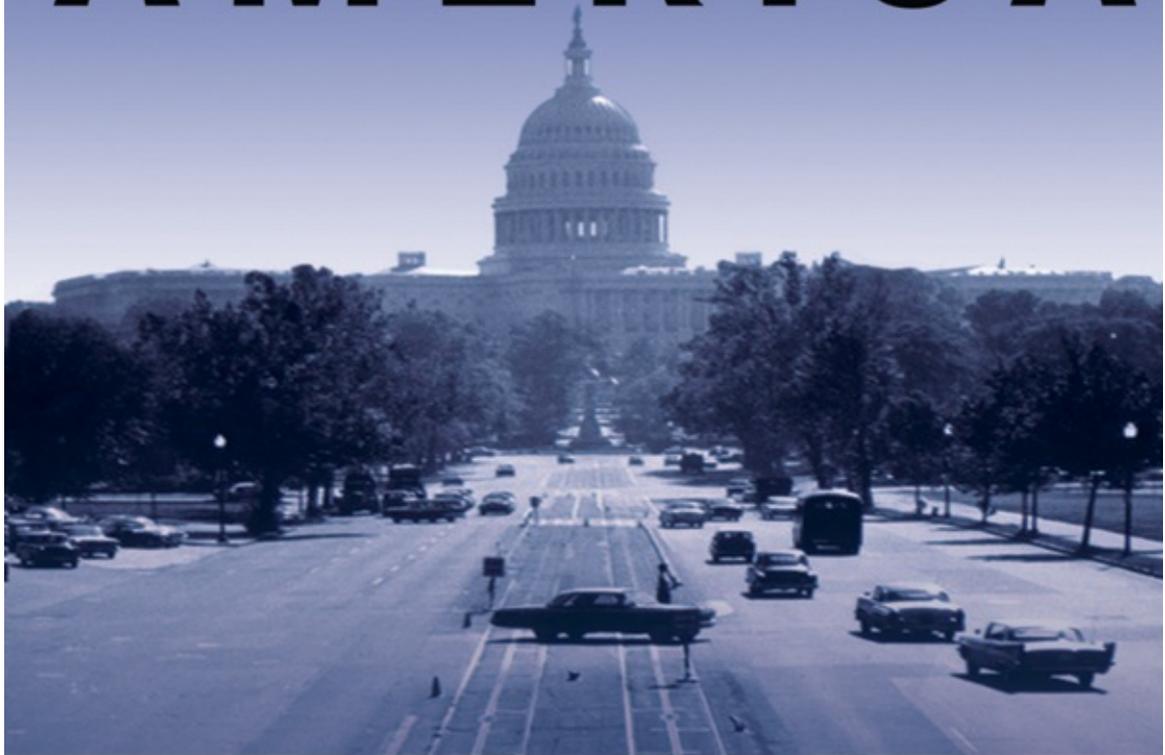


LOBBYING AMERICA



**THE POLITICS OF BUSINESS
FROM NIXON TO NAFTA**

BENJAMIN C. WATERHOUSE

SERIES EDITORS

William Chafe, Gary Gerstle, Linda Gordon, and Julian Zelizer

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the book

Lobbying America

THE POLITICS OF BUSINESS FROM NIXON TO NAFTA

Benjamin C. Waterhouse

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Para Daniela, por amor

and for my father, who's read every word

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American Business, American Politics

IN THE SUMMER OF 2011, the front-runner for the Republican presidential nomination stumped for votes in Iowa. A founder of the private equity firm Bain Capital, Mitt Romney was one of the wealthiest men ever to seek the nation's highest office, and he campaigned vigorously on the strength of his private sector know-how. Boasting only limited experience in electoral politics—a four-year stint as governor of Massachusetts that followed a failed run for Senate—Romney embodied a longstanding hope in American politics: that a businessman turned statesman could cut through the morass of ideology and infighting to restore prosperity to the beleaguered economy. Yet like Wendell Willkie, Steve Forbes, and countless others before him, Romney discovered that running as the “business candidate” brought substantial challenges, even from within his own party. In a telling exchange at the Iowa State Fair, for example, Romney awkwardly confronted the persistent anticorporate populism that has long marked American political discourse. As he proclaimed the perils of the national budget deficit, some in the crowd shouted that Congress should raise taxes to fund social programs like Medicare. No, Romney insisted, he would never “raise taxes on people.” But the hecklers weren't finished. Not people, they countered: “Corporations!” Rather than back off, the candidate engaged the critique, intoning an instantly famous phrase that succinctly captured one of the most protracted and important debates in modern American politics. Tax corporations instead of people? The Republican hopeful would do no such thing. “Corporations *are* people, my friend,” he said.¹

In a narrow sense, Romney was completely correct. Any new corporate expense, like a tax, would change the way a company allocated its funds and affect the distribution of money to actual human beings. Moreover, business historians largely agree that “legal corporate personhood,” such as the right to own property or sue in court, proved instrumental to the development of modern capitalism. Yet by stressing the *distinctions* between corporations and the people who manage them, Romney ironically proved himself wrong in the larger sense: corporations cannot pay taxes because only people can pay taxes, he said. Corporations, therefore, are not people.

Yet the rhetorical firestorm that Romney's comment provoked, both among his Republican rivals and in liberal circles, extended far beyond legal notions of corporate personhood and the semantics of taxation. Rather, Romney's entire campaign, from his successful quest for the Republican nomination to his loss to President Barack Obama in November 2012, reflected persistent and contentious debates over the role of business and business leaders in national politics. Corporations may not be people, but people do run corporations, and many achieve great wealth in the process. But how should that economic power operate politically, and in whose interests? Do corporate leaders' values enhance or detract from the public good and the general welfare? In a political democracy, what is the appropriate role for business?

Americans have grappled with such questions throughout their history. Business has been tangled with the state since the earliest days of the republic, and the interests of capital have frequently clashed with the demands of democracy. Industrialization and the expansion of

modern administrative government brought ever louder complaints, as entrepreneurs and executives from J. P. Morgan to Ross Perot opined that “politicians just don’t get it” or that only businesspeople “know what it takes” to run the country right. At times, particularly amid economic unrest, American voters have felt drawn to the notion that a captain of industry might hold the secrets to renewed prosperity. Yet just as often, such appeals have faltered in the face of longstanding concerns over unchecked corporate power and the unseemly pursuit of profit. The mix of admiration and skepticism with which the American public views corporations and their leaders has deeply shaped the nation’s political values and traditions.

Although the business community has always played an important role in national politics, American corporate leaders came to wield a historically unprecedented degree of influence over both political debate and policymaking in the late twentieth century. As this book argues, this new phase of the politics of business dovetailed with the rise of an increasingly powerful conservative critique of New Deal–style liberalism that came to fruition during the economic crisis of the 1970s. That organized opposition, which both grew from and fed off a popular distrust of government, reshaped American politics into an ideological contest over the role of the state. In the wake of liberalism’s apparent failures, conservatives promoted “business” and its abstract partner, “free enterprise,” as alternatives. Indeed, although Americans had long debated the public role of private enterprise, only in the last three decades of the twentieth century did the now common dichotomy between “business” and “government,” or the idea that devotion to “state” and “market” entailed mutually exclusive social visions, come to dominate national politics.²

This book contends that the decline of liberal and progressive politics and the ascent of business-oriented, neoliberal political culture did not emerge naturally from the exigencies of an economic crisis or the inexorable logic of political traditions but rather as the result of specific efforts by a diverse set of conservative activists. In the chapters that follow, I examine one such group—the executives, managers, public affairs experts, and trade association directors who claimed to speak for the collective interests of the American business community. Through their mobilization in the 1970s, I argue, these business leaders catalyzed and shaped the process that historians have labeled the “right turn” toward conservatism in American politics. To the extent that corporations are people, in other words, this book is about those people.

In the 1970s and 1980s, as the global economic landscape shifted beneath their feet, a coalition of business leaders worked to halt the expansion of the regulatory state, decrease the power of labor unions, liberalize market mechanisms, and shift the tax burden. The “movement,” to use the term loosely, united corporate executives and free-market ideologues, association directors and small shop owners, presidential staff members and think-tank scribblers. *Lobbying America* tells the story of that movement, focusing chiefly on the country’s three most significant business associations—the U.S. Chamber of Commerce, the National Association of Manufacturers, and, after 1972, the Business Roundtable—which united corporate leaders from across industries and regions and formed the backbone of a powerful political coalition. Although business’s critique of modern liberalism developed over decades, if not generations, it achieved a new level of political effectiveness by the mid-1970s. Organized through these business associations, corporate activists played a vital role

in stopping the tide of liberal reform legislation and took much, but not all, of the wind from the sails of organized labor and the public interest movement. Tapping into American long-standing ambivalence toward state power, these champions of market-based economic policies fundamentally reshaped public debates on regulation, taxation, and fiscal policy by the 1980s.

Yet business's triumph was far from absolute, notwithstanding frantic cries from certain corners that the capitalist class naturally rules politics with an iron fist. Indeed, the story told in this book highlights the limitations of business activism in addition to its successes. Progressive liberals, despite suffering fracture and a loss of cohesion in the 1970s and 1980s, remained a significant political foil. More important, disagreements both parochial and philosophical frequently strained business activists' unity, and internal divisions at times prevented them from achieving their stated goals. Those struggles exacerbated tensions within conservatism. The story of business's political especially between businesspeople and populist skeptics of corporate power (like Romney's hecklers). Divisions over regulatory and fiscal policy in the 1980s, for example, presaged later schisms, including the rise of the Washington Street-bashing Tea Party movement in 2009. Moreover, the institutional and ideological glue that held the business coalition together proved weak and fleeting. In the face of economic globalization, ideological fracture, and the financialization of the American economy, the broad-based campaign for a "pro-business" agenda ultimately waned. Although business leaders continued to wield substantial political power as individuals, the coalition that emerged from the economic crisis of the 1970s did not survive the 1980s with nearly as much collective clout.

Although their organizational cohesion did not endure, organized American business leaders nonetheless established a vital legacy that continues to shape politics into the twenty-first century. Through their political mobilization, these workhorses of the industrial economy helped establish the political preconditions for the success of conservative politics electorally and in policymaking. Through their sustained intellectual and lobbying offensives, these corporate leaders helped redefine the way Americans discussed issues like regulation, labor, and the role of government in the economy and loudly defended the assertions captured so fully in Mitt Romney's presidential campaign, that business leaders naturally know best how to govern a modern, diverse democracy. By successfully parlaying their economic clout into a broad-reaching movement with real policy consequences, they cemented a conservative and market-oriented political vision whose legacy lingers today.

WHO AND WHAT IS BUSINESS?

The story of business's political mobilization is deeply entwined with the history of conservative politics, but it also departs in important ways from the trajectory that historians, journalists, and political insiders often describe. In the last twenty years, scholars have explored modern conservatism from all sides and have analyzed in great detail the often-fraught intellectual, philosophical, and organizational connections among self-identified conservatives. This scholarship analyzes a broad array of grassroots social activists, Burkean intellectuals, religious and moral crusaders, racist reactionaries, economic libertarians, and

ardent Cold Warriors, as well as the politicians who organized their activities, courted the votes, and relied on their financial and political support. While scholars debate this diverse group's goals, coherence, and ultimate successes, few doubt that it mounted a sustained and penetrating critique of New Deal-style liberalism and became the defining political story of the late twentieth century. Moreover, most accounts agree that conservative politics proved sufficiently expansive to include within its ranks the powerful corporate interests that mobilized through national business associations in the 1970s. Business leaders, in other words, emerged as a standard constituency of conservative politics.³

Yet the executives and business association leaders who populate this book were distinct from those people often described as “movement conservatives”—politicians like Barry Goldwater and Ronald Reagan as well as policy entrepreneurs like Richard Viguerie and Jude Wanniski. The people whose lobbying campaigns I analyze embraced a unique role and a specific policy agenda on issues that directly affected their companies and industries. Most were career managers, not self-made entrepreneurs, during a period of American capitalism in which managerial values—professionalism, pragmatism, consistency—dominated business culture. Although the majority shared conservative perspectives on economic issues, many identified as liberals, or at least modern Democrats, on questions like race, immigration, and feminism. Indeed, most politically active executives and association leaders kept the distance from hot-button issues like Vietnam, Watergate, and civil rights. More important, relatively few saw themselves as a part of a “conservative movement.” Although ideology played an important organizing and proselytizing role, these men were not ideological foot soldiers in Ronald Reagan’s army. Rather, they were “business conservatives” who focused on labor, regulation, economic planning, and taxation with minimal interest in most social issues. Throughout this book, therefore, I employ terms like “liberalism” and “conservatism” in the context of business and economic debates, leaving other aspects of modern American politics to other scholars.⁴

By incorporating the politics of business leaders into the broader history of conservatism, this book expands beyond recent scholarship that places a high explanatory premium on intellectuals, politicians, and right-wing policy entrepreneurs. One result is that the story told here exposes the failures of the left in addition to the triumphs of the right. In the second half of the twentieth century, American liberalism splintered mightily, not from an outside attack but under the weight of its own internal contradictions. As a philosophy of government simultaneously committed to the collective good and to the rights of individuals, liberalism faced challenges when those two imperatives came into conflict. Labor-liberals and public interest reformers in particular clashed over such contests of rights—a union member’s right to a well-paid factory job versus a citizen’s right to clean air achieved by closing down the factory, for example. The “pocketbook politics” of the stagflationary 1970s exacerbated those tensions as one person’s pay raise became another’s price hike. As several chapters of this book demonstrate, business conservatives skillfully positioned themselves to take advantage and postwar liberalism’s failure to reconcile its competing impulses created intellectual and political space for antiliberal policies.

At the same time, business leaders likewise suffered the sting of internal contradictions that hampered their political activism. Historically, a critical fault line has divided big business from small business, or, in today’s parlance, the interests of “Wall Street” from the

interests of “Main Street.” Prior to the Great Depression and the rise of New Deal-style liberalism, distinctions according to size dominated the politics of business. Yet as historians like Alan Brinkley have argued, the antimonopolist spirit that so shaped the Progressive Era declined sharply in the postwar period.⁵ Although the populist impulse that valorized small over large enterprise certainly persisted in many quarters, Americans’ general acceptance of bigness—from government bureaucracies to corporate organizations—helped blur those distinctions in policy debates. Indeed, just as the liberal coalition assembled by Franklin Roosevelt and the New Dealers managed to unite disparate constituencies, so too did business leaders and conservative activists achieve common cause between big and small firms. Although the alliances they formed were far from airtight, the politics of business that this book explores encompassed the interests of everyone from the CEO of the United States Steel Corporation to the self-employed accountant; from defense contractors at Lockheed to the owners of a photography studio in Chapel Hill, North Carolina.

As a political category, business has a clearly discernible identity, and anyone who reads the news understands the journalist who writes that “Business opposed the legislation” or “the president sought support from business.” But this identity is both slippery and historically contingent. “Business” does not entail a constant set of values or preferences across different industries, sectors, and regions, or across time. In this book, I employ the concepts of “business” and “business leader” primarily to describe people who self-identified as representatives of concerns that extended beyond their specific corporate affiliation. In the 1960s and 1970s, as myriad speeches, letters, and media reports attest, “business” was frequently synonymous with “industry”: the extractive, construction, chemical, energy, and automotive corporations that typified “big business.” The managers and executives from those firms—almost exclusively college-educated white men—claimed to represent all of American business, whether acting individually or through organizations like the Business Roundtable or government advisory boards. As the early chapters of this book argue, large national employers’ groups performed a vital homogenizing function by distilling the various parochial interests and preferences of their thousands of members into a coherent political platform. Moreover, although such organizations counted many small enterprises alongside industrial giants on their membership rolls, their political lobbying positions in the 1970s collapsed those size-based distinctions. Even when they spoke for small business owners, the directors of national employers’ associations nonetheless operated as “big business.”

But the mobilization of American business, and thus the category of “business leader,” extended beyond employers’ associations. In the second half of the twentieth century, wealthy businesspeople increasingly found ways to influence politics with their checkbooks by bankrolling business-oriented policy institutes. Buoyed by corporate cash, these “think tanks” led an intellectual assault on liberalism and institutionalized conservative and libertarian economic policy ideas. Older organizations like the American Enterprise Institute (established 1938) underwent revivals in the 1960s and 1970s, while new outfits like the Heritage Foundation, the Cato Institute, and the American Legislative Exchange Council also burst onto the scene. Finally, individual companies also ramped up their political presence. Large firms retained growing numbers of in-house lobbyists, while small and midsize companies leaned more heavily on a growing army of industry-specific trade associations. Owners of small firms had their pick between two ideologically divergent national

associations that represented their “class” interests, the conservative National Federation of Independent Business (NFIB) and the more liberal National Small Business Association, each of which expanded its scope and operations in the 1970s.⁶

The nation’s three largest employers’ associations, however, most clearly embodied the spirit of business’s political mobilization. During the 1970s, the U.S. Chamber of Commerce, the National Association of Manufacturers (NAM), and the Business Roundtable distinguished themselves as the “Big Three” of business activism and the preeminent voice of the collective business community. Though institutionally and historically distinct, together they represented the belief that a united corporate class could and should defend the common interests of all business. Moreover, their public relations campaigns and direct advocacy with policymakers pioneered lobbying campaigns that recast political debates and policy options. As a result of their national prominence, the Chamber, the NAM, and the Roundtable formed the empirical and analytic focus of this book.

The politics of business in an era of economic upheaval and dramatic change in the operation of American capitalism unfolded primarily on the national stage. Based in Washington, D.C., the organizations and leaders who populate this book dedicated the bulk of their political energies to national policymaking on such issues as environmental and consumer product regulation, labor law, economic planning, and taxation. Ironically, in an era in which Americans came to trust their government less and less and conservative politicians preached the virtues of antistatism, the federal government in the second half of the twentieth century became the fundamental battleground for organized business groups. To be sure, such a focus should not minimize business leaders’ abiding concern with political issues that extended beyond the nation’s shores. Although this book primarily considers domestic economic policy and its implications for national politics, global economic transformations, from the liberalization of capital flows to the increasingly multinational nature of major producers, provide essential context for those debates. If I appear to downplay the international in favor of the national, such omissions stem from my desire to reflect the paramount concerns of my subjects.

Likewise, I can only hint in these pages at the numerous ways corporate leaders and business associations shaped American political culture outside Washington, D.C. As business and labor historians have shown, individual firms played vital roles in reshaping American capitalism during the second half of the twentieth century by deliberately relocating their factories, interceding in local politics, and partnering with local boosters. Moreover, the powerful dynamics of industrial relations likewise played out on state, municipal, and workplace levels. But the politics of business, as understood by the men who identified as its chief advocates, revolved around federal policy, so this book generally retains a focus on national politics. Thus I concentrate on organized labor’s campaigns for specific legislation rather than its shop-floor operations, and I track regulatory politics in the U.S. Congress rather than in state houses. Business’s issues were national issues, and its story is a national story.⁷

WHAT IS LOBBYING?

Lobbying is not the world's oldest profession, but it's close. For as long as human beings have selected some among their number to make decisions for the rest, people have found ways to promote their personal interests. At its heart, lobbying is the process by which an interested person or group petitions a society's leaders for some favor, benefit, or privilege. In the United States, every citizen's right to petition the government is enshrined in the First Amendment, alongside the freedoms of speech, religion, and the press. As any number of sordid tales confirm, the process has historically appeared messy and unseemly—from gunmaker Samuel Colt bribing congressmen to extend his patent to Tommy "The Corl" Corcoran using his New Dealer credibility to procure government contracts for clients. However, although businesspeople have lobbied government since the early days of the republic, the second half of the twentieth century witnessed a historic boom in the sheer quantity of paid representation. The mobilization of American business and the burgeoning strength of conservative critiques of liberalism arrived right along with this explosion in lobbying.⁸

For many people, in the 1970s no less than today, the very word "lobbying" provokes loud protests about corruption, influence peddling, and the underhanded subversion of democratic principles, and corporate lobbyists face the brunt of this public ire. Yet for all its pejorative implications, lobbying remains a protected constitutional right and, in the view of most policymakers, an indispensable element of modern governance. In the years after World War II, the federal bureaucracy grew ever more expansive and complex. The 535 voting members of Congress and the staffs of myriad regulatory and administrative agencies could never hope to remain abreast of the tremendous flow of information, analysis, and interpretation relevant to their daily decisions. Lobbyists fill that gap, as political scientist Lewis Dexter wrote in 1969, "by supplying information, feeding useful questions, writing speeches, making analyses of reports, finding out who is lined up how on any matter of concern." Indeed, from a social science perspective, lobbying's key function is to facilitate what business and legal scholar John de Figueiredo describes as "information transfer between interest groups and policymakers."⁹

The popular belief persists, however, that lobbying is dirty; information provided to a policymaker by an interested party is, by definition, self-serving and cannot make any claim to objectivity. For as long as there has been a government to lobby, therefore, reformers have advocated regulation. In the early years of industrialization, the United States took the lead over other democratically governed nations by attempting to reign in professional influence peddlers. In the 1870s, Congress responded to outrage over the machinations of railroad industry representatives by attempting to require lobbyists to register with the government, but those efforts fared poorly, beset by weak enforcement provisions. Beginning around the turn of the twentieth century, progressive political activists helped develop state-level regulations, such as the prohibition on giving gifts to lawmakers, and by the 1950s nearly forty states regulated lobbying in some way. But at the federal level, only with the arrival of the modern administrative state during the New Deal did Congress make real strides. The first significant lobbying regulation occurred in 1935 and 1936 through the Public Utilities Holding Company Act and the Merchant Marine Act, which required employees of certain types of firms (registered holding companies and shipping companies, respectively) to file reports with the government before lobbying legislators or regulators. In 1938, fears of

fascism spawned the Foreign Agents Registration Act, which regulated lobbying by representatives of foreign governments. Finally, in 1946, the Federal Regulation of Lobbying Act mandated that any person hired to lobby Congress on behalf of someone else had to register and submit reports of her or his expenses related to that lobbying. The legislation placed no limitations on the constitutionally protected act of lobbying itself, and even its call for greater transparency and disclosure were, in the words of one lobbying expert, “widely ignored.” That 1946 law was ultimately superseded by the Lobbying Disclosure Act of 1996, which broadened the definition of a lobbyist beyond those in the pay of third parties and increased the registration and reporting rules. During the entire period discussed in this book, therefore, the 1946 act was the law of the land.¹⁰

But the classical notion of lobbying represents only one avenue by which corporate leaders influenced the political process. Yet another essential component to business’s political mobilization involved the dramatic increase in campaign donations to candidates who supported business groups’ agenda. Although policymakers initially hesitated to restrict lobbying for fear of breaching the First Amendment right to petition, no such ambivalence applied to limiting campaign spending. The flagship regulations, the Tillman Act of 1907 and the Foreign Corrupt Practice Act of 1911, barred corporations and banks from giving money to candidates for federal office and established formal spending limits for certain federal campaigns.¹¹ Not until 1976, in *Buckley v. Valeo*, did the Supreme Court declare that political donations constituted constitutionally protected political speech (a logic upheld and extended in *Citizens United v. FEC* in 2010). As [chapter 1](#) describes, a series of congressional reforms in campaign finance law, particularly after Watergate, paved the way for a dramatic explosion in corporate-funded political action committees (PACs), dramatically recasting the landscape of campaign financing.

By the end of the twentieth century, the concepts of campaign finance and corporate lobbying had become deeply intertwined in the national political imagination. The arrest, trial, and imprisonment of conservative lobbyist Jack Abramoff in 2006 revived the public interest in big-money lobbyists with tight connections to fund-raising PACs. Lobbyists like Abramoff doubled as “bundlers,” major campaign donors who used their influence and networks to encourage others to contribute the maximum amounts allowed. The *Citizens United* ruling in 2010, which overturned restrictions on corporate and union campaign donations on the grounds that such giving constituted constitutionally protected speech, likewise brought increased scrutiny on the intersection between influence and campaign finance. Furthermore, recent social science has demonstrated the degree to which modern lobbyists use campaign donations as a means to gain and maintain access to lawmakers. Although a minority of organized pressure groups devote resources to both lobbying and campaign finance—most choose one or the other—those who pursue both strategies account for a striking majority of the money spent on either one.¹²

Although this strategic combination of lobbying and campaign finance may appear commonplace in the post-Abramoff, post-*Citizens United* world, it represents a relatively recent historical development. In fact, during the years treated in this book, campaign finance and lobbying largely operated in separate spheres. Most interest groups, including major corporations and business associations, believed that influencing incumbent lawmakers through lobbying was far more important than donating to campaigns. Through the 1980s,

fact, many large corporations and trade associations kept their campaign contributions separate from their lobbying activities. Corporations, for example, would direct PAC money to local and state politicians where parochial decisions could have a major effect on the immediate balance sheets but did not give as much to national candidates. Instead they would send their lobbyists to Washington.¹³

Moreover, the practice of lobbying—a distinct strategy from campaign finance—can itself be divided into two distinct forms: direct and indirect. Direct lobbying, probably the most familiar form, occurs when a firm, union, or other interest group hires a specific person to represent its interests on a given piece of legislation or regulatory rule making. Such lobbyists might be permanent employees of a company or group, or they might be hired professionals from independent lobbying firms who represent clients but have no institutional commitment to any issues or causes. In the 1960s and 1970s, American companies hired greater numbers of in-house lobbyists and public affairs specialists, known euphemistically as “Washington Representatives,” or sometimes just “WashReps.” In 1961, for example, only 130 firms were represented by registered lobbyists, and only 50 of those were based in the nation’s capital. By 1979, 650 firms boasted such representation, and 247 had staffs in Washington. As lobbyists’ numbers grew, moreover, their character shifted. In the early 1960s, most Washington Representatives focused on sales and marketing and worked for companies that did significant business with the federal government, such as defense contractors. By the end of the 1970s, most full-time Washington Representatives were lawyers, public affairs executives, and former government officials whose daily work centered far more on legislative issues. Although the lobbyists’ jobs and backgrounds changed, such in-house representation remained the dominant model for most large companies until the 1980s, when the proliferation of private lobbying firms offered companies the opportunity to outsource their Washington representation.¹⁴ The growth of this second model created the much-reviled “revolving door” culture by which former government officials—elected and otherwise—routinely leave public service to leverage their insider contacts into lucrative paychecks.

Business’s political mobilization in the 1970s—that brief moment of unity and intrasectoral industry cohesion that so deeply shaped modern American politics—overlapped both the rise in direct lobbying by Washington Representatives and the rapid expansion of business-oriented PACs. Nonetheless, national employers’ associations profited most from a different strategic option: indirect, sometimes called “grassroots,” lobbying. Indirect lobbying meant that rather than hire professional influence peddlers, groups like the NAM, the Chamber, and the Business Roundtable organized constituents themselves to contact and pressure lawmakers on specific issues. Their chief organizational strategy thus involved rallying support among business owners, trade association members, and, in the case of the Business Roundtable, high-powered chief executive officers from major industrial corporations. As several chapters in this book illustrate, Washington-based associations used massive public relations campaigns to generate broad-based enthusiasm for or against certain policies. They then used their national networks to coordinate a common vocabulary—“talking points,” in the cynics’—and consistent message, which constituents from across the country communicated back to their representatives. Finally, paid lobbyists, association directors, and corporate executives relied on evidence of that grassroots support as they took their cases directly to lawmakers.

Indirect lobbying emerged as the most effective and most common strategy for national employers' associations because it provided a mechanism for overcoming the collective action problem at the heart of pan-business mobilization. Political campaign donations and direct lobbying represented firm- and industry-specific approaches to gaining preferential treatment such as a subsidy or government contract, but they proved less effective vehicles for targeting larger policy issues whose effects touched different types of firms and industries. Why would a company devote scarce resources to a political battle where its competitors—who had not contributed—would also benefit? Employers' associations overcame these free-rider problems through the mechanisms of indirect lobbying, which involved less commitment of financial and political capital by individual companies. Because the issues they focused on most had the broadest appeal, these associations were able to develop vast networks to generate grassroots lobbying, rooted in broad ideological claims about free enterprise and the stifling effect of government regulation. As a result, this type of engagement cemented a shared political consciousness among disparate businesspeople and deepened their sense of commitment to a common political project. In the process, united and organized business groups honed their two-pronged attack on a variety of economic policy issues, targeting specific legislators as well as the general public's attitudes toward business, regulation, labor, and taxation. Their movement ultimately coalesced at the confluence of these tactics: on one hand, lobbying Congress; on the other, lobbying America.

Placing the politics of business in the context of a rapidly shifting economic and cultural landscape between the late 1960s and the early 1990s, *Lobbying America* tells the story of how businesspeople got themselves mobilized and what their mobilization created. The book follows a loose chronological format, although the thematic chapters in the middle overlap in time as they explore the variety of policies around which business groups mobilized. While certain issues, such as consumerism and taxes, receive sustained treatment in specific chapters, I spread the analysis of other themes, such as environmental regulation, inflation, and labor power, throughout the book. Overall, the narrative traces the politics of American business from a sense of foreboding and crisis in the late 1960s through its period of cohesion and political power in the mid- to late 1970s and finally to its fragmentation in the 1980s and 1990s. For in the end, the unity that distinguished business lobbying during the 1970s dissolved, fractured both by changes in the nature of American capitalism and by the shifting political climate. Yet even once that historical moment passed, the experience of the pan-business political movement left a profound legacy. By lobbying America, organized corporate leaders ultimately shaped both the policy options available to lawmakers and the framework through which Americans—liberals, conservatives, and all others—debated and considered the central problems of capitalism and democracy.

From Consensus to a Crisis of Confidence

The whole business community is going to have to get involved in political activities if our American way of life and our enterprise system, the free economy of this country, [are] going to survive.

—Joseph Coors, executive vice president, Adolph Coors Company, 1975

BUSINESSPEOPLE SHOULD HAVE BEEN HAPPY. The American economy soared during the 1960s, and in 1969 a Republican named Richard Nixon assumed the presidency, promising peace, prosperity, and a retreat from his predecessors' "big government" policies. Yet despite the apparently sunny forecast, a collective sense of woe descended across the American business community as the 1970s dawned. Subdued in nervous whispers at first, the ominous refrain grew louder, echoing through boardrooms and conference centers, across golf courses and country clubs. By the middle of the decade, the once-low grumbling reached a fevered pitch and despondent business leaders let loose a cacophonous scream:

"The American economic system is under broad attack," cried a jurist.¹

"The American capitalist system is confronting its darkest hour," bemoaned an executive.

"The existence of those free institutions which together make up the very fabric of the free society is in jeopardy," proclaimed a think-tank director.³

"Yet those institutions are under attack, and the captains of industry stand helplessly by," complained a senator.⁴

To myriad business owners, executives, and conservative politicians and intellectuals, the stakes could not have been higher. "The issue is survival!" they cried. Survival of capitalism. Survival of free enterprise. Survival of America.

But who was spearheading this dreaded attack? For conservative businesspeople, the culprit was neither the Soviet Union nor its secret agents hiding under every bed. Rather, the perilous attack on liberty and prosperity took root among the most American of institutions. The assault flowed, as one of the most publicized Cassandras put it, "from the college campus, the pulpit, the media, the intellectual and literary journals, the arts and sciences, and from politicians."⁵ This sickness grew from a debilitating antibusiness bias that coursed through the veins of the American body politic, infecting national policy. Heavy-handed, hyper-regulatory government, abetted by a public deeply hostile to business, increasingly saddled American companies with resource-sapping regulations, devastating taxes, and crippling labor policies. For the self-styled defenders of American business, the stakes far exceeded narrow concerns like profits and productivity. This totalizing attack stood poised to undo the very fabric of the "free enterprise system" itself.⁶

To appreciate the depth of this fear and loathing, consider the firsthand accounts by a team of social scientists retained by the Conference Board, a nonadvocacy business association. Founded in 1916, the Conference Board had long endeavored, in the words of its founder, Magnus Alexander (an executive at General Electric), to serve as "a clearinghouse of [business and economic] information" that would "promote a clearer understanding between

sample content of Lobbying America: The Politics of Business from Nixon to NAFTA (Politics and Society in Modern America)

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