

CLASSIC

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CROSS-CULTURAL

55 Who's Running America?

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In the previous reading C. Wright Mills asserted that a small group of power elite run U.S. society. Was he right? Thomas Dye contends that some groups are far more powerful than others. He adds that the military establishment and Congress are much less influential than most people (and even Mills) believed.

If there ever was a time when the powers of government were limited—when government did no more than secure law and order, protect individual liberty and property, enforce contracts, and defend against foreign invasion—that time has long passed. Today it is commonplace to observe that governmental institutions intervene in every aspect of our lives—from the “cradle to the grave.” Government in America has the primary responsibility for providing insurance against old age, death, dependency, disability, and unemployment; for organizing the nation’s health-care system; for providing education at the elementary, secondary, collegiate, and postgraduate levels; for providing public highways and regulating water, rail, and air transportation; for providing police and fire protection; for providing sanitation services and sewage disposal; for financing research in medicine, science, and technology; for delivering the mail; for exploring outer space; for maintaining parks and recreation; for providing housing and adequate food for the poor; for providing job training and

manpower programs; for cleaning the air and water; for rebuilding central cities; for maintaining full employment and a stable money supply; for regulating business practices and labor relations; for eliminating racial and sexual discrimination. Indeed, the list of government responsibilities seems endless, yet each year we manage to find additional tasks for government to do.

THE CONCENTRATION OF GOVERNMENTAL POWER

Government in the United States grew enormously throughout most of the twentieth century, both in absolute terms and in relation to the size of the national economy. The size of the economy is usually measured by the gross domestic product (GDP), the dollar sum of all the goods and services produced in the United States in a year. Governments accounted for only about 8 percent of the GDP at the beginning of the century, and most governmental activities were carried out by state and local governments. Two world wars, the New Deal programs devised during the Great Depression of the 1930s, and the growth of the Great Society

Source: Thomas R. Dye, *Who's Running America? The Bush Restoration*, 7th edition. Upper Saddle River, N.J.: Prentice Hall, 2002, pp. 55–96.

programs of the 1960s and 1970s all greatly expanded the size of government, particularly the federal government. The rise in government growth relative to the economy leveled off during the Reagan presidency (1981–89), and no large new programs were undertaken in the Bush and Clinton years. An economic boom in the 1990s caused the GDP to grow rapidly, while government spending grew only moderately. The result was a modest *decline* in governmental size in relation to the economy. Today, federal expenditures amount to about 20 percent of GDP, and total governmental expenditures are about 30 percent of GDP (see Figure 1).

Not everything that government does is reflected in governmental expenditures. *Regulatory activity*, for example, especially environmental regulations, imposes significant costs on individuals and businesses; these costs are not shown in government budgets.

We have defined our governmental elite as the top executive, congressional, and judicial officers

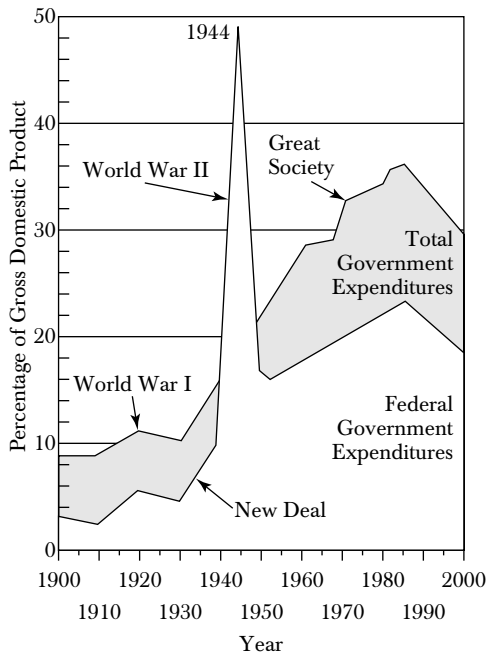


FIGURE 1 The Growth of Government

Source: Budget of the United States Government, 2000.

of the *federal* government; the President and Vice-President; secretaries, undersecretaries, and assistant secretaries of executive departments; senior White House presidential advisers; congressional committee chairpersons and ranking minority members; congressional majority and minority party leaders in the House and Senate; Supreme Court Justices; and members of the Federal Reserve Board and the Council of Economic Advisers. And we add to this definition of political elites the “fat cat” contributors who keep them in power.

THE FAT CAT CONTRIBUTORS

More money was spent on political campaigning in 2000 than in any election year in American history. An estimated \$3 billion was spent by all presidential and congressional candidates, Democratic and Republican parties, political action committees sponsored by interest groups, and independent political organizations in federal, state, and local elections combined. The costs of elections rises in each election cycle. The largest increases in campaign finance came not from regulated “hard money” contributions to candidates, but rather from large unregulated “soft money” contributions to the parties.

Virtually all of the top “fat cat” campaign contributors from the *corporate, banking, and investment* worlds have been previously listed among the nation’s largest corporate and monied institutions. AT&T, Philip Morris, Citigroup, and Goldman Sachs regularly appear each election cycle among contributors of \$2 to \$3 million or more (see Table 1). One notable newcomer among top corporate “fat cat” contributors in 2000 is Bill Gates’s Microsoft Corporation. In the past, Gates tried to avoid politics altogether; Microsoft was notably absent from previous lists of top campaign contributors. But Gates learned a hard lesson when Clinton’s Justice Department under Attorney General Janet Reno launched its costly antitrust suit against Microsoft.

While contributions from the corporate, banking, and investment institutions are usually divided

TABLE 1 The Top Fifty Fat Cat Campaign Contributors, 2000

<i>Rank</i>	<i>Contributor</i>	<i>Total Contributions</i>	<i>To Dems.</i>	<i>To Repubs.</i>
1	American Fedn. of St./Cnty./Munic. Employees	\$6,935,989	98%	2%
2	Service Employees International Union	\$4,961,010	95%	5%
3	AT&T	\$4,667,844	38%	61%
4	Microsoft Corp	\$4,309,856	46%	54%
5	Communications Workers of America	\$3,871,185	99%	0%
6	National Assn. of Realtors	\$3,834,600	41%	59%
7	Goldman Sachs Group	\$3,646,382	68%	32%
8	United Food & Commercial Workers Union	\$3,578,452	99%	1%
9	Intl. Brotherhood of Electrical Workers	\$3,561,860	97%	3%
10	Citigroup Inc.	\$3,559,566	53%	47%
11	Philip Morris	\$3,460,200	18%	81%
12	SBC Communications	\$3,418,466	46%	54%
13	Verizon Communications	\$3,357,420	36%	64%
14	Carpenters & Joiners Union	\$3,183,383	92%	8%
15	United Parcel Service	\$3,133,119	26%	73%
16	American Federation of Teachers	\$3,110,055	99%	1%
17	Assn. of Trial Lawyers of America	\$3,030,750	88%	12%
18	Laborers Union	\$2,929,275	93%	7%
19	National Rifle Assn.	\$2,885,377	8%	92%
20	MBNA America Bank	\$2,733,000	17%	83%
21	National Education Assn.	\$2,584,478	92%	7%
22	Sheet Metal Workers Union	\$2,551,584	99%	1%
23	Machinists/Aerospace Workers Union	\$2,546,138	99%	1%
24	Teamsters Union	\$2,517,240	93%	7%
25	Ernst & Young	\$2,497,761	42%	58%
26	National Auto Dealers Assn.	\$2,410,200	32%	68%
27	Federal Express Corp.	\$2,388,428	34%	66%
28	Enron Corp.	\$2,365,458	28%	72%
29	National Assn. of Home Builders	\$2,336,799	37%	63%
30	Lockheed Martin	\$2,333,794	39%	61%
31	Emily's List	\$2,328,840	100%	0%
32	Credit Suisse First Boston	\$2,325,705	29%	70%
33	Bristol-Myers Squibb	\$2,300,792	14%	86%
34	United Auto Workers	\$2,248,755	99%	0%
35	Morgan Stanley, Dean Witter & Co.	\$2,225,823	39%	60%
36	BellSouth Corp.	\$2,219,752	41%	59%
37	Freddie Mac	\$2,198,839	48%	52%
38	AFL-CIO	\$2,173,638	96%	4%
39	Global Crossing	\$2,142,386	50%	50%
40	Pfizer Inc.	\$2,136,647	14%	86%
41	Blue Cross/Blue Shield	\$2,125,552	27%	73%
42	American Medical Assn.	\$2,077,644	47%	52%
43	National Beer Wholesalers Assn.	\$2,059,061	19%	80%
44	Bank of America	\$1,889,318	59%	40%
45	Time Warner	\$1,860,237	73%	27%
46	National Assn. of Letter Carriers	\$1,830,700	86%	13%
47	Union Pacific Corp	\$1,805,144	16%	84%
48	General Electric	\$1,793,879	39%	61%
49	Joseph E Seagram & Sons	\$1,791,060	62%	38%
50	Andersen Worldwide	\$1,781,412	29%	70%

between the parties (albeit weighted toward Republicans), contributions from *unions* are almost exclusively directed toward Democrats. Indeed, union contributions are the single largest source of campaign money for the Democratic Party, followed by contributions from Hollywood's entertainment industry.

Contributions from wealthy individuals failed to match institutional contributions. While more than 100 institutions contributed \$1 million or more in 2000, only two individuals contributed over this amount. (Peter Buttenwieser of Buttenwieser & Associates of Philadelphia and S. Daniel Abraham of Slim-Fast Foods both contributed over \$1 million to Democrats.)

Expenditures for congressional campaigns also reached a new high. The U.S. Senate race in New York, featuring former First Lady Hillary Clinton against relative newcomer Republican Rick Lazio, set a new combined spending record for congressional elections at more than \$85 million. A new individual congressional spending record of \$65 million was set by multibillionaire investment banker (Goldman Sachs) Democrat Jon Corzine, who dug into his own fortune to win a U.S. Senate seat from New Jersey.

The *average* candidate for a U.S. Senate seat raised and spent over \$5 million. And the *average* candidate for a U.S. House seat raised and spent about \$800,000. This means that the average incumbent member of Congress must raise about \$8,000 *per week*, every week of their term in office.

THE POLITICIANS: AMBITION AND OFFICE SEEKING

Ambition is the driving force in politics. Politics attracts people for whom power and celebrity are more rewarding than money, leisure, or privacy. "Political office today flows to those who want it enough to spend the time and energy mastering its pursuit. It flows in the direction of ambition—and talent."¹

Political ambition is the most distinguishing characteristic of elected officeholders. The people

who run for and win public office are not necessarily the most intelligent, best informed, wealthiest, or most successful business or professional people. At all levels of the political system, from presidential candidates, members of Congress, governors and state legislators, to city councils and school board members, it is the most politically ambitious people who are willing to sacrifice time, family and private life, and energy and effort for the power and celebrity that comes with public office.

Politics is becoming increasingly professionalized. "Citizen-statesmen"—people with business or professional careers who get into politics part-time or for short periods of time—are being driven out of political life by career politicians—people who enter politics early in life as a full-time occupation and expect to make it their career. Politically ambitious young people seek out internships and staff positions with members of Congress, with congressional committees, in state legislators' or governors' offices, or mayors' or council chambers. Others volunteer to work in political campaigns. Many find political mentors, as they learn how to organize campaigns, contact financial contributors, and deal with the media. By their early thirties, they are ready to run for local office or the state legislature. Rather than challenge a strong incumbent, they may wait for an open seat to be created by retirement, reapportionment, or its holder seeking another office. Or they may make an initial attempt against a strong incumbent of the opposition party in order to gain experience and win the appreciation of their own party's supporters for a good effort. Over time, running for and holding elective office becomes their career. They work harder at it than anyone else, in part because they have no real private sector career to return to in case of defeat.

The prevalence of lawyers in politics is an American tradition. Among the nation's Founders—the fifty-five delegates to the Constitutional Convention in 1787—some twenty-five were lawyers. The political dominance of lawyers is even greater today, with lawyers filling nearly two thirds of U.S. Senate seats and nearly half of the seats in the U.S. House of Representatives.

It is sometimes argued that lawyers dominate in politics because of the parallel skills required in law and politics. Lawyering is the representation of clients; a lawyer employs similar skills whether representing clients in private practice or representing constituents in Congress. Lawyers are trained to deal with statutory law, so they may at least know how to find United States Code (the codified laws of the United States government) in a law library when they arrive in Congress to make or amend these laws.

But it is more likely that the people attracted to politics decide to go to law school, fully aware of the tradition of lawyers in American politics. Moreover, political officeholding, at the state and local level as well as in the national government, can help a struggling lawyer's private practice through free public advertising and opportunities to make contacts with potential clients. Finally, there are many special opportunities for lawyers to acquire public office in "lawyers only" posts in federal, state, and local government as judges and prosecuting attorneys. The lawyer-politician is not usually a top professional lawyer. Instead, the typical lawyer-politician uses his or her law career as a means of support—one that is compatible with political office seeking and officeholding.

A significant number of top politicians have inherited great wealth. The Roosevelts, Rockefellers, Kennedys, Bushes, and others have used their wealth and family connections to support their political careers. However, it is important to note that *a majority of the nation's top politicians have climbed the ladder from relative obscurity to political success*. Many have acquired some wealth in the process, but most political leaders started their climb from very middle-class circumstances. Thus, as in the corporate world, we find more "climbers" than "inheritors" at the top in the world of politics. . . .

EXECUTIVE DECISION-MAKERS: THE SERIOUS PEOPLE

The politician is a professional office-seeker. The politician knows how to run for office—but not

necessarily how to run the government. After victory at the polls, the prudent politician turns to "serious" people to run the government. The corporate and governmental experience and educational credentials of these "serious" decision-makers greatly exceed those of most members of Congress or other elected officials. When presidents turn from the task of *running for office* to the task of *running a government*, they are obliged to recruit higher quality leadership than is typically found among political officeholders.

The responsibility for the initiation of national programs and policies falls primarily upon the top White House staff and the heads of executive departments. Generally, Congress merely responds to policy proposals initiated by the executive branch. The President and his key advisers and administrators have a strong incentive to fulfill their responsibility for decision-making. In the eyes of the American public, they are responsible for everything that happens in the nation, regardless of whether they have the authority or capacity to do anything about it. There is a general expectation that every administration, even one committed to a "caretaker" role, will put forth some sort of policy program.

The President and Vice-President, White House presidential advisers and ambassadors-at-large, Cabinet secretaries, undersecretaries, and assistant secretaries constitute our executive elite. . . .

THE CONGRESSIONAL ESTABLISHMENT

Although policy initiatives are usually developed outside Congress, Congress is no mere "rubber stamp." Key members of Congress do play an independent role in national decision-making; thus, key congressional leaders must be included in any operational definition of a national elite.

Political scientists have commented extensively on the structure of power *within* the Congress. They generally describe a hierarchical structure in both houses of the Congress—a "congressional establishment"—which largely determines what the

Congress will do. The congressional establishment has survived periodic efforts at decentralization. It is composed of the Speaker of the House and president pro tempore of the Senate; House and Senate majority and minority leaders and whips; and committee chairpersons and ranking minority members of House and Senate standing committees. Party leadership roles in the House and Senate are major sources of power in Washington. The Speaker of the House and the majority and minority leaders of the House and Senate direct the business of Congress. Although they share this task with the standing committee chairpersons, these leaders are generally “first among equals” in their relationships with committee chairpersons. But the committee system also creates powerful congressional figures, the chairpersons of the most powerful standing committees—particularly the Senate Foreign Relations, Appropriations, Judiciary, Finance, Armed Services, and Budget committees, and the House Rules, Appropriations, International Relations, Judiciary, Armed Services, Budget, and Ways and Means committees.

Viewed within the broader context of a *national elite*, congressional leaders appear “folksy,” parochial, and localistic. Because of the local constituency of members of Congress, they are predisposed to concern themselves with local interests. Members of Congress are part of local elite structures “back home”; they retain their local businesses and law practices, club memberships, and religious affiliations. Members of Congress represent many small segments of the nation rather than the nation as a whole. Even top congressional leaders from safe districts, with many years of seniority, cannot completely shed their local interests. Their claim to *national* leadership must be safely hedged by attention to their local constituents. Consider, for example, the parochial backgrounds of the following top congressional leaders. . . .

THE JUDGES

Nine people—none of whom is elected and all of whom serve for life—possess ultimate authority

over all the other institutions of government. The Supreme Court of the United States has the authority to void the acts of popularly elected Presidents and Congresses. There is no appeal from their decision about what is the “supreme law of the land,” except perhaps to undertake the difficult task of amending the Constitution itself. Only the good judgment of the Justices—their sense of “judicial self-restraint”—limits their power. It was the Supreme Court, rather than the President or Congress, that took the lead in important issues such as eliminating segregation from public life, ensuring voter equality in representation, limiting the powers of police, and declaring abortion to be a fundamental right of women.

Social scientists have commented frequently on the class bias of Supreme Court Justices: “White; generally Protestant . . . ; fifty to fifty-five years of age at the time of his appointment; Anglo-Saxon ethnic stock . . . ; high social status; reared in an urban environment; member of a civic-minded, politically active, economically comfortable family; legal training; some type of public office; generally well educated.”²² No blacks had served on the Supreme Court until the appointment of Associate Justice Thurgood Marshall in 1967. No women had served until the appointment of Sandra Day O’Connor in 1981. Of course, social background does not necessarily determine judicial philosophy. But as John R. Schmidhauser observes, “If . . . the Supreme Court is the keeper of the American conscience, it is essentially the conscience of the American upper-middle class sharpened by the imperative of individual social responsibility and political activism, and conditioned by the conservative impact of legal training and professional attitudes and associations.”²³ . . .

THE MILITARY ESTABLISHMENT

In his farewell address to the nation in 1961, President Dwight D. Eisenhower warned of “an immense military establishment and a large arms industry.” He observed: “In the councils of government, we must guard against the acquisition of

unwarranted influence, whether sought or unsought, by the military-industrial complex.”

The phrase *the military-industrial complex* caught on with many commentators over the years. It implied that a giant network of defense contractors—for example, Lockheed Aircraft, General Dynamics, Rockwell, McDonnell Douglas, Boeing, Litton, Hughes Tool, Grumman Aircraft—together with members of Congress in whose districts their plants were located, conspired with the generals in the Pentagon to create a powerful force in governmental and corporate circles. Indeed, radical social commentators held the military-industrial complex responsible for war and “imperialism.”

But whatever the power of defense contractors and the military at the height of the Cold War, their influence today in governing circles is miniscule. Indeed, their goal today is to avoid complete dismantlement. Spending for national defense has declined precipitously from 10 percent of the GNP in the Eisenhower and Kennedy years to less than 3 percent today. Spending on Social Security, Medicare, and welfare, including Medicaid, exceeds 58 percent of the federal budget, compared to 16 percent for national defense.⁴ There are 2 million civilian employees of the federal government, compared to only 1.4 million people in the armed forces. The long-term decline of U.S. defense spending suggests that the American military-industrial complex was *not* a very powerful conspiracy.

It seems clear in retrospect that C. Wright Mills placed too much importance on the military in his work, *The Power Elite*.⁵ Mills was writing in the early 1950s when military prestige was high following victory in World War II. After the war, a few high-level military men were recruited to top corporate positions to add prestige to corporate boards. But this practice ended in the 1960s. The contrast between the political prestige of the military in the post–World War II years and in the post–Vietnam years is striking: The Supreme

Allied Commander in Europe in World War II, Dwight D. Eisenhower, was elected President of the United States; the U.S. Commander in Vietnam, William Westmoreland, was defeated in his bid to become governor of South Carolina! Moreover, in contrast with corporate and governmental elites, military officers do *not* come from the upper or upper-middle class of society. Military officers are more likely to be recruited from lower- and lower-middle-class backgrounds, and more likely to have rural and southern roots than are corporate or governmental elites.⁶

CRITICAL-THINKING QUESTIONS

1. Why does Dye argue that government has far more power today compared to 1900? Why does he include “fat cat” contributors in his definition of political elites?
2. “Politics attracts the best and brightest people.” Would Dye agree with this statement? Do you? In addition, why do lawyers dominate U.S. politics?
3. Consider Congress, the military, and the Supreme Court. According to Dye, which group is the most powerful of all our governing circles? Do you agree with Dye’s analysis? Explain why or why not.

NOTES

1. Alan Ehrenhalt, *The United States of Ambition: Politicians’ Power and Pursuit of Office* (New York: Random House, 1991), p. 22.

2. Henry Abraham, *The Judicial Process* (New York: Oxford University Press, 1962), p. 58.

3. John R. Schmidhauser, *The Supreme Court* (New York: Holt Rinehart and Winston, 1960), p. 59.

4. *Budget of the United States Government 2001* gives this breakdown by function: Social Security: 23.2%; Medicare: 12.0%; Income Security: 14.2%; Medicaid: 9.1%.

5. C. Wright Mills, *The Power Elite* (New York: Oxford, 1956).

6. Morris Janowitz, *The Professional Soldier* (New York: Free Press, 1960), p. 378.