishing feature of organized interest groups is that they often try to work through *both* parties. Another regularity is that they want to be friendly with the winners, which often means that they contribute to incumbents. But as competition for control of both chambers of Congress has intensified and with presidential contests also up for grabs, interest groups have generally invested more in one party or the other.

Labor usually favors Democrats. The AFL-CIO has supported every Democratic candidate for president since the New Deal, although the Teamsters Union has often endorsed Republicans. In 2004, the Teamsters joined most other unions in backing John Kerry. Business groups occasionally endorse Democratic incumbents but generally favor Republicans. Some organizations are prevented from taking a firm position because of the differing views of their members. A local retailers' group, for example, might be composed equally of Republicans and Democrats, and many of its members might refuse to openly support a candidate for fear of losing business.

Ideological groups target certain candidates, seeking to change a candidate's positions or, failing that, to influence voters to vote against that candidate. Americans for Democratic Action and the American Conservative Union publish ratings of members of Congress's voting records on liberal and conservative issues; so do the U.S. Chamber of Commerce, the AFL-CIO, and other groups.

How effective is electioneering by interest groups? In general, mass membership organizations fail to mobilize their full membership in elections. Although when a group's interests are directly attacked, as was the case with the anti-union "paycheck protection" ballot initiatives in 1998 and 2000, these groups can effectively mobilize their membership.<sup>33</sup> More typically, there are too many cross-pressures operating in the pluralistic politics of the United States for any one group to assume a commanding role. Some groups reach their maximum influence only by allying themselves closely with one of the two major parties. They may place their members on local, state, and national party committees and help send them to party conventions as delegates, but such alliances mean losing some independence.

Numerous groups sought to mobilize their membership in the 2004 presidential election. Groups created Web sites for members to obtain information on their organization's view of candidates and provided voter registration materials and absentee ballot request forms. They also solicited contributions to help fund these efforts. One group that was especially active in this effort was the Business and Industry Political Action Committee (BIPAC).<sup>34</sup> Organized labor, long perceived to be the leader in voter mobilization, was also especially active in 2004, as was the National Rifle Association. The Republican party and allied groups, having learned from the techniques used by labor unions, mounted a successful voter mobilization effort in 2004.

**FORMING A POLITICAL PARTY** Another interest group strategy is to form a political party. These parties are organized less with the intent to win elections than to publicize a cause. The Free Soil party was formed in the mid-1840s to work against the spread of



slavery into the territories, and the Prohibition party was organized two decades later to ban the sale of liquor. Farmers have formed a variety of such parties. More often, however, interest groups prefer to work through existing parties.

Today, environmental groups and voters for whom the environment is a central issue must choose between supporting the Green party, which has yet to elect a person to federal office, an independent candidate like Ralph Nader in 2004, or one of the two major parties. Sometimes minor party candidates can spoil the chances of a major party candidate. In a New Mexico congressional special election in 1997, the Green party candidate won 17 percent of the vote, taking some votes from the Democrat and thereby helping elect a Republican to what had been a Democratic seat. In the 1998 election, environmental groups campaigned aggressively for the Democrat, who obtained 53 percent of the vote, while all minor parties combined got only 4 percent.<sup>35</sup> In South Dakota's 2002 Senate race between Tim Johnson (D) and John Thune (R), the Libertarian candidate got more than three thousand votes. Johnson defeated Thune by just over 500 votes. In the 2000

## PEOPLE & POLITICS *Making a Difference* ★★

### STEPHEN MOORE, CLUB FOR GROWTH

**A**n interest group that first appeared on the scene in the late 1990s and became visible in 2002 in some competitive contests is the Club for Growth. One of the three cofounders of Club for Growth is Stephen Moore. Known for his candor, Moore described contributing to candidates and parties as “spitting into an ocean of money,” citing contributing to his Club as a much more effective way to influence policy and “get rid of Republicans in Name Only (RINOs).”<sup>\*</sup> Moore is a graduate of the University of Illinois with a master’s degree in economics from George Mason University. Prior to his activity at Club for Growth he directed fiscal policy studies at the Cato Institute and worked on the Joint Economic Committee under House Republican Whip Dick Armey. He was drawn into politics by his mentor and professor, Julian Simon. Moore sees the Club as more politically involved than the “think tanks,” and has patterned the Club after EMILY’s List, a successful pro-Choice Democratic group that helps connect donors and candidates.<sup>†</sup>

*Congressional Quarterly Today* said of Moore’s group, “When the supply-siders at the Club for Growth decide to back a candidate who favors the economic policies of the Reagan era, donations don’t just trickle down, they gush.”<sup>‡</sup> In 2004, Club for Growth invested \$2 million in the

Pennsylvania U.S. Senate primary election against long-term Republican incumbent Arlen Specter and for Pat Toomey, his opponent. The group also ran ads attacking Howard Dean in the weeks before the Iowa caucuses, describing Dean’s campaign as a “tax hiking, government expanding, latte drinking, sushi eating, Volvo driving, *New York Times* reading, body piercing, Hollywood loving, left wing freak show.”<sup>§</sup> The Club for Growth also invests in general elections, sometimes channeling hundreds of thousands of dollars into U.S. House or U.S. Senate races.<sup>||</sup>

The Club for Growth seeks to pursue the “vision of limited government and lower taxes,” as articulated by Ronald Reagan. The Club’s home page has a photo of Reagan. Candidates endorsed by the Club support this vision and have a strong chance for electoral success. The Club invests in only a few contests where they believe they can make a difference. They do this by selecting candidates and then contacting donors who make the checks out directly to the candidate, then route the checks through the Club to enhance the Club’s reputation with the candidate.<sup>¶</sup> Electoral involvement is then linked to lobbying. Speaking of the lobbying power of the Club for Growth, Stephen Moore said, “I think we have 30



or 40 members [of Congress] who are very grateful for the help we’ve given them, and we’ve got another 30 or 40 members of Congress who think that we’re a very dangerous organization that could jeopardize their political careers.”<sup>\*\*</sup>

<sup>\*</sup>Stephen Moore, phone interview by David Magleby, July 21, 2004.

<sup>†</sup>Ibid.

<sup>‡</sup>Jonathan Allen, “Club for Growth Becoming a Bigger Player in Republican-on-Republican Primary Races,” *Congressional Quarterly Today*, February 6, 2003.

<sup>§</sup>*National Journal Online* at [nationaljournal.com/members/adspotlight/2004/01/0108cfg1.htm](http://nationaljournal.com/members/adspotlight/2004/01/0108cfg1.htm).

<sup>||</sup>See Kelly Patterson, “When Redistricting Means Never Having to Say You’re Sorry: Utah’s Second District,” David Magleby and J. Quin Monson, eds., *The Last Hurrah* (Brookings Institution Press, 2004), pp. 252–253.

<sup>¶</sup>[www.clubforgrowth.org/about.php?from=about](http://www.clubforgrowth.org/about.php?from=about).

<sup>\*\*</sup>[www.clubforgrowth.org/what.php](http://www.clubforgrowth.org/what.php).

presidential election, most environmental groups supported Al Gore over Green party nominee Ralph Nader. Many Democrats, however, blame Nader for diverting votes from Gore in such battlegrounds as Florida and New Hampshire, thereby costing him the election. Democrats again worried that Nader would cost them the White House in 2004 but explicit appeals from the party and from interest groups may have helped reduce Nader's impact. Early in the campaign, Nader described Democrat John Kerry as very presidential but he later said that a vote for Kerry is "a vote for war—an endless, Vietnam-type quagmire" (see Joshua Weinstein, "Angry Ralph Nader: Scorn, Anger, and Resolve Sustain Nader," *Portland Press Herald*, October 6, 2004).

**COOPERATIVE LOBBYING** Like-minded groups often join together as cooperative groups. In 1987, the Leadership Conference on Civil Rights and People for the American Way brought together many groups in the battle to defeat the nomination of outspoken federal judge Robert Bork to the U.S. Supreme Court.<sup>36</sup> Different types of environmentalists work together, as do consumer and ideological groups on the right and on the left. Women continue to be represented by a large variety of groups that reflect diverse interests, but the larger the coalition, the greater the chance that members may divide over such issues as abortion. Another example of a cooperative group is the Business Roundtable (BRT), an association of chief executive officers of the 200 largest U.S. corporations. The BRT, which has been in existence for more than 30 years, promotes policies that help large businesses, such as free trade and less government regulation of business.

## THE INFLUENCE OF LOBBYISTS

The terms "lobbying" and "lobbyist" were not generally used until around the middle of the nineteenth century in the United States. The root in these words refers to the lobby or hallway outside House and Senate chambers in the U.S. Capitol. It also refers to those who hung around the lobby of the old Willard Hotel when presidents dined. The noun "lobby" has been turned into a verb in this political context. Thus "to lobby" is to seek to influence legislators and government officials, and we call this **lobbying** even if there is no lobby in sight.

Despite their negative public image, lobbyists perform useful functions for government. They provide information for the decision makers of all three branches of government, they help educate and mobilize public opinion, they help prepare legislation and testify before legislative hearings, and they contribute a large share of the costs of campaigns. Yet many people are concerned that lobbyists have too much influence on government and add to legislative gridlock by being able to stop action on pressing problems.

### Who Are the Lobbyists?

The typical image is of powerful, hard-nosed lobbyists who skillfully employ a combination of knowledge, persuasiveness, personal influence, charm, and money to influence legislators and bureaucrats. **Lobbyists** are the employees of associations who try to influence policy decisions and positions in the executive and especially in the legislative branches of our government. They are experienced in the ways of government, often having been public servants before going to work for an organized interest group, association, or corporation. They might start as staff in Congress, perhaps on a congressional committee. Later, when their party wins the White House, they gain an administration post, often in the same policy area as their congressional committee work. After a few years in the administration, they are ready to make the move to lobbying, either by going to work for one of the interests they dealt with while in the government or by obtaining a position with a lobbying firm.

Moving from a government job to one with an interest group is quite common, a practice called the **revolving door**. Despite the fact that it is illegal for former national government employees to directly lobby the agency from which they came, their contacts made during government service are helpful to interest groups. Many former members of Congress make use of their congressional experience as full-time lobbyists.



*Personal contact with and access to decision makers continue to be key elements of lobbying today, as they were at the time of President Grant's administration.*

#### lobbying

Engaging in activities aimed at influencing public officials, especially legislators, and the policies they enact.

#### lobbyist

A person who is employed by and acts for an organized interest group or corporation to try to influence policy decisions and positions in the executive and legislative branches.

#### revolving door

Employment cycle in which individuals who work for governmental agencies regulating interests eventually end up working for interest groups or businesses with the same policy concern.

The revolving-door tendency between government and interest groups produces networks of people who care about certain issues. These networks have been called **iron triangles**, consisting of mutually dependent relationships among interest groups, congressional committees and subcommittees, and the government agencies that share a common policy concern. Sometimes these relationships become so strong and mutually beneficial that the iron triangle becomes very powerful, a sort of subgovernment. A former senior staff person from a House or Senate agriculture committee now working for an agricultural corporation as a lobbyist who has ongoing friendships with his former staff colleagues, including some who now work at the Department of Agriculture, is an example of how personal relationships work within iron triangles. Powerful iron triangles may serve to enhance the policy preferences of narrow interests and not those of the broader public interest.

Legal and political skills, along with specialized knowledge, have become so crucial in executive and legislative policy making as to become a form of power in themselves. Elected representatives increasingly depend on their staffs for guidance, and these issue specialists know more about “Section 504” or “Title IX” or “the 2002 amendments”—and who wrote them and why—than most political and administrative leaders, who are usually generalists. It is in this gray area of policy making that many interest groups and lobbyists play a vital role, as people move freely from congressional or agency staff to association staff and perhaps back again. These groups of experts are sometimes called *issue networks* and are discussed in greater detail in Chapter 18, Economic and Regulatory Policy. Like iron triangles, issue networks are made up of people with similar policy concerns; however, they differ in two important ways. First, issue networks can include more players, such as the media, than iron triangles. Second, because members of issue networks are less dependent on one another than members of iron triangles are, organization is more amorphous and less structured.<sup>37</sup>

### What Do Lobbyists Do?

Thousands of lobbyists are active in Washington, but few are as glamorous or as unscrupulous as the media suggest, nor are they necessarily influential. One limit on their power is the competition among interest groups. Rarely does any one group have a policy area all to itself. For example, transportation policy involves airplanes, trucks, cars, railroads, consumers, suppliers, state and local governments—the list goes on and on.

To members of Congress, the single most important thing lobbyists provide is money for their next reelection campaign. “Reelection underlies everything else,” writes political scientist David Mayhew.<sup>38</sup> Money from interest groups has become instrumental in this driving need among incumbents. Interest groups also provide volunteers for campaign activity. In addition, their failure to support the opposition can enhance an incumbent’s chances of being reelected.

Some people defend lobbyists as a kind of “third house” of Congress. Whereas the Senate and House are set up on a geographical basis, lobbyists represent people on the basis of interests and money. Small but important groups can sometimes get representation in the “third house” when they cannot get it in the other two. In a nation of vast and important interests, this kind of functional representation, if it is not abused, can be a useful supplement to geographical representation.

Beyond their central role in campaigns and elections, interest groups provide another essential commodity to legislators: information of two important types, political and substantive. The *political information* provided by lobbyists includes such matters as who supports or opposes legislation and how strongly they feel.<sup>39</sup> *Substantive information*, such as the impact of proposed laws, might not be available from any other source. Lobbyists often provide technical assistance on the drafting of bills and amendments, identify persons to testify at legislative hearings, and formulate questions to ask of administration officials at oversight hearings.

The battle over providing a prescription drug benefit for senior citizens illustrates how lobbyists influence the electoral and legislative process. The pharmaceutical industry invested over \$10 million in the 2000 election and a similar amount in 2002 in limited and disclosed contributions to candidates and parties,<sup>40</sup> and another \$15 to \$20

#### iron triangle

A mutually dependent relationship among interest groups, congressional committees and subcommittees, and government agencies that share a common policy concern.



million in unlimited contributions to the parties in both of these elections.<sup>41</sup> In addition, an estimated \$65 million was spent by “Citizens for Better Medicare” in 2000 on issue ads targeted to battleground states. In 2002 “The United Seniors Association” spent an estimated \$9 to \$13 million on issue ads in competitive contests.<sup>42</sup> Lobbying was also part of the pharmaceutical industry strategy. In 2002 they spent an unprecedented \$94 million on lobbying activities, hiring almost 700 lobbyists from 138 different firms.<sup>43</sup> Congress enacted a prescription drug benefit for seniors that had the support of the pharmaceutical industry and the largest seniors organization, the AARP. The new benefit was criticized by some as being too costly,<sup>44</sup> and by others as not being comprehensive enough.<sup>45</sup> The intense electioneering and lobbying helped define the issue and set the stage for the legislation that was enacted.

## MONEY AND POLITICS

As the battle over prescription drug benefits for seniors illustrates, interest groups have several ways they can seek to influence election outcomes and policy outcomes. They can seek to mobilize voters, especially the members of the group and their families and friends. They can loan staff to candidate campaigns. They can contribute money to candidates and parties through committees they form, which are called **political action committees (PACs)**, or they can urge their members and friends to contribute directly to candidates or parties or send their checks to the group and have them delivered in a bundle, a process called **bundling**. They can raise and spend money independently through what are called **independent expenditures**. When interest groups or individuals give money to a candidate or party committee, those contributions are limited and must be disclosed to the Federal Election Commission; they are sometimes referred to as **hard money**.

Until the 2004 election cycle individuals and groups could give unlimited amounts of money to party committees. This so-called **soft money** was for many years spent only on generic party activity like get-out-the-vote drives or broad party appeals. Corporations and unions, long banned from giving to candidates and parties from their general funds for election-specific purposes, were permitted to give soft money, and they did so in large amounts. Starting in the 1996 election cycle, the party committees used this money for specific candidate attack or promotion, a topic we will explore more later. By the 2000 and 2002 election cycles, soft money had climbed to around \$500 million. Soft money was banned for the 2004 election cycle.

In 1996, interest groups found another way to circumvent disclosure and contribution limits through **issue advocacy**. Exploiting a definition in the court case defining the kinds of communication regulated by the Federal Election Campaign Act of 1971 (FECA) as those that used words like “vote for” or “vote against,” groups simply made election ads without those words and then spent millions attacking or promoting particular candidates. Corporations and unions could and did spend millions of their general funds, which otherwise would have been banned from use in elections on issue ads in 1996–2002.

The Bipartisan Campaign Reform Act of 2002 (BCRA) redefines electioneering communications to include ads aimed at a particular population (state or district) that mention a candidate by name, show the image or likeness of a candidate, or mention the election within sixty days before a general election or thirty days before a primary election. BCRA bans corporations and unions from giving general funds to parties as soft money and from using those funds to buy electioneering ads during the period before a primary and general election, and requires more disclosure of this activity. BCRA does not regulate what any of these groups may do on the phone, through the mail, or in person.

Helping elect candidates helps create a relationship between the interest group and the elected official that then is exploited in the policy process. At a minimum, substantial involvement in the election process helps provide access to policy makers.<sup>46</sup> Interest groups retain political and policy professionals who provide information to policy makers, individuals that are generally called *lobbyists*. We begin our exploration of the role of money and politics by examining PACs, a primary means for groups to help elect and reelect public officials.

### political action committee (PAC)

The political arm of an interest group that is legally entitled to raise funds on a voluntary basis from members, stockholders, or employees in order to contribute funds to favored candidates or political parties.

### bundling

A tactic of political action committees whereby they collect contributions from like-minded individuals (each limited to \$2,000) and present them to a candidate or political party as a “bundle,” thus increasing their influence.

### independent expenditures

The Supreme Court has ruled that individuals, groups, and parties can spend unlimited amounts in campaigns for or against candidates as long as they operate independently from the candidates. When an individual, group, or party does so, they are making an independent expenditure.

### hard money

Political contributions given to a party, candidate, or interest group that are limited in amount and fully disclosed. Raising such limited funds is harder than raising unlimited funds, hence the term “hard money.”

### soft money

Money raised in unlimited amounts by political parties for party-building purposes. Now largely illegal except for limited contributions to state and local parties for voter registration and get-out-the-vote efforts.

### issue advocacy

Unlimited and undisclosed spending by an individual or group on communications that do not use words like “vote for” or “vote against,” although much of this activity is actually about electing or defeating candidates.



## The Growth of PACs

A PAC is the political arm of an interest group that is legally entitled to raise funds on a voluntary basis from members, stockholders, or employees in order to contribute funds to favored candidates or political parties. PACs link two vital techniques of influence—giving money and other political aid to politicians and persuading officeholders to act or vote “the right way” on issues. Thus PACs are the means by which interest groups seek to influence which legislators are elected and what they do once they take office.<sup>47</sup> PACs can be categorized according to the type of interest they represent: corporations, trade and health organizations, labor unions, ideological organizations, and so on.

Surprisingly, considering the explosion of PACs that has occurred mainly in the business world, it was organized labor that invented this device. In the 1930s, John L. Lewis, president of the United Mine Workers, set up the Non-Partisan Political League as the political arm of the newly formed Congress of Industrial Organizations. When the CIO merged with the American Federation of Labor, the new labor group established the Committee on Political Education (COPE), whose activities we have already described. This unit came to be the model for most political action committees: “From the outset, national, state, and local units of COPE have not only raised and distributed funds, but have also served as the mechanism for organized and widespread union activity in the electoral process, for example, in voter registration, political education, and get-out-the-vote drives.”<sup>48</sup> Some years later, manufacturers formed the Business and Industry Political Action Committee, but the most active business PAC is the one affiliated with the U.S. Chamber of Commerce.<sup>49</sup>

The 1970s brought a near revolution in the role and influence of PACs—ironically, as the result of reforms intended to reduce the influence of money in elections. The number of PACs increased dramatically, from about 150 to nearly 4,000 today.<sup>50</sup> Corporations and trade associations contributed most to this growth; today their PACs constitute the majority of all PACs. Labor PACs, by contrast, increased only slightly in number, representing less than 10 percent of all PACs.<sup>51</sup> But the increase in the number of PACs is less important than the intensity of recent PAC participation in elections and in lobbying.

The BCRA campaign finance reforms that took effect in the 2004 election cycle increased the role of PACs in funding candidates and parties. Because PAC contributions are limited, they were not as attractive a means to invest in elections for those who wanted to direct a lot of money to a particular race, which groups could do with soft money before BCRA. With that option closed in 2004, interest groups made PAC fundraising and contributions a higher priority. Members of Congress also increased their efforts to raise PAC dollars, including an expanded emphasis on leadership PACs. A Leadership PAC is a PAC a member of Congress can form to raise money from individuals or other PACs, which in turn can make contributions to others. Leadership PACs were once largely a tool used by congressional leaders or those aspiring to be leaders. In 2003–2004 almost a third of all lawmakers on the hill had formed a leadership PAC.<sup>52</sup> Because there were again so few competitive congressional contests in 2004, safe-seat incumbents with leadership PACs were pressed by their party leaders to contribute to their party candidates in the competitive contests. Member-to-member giving has become a more important part of campaign finance in competitive races as a result of BCRA.

## How PACs Invest Their Money

PACs take part in the entire election process, but their main influence lies in their capacity to contribute money to candidates. Candidates today need a lot of money to wage their campaigns. It is no longer uncommon for House candidates to spend more than \$1 million and for many senators and would-be senators to spend several times that amount.<sup>53</sup> And as PACs contribute more, their influence grows. What counts is not only the amounts they give but also to whom they give. PACs give to the most influential incumbents, to committee chairs, to party leaders and whips, and to the Speaker. PACs give not only to the majority party but also to key incumbents in the minority party as well, because they understand that today’s minority could be tomorrow’s majority.

PACs, like individuals, are limited by law in the amount of money they can contribute to any single candidate in an election cycle. The Federal Election Campaign Act of 1971 (FECA) as amended in 2002 limits PACs to \$5,000 per election or \$10,000 per election cycle

(primary and general elections). Individuals have a limit of \$4,000 per candidate per election cycle. PACs have found some creative ways around this limit. They can host fundraisers attended by other PACs to boost their reputation with the candidate, or they can collect money from several persons and give it to the candidate as a bundle. Through bundling, PACs and interested individuals can increase their clout with elected officials. Two of the most important groups doing bundling in 2003–2004 were EMILY's List and Club for Growth. EMILY's List, which stands for "Early Money Is Like Yeast," raises money from individuals committed to electing pro-choice, Democratic women. It identifies candidates that fit its criteria and then solicits checks for them at an early stage in the campaign. Club for Growth, a conservative group, sees itself as applying the same bundling techniques as EMILY's List but for pro-growth and anti-tax candidates (see the box on Stephen Moore on page 146).

### **Soft Money and Issue Advocacy**

The 1996 election was a watershed in the involvement of interest groups and individuals in financing campaigns. That year the Clinton/Gore campaign on the advice of a consultant began to use party soft money for candidate-specific electioneering. Previously soft money had been reserved for generic ads or party-building activities like building voter lists, staffing the party, and so forth. Corporations and unions were allowed to give general funds as well as PAC funds to the party soft money accounts, and there were no contribution limits on soft money. Some of the largest PAC soft money contributors were labor unions, trial lawyers, corporations, and some individuals.

Party committees had limits on how much hard money they could spend on a particular race, but there were no such limits on soft money. With soft money as an option for the party committees, they quickly started spending it in competitive settings like presidential battleground states or highly contested House or Senate contests. In some of these races, they would expend millions of dollars of soft money. We discuss the use of soft money by the political parties in greater detail in Chapter 7.

The 1996 election was a watershed in a second respect as well. The AFL-CIO decided to test the limits of the definition of what fell under the regulation of the FECA, spending an estimated \$35 million against most Republican candidates.<sup>54</sup> The union ads avoided words such as "vote for," "elect," "support," "cast your ballot for," "Smith for Congress," "vote against," "defeat," or "reject"—the definition for what constituted a communication subject to FECA regulation according to a footnote in the *Buckley v. Valeo* decision.<sup>55</sup> Other interest groups and their consultants discovered that they also could effectively communicate an electioneering message without using words like "vote for" or "vote against." Ads that avoided these words but that were clearly about electing or defeating particular candidates became a staple in competitive elections after 1996. Groups like the pharmaceutical industry, truckers, unions, and supporters of term limits would direct hundreds of thousands of dollars or more to particular contests for Congress or presidential battleground states. These groups mounted parallel campaigns in such locales, running ads on radio and television and investing heavily in phone calls, mail, and get-out-the-vote efforts.<sup>56</sup> In these competitive races the non-candidate campaign generally rivaled the candidate campaign in spending.<sup>57</sup> For example, in one hotly contested House race in 2000, the California 27th District race, candidates spent over \$11.5 million<sup>58</sup> while the parties through soft money and interest groups through issue advocacy spent \$7.5 million.<sup>59</sup>

Groups especially involved in issue advocacy included groups like the AFL-CIO, Citizens for Better Medicare, National Right to Work, United Seniors Association, Americans for Job Security, U.S. Chamber of Commerce, and Planned Parenthood. The heavy investment of interest groups in these unlimited electioneering efforts became controversial in the late 1990s and through the 2002 election cycle and helped motivate passage of BCRA.

### **BCRA and Interest Group Electioneering**

In addition to restoring the ban on corporations and unions using their general funds for election ads through soft money or issue advocacy, BCRA attempted to follow court decisions with respect to ideological interest groups. It excludes from regulation some

## ★ ★ YOU DECIDE

### SHOULD CORPORATIONS AND UNIONS BE UNLIMITED IN FUNDING PARTIES AND IN RUNNING ISSUE ADS?

Does limiting the ability of corporations or unions to use their general or “treasury” funds for election-related expenditures violate the constitutional guarantee of freedom of speech? Corporations and unions, like other groups, are free to form political action committees to make contributions to candidates and parties. What was at dispute was whether they could take their profits or general funds and spend those on electing or defeating candidates or in support of party efforts. For more than a century, federal law had banned unions and corporations from spending general or treasury funds on electoral politics. Was the Supreme Court correct in upholding that precedent?

interest groups that were not established by a business or labor union, or that are funded by individuals whose purpose is to “promote political ideas and cannot engage in business activities.”<sup>60</sup> In 2004 there were four groups that had this special status and therefore could spend unlimited amounts of money raised from individuals on competitive races. These groups were NARAL Pro-Choice America, Planned Parenthood, League of Conservation Voters, and Defenders of Wildlife. While all of these groups were active in 2004, their legal status did not have a significant impact because other groups were allowed to raise and spend unlimited individual contributions. Interest groups that had previously taken union or corporate money could not claim this status.

Although BCRA made new rules restricting how funds could be spent for advertising, it left individuals and groups free to make unlimited contributions to groups that engaged in efforts to elect or defeat candidates through the mail, on the phone, or in person. These groups are called **527 groups**, a name that is derived from the section of the Internal Revenue Code that refers to political committees, not all of which have election activity as their primary purpose. The most notable example of one of these “527” groups is America Coming Together (ACT), founded by former political director of the AFL-CIO Steve Rosenthal and former president of EMILY’s List Ellen Malcolm. One of the most visible donors to this group was financier George Soros. ACT launched reportedly the largest voter mobilization project in American history,<sup>61</sup> utilizing voter lists and door-to-door canvassing to target voters for mobilization on election day. Their stated purpose was to “defeat George W. Bush and elect Democrats in federal, state, and local elections in 2004.”<sup>62</sup> Another group, also partially funded by George Soros, The Media Fund, ran broadcast ads before the time frame covered by BCRA (sixty days before a general election) and then used hard money to run ads closer to the election. This group was headed by Harold Ickes, who had been assistant to the president for political affairs and deputy chief of staff to President Clinton.

During the 2004 election cycle, 527 groups were much more active on the liberal or Democratic side than on the conservative or Republican. There are several reasons for this. Democratic party activists and allied interest groups understood that the BCRA ban on soft money would leave the party and its presidential candidate at a disadvantage against the fundraising prowess of President Bush and the Republican party. They thus started early and invested heavily in their 527 groups. Republicans and conservatives were less inclined to put money behind their Section 527 groups, in part because they controlled the government and had experienced so much success in fundraising in the past. There was also real doubt on the Republican side that BCRA or the new 527 groups would survive the court challenge and Federal Election Commission review process. When both occurred, they had lost valuable time in organizing and funding their 527 organizations.

Interest groups also utilized other sections of the tax code to involve themselves in the election. Section 501 of the tax code permits groups to organize and, in the case of Section 501-C-3, donations to the group are tax deductible. Because of their tax deductible status, 501-C-3 groups avoid candidate endorsements but can be involved in voter registration and other nonpartisan activity. For groups whose contributions are not tax deductible there is wider license in what they can do in elections. In 2004 several groups were involved in the election through their 501-C-4 and 501-C-6 groups. Examples of groups active in this way and of what they did in 2004 include, but are not limited to, the National Rifle Association sending direct mail to their members, the U.S. Chamber of Commerce creating a Web site for [voteforbusiness.com](http://voteforbusiness.com), and the AFL-CIO spending money on internal communications. There were examples of 501-C groups supporting both parties, but unlike the 527 groups, Republicans found more allies in the 501-C organizations.<sup>63</sup>

Republican-allied 527 groups were slower to start campaigning but they were visible and important later in the campaign. One group, the Swift Boat Veterans for Truth, discussed earlier in this chapter, took Kerry “off message.” Another pro-Bush group, Progress for America, ran an ad, which was shown extensively in the final days of the campaign, focused on how President Bush helped the daughter of a person killed in the

#### 527 group

A political group organized under section 527 of the IRS Code that may accept and spend unlimited amounts of money on election activities so long as they are not spent on broadcast ads run in the last 30 days before a primary or 60 days before a general election where a clearly identified candidate is referred to and a relevant electorate is targeted. 527 groups were important to the 2000 and 2004 elections.



attacks of September 11, 2001. The anti-Bush 527 organizations spent more money and focused their efforts on voter mobilization and on ads in the period between March and August when Bush had campaign money and Kerry did not.

The heavy reliance of both parties on 527 organizations and wealthy individual 527 donors raised questions about undue influence over elections from these individuals and what they expected in return if their side won the election. Regulation of 527 organizations is a topic President Bush and Senators John McCain and Russ Feingold pledged to pursue after the election.

## THE EFFECTIVENESS OF INTEREST GROUP ACTIVITY IN ELECTIONS

The strong tendency of PACs to give more money to incumbents has meant that challengers face real difficulties in getting their campaigns funded. Challengers have to rely more on individual contributors. Even with the larger individual contribution limits allowed in 2004, most challengers still were largely underfunded compared to their incumbent opponents.

How much does interest group money influence election outcomes, legislation, and representation? Former U.S. Senator Alan Simpson (R-WY) testified in the court case to decide the constitutionality of BCRA that “too often, members’ first thought is not what is right or what they believe, but how it will affect fundraising. Who, after all, can seriously contend that a \$100,000 donation does not alter the way one thinks about—and quite possibly votes on—an issue?”<sup>64</sup> Another former U.S. Senator, Warren Rudman, said in the same court case that “you can’t swim in the ocean without getting wet; you can’t be part of this system without getting dirty.”<sup>65</sup> In this area, as in others, money obviously talks. But it is easy to exaggerate that influence. Although a candidate may receive a great amount of interest group money, only a fraction of that total comes from any single interest. In addition, it is debatable how much campaign contributions affect election outcomes and uncertain that winning candidates will be willing and able to “remember” their financial angels or that the money in the end produces a real payoff in legislation.

Much depends, however, on the context in which money is given and received. Many campaigns—especially state and local campaigns—are small-scale undertakings in which a big contribution makes a difference. Amid all the murk of campaigning, a candidate may feel grateful for so tangible and convertible a contribution as money. Studies demonstrate a significant relationship between the frequency of lobbying contacts and favorable treatment in the Ways and Means and House Agriculture committees. Campaign contributions were found to predict lobbying patterns.<sup>66</sup>

One result of the recent campaign finance reforms was a surge in 2004 of interest groups communicating with voters via the mail and on the telephone. By closing down party soft money and limiting issue advocacy in television and radio ads in the weeks leading up to an election, the most recent reform makes issue advocacy via mail and telephone more attractive to individuals and groups. Examples of groups with substantially enlarged issue advocacy efforts in 2004 included the U.S. Chamber of Congress, NARAL Pro-Choice America, the National Rifle Association, and the Sierra Club. In selected

### ★ ★ THINKING IT THROUGH

The Court cited a long list of precedents in upholding the limitation on unions and corporations using their general funds to influence elections. The economic power of corporations like Microsoft or major unions could, if unconstrained, drown out the voices of other participants and corrupt the electoral process. The opinion of the majority quoted corporate executives who made illegal donations in the early '70s/late '60s saying “they were motivated by the perception that this was a ‘calling card, something that would get us in the door and make our point of view heard.’”\*

But unions and corporations have a point in arguing that constraints on them are unfair when compared with the ability of wealthy individuals to spend unlimited amounts of their own money on politics via independent expenditures, one of the holdings of the Court in its prior landmark decision, *Buckley v. Valeo*.<sup>†</sup> Corporations and unions would also contend that soft money contributions were not bribes nor were they corrupting. Finally, they would agree with Justice Scalia’s dissent in *McConnell v. FEC*, that restricting how much a group “can spend to broadcast his political views is a direct restriction on speech.”<sup>‡</sup>

\* *McConnell v. FEC*, 124 S.Ct. 533 (2003).

† *Buckley v. Valeo*, 96 S.Ct. 760 (1976).

‡ Justice Antonin Scalia, dissenting in *McConnell v. FEC*, 124 S.Ct. 618 (2003).



Campaign fund-raisers such as this one often charge donors \$1,000 a plate or more for the privilege of meeting the candidates and mingling with influential policy makers.



Republican primaries, the NRA did issue advocacy with a higher success rate. In the 2004 general election, the most active new group was America Coming Together, also known as ACT, who spent over \$55 million in 2003 and 2004. ACT spent most of their resources on a massive get-out-the-vote campaign in all key states.

## CURING THE MISCHIEFS OF FACTION— TWO CENTURIES LATER

If James Madison were to return today, he would not be surprised by the existence of interest groups, nor would he be surprised by their variety. He might be surprised, however, by the varied weapons of group influence, the deep involvement of interest groups in the electoral process, and the vast number of lobbyists in Washington and the state capitals. And doubtless Madison, were he alive today, would still be concerned about the power of faction, especially its tendency toward instability and injustice.

One of the main arguments against factions is that people are not represented equally. For example, fewer interest groups represent young or low-income people than represent corporations. Further, some groups are better organized and better financed, allowing them a decided advantage over more general groups. Another problem with factions is that the existence of a multiplicity of interests often leads to incoherent policies, inefficiency, and delay as lawmakers try to appease conflicting interests. In addition, the propensity of interest groups to support incumbents in elections increases their advantage, which is often seen as undesirable. Finally, the ability of interest groups to supply needed and accurate information to government officials increases their power. Providing inaccurate information spells trouble for interest groups.

Concern about the evils of interest groups has been a recurrent theme throughout U.S. history. President Ronald Reagan in his Farewell Address warned of the power of “special interests,”<sup>67</sup> and President Dwight Eisenhower used his Farewell Address to warn against the “military-industrial complex.”

Single-issue interest groups organized for or against particular policies—abortion, handgun control, tobacco subsidies, animal rights—have aroused much concern in recent years. “It is said that citizen groups organizing in ever greater numbers to push single issues ruin the careers of otherwise fine politicians who disagree with them on one emotional issue, paralyze the traditional process of governmental compromise, and ignore the common good in their selfish insistence on getting their own way.”<sup>68</sup> But which single issues reflect narrow interests? Women’s rights—even a specific issue such as sexual harassment—are hardly “narrow,” women’s rights leaders contend, because they would help over half the population. Peace groups, too, claim that they represent the whole population, as do those who support prayer in schools. These issues may seem quite different from those related to subsidies to dairy farmers, for example.

What—if anything—should be done about factions? For decades, Americans have tried to find ways to keep interest groups in check. They have agreed with James Madison that the “remedy” of outlawing factions would be worse than the disease. It would be absurd to abolish liberty simply because it nourished faction. And the existence and activity of interest groups and lobbies are solidly protected by the Constitution. But by safeguarding the value of liberty, have Americans allowed interest groups to threaten equality, the second great value in our national heritage? The question remains: How can interest groups be regulated in a way that does not threaten our constitutional liberties?

### Federal and State Regulation

Americans have generally responded to this question by seeking to regulate lobbying in general and political money in particular. Concern over the use of money—especially corporate funds—to influence politicians goes back well over a century, to the *Crédit Mobilier* scandals during the administration of Ulysses S. Grant, when members of Congress promoted the *Crédit Mobilier* construction company in exchange for the right to buy shares of the company’s stock below market value, on which they made huge profits.

In the “progressive” era during the first two decades of the twentieth century, Congress legislated against corporate contributions in federal elections and required disclosure of the use of the money.

In 1921, Warren G. Harding’s administration allowed private companies to secretly lease naval oil reserve lands. In response to this event, known as the Teapot Dome scandal, Congress passed the Federal Corrupt Practices Act. It required disclosure reports, both before and after elections, of receipts and expenditures by Senate and House candidates and by political committees that sought to influence federal elections in more than one state. Note that these were *federal* laws applying to *federal* elections; regulation of state lobbying and elections was left to the states.

Federal legislation, including the 1925 Federal Corrupt Practices Act and the 1946 Federal Regulation of Lobbying Act, was not very effective. It was, in fact, largely unenforced. Many candidates filed incomplete reports or none at all. The reform mood of the 1960s brought basic changes. The upshot was the Federal Election Campaign Act of 1971 (FECA), which supplanted the earlier legislation.

FECA, which was amended three times, established reporting or disclosure requirements for all candidates for the U.S. House of Representatives, the Senate, and the presidency, as well as their political parties and campaign committees. It also required disclosure of the amounts spent to influence federal elections by others, including individuals and political action committees. The act established partial public financing for presidential candidates, financed by a voluntary checkoff on federal income tax forms. If candidates opted not to take the partial public funds they had no spending limitations; those who accepted the funds in the primaries had state-by-state spending limits for the primary elections. Candidates could opt out of the partial public funding for the primaries but still accept public funding and spending limits in the general election. This is what George W. Bush did in 2000 and what he and John Kerry did in 2004.<sup>69</sup> Bush and Kerry, like all presidential general election candidates since 1976, accepted the general election public funding and spending limit.<sup>70</sup>

FECA had its critics, and Congress frequently debated reforming campaign financing. In 2002, as we have seen, it enacted the Bipartisan Campaign Reform Act. There have also been significant attempts to regulate interest-group activity in elections at the state level. Some states, including Maine, Wisconsin, Minnesota, Arizona, and Hawaii, provide for public financing of state offices and state legislative races; others, including Michigan, New Jersey, and Massachusetts, provide partial public financing of gubernatorial elections; a dozen more help underwrite parties with public funds.<sup>71</sup>

During President Bill Clinton’s first term, and after the Republicans won control of the House in 1994, Congress passed the first major overhaul of lobbying laws since 1946. Under the Lobbying Disclosure Act of 1995, the definition of a lobbyist was significantly expanded to include part-time lobbyists, those who deal with congressional staff or executive branch agencies, and those who represent foreign-owned companies and foreign entities. This act was expected to increase the number of registered lobbyists to as much as ten times its then current level.<sup>72</sup> In fact, the number of registered “clients” nearly doubled eight years after enactment of the act.<sup>73</sup> The act also included specific disclosure and information requirements.

## The Effects of Regulation

Reformers for more than a century sought disclosure of money in politics. This is consistent with efforts to have more complete disclosure of conflicts of interest in potential executive branch appointees and among legislators and judges. In campaigns and elections, disclosure was often incomplete, and groups quickly found ways to avoid it. However, the disclosure provisions of the 1971 Federal Election Campaign Act, as amended in 1974, were quite effective. Until the mid-1990s, citizens, journalists, and scholars had quite a complete picture of who was giving what to whom, and who was spending money and in what ways, to influence elections. That changed with the discovery of issue advocacy as an electioneering tool in the 1996 election cycle. Disclosure of a possible **quid pro quo** between an interest group and a politician was also diminished by soft money. A large donor could give millions to a party with the expectation that it was going to a

### **quid pro quo**

Something given with the expectation of receiving something in return.

particular U.S. Senate campaign, but such a connection is not traceable because the soft money is passed through the party before going to candidates.

The 2002 reforms enhance disclosure first by banning soft money and then by broadening the definition of electioneering to capture much more of the issue advocacy of recent election cycles. The former test for whether a communication was or was not about an election was a language test, the so-called “magic words” test, included in the *Buckley v. Valeo* decision discussed earlier. The new legislation defines election communication targeted to a specific audience and which includes mentioning a candidate by name, mentioning an election, or showing the image or likeness of a candidate within 60 days of a general election and within 30 days of a primary election and which makes such communications subject to disclosure.

The FECA reforms of the 1970s sought to limit the influence of large donors in federal elections. Individuals and groups were limited in what they could contribute to parties, PACs, and candidates. The Supreme Court in 1976 declared that limits on independent expenditures were unconstitutional when they were truly independent of a party or candidate. The level of independent expenditure activity has always been relatively modest, and FECA had as its intended effect reducing the influence of large contributors. That changed with the surge in unlimited soft money contributions and issue advocacy in the 1996–2002 period. BCRA restores limits on large donors by banning party soft money and requiring broadcast issue advocacy in the period before primaries and general elections that targets a particular audience and mentions a particular candidate to be funded by limited contributions from individuals and groups, not from general funds of unions or corporations. Interest groups can continue to skirt disclosure should they communicate with voters through the mail, in newspaper ads, on billboards, on the phone, and by e-mail—even in the period leading up to the election.

Can groups and individuals still seek to influence the electoral process through financial contributions? BCRA permits them to make contributions to a federal candidate for a primary election and for a general election, with additional contributions allowed if runoffs become necessary. For each of these types of elections, individuals can contribute \$2,000. Individuals have an aggregate two-year federal election cycle limit of \$94,500 in contributions to parties or candidates. Individuals can make unlimited contributions to interest groups and other types of political actors.

The 2004 election cycle saw more individual contributions, in part because of the larger individual contribution limits. One of the beneficiaries of these higher limits was the re-election campaign of President George W. Bush. In 2000, Bush raised about one-fifth of his total funds from two hundred individuals, who in turn raised funds from other individuals.<sup>74</sup> The Bush approach was similar to that of direct marketing companies that build networks of personal contacts around individuals. In the case of the Bush efforts in 2000, a person who raised \$100,000 from other individuals was designated a Pioneer. In 2004, with the higher contribution limits, an individual who raised \$200,000 from individuals was designated a Ranger. Overall in 2004 the Bush campaign raised \$266,476,243 from individuals.

**TABLE 6–4 TOP SOFT MONEY DONORS, 2001–2002**

<i>Donor (Industry)*</i>	<i>Republicans</i>	<i>Democrats</i>	<i>Total</i>
Saban Capital Group	0	\$9,280,000	\$9,280,000
Newsweb Corp.	0	7,390,000	7,390,000
Shangri-La Entertainment	0	6,700,000	6,700,000
American Federation of State/County/Municipal Employees	500	6,586,000	6,586,500
Service Employees International Union	41,622	4,821,117	4,862,739
Freddie Mac	2,335,615	1,687,500	4,023,115

Source: Opensecrets.org at [www.opensecrets.org/bigpicture/softtop.asp?cycle=2002](http://www.opensecrets.org/bigpicture/softtop.asp?cycle=2002).

\*Includes contributions from subsidiaries and/or executives.

Interest groups under BCRA will continue to participate through PACs. As noted, many members of Congress thrive on the present arrangements, and the leaders and members of both parties actually compete for PAC dollars (see Table 6–4). Although Republicans have generally received larger amounts, Democrats in recent election cycles put pressure on the pharmaceutical and insurance industries to give more to Democratic candidates.<sup>75</sup> More pragmatic PACs contribute to both parties to be in a favored position with whichever party wins the majority. One reason members of Congress become entrenched in their seats is that PACs fund them. The PAC contribution limits were not changed by BCRA, remaining at \$5,000 per candidate for each of up to three elections (primary, general, and runoff).

One consequence of BCRA was that interest groups are spending more in issue advocacy. Many interest groups have already been diversifying their investment strategy. An example of diversification before BCRA is the pharmaceutical industry, whose PACs donated an estimated \$5.2 million to federal candidates in 2000 and then also gave another \$15.2 million in soft money to the political parties.<sup>76</sup> Beginning in 1999, the pharmaceutical industry contributed heavily to a group named Citizens for Better Medicare, which reported it would spend \$40 million in issue advertising in 2000.<sup>77</sup> It ran ads in states with competitive Senate races.<sup>78</sup> The industry was also active in 2002.

Interest groups typically made the presidential campaign their highest priority in 2004. Some groups, like the League of Conservation Voters (LCV), in the past had invested some of their resources in presidential races but made House and Senate races higher priorities. LCV did just the opposite in 2004. With the presidential race so competitive and with so much passion behind supporting or opposing the incumbent president, the decision by interest groups to emphasize the presidential contest is not surprising.

One example of an interest group that diversified its approach in 2004 is the United States Chamber of Commerce. The Chamber did not endorse a candidate for president but strongly supported the reelection of President Bush—a position that was only strengthened when John Kerry chose as his running mate a former trial lawyer, John Edwards. But the Chamber also invested heavily in state races for state attorney general, state supreme court, and state congress in an effort to win friendlier state policies and court decisions involving business.

Some corporations had complained prior to passage of BCRA about the “shake down” by elected officials for large corporate soft money contributions. The BCRA ban on soft money gave corporations an excuse to spend less overall on politics in 2004. As noted, BCRA left other avenues open to corporations and unions. These alternative avenues included organizing the PACs, sending internal communications to members, and encouraging their employees to make individual contributions to the campaigns. It is important to remember that BCRA has only been in effect for one election and history teaches us that groups adapt over multiple elections to new rules.

What have been the effects of past reforms on interest groups? Ironically, one has been to increase the number and importance of such groups. The strategy of FECA in 1971 law was to authorize direct and open participation by both labor and corporate organizations in elections and lobbying in the hope that a visible role for interest-group activity, backed by effective enforcement, would be constitutional under the First Amendment. FECA allowed unions and corporations to communicate on political matters to members or stockholders, to conduct registration and get-out-the-vote drives, and to spend union and company funds to set up “separate segregated funds” (PACs) to use for political purposes.

**TABLE 6–5 TOTAL PAC CONTRIBUTIONS TO FEDERAL CANDIDATES, 1990–2002**

	<b>2002</b>	<b>2000</b>	<b>1998</b>	<b>1996</b>	<b>1994</b>	<b>1992</b>
Millions Contributed	282.0	259.8	219.9	217.8	189.6	188.9

SOURCE: FEC, “PAC Activity Increases For 2002 Elections”, at [www.fec.gov](http://www.fec.gov).





### LOBBYING AMERICA

In this simulation, you will lobby on behalf of a fictional interest group. Your goal is to get legislation passed for your interest group. To accomplish this goal, you will research different members of Congress and finally disburse your limited resources of time and money (campaign contributions). Only if you use your resources efficiently will the legislation be passed.

Go to Make It Real “Lobbying America.”

Corporations, trade associations, and unions made PACs a central part of their government relations strategy. But what changed the rules of the game for corporate interests was passage in 1974 of limits on individual contributions, something not part of the 1971 act. An explosion of corporate PACs followed this 1974 amendment.<sup>79</sup> In 1978, there was little difference in the level of campaign activity of PACs representing corporations, labor unions, or trade associations.<sup>80</sup> But that has changed, with corporate PACs spending more than the others and ideological PACs at roughly half the level of spending of trade and labor PACs.

Even with the surge in issue advocacy and party soft money contributions by interest groups in elections between 1996 and 2002, all three major types of PACs remained active in making PAC contributions to candidates. Interest groups gave PAC money to retain relationships with incumbents and candidates in relatively safe seats of parties they favored in what has long been the typical contest. PAC contributions are especially aimed at committee chairs and party leaders. To reinforce this relationship the Republicans have developed a strategy, the “K Street Project,” to do even better in getting PAC contributions. K Street in Washington, D.C., houses many of the lobbying and law firms that represent trade associations and corporations that make contributions. House Republican Leader Tom DeLay, a prime mover in the K Street project, once said, “If you want to play in our revolution you have to live by our rules.”<sup>81</sup>

With soft money largely banned in 2004 and with the uncertain legal status of some issue advocacy, many groups returned to the strategy of using their PAC as the primary means of investing in elections (see Table 6–5).

A centerpiece of past efforts to regulate interest group activity was disclosure of how politicians fund their campaigns. Disclosure permits the press and public to assess the implications of how candidates finance their campaigns. BCRA requires that the sponsors of all election-related advertising be identified in the communication, with this disclosure made prominently. This is why ads in 2004 featured the line, “I am candidate X and I approved of this ad,” or something to that effect. Furthermore, BCRA requires that everything filed with the Federal Election Commission be made available to the public within 48 hours.

Candidates and some appointed officials must also disclose their personal finances, permitting voters and the press to see what investments and resources candidates have that may affect their ability to be impartial. Such public disclosure of personal assets, the value of property owned, and outstanding debts no doubt discourages some persons from entering public life, but it also makes officeholders accountable for certain obligations and actions once they enter office.

## S U M M A R Y

1. Interest groups exist to make demands on government. The dominant interest groups in the United States are economic or occupational, but a variety of other groups—ideological, public interest, foreign policy, government itself, as well as ethnic, religious, and racial—have memberships that cut across the big economic groupings; thus their influence is both reduced and stabilized.
2. Movements of large numbers of people who are frustrated with government policies have always been with us in the United States. Blacks, women, and the economic underdogs have at various times organized themselves into movements.
3. Elements in interest-group power include size, resources, cohesiveness, leadership, and techniques, especially the ability to contribute to candidates and political parties as well as the ability to fund lobbyists. But the actual power of an interest group stems from the manner in which these elements relate to the political and governmental environment in which the interest group operates.
4. For many decades, interest groups have engaged in lobbying, but these efforts have become far more significant as groups become more deeply involved in the electoral process, especially through the expanded use of political action committees (PACs). Interest groups also take their
- messages directly to the public through mass mailings and advertising campaigns. Other interest-group techniques include influencing rule making, litigation, election activities, and cooperative lobbying.
5. Concern about PACs centers on their ability to raise money and spend it on elections on behalf of endorsed candidates, typically incumbents. This concern has led to proposals to ban PACs or more strictly limit their activities. Yet their existence and rights are protected by the First Amendment.
6. Reforms of interest group excesses often include regulations that seek fairness, disclosure, and balance. All reform efforts must operate so as not to infringe on the

basic constitutional rights of individuals. The key issue today in “controlling factions” is whether to allow groups to proliferate and so balance each other, to try to regulate groups, or to seek reforms outside the groups by fostering balanced power in political parties or elsewhere.

7. Congress has enacted laws attempting to regulate and reform excesses of interest

groups in electoral democracy. The Federal Election Campaign Act was passed in the 1970s in response to the Watergate scandal and the Bipartisan Campaign Reform Act was passed in 2002 in response to the soft money abuses by political parties and interest groups. The impact of these laws is debated and is

often criticized for infringing on such rights as freedom of speech and freedom of association. Defenders of the reforms point to the success in removing large contributors from federal elections, at least for a couple of decades until groups found ways to circumvent the laws.

## KEY TERMS

**faction**  
**interest group**  
**movement**  
**open shop**  
**closed shop**  
**free rider**

**Federal Register**  
**amicus curiae brief**  
**lobbying**  
**lobbyist**  
**revolving door**  
**iron triangle**

**political action committee (PAC)**  
**bundling**  
**independent expenditures**  
**hard money**  
**soft money**  
**issue advocacy**  
**527 group**  
**quid pro quo**

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