

CHAPTER 5

Interest Groups

This chapter covers interest group theory and practice. Discussed at the outset is John C. Calhoun's mid-nineteenth century concurrent majority theory, which he devised to support the doctrine of nullification and a stronger position for the southern states than they had under the Constitution. He argued that *numerical* majorities, which the Constitution supported, were tyrannical when they took action that ignored or oppressed minority interests. His treatise, *A Disquisition on Government*, which was published posthumously in the 1850s, contains many elements of modern group theory. To Calhoun, group rather than individual political interests were important, and the relevant group actors were the states whose interests incorporated individual political concerns. Calhoun concluded that the national government should not take action without having achieved a “concurrent majority” of the states, which presumably required each state somehow to take a vote on national legislation. Calhoun conveniently did not elaborate his plan's details.

As the chapter begins Robert Dahl analyzes the constitutional framers views of faction. Jeffrey M. Berry discusses interest groups in the Madisonian system and examines the continuing relevance of “Madison’s dilemma,” how to balance liberty with the “evils” of the faction it creates.

The Supreme Court addressed Madison’s dilemma in the next selection, *Buckley v. Valeo* (1976), the seminal case introductory students should understand in broad outline. Later cases have all been a variation on the *Buckley v. Valeo* dilemma, how to balance liberty with the “evils” of faction. That is, when do the evils of faction (I like to use Madison’s language that always originates the question in the eighteenth century) justify limiting liberty contained in the freedoms of expression of the First and Fourteenth Amendments.

David Ortiz gives students a provocative analysis of how campaign finance reform contradicts normative democratic theory. He argues that proponents of reform assume, unlike V.O. Key in Chapter 4, that voters are fools, incapable of making rational electoral choices on their own.

The chapter next turns to the sanguine view of interest groups in David B. Truman's classic statement of group theory from his landmark work *The Governmental Process* (1951). Truman's restatement and emphasis on group theory was popular in political science circles in the 1950s, when his book was first published, and well into the 1960s. Truman’s group theory had its origins in the works of earlier political scientists, one of whom was Pendleton Herring who discusses the role of interest groups in government in the selection following Truman.

Whatever may be the state of interest group *theory*, special interests are alive and well in the political process. The chapter selections discuss the contemporary role of political action committees and lobbyists. Students will tend to accept James Madison's anti-faction views and our political culture’s pejorative definition of special interests as always opposed to the national interest. Madison recognized that liberty will always support political pluralism, which must be accepted. A properly constituted republican government along with the Madisonian system of separation of powers and checks and balances was designed to prevent the tyranny of any one person, group, or special interest.

Larry J. Sabato, in the chapter’s final reading, analyzes what he describes as the Mismatched Obsession with PACs. He argues that PAC-bashing is overdone. PACs have made visible forces that have always been present in politics, and the political landscape has not in reality changed all that much because of the addition of PACs. In a political culture where the word PAC is pejorative, beginning with Madison’s definition of factions as “evil” in *Federalist 10*, students will find Sabato’s selection highly informative and his argument provocative.

CONSTITUTIONAL BACKGROUND

Reading 39: Robert Dahl, <i>The Dangers of Faction</i>

A widely shared concern of the founding fathers was the danger of factions. James Madison took it for granted that factions would represent conflicting economic, geographical, and political interests. Majority and minority factions would threaten the Republic. Factions would forever threaten the national interest and government by the consent of all of the people.

Theme

The constitutional framers were preoccupied with the dangers of faction. But they did not have an agreement as to which factions were most dangerous to society. The author notes, “When the delegates descended from vague generalities to concrete cases [of dangerous factions], the examples they chose generally involved attempts to change the distribution of property.”

The framers felt that the most dangerous factions were those whose interests opposed their own. This theme seems to have carried over to contemporary politics.

In the final analysis, “the problem of faction is simply the mirror image of the problem of gaining consent—of governing with the consent of the governed.” Successful government must manage political conflict and give citizens security.

MULTIPLE CHOICE QUESTIONS

1. One of the major concerns of the founding fathers was:
 - a) changing the unequal distribution of wealth.
 - b) maintaining their property.**
 - c) an overextended judiciary.
 - d) managing the demands of farmers.

2. The founding fathers wanted to:
 - a) eliminate faction.
 - b) prevent factions from influencing the national government.
 - c) manage political conflict.**
 - d) forbid political parties from forming.

Reading 40:
Jeffrey M. Berry, *Madison's Dilemma*

Theme

Interest group expert Jeffrey Berry examines the contemporary relevance of Madison's famous discussion of factions and freedom in *Federalist 10*. This piece is an excellent opportunity to revisit Selection 31, p.173, *Federalist 10*, indicating to students the continuing importance of the theories and writings of the Constitution's framers. Berry illustrates the ways in which Madison's dilemma continues to complicate current affairs.

Conclusions

Berry defines the dilemma facing Madison as: "If the government does not allow people to pursue their self interest, it takes away their political freedom." As Madison noted, trying to control selfish interests by limiting freedom is a solution that conflicts with American values and ideals. Authoritarian controls are anathema in America, yet in the American system "interest groups constantly push government to enact policies that benefit small constituencies at the expense of the general public." Berry reviews Madison's argument from *Federalist 10* and asks, "Can an acceptable balance be struck between the right of people to pursue their own interests and the need to protect society from being dominated by one or more interests?"

Berry offers a brief review of the last half-century's scholarship on interest groups, suggesting that how we evaluate interest groups as forces in public affairs has changed over the years. He traces the classic work of David Truman (see Selection 43 for an excerpt from Truman's *The Governmental Process*), and then charts the rise of academic studies of pluralism. Berry introduces students to the work of Robert Dahl, and highlights the critical significance of Dahl's landmark book, *Who Governs?* The discussion therefore serves two purposes: It introduces students to important figures in the study of interest groups and interest group politics, and it outlines for them the ideas behind Truman's and Dahl's arguments in defense of interest group activity. Berry concludes by reviewing the backlash against pluralism, driven by fears of a lack of group representation for certain segments of the population, and the move toward promoting increased participation.

QUESTIONS FOR DISCUSSIONS

1. Is the thinking of the framers relevant to contemporary politics? Does Madison have anything to say that resonates with the dynamics of American politics in the twenty-first century?

(Berry's underlying point is that Madison's dilemma remains our dilemma. Tension still exists between fundamental freedoms to pursue self-interests and selfish ends, on the one hand, and the need to protect and promote the good of the larger community, on the other. People organize into groups to pursue their ends, a process protected by the Constitution's right of association and one which continues to expand its influence and enhance its political strength and savvy as single-issue groups become more common. This activity can threaten the good of the community and encourage government activity that harms larger groups to benefit smaller ones. Because the American people scorn authoritarian controls and limits on group activity and the free pursuit of interests, the system still needs a way of promoting the greater good without trampling on citizens' freedom.)

2. What is significant about the evolution in academic thought regarding interest group activity that took place between Truman's *The Governmental Process* and Dahl's *Who Governs?*, and then between the rise of pluralism and the events of the 1960s?

(Truman and Dahl both concentrated on the importance of interest group activity in producing

governmental results. Dahl's pluralism, though, marked an advance from Truman's group theory by casting a strongly approving light on the activities of groups. Dahl found that certain groups dominate certain areas of policymaking and not others, countering fears that a "power elite" could dominate government more generally to the exclusion of other interests.

Berry writes that events of the 1960s pierced the faith in pluralism by suggesting that the system was still biased toward groups that failed to represent the American people adequately. The decline in approval for pluralism led to efforts to increase public participation to balance unequal representation, a theme that emerges in later readings in this chapter and in the previous chapter on political parties and participation.)

3. With the increasing prevalence, political acumen, and practical effectiveness of narrowly focused single-issue interest groups, has the time come for greater control on the behavior of citizens and the activities of interest groups? Should groups, for example, be required to look at more than one issue, or should they be required to explain how their positions and interests would benefit the nation?

(Students may disagree here. Discuss with students various efforts to control or manage the activity of groups, such as campaign finance laws, disclosure laws, and lobbying laws (see Selection 67, for example). Are these efforts to regulate groups' behavior, and do they infringe on individual or group freedoms? There are always opponents of such regulations who argue that they infringe on protected freedoms and activities. Such examples are, then, part of the continuing effort to resolve Madison's dilemma—how to regulate or influence groups and their members without intruding on freedom.)

MULTIPLE CHOICE QUESTIONS

1. According to Jeffrey Berry, what was Madison's dilemma?
 - a) "Groups pursue the good of society until governments are formed."
 - b) "The invisible hand fails to provide representation for the masses."
 - c) "If people pursue their self-interest, government will be too weak."
 - d) "If the government does not allow people to pursue their self interest, it takes away their political freedom."
2. Robert Dahl's book, *Who Governs?*, is associated with which school of thought?
 - a) laissez-faire.
 - b) pluralism.
 - c) incrementalism.
 - d) the New Deal.
3. According to Jeffrey Berry, worries about pluralism led to efforts to:
 - a) increase participation in the political process.
 - b) eliminate single-issue citizen groups.
 - c) sacrifice individual freedom on behalf of the common good.
 - d) none of the above

FIRST AMENDMENT BARRIERS TO THE REGULATION OF INTEREST GROUPS AND POLITICAL PARTIES

Reading 41: *Buckley v. Valeo*, 424 U.S. 1 (1976)

Ruling

Campaign spending is a form of political expression the First Amendment protects. The Constitution forbids Congress from limiting political campaign expenditures. However, Congress can regulate contributions to political candidates and parties. Important governmental and societal interests in limiting contributions outweigh First Amendment protections.

Background

Although campaign finance regulation dates to the Theodore Roosevelt administration in 1905, congress did not begin to regulate this area in earnest until the 1970s. The campaign finance laws of the 1970s severely restricted campaign expenditures in federal elections, and limited the amount individuals and groups could contribute to candidates. The Nixon campaign practices in 1972, which came to light after Watergate, practices that violated the Corrupt Practices Act of 1925 among other laws, caused an outcry among congressional Democrats, for stricter regulation. Congress created the Federal Election Commission in 1975 to enforce various campaign finance laws passed in the 1970s, beginning in 1971.

Plaintiffs in *Buckley v. Valeo* challenged the 1971 law as amended in 1974 as a violation of the First Amendment's freedoms of speech and association.

The Court's Reasoning

In a Per Curiam opinion the Supreme Court stated: "The Act's contribution and expenditure limitations operate in an area of the most fundamental First Amendment activities. Discussion of public issues and debate on the qualifications of candidates are integral to the operation of the system of government established by our Constitution. The First Amendment affords the broadest protection to such political expression...."

Political association

The Court also stated, "The First Amendment protects political association as well as political expression."

Holdings

Contribution Limitations

"... We find that, under the rigorous standard of review established by our prior decisions, the weighty interests served by restricting the size of financial contributions to political candidates are sufficient to justify the limited effect upon First Amendment freedoms caused by the \$1,000 contribution ceiling. . . ."

Expenditure Limitations

The Act's expenditure ceilings impose direct and substantial restraints on the quantity of political speech. . . . It is clear that a primary effect of these expenditure limitations is to restrict the quantity of campaign speech by individuals, groups, and candidates. The restrictions, while neutral as to the ideas expressed, limit political expression "at the core of our electoral process and of the First Amendment freedoms. . . ."

MULTIPLE CHOICE QUESTIONS

1. The Court held in *Buckley v. Valeo* (1976) held:
 - a) Congress did not have the authority to regulate campaign finances.
 - b) Congress could limit campaign contributions but not expenditures.
 - c) congressional campaign regulation posed no constitutional issues.
 - d) Congress could limit campaign expenditures but not contributions.

2. In *Buckley v. Valeo* (1976) the core constitutional issues raised were from the:
 - a) Fourth Amendment
 - b) Fifth Amendment
 - c) First Amendment
 - d) Fourteenth Amendment

Reading 42:

Daniel R. Ortiz, *The Democratic Paradox of Campaign Finance Reform*

Theme

Democratic theory supports electoral choice and competition in an environment free of government control. Campaign finance reform violates the premises of democratic theory by dictating the terms of electoral participation by voters, parties, and interest groups.

Argument

1. "Seldom have so many worked so hard and so long to accomplish so little. Despite enduring popular support, campaign finance reform has had, at best, mixed success. Congress has moved slowly, when at all, and has often enacted changes that are either cosmetic, easy to circumvent, or practically unenforceable."

2. "If a reform should actually threaten to matter, the courts, particularly the United States Supreme Court, have been quick to strike, leaving in their wake a patchwork framework that Congress never would have enacted and that makes little sense."

3. Reformers attach *Buckley v. Valeo* as a major obstacle in the way of campaign finance reform. But "[t]he major obstacle to campaign finance reform is not that the Supreme Court misunderstands the role of money in politics nor, more fundamentally, misinterprets the First Amendment."

4. The real problem is that “the arguments advanced by the reformers themselves are internally incoherent. In a deep sense, those who argue for campaign finance reform appear to violate democratic theory in the name of defending it.”

5. The essential flaw in campaign finance reform theories is that “in the name of protecting democracy, these theories all violate one of democracy’s central normative assumptions: the idea that voters are civically competent. To the extent Americans are the kind of people that democratic theory demands—i.e., engaged, informed voters who carefully reason through political arguments—we hardly need the kind of protection that campaign finance regulation affords us.”

MULTIPLE CHOICE QUESTIONS

1. Democracy requires:
 - a) regulation of both campaign expenditures and contributions.
 - b) greater judicial activism by the Supreme Court to level the playing field.
 - c) state but not national regulation of campaign finance.
 - d) voter freedom to choose the means of persuasion of others.

2. Theories supporting campaign finance reform
 - a) follow directly from democratic theory.
 - b) undermine democratic theory.
 - c) are supported more by Democrats than Republicans.
 - d) emerged from the early days of the Republic.

GROUP THEORY: THE NATURE AND FUNCTIONS OF INTEREST GROUPS

The introductory note to this section begins with a discussion of John C. Calhoun's *Disquisition on Government*, which in previous editions of this book was given as a selection. His theory of concurrent majority is a precursor to modern group theory, and Calhoun's proposition that the constitutional system did not effectively protect group interests is an important premise that in a different form has been transferred to modern group theory, which accepts the view that public policy is properly a reflection of the concerns of the major interest groups in different policy spheres.

Reading 43:
David B. Truman, *The Governmental Process*

The selection from Truman's major book is necessarily brief, and instructors might well wish to expand upon Truman's views at this point. Essentially, Truman argues that the political process is a reflection of group politics; moreover, group politics is a perfect representation of democracy in action. This is the view so strongly criticized by Lowi in Selection 33.

Truman's judgment is both empirical and normative and can be questioned on both counts. Truman's circle of reasoning is completed by his introduction and definition of potential interest groups. The political activation of potential or unorganized groups when their members feel their interests to be threatened presumably

automatically solves all of the problems created by the imbalance of power that often exists in group politics between well-organized and financed groups and their less powerful adversaries, which includes unorganized groups. Empirical evidence does not suggest, however, that potential groups always are activated to challenge dominant groups that are backing policies for their own benefit and not for a broader public interest, however vague and difficult to define the public interest may be.

In introducing Truman's selection, refer to James Madison's discussion in *Federalist 10*, and contrast the premises of the original constitutional system with the approach to interest group theory from Calhoun to Truman.

QUESTIONS FOR DISCUSSION

1. How does Truman define an interest group? (“Any group that, on the basis of one or more shared attitudes, makes certain claims upon other groups in the society for the establishment, maintenance, or enhancement of forms of behavior that are implied by the shared attitudes.”)
2. What is the political role of the individual in Truman's analysis? (The political interests of the individual are essentially accommodated by groups. The individual as such does not affect politics.)
3. What does Truman feel about the assertion that there is an inclusive national or public interest? (He feels the assertion cannot be proved. Even during wartime, when it seems likely that everyone would agree that the war, if it is a defensive war such as World War II, is in the national interest, one finds interest groups opposed to the fighting.)
4. What are the major factors that determine the success of an interest group in gaining access to government? (Access is determined by the group's strategic position in society, the internal characteristics of the group, and factors peculiar to the governmental institutions themselves. The prestige of the group in society is an example of the first factor. An example of a factor in the second category is “the degree and appropriateness of the group's organization...cohesion...the skills of leadership; and the group's resources in numbers and money.” In the third category is the fact that the American political system contains a number of points of access due to the separation of powers, federalism, and the lack of cohesive national parties.)

MULTIPLE CHOICE QUESTIONS

1. David B. Truman, in *The Governmental Process*, argues that interest groups:
 - a) reflect the views of individuals.
 - b) are unrepresentative of individual viewpoints.
 - c) are controlled by undemocratic elites.
 - d) are equal in power.
2. David Truman concludes, in *The Governmental Process*, that:

- a) interest group power is less in the United States than in other countries because of the separation of powers.
 - b) interest group power is increased because of the multiplicity of points of access to government.
 - c) interest groups are subordinate to political parties.
 - d) the Constitution was designed to increase group power.
3. Which of the following statements is *incorrect*?
- a) It is often argued that any attempt at the interpretation of politics in terms of group patterns inevitably “leaves something out.”
 - b) Group theory suggests that there is no conflict between “the individual” and “the group.”
 - c) Group theorists suggest that we do not find individuals otherwise than in groups.
 - d) Group theorists recognize that there is an interest of the nation as a whole that stands apart and is superior to the interests of various groups within the nation.

<p>Reading 44: <i>Pendleton Herring, The Role of Interest Groups in Government</i></p>
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Theme

Interest group diversity characterizes the political process. Interest group pressures on Congress, the presidency, and the bureaucracy have shaped governmental institutions and policies over the years.

Major Points

1. When we review the role of interest groups we see how effective such organized efforts have been in winning a response, and, over the decades, have brought about changes of great moment.
2. Over time, Congress has proved itself capable of mediating and sustaining diverse pressures.
3. The increased importance of organized interests has been accompanied by a decline of party control and the ensuing fragmentation of leadership in Congress.
4. Congress has increased its staff to help members deal with interest groups.
5. The executive branch is not a monolithic entity but “an uneven array of agencies, each with its own constituency of supporters and often facing its specialized critics. Officials serve their particular publics, congressional committees and interest groups. The problem is not tyranny but often too much responsiveness. In short, it is difficult to discern policy direction in this multitude of particular purposes.”

Discussion

Herring's thesis reflects a twentieth century political scientist's analysis of the consequences of political pluralism. Special interest constituencies fragment both the executive and legislative branches.

The first decade of the twenty-first century looks as if strong parties have emerged on Capitol Hill, and in state legislatures are well. Bitter partisanship, not bipartisanship, is the order of the day. Partisanship, however, does not necessarily diminish the powerful force of pluralism. That partisanship characterizes the politics of what Lowi long ago called redistributive policies, i.e. those policies that have a recognized effect on broad segments of the public.

But pluralism lurks always in the interstices of Washington politics. One of many examples is the labyrinth of earmarks in President Obama's stimulus bill. Bailout legislation too exhibits in many particulars interest group power. Arguably president Obama's Treasury Secretary's proposals to save the banks had the stamp of approval of the most powerful banks, even while the President, members of Congress, and the media castigated the bankers as modern day devils.

MULTIPLE CHOICE QUESTIONS

1. Herring places interest groups:
 - a) outside of the political mainstream.
 - b) as the most important components of legislative and executive constituencies.
 - c) as less important than parties.
 - d) within the political parties that aggregate them.

2. The pluralistic universe of interest groups:
 - a) undermines the power of congressional party leaders
 - b) solidifies the executive branch
 - c) undermines judicial power
 - d) strengthens political parties

MONEY, PACS, AND ELECTIONS

Political campaigning has become increasingly expensive at all levels of government. House candidates who once spent under \$100,000 to run for office now spend between \$250,000 and \$1 million, and sometimes more. Low-visibility challengers have particular difficulty and often find it impossible to match incumbents' fundraising organizations and sources. On the Senate side, both incumbents and challengers commonly spend millions of dollars to run for office. It is no accident that the Senate is a millionaire's club.

For an in-depth review of the history of campaign finance, current issues, and reform proposals, see *Campaign Finance Reform: A Sourcebook*, ed. Anthony Corrado, et. al. (Washington, D.C.: Brookings Institution Press, 1997).

<p>Reading 45: Larry J. Sabato, <i>The Misplaced Obsession with PACs</i></p>
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Theme

Money and politics go together in the political environment, and Political Action Committees are a major source of campaign funds. While PACs are legal and even encouraged by campaign finance laws, they are often portrayed as the bad guys of American politics. Larry Sabato argues that this obsession with PACs is misplaced because PACs fulfill the role Madison created for diverse and active factions.

Conclusion

Sabato addresses several of the major charges leveled at PACs, concluding that most are unfounded. First, while critics have charged that PACs have multiplied in number and influence since the 1970s, Sabato traces the change to laws favoring PACs. Since PACs represent mechanisms for tracing the amount and direction of political campaign funds, comparing the PAC era with a past in which funds and contributors were not disclosed is unsatisfactory. Sabato writes, “[I]t is not clear that there is proportionately more interest-group money in the system than before.”

Second, Sabato argues that the facts of increased PACs and increased costs in running for office may represent the effect of newer, more expensive technologies. Television and polling costs have added tremendously to campaign costs. PACs may, in fact, supply candidates with the requisite funds to address the public and increase the flow of information.

Third, Sabato highlights the lack of clear evidence that PAC money can “buy” votes on legislation. He suggests that in certain circumstances PACs can be influential, such as narrow and specialized issue-areas with low visibility; they can also be effective in agenda setting and subcommittee votes. But Sabato argues that most congressmen are not overly influenced by PAC money, because legislators need to be responsive to their party, ideology, and constituents. Sabato also notes the difficulty in distinguishing between these motives for congressional votes and PAC influence: Does a dairy state senator vote for dairy price supports because of PAC money from agriculture interests or because his constituents are dairy farmers?

Finally, Sabato argues that PACs are Madisonian factions, multiplying (rather than attempting to stifle) associations and political participation. PACs are, and will always be, checked by free elections with universal suffrage and by the needs of a two-party system.

QUESTIONS FOR DISCUSSION

1. As a legislator, would you be more tied to your party and your constituents than to a PAC? How would you react to pressure put on you by a PAC soliciting your vote? Is Sabato right in suggesting that certain issues and stages in the political process are more susceptible to PAC influence? What are the problems Sabato identifies with gauging the amount of PAC influence on congressional votes? Is there any sure way to know the extent of PAC influence? Is the answer to this question an argument for or against PACs?
2. Should PACs be limited, or are they manifestations of group activity that should be multiplied and encouraged in our system? How would you limit PAC activity? How would important interests respond to such limitations? If campaign money was spent much more secretly in the past, as Sabato argues, do PACs fulfill a purpose in charting and publicizing interests' campaign spending?

3. What obstacles exist to PAC reform? Are legislators liable to cast votes that limit the influence of groups that support their election campaigns? How would a reformer build support for PAC reform? Alternatively, how would legislators or PACs go about convincing the public that they fulfill a useful role in American government?

MULTIPLE CHOICE QUESTIONS

1. According to Larry Sabato, PACs:
- a) increase the cost of modern-day elections.
 - b) should be outlawed because they corrupt the system.
 - c) are not really a factor in American politics.
 - d) are modern Madisonian factions.
2. According to Sabato, why have PACs and their contributions to political campaigns increased in the last 20 years?
- a) The decline in labor unions' influence allowed businesses to form PACs.
 - b) Richard Nixon demonstrated PACs' effectiveness in the 1972 campaign.
 - c) PACs were encouraged by campaign finance laws following Watergate.
 - d) Americans have become more politically active.
3. Why is Sabato not concerned that PACs support incumbents?
- a) PACS often support strong challengers late in the campaign.
 - b) Incumbents are good for government.
 - c) Voters offset PAC influence by voting for challengers.
 - d) Incumbents are not eligible for public campaign funds.