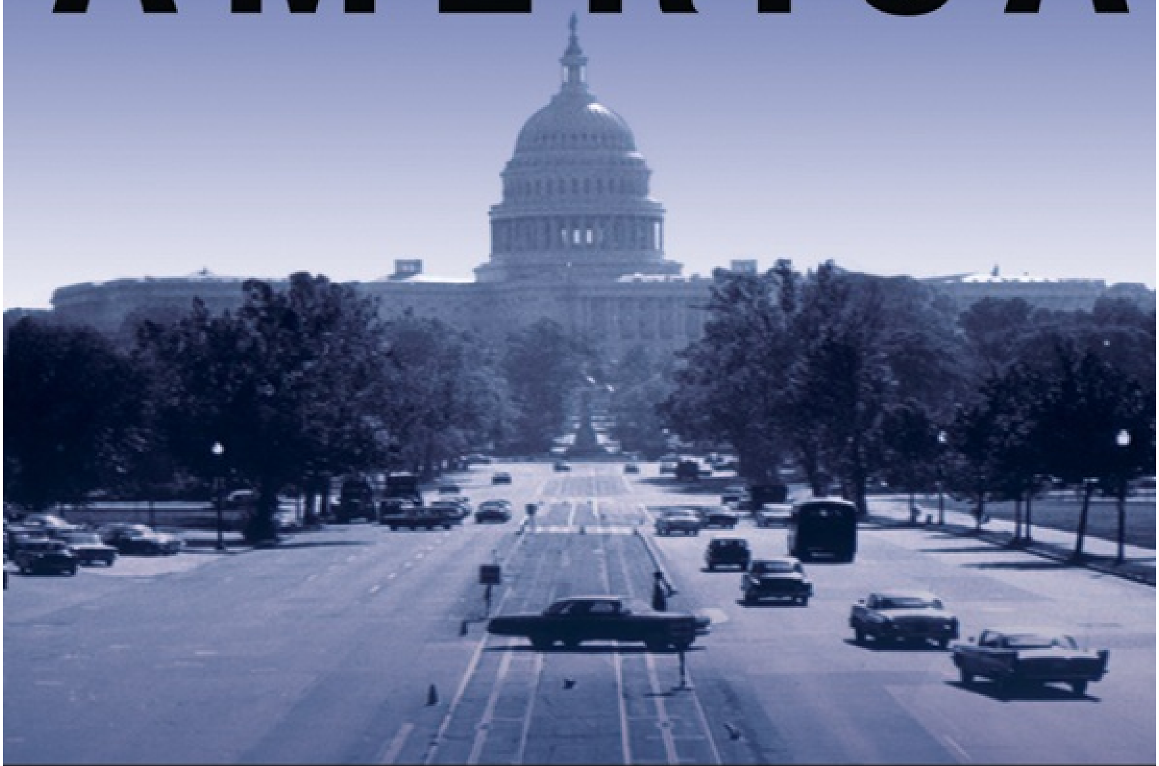
LOBBYING AMERICA



THE POLITICS OF BUSINESS FROM NIXON TO NAFTA

BENJAMIN C. WATERHOUSE

Lobbying America

POLITICS AND SOCIETY IN TWENTIETH-CENTURY AMERICA

SERIES EDITORS

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

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Para Daniela, por amor

and for my father, who's read every word

Contents

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and Gabriel, who are the source of my perspective on what matters most. *À la tienne, mo*
ange.

American Business, American Politics

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

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

Yet the rhetorical firestorm that Romney's comment provoked, both among his Republica rivals and in liberal circles, extended far beyond legal notions of corporate personhood an the semantics of taxation. Rather, Romney's entire campaign, from his successful quest fo the Republican nomination to his loss to President Barack Obama in November 201 reflected persistent and contentious debates over the role of business and business leaders i national politics. Corporations may not be people, but people do run corporations, and man achieve great wealth in the process. But how should that economic power operate politicall and in whose interests? Do corporate leaders' values enhance or detract from the public goo 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 ha tangled with the state since the earliest days of the republic, and the interests of capital hav frequently clashed with the demands of democracy. Industrialization and the expansion o modern administrative government brought ever louder complaints, as entrepreneurs an executives from J. P. Morgan to Ross Perot opined that "politicians just don't get it" or th only businesspeople "know what it takes" to run the country right. At times, particular amid economic unrest, American voters have felt drawn to the notion that a captain o industry might hold the secrets to renewed prosperity. Yet just as often, such appeals hav faltered in the face of longstanding concerns over unchecked corporate power and th unseemly pursuit of profit. The mix of admiration and skepticism with which the America public views corporations and their leaders has deeply shaped the nation's political valu and traditions.

Although the business community has always played an important role in national politic American corporate leaders came to wield a historically unprecedented degree of influenc over both political debate and policymaking in the late twentieth century. As this boo argues, this new phase of the politics of business dovetailed with the rise of an increasing powerful conservative critique of New Deal–style liberalism that came to fruition during th economic crisis of the 1970s. That organized opposition, which both grew from and fed off o popular distrust of government, reshaped American politics into an ideological contest ove the role of the state. In the wake of liberalism's apparent failures, conservatives promote "business" and its abstract partner, "free enterprise," as alternatives. Indeed, althoug Americans had long debated the public role of private enterprise, only in the last thre decades of the twentieth century did the now common dichotomy between "business" an "government," or the idea that devotion to "state" and "market" entailed mutually exclusiv 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 o economic crisis or the inexorable logic of political traditions but rather as the result o specific efforts by a diverse set of conservative activists. In the chapters that follow, examine one such group—the executives, managers, public affairs experts, and trad association directors who claimed to speak for the collective interests of the America business community. Through their mobilization in the 1970s, I argue, these business leade catalyzed and shaped the process that historians have labeled the "right turn" towar conservatism in American politics. To the extent that corporations are people, in other word this book is about those people.

In the 1970s and 1980s, as the global economic landscape shifted beneath their feet, coalition of business leaders worked to halt the expansion of the regulatory state, decrea 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-mark ideologues, association directors and small shop owners, presidential staff members an think-tank scribblers. *Lobbying America* tells the story of that movement, focusing chiefly o the country's three most significant business associations—the U.S. Chamber of Commerc the National Association of Manufacturers, and, after 1972, the Business Roundtable—whic united corporate leaders from across industries and regions and formed the backbone of powerful political coalition. Although business's critique of modern liberalism developed ove decades, if not generations, it achieved a new level of political effectiveness by the mi 1970s. Organized through these business associations, corporate activists played a vital ro in stopping the tide of liberal reform legislation and took much, but not all, of the wind fro the sails of organized labor and the public interest movement. Tapping into American longstanding ambivalence toward state power, these champions of market-based econom policies fundamentally reshaped public debates on regulation, taxation, and fiscal policy b the 1980s.

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

Although their organizational cohesion did not endure, organized American busine leaders nonetheless established a vital legacy that continues to shape politics into the twent first century. Through their political mobilization, these workhorses of the industri economy helped establish the political preconditions for the success of conservative politic electorally and in policymaking. Through their sustained intellectual and lobbying offensiv these corporate leaders helped redefine the way Americans discussed issues like regulatio labor, and the role of government in the economy and loudly defended the assertio captured so fully in Mitt Romney's presidential campaign, that business leaders natural know best how to govern a modern, diverse democracy. By successfully parlaying the economic clout into a broad-reaching movement with real policy consequences, the 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 conservative politics, but it also departs in important ways from the trajectory th historians, journalists, and political insiders often describe. In the last twenty years, schola have explored modern conservatism from all sides and have analyzed in great detail the ofte fraught intellectual, philosophical, and organizational connections among self-identifie conservatives. This scholarship analyzes a broad array of grassroots social activists, Burkea intellectuals, religious and moral crusaders, racist reactionaries, economic libertarians, ar 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 divers group's goals, coherence, and ultimate successes, few doubt that it mounted a sustained ar penetrating critique of New Deal–style liberalism and became the defining political story (the late twentieth century. Moreover, most accounts agree that conservative politics prove sufficiently expansive to include within its ranks the powerful corporate interests tha mobilized through national business associations in the 1970s. Business leaders, in othe words, emerged as a standard constituency of conservative politics.[3]

Yet the executives and business association leaders who populate this book were distin from those people often described as "movement conservatives"—politicians like Barr Goldwater and Ronald Reagan as well as policy entrepreneurs like Richard Viguerie and Juc Wanniski. The people whose lobbying campaigns I analyze embraced a unique role ar specific policy agenda on issues that directly affected their companies and industries. Mo were career managers, not self-made entrepreneurs, during a period of American capitalis in which managerial values—professionalism, pragmatism, consistency—dominated busine culture. Although the majority shared conservative perspectives on economic issues, mar identified as liberals, or at least modern Democrats, on questions like race, immigration, ar feminism. Indeed, most politically active executives and association leaders kept the distance from hot-button issues like Vietnam, Watergate, and civil rights. More importar relatively few saw themselves as a part of a "conservative movement." Although ideolog played an important organizing and proselytizing role, these men were not ideological foo soldiers in Ronald Reagan's army. Rather, they were "business conservatives" who focused o labor, regulation, economic planning, and taxation with minimal interest in most soci 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 America politics to other scholars.[4]

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

At the same time, business leaders likewise suffered the sting of internal contradictior that hampered their political activism. Historically, a critical fault line has divided b business from small business, or, in today's parlance, the interests of "Wall Street" from th interests of “Main Street.” Prior to the Great Depression and the rise of New Deal–sty liberalism, distinctions according to size dominated the politics of business. Yet as historiar like Alan Brinkley have argued, the antimonopolist spirit that so shaped the Progressive E declined sharply in the postwar period.[5] Although the populist impulse that valorized sma over large enterprise certainly persisted in many quarters, Americans’ general acceptance bigness—from government bureaucracies to corporate organizations—helped blur thos distinctions in policy debates. Indeed, just as the liberal coalition assembled by Frankl Roosevelt and the New Dealers managed to unite disparate constituencies, so too did busine leaders and conservative activists achieve common cause between big and small firm Although the alliances they formed were far from airtight, the politics of business that th book explores encompassed the interests of everyone from the CEO of the United States Ste Corporation to the self-employed accountant; from defense contractors at Lockheed to th owners of a photography studio in Chapel Hill, North Carolina.

As a political category, business has a clearly discernible identity, and anyone who reac the news understands the journalist who writes that “Business opposed the legislation” “the president sought support from business.” But this identity is both slippery ar historically contingent. “Business” does not entail a constant set of values or preferenc across different industries, sectors, and regions, or across time. In this book, I employ th concepts of “business” and “business leader” primarily to describe people who self-identifie as representatives of concerns that extended beyond their specific corporate affiliation. In th 1960s and 1970s, as myriad speeches, letters, and media reports attest, “business” wa frequently synonymous with “industry”: the extractive, construction, chemical, energy, ar automotive corporations that typified “big business.” The managers and executives fro those firms—almost exclusively college-educated white men—claimed to represent all American business, whether acting individually or through organizations like the Busine Roundtable or government advisory boards. As the early chapters of this book argue, larg national employers’ groups performed a vital homogenizing function by distilling the variou parochial interests and preferences of their thousands of members into a coherent polic platform. Moreover, although such organizations counted many small enterprises alongsic industrial giants on their membership rolls, their political lobbying positions in the 197 collapsed those size-based distinctions. Even when they spoke for small business owners, th 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 centur wealthy businesspeople increasingly found ways to influence politics with their checkbool by bankrolling business-oriented policy institutes. Buoyed by corporate cash, these “thir tanks” led an intellectual assault on liberalism and institutionalized conservative ar libertarian economic policy ideas. Older organizations like the American Enterprise Institu (established 1938) underwent revivals in the 1960s and 1970s, while new outfits like th Heritage Foundation, the Cato Institute, and the American Legislative Exchange Council a burst onto the scene. Finally, individual companies also ramped up their political presenc 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 association Owners of small firms had their pick between two ideologically divergent nation

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

The nation's three largest employers' associations, however, most clearly embodied th spirit of business's political mobilization. During the 1970s, the U.S. Chamber of Commerc the National Association of Manufacturers (NAM), and the Business Roundtable distinguishe themselves as the "Big Three" of business activism and the preeminent voice of the collectiv business community. Though institutionally and historically distinct, together the represented the belief that a united corporate class could and should defend the commo interests of all business. Moreover, their public relations campaigns and direct advocacy wi policymakers pioneered lobbying campaigns that recast political debates and policy option As a result of their national prominence, the Chamber, the NAM, and the Roundtable for the empirical and analytic focus of this book.

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

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

What Is Lobbying?

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

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

The popular belief persists, however, that lobbying is dirty; information provided to policymaker by an interested party is, by definition, self-serving and cannot make any clai to objectivity. For as long as there has been a government to lobby, therefore, reforme have advocated regulation. In the early years of industrialization, the United States took th lead over other democratically governed nations by attempting to reign in profession influence peddlers. In the 1870s, Congress responded to outrage over the machinations o railroad industry representatives by attempting to require lobbyists to register with th government, but those efforts fared poorly, beset by weak enforcement provisions. Beginnin around the turn of the twentieth century, progressive political activists helped develop stat level regulations, such as the prohibition on giving gifts to lawmakers, and by the 1950 nearly forty states regulated lobbying in some way. But at the federal level, only with th arrival of the modern administrative state during the New Deal did Congress make re strides. The first significant lobbying regulation occurred in 1935 and 1936 through the Publ Utilities Holding Company Act and the Merchant Marine Act, which required employees o certain types of firms (registered holding companies and shipping companies, respectively) t file reports with the government before lobbying legislators or regulators. In 1938, fears o fascism spawned the Foreign Agents Registration Act, which regulated lobbying b representatives of foreign governments. Finally, in 1946, the Federal Regulation of Lobbyi Act mandated that any person hired to lobby Congress on behalf of someone else had t register and submit reports of her or his expenses related to that lobbying. The legislatio placed no limitations on the constitutionally protected act of lobbying itself, and even its cal for greater transparency and disclosure were, in the words of one lobbying expert, "wide ignored." That 1946 law was ultimately superseded by the Lobbying Disclosure Act of 199 which broadened the definition of a lobbyist beyond those in the pay of third parties an increased the registration and reporting rules. During the entire period discussed in this boo therefore, the 1946 act was the law of the land.[10]

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

By the end of the twentieth century, the concepts of campaign finance and corpora lobbying had become deeply intertwined in the national political imagination. The arres 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 lik Abramoff doubled as "bundlers," major campaign donors who used their influence an networks to encourage others to contribute the maximum amounts allowed. The *Citize United* ruling in 2010, which overturned restrictions on corporate and union campaig donations on the grounds that such giving constituted constitutionally protected speec likewise brought increased scrutiny on the intersection between influence and campaig finance. Furthermore, recent social science has demonstrated the degree to which moder lobbyists use campaign donations as a means to gain and maintain access to lawmaker Although a minority of organized pressure groups devote resources to both lobbying an campaign finance—most choose one or the other—those who pursue both strategies accou for a striking majority of the money spent on either one.[12]

Although this strategic combination of lobbying and campaign finance may appea commonplace in the post-Abramoff, post-*Citizens United* world, it represents a relative recent historical development. In fact, during the years treated in this book, campaign finan and lobbying largely operated in separate spheres. Most interest groups, including maj corporations and business associations, believed that influencing incumbent lawmake through lobbying was far more important than donating to campaigns. Through the 1980s, fact, many large corporations and trade associations kept their campaign contributio separate from their lobbying activities. Corporations, for example, would direct PAC mone 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 wou send their lobbyists to Washington.[13]

Moreover, the practice of lobbying—a distinct strategy from campaign finance—can itse be divided into two distinct forms: direct and indirect. Direct lobbying, probably the mo familiar form, occurs when a firm, union, or other interest group hires a specific person represent its interests on a given piece of legislation or regulatory rule making. Such lobbyis might be permanent employees of a company or group, or they might be hired professiona from independent lobbying firms who represent clients but have no institutional commitme to any issues or causes. In the 1960s and 1970s, American companies hired greater numbe of in-house lobbyists and public affairs specialists, known euphemistically as "Washingto Representatives," or sometimes just "WashReps." In 1961, for example, only 130 firms we represented by registered lobbyists, and only 50 of those were based in the nation's capita by 1979, 650 firms boasted such representation, and 247 had staffs in Washington. lobbyists' numbers grew, moreover, their character shifted. In the early 1960s, mo Washington Representatives focused on sales and marketing and worked for companies th did significant business with the federal government, such as defense contractors. By the en of the 1970s, most full-time Washington Representatives were lawyers, public affai executives, and former government officials whose daily work centered far more legislative issues. Although the lobbyists' jobs and backgrounds changed, such in-hou representation remained the dominant model for most large companies until the 1980s, whe the proliferation of private lobbying firms offered companies the opportunity to outsour their Washington representation.[14] The growth of this second model created the much-revile "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 intr industry cohesion that so deeply shaped modern American politics—overlapped both the ri in direct lobbying by Washington Representatives and the rapid expansion of busines oriented PACs. Nonetheless, national employers' associations profited most from a differe strategic option: indirect, sometimes called "grassroots," lobbying. Indirect lobbying mea that rather than hire professional influence peddlers, groups like the NAM, the Chamber, a the Business Roundtable organized constituents themselves to contact and pressu lawmakers on specific issues. Their chief organizational strategy thus involved rallyi support among business owners, trade association members, and, in the case of the Busine Roundtable, high-powered chief executive officers from major industrial corporations. several chapters in this book illustrate, Washington-based associations used massive publ relations campaigns to generate broad-based enthusiasm for or against certain policies. The then used their national networks to coordinate a common vocabulary—"talking points," the cynics—and consistent message, which constituents from across the countr communicated back to their representatives. Finally, paid lobbyists, association directors, a corporate executives relied on evidence of that grassroots support as they took their cas directly to lawmakers.

Indirect lobbying emerged as the most effective and most common strategy for nation employers' associations because it provided a mechanism for overcoming the collective actio problem at the heart of pan-business mobilization. Political campaign donations and dire lobbying represented firm- and industry-specific approaches to gaining preferential treatmer such as a subsidy or government contract, but they proved less effective vehicles for targetir larger policy issues whose effects touched different types of firms and industries. Why woul a company devote scarce resources to a political battle where its competitors—who hadr contributed—would also benefit? Employers' associations overcame these free-rider problen through the mechanisms of indirect lobbying, which involved less commitment of financi and political capital by individual companies. Because the issues they focused on most ha the broadest appeal, these associations were able to develop vast networks to genera grassroots lobbying, rooted in broad ideological claims about free enterprise and the stiflir effect of government regulation. As a result, this type of engagement cemented a share political consciousness among disparate businesspeople and deepened their sense c commitment to a common political project. In the process, united and organized busine groups honed their two-pronged attack on a variety of economic policy issues, targetir specific legislators as well as the general public's attitudes toward business, regulation, labo and taxation. Their movement ultimately coalesced at the confluence of these tactics: on or hand, lobbying Congress; on the other, lobbying America.

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Placing the politics of business in the context of a rapidly shifting economic and cultur landscape between the late 1960s and the early 1990s, *Lobbying America* tells the story c how businesspeople got themselves mobilized and what their mobilization created. The boo follows a loose chronological format, although the thematic chapters in the middle overlap time as they explore the variety of policies around which business groups mobilized. Whi certain issues, such as consumerism and taxes, receive sustained treatment in specif chapters, I spread the analysis of other themes, such as environmental regulation, inflatio and labor power, throughout the book. Overall, the narrative traces the politics of Americ business from a sense of foreboding and crisis in the late 1960s through its period of cohesio and political power in the mid- to late 1970s and finally to its fragmentation in the 1980s ar 1990s. For in the end, the unity that distinguished business lobbying during the 197 dissolved, fractured both by changes in the nature of American capitalism and by the shiftir political climate. Yet even once that historical moment passed, the experience of the pa business political movement left a profound legacy. By lobbying America, organize corporate leaders ultimately shaped both the policy options available to lawmakers and th framework through which Americans—liberals, conservatives, and all others—debated ar 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 1969 a Republican named Richard Nixon assumed the presidency, promising peac prosperity, and a retreat from his predecessors' "big government" policies. Yet despite th apparently sunny forecast, a collective sense of woe descended across the American busine community as the 1970s dawned. Subdued in nervous whispers at first, the ominous refra grew louder, echoing through boardrooms and conference centers, across golf courses ar country clubs. By the middle of the decade, the once-low grumbling reached a fevered pitc 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 fre 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, th stakes could not have been higher. "The issue is survival!" they cried. Survival of capitalisr Survival of free enterprise. Survival of America.

But who was spearheading this dreaded attack? For conservative businesspeople, th culprit was neither the Soviet Union nor its secret agents hiding under every bed. Rather, th perilous attack on liberty and prosperity took root among the most American of institution The assault flowed, as one of the most publicized Cassandras put it, "from the colleg campus, the pulpit, the media, the intellectual and literary journals, the arts and sciences, ar from politicians."[5] This sickness grew from a debilitating antibusiness bias that course through the veins of the American body politic, infecting national policy. Heavy-hande hyper-regulatory government, abetted by a public deeply hostile to business, increasing saddled American companies with resource-sapping regulations, devastating taxes, ar crippling labor policies. For the self-styled defenders of American business, the stakes fa exceeded narrow concerns like profits and productivity. This totalizing attack stood poised 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 team of social scientists retained by the Conference Board, a nonadvocacy busine association. Founded in 1916, the Conference Board had long endeavored, in the words of i founder, Magnus Alexander (an executive at General Electric), to serve as "a clearinghouse [business and economic] information" that would "promote a clearer understanding betwee