

TWELVE LEADING U.S. POLICY-PLANNING GROUPS

American Enterprise Institute. The American Enterprise Institute (AEI) is often described as the flagship of the conservative think tanks. Founded by ultraconservative business leader Louis H. Brown in 1943 for the purpose of promoting free-market ideas, the American Enterprise Association, as it was first called, spent much of its early life on the far-right fringe of American politics. Following its close association with the ill-fated presidential bid of Goldwater in 1964, the AEI sought to repair its reputation by promoting a broader range of conservative views and seeking greater financial support from the mainstream of the corporate community. The institute grew rapidly in influence during the 1970s, culminating in the 1980s with the appointment of more than thirty AEI scholars and officials to senior posts in the Reagan administration (Peschek, 1987:27). In addition to commissioning studies by resident and affiliated scholars, the AEI operates an elaborate outreach program for disseminating its views on policy issues, including numerous publications, the production of radio and television programs, and the submission of editorial-page articles to newspapers around the nation. As it has edged toward the political center, the AEI has alienated some of its original ultraconservative benefactors, forcing an internal shake-up in 1986 and a reduction in staff from its mid-1980s peak.

Brookings Institution. The reputedly "liberal" counterpart to the AEI is the Brookings Institution. Brookings traces its origins to the Institute for Governmental Research, the first national think tank, set up in 1916 with Rockefeller money. The Brookings Institution itself was the creation of maverick midwestern businessman, Robert S. Brookings, who in 1927 merged the Institute for Governmental Research and the Carnegie-financed Institute of Economics with his own Robert Brookings Graduate School of Economics and Government (Eakins, 1966). During its early years, Brookings combined conservatism on domestic economic issues with internationalism in foreign affairs. Although hostile to the New Deal, Brookings moderated its stance in the early postwar era to become a leading advocate of Keynesian policies. During its heyday in the 1960s and early 1970s, Brookings was renowned for the "revolving door" through which its fellows moved back and forth between the think tank and government office. The break-up of the Keynesian coalition during the economic crisis of 1970s and the right turn in U.S. state policy under Reagan weakened Brookings' influence. In the 1980s Brookings shifted toward a more conservative stance and added a number of prominent neoconservatives to its staff. Nevertheless, it continues to be regarded as part of the "liberal" internationalist wing of the policy-planning establishment.

Business Council. The Business Council (formerly the Business Advisory Council) is reputed to be among the most powerful business associations in the United States, although the secrecy surrounding its activities makes assessment of this claim difficult. The group, which originally functioned as an adjunct to the U.S. Department of Commerce, was founded in 1933, at the depth of the Great Depression, to provide President Roosevelt with corporate advice on policies for economic recovery. The extent of the group's influence over New Deal policy is a matter of debate (McQuaid, 1976, 1982; Burch, 1980). During the mobilization for World War II and thereafter, the council served as an important channel for the recruitment of business leaders into governmental office. Members of the council are present or former chairmen or presidents of corporations, with a heavy representation of officers from the very largest industrial firms. Among the group's most important functions is the sponsorship of regular (usually closed-door) meetings between council members and high government officials. The group severed its formal ties with the Department of Commerce in 1961, changing its name to the Business Council, rather than accede to governmental pressure to include more small businessmen in its ranks and to open its meetings to the press. As an indication of the group's continuing influence over state policy, one 1980 study found that no less than 28 members of the Business (Advisory) Council were

appointed to top posts in the federal government in the post-New Deal era, including five Secretaries of Commerce, five Secretaries of the Treasury, three Secretaries of Defense, and one Secretary of State (Burch, 1980). The Business Council is usually identified with the moderate-conservative, rather than ultraconservative, wing of the corporate establishment.

Business Roundtable. The Business Roundtable originated in 1972 from the merger of three newly formed business associations: the Construction Users Anti-Inflation Roundtable, the Labor Law Study Committee, and the so-called March Group. The formation of the roundtable was sparked by growing apprehension within big business circles over the legislative gains of labor, consumer, and environmental groups and by dissatisfaction with the ineffectiveness of more broadly based business lobbies, such as the National Association of Manufacturers and the Chamber of Commerce. The Business Roundtable does not typically sponsor policy research or long-term planning, but focuses on consensus formation and lobbying on issues of immediate political and economic interest to its members. Membership is limited to the chief executives of approximately 200 U.S. corporations, heavily weighted toward the largest firms in manufacturing and mining. Organized into task forces and supported by a small staff, the roundtable monitors legislation, prepares position papers, and develops strategy for coordinating the lobbying activities of its members. In its first years of operation, the roundtable tallied impressive victories in the areas of anti-trust legislation, consumer protection, and labor law reform, leading *Business Week* (1976:60) to label it as "business' most powerful lobby in Washington."

Chamber of Commerce. Like the Business Roundtable, the U.S. Chamber of Commerce is primarily a consensus building and lobbying organization. This organization was created in 1912 to foster foreign trade and provide a forum for coordinating the diversity of interests within the business community. Membership includes 250,000 local chambers of commerce, trade and professional associations, and individual companies, most of them small in size. Given its extensive grass-roots base, the chamber's greatest source of strength has been its ability to mobilize pressure on Congress. It also engages in extensive public outreach activities in the areas of publishing, broadcasting, and video production. The chamber has been dominated by small and medium-sized firms for most of its history and only recently has big business achieved substantial representation on its board of directors (Burch, 1983:94). Historically, the chamber's politics have been ultraconservative.

Committee for Economic Development. The Committee for Economic Development (CED) was formed by a group of business leaders in 1942 to develop plans for managing the postwar economy. Over the years its membership has grown to approximately 200 corporate executives, together with a handful of university presidents. Members are organized into study groups that deal with specific issues of public policy. With the aid of academic experts, these groups formulate official policy statements that are then disseminated in business, government, and media circles. The CED played a major role in shaping or promoting some of the key economic policies of the early postwar era, including the Marshall Plan, the Bretton Woods agreements, and the Employment Act of 1946 (Collins, 1982). In contrast to the knee-jerk opposition of some business groups to all forms of government economic intervention, the CED has promoted a moderate variant of Keynesianism that favors monetary over fiscal policy, automatic stabilizers over discretionary management, and tax cuts over increases in public spending.

Conference Board. The Conference Board, known until 1970 as the National Industrial Conference Board, is one of the oldest policy-planning groups in the United States. It was founded in 1916 to arrange conferences and conduct research on issues of industrial performance and corporate management. Its meetings bring together senior corporate executives from the United States and beyond to exchange views and shape consensus on key policy issues. Much of

the research sponsored by the Conference Board is directed toward internal corporate policy (management strategies, industrial relations, personnel management, etc.); however, the group also commissions studies on topics of national policy, such as government regulation, anti-trust legislation, taxation, health care, and education. The Conference Board was known for its outspoken ultraconservative views in the 1930s and 1940s, but has since become aligned with the moderate-conservative wing of the business community.

Council on Foreign Relations. The most influential policy-planning group in foreign affairs is the Council on Foreign Relations (CFR) (Domhoff, 1970, 1990). The CFR was founded in 1921 by a small group of Wall Street bankers, lawyers, and academics who were opposed to the revival of isolationism following World War I. The membership has grown to approximately 2,500 and includes financiers, executives, lawyers, journalists, academics, and government officials. The CFR is reputed to be among the most "upper-crust" of the policy-planning groups, with a third or more of its members listed in the exclusive *Social Register* (Domhoff, 1983:86). The CFR promotes dialogue and consensus in foreign affairs through its extensive program of lectures, publications, and discussion groups. The most important component of the CFR program is its sponsorship of confidential study groups on specific topics of foreign policy. These groups bring together businessmen, government officials, and academic experts under the leadership of an individual research fellow who produces a policy statement on the topic in question. Study groups of this type have spearheaded many of the major foreign policy initiatives of the postwar era, including the reconstruction of Germany and Japan, the organization of NATO, the creation of the International Monetary Fund and the World Bank, the framing of the United Nations Charter, the Cold War policy of Soviet "containment," the escalation and subsequent withdrawal from Vietnam, Nixon's rapprochement with China, Carter's "human rights" campaign, and the revival of the Soviet threat prior to and during the Reagan presidency (Shoup and Minter, 1977; Silk and Silk, 1980; Dye, 1986). The influence of the CFR within government is so pervasive, especially within the State Department, that it is sometimes difficult to distinguish government-sponsored planning from autonomous CFR initiatives (Milbraith, 1967). The CFR serves as an important recruitment channel for top governmental appointees in both Republican and Democratic administrations; approximately one-third of its members have held official government posts (Domhoff, 1978:66). Even the Reagan administration, which sought to distance itself from the CFR because of the lingering isolationism of some of its ultraconservative allies, drew upon the CFR for its Secretaries of State, Defense, and Treasury, and Director of the CIA.

Heritage Foundation. The newest and one of the most conservative of the policy-planning groups is the Heritage Foundation. The group was formed in 1973 with initial funding from ultraconservative brewer Joseph Coors and Mellon heir Richard Scaife. The Heritage Foundation sponsors an extensive program of lectures, research, publications, and outreach to the media. Compared with the more established conservative groups, Heritage seeks to project a populist image, hiring large numbers of ideologically committed young conservatives as staff members and raising a third of its \$10 million annual budget from small individual donations. The foundation rose to prominence with the election of Reagan to the White House. Its exhaustive 3,000 page report, *Mandate for Leadership*, provided a blueprint for conservative government that was favorably received by the incoming administration. The foundation was also instrumental in promoting a number of other conservative policies that were subsequently embraced by the Reagan administration, including Star Wars, enterprise zones, and supply-side economics. By the mid-1980s, some observers viewed the Heritage Foundation "the most influential think tank in Washington" (Peschek 1987:31).

Hoover Institution. If the Heritage Foundation is a product of the rise of a New Right, the Hoover Institution is representative of the rebirth of the Old Right. Originally named the Hoover Institution on War, Revolution, and Peace, the institute was founded at Stanford

University in 1919 with a gift from Herbert Hoover "to demonstrate the evils of the doctrines of Karl Marx." Near bankruptcy in the 1960s, Hoover shifted its focus in the 1970s from Cold War anti-communism to a broader range of public policy concerns and by the mid-1980s had amassed a \$40 million endowment, the biggest share coming from corporate contributions (Saloma 1984:20). Ronald Reagan, given his roots in conservative California circles, has had a long and close association with the Hoover Institution. It is perhaps for this reason that Hoover provided an even greater number of top level appointees in the first Reagan administration than either of the other two leading conservative think tanks, the Heritage Foundation and the AEI (Himmelstein, 1990:150)

National Association of Manufacturers. The National Association of Manufacturers (NAM) was formed in 1895 to promote foreign trade; however, the group soon turned to industrial relations as its primary focus. The group spearheaded business opposition to unionism during the early decades of the twentieth century and also provided a platform for business attacks on the New Deal in the 1930s. From its start, NAM has been an organization primarily of small and medium-sized manufacturers. In 1981, 63 percent of its 13,500 member firms employed fewer than 200 people (Levitan and Cooper, 1984:14). Within the top leadership of the association, however, big business interests have played a disproportionate and sometimes dominant role (Burch, 1973). The more active members of the association participate in policy committees that formulate position statements on specific issues of public policy. The group also promotes grass-roots education and political mobilization through numerous publications and newsletters. Increasingly, however, the main focus of NAM activities has been Congressional lobbying. The political outlook of NAM has been extremely conservative throughout its history – even more conservative than the Chamber of Commerce, which it otherwise resembles and with which it considered merging in the mid-1970s. Top officers of NAM were active in the arch-conservative Liberty League in the 1930s and provided the bulk of the corporate leadership of the John Birch Society in the early 1960s (Burch, 1973). Despite recent efforts to moderate its public image, the group's reactionary and obstructionist legacy has hindered its credibility with legislators and weakened its clout as a lobbying organization, resulting in a one-third drop in membership since its peak in the late 1950s.

Trilateral Commission. The Trilateral Commission is another recent addition to the policy-planning network. The group was founded in 1973 by CFR chairman David Rockefeller with the backing of the CFR and the Rockefeller Foundation. The main catalyst for the creation of the Trilateral Commission was President Nixon's unilateral and nationalistic response to the international monetary crisis of the early 1970s and concern over the deteriorating relations between the United States and its principal allies (Gill, 1990). The commission is made up of approximately 300 influential citizens, representing the three main regions of the industrial capitalist world: North American, Western Europe, and Japan. These include corporate executives, government officials, academics, media elites, and a few labor leaders. Members meet periodically to discuss problems in the international economy and to promote greater coordination of economic policy between the three regions. In political terms, the Trilateral Commission is identified with what has been called the "Trader" bloc within the foreign policy establishment, which favors internationalism, free trade, and diplomacy, as opposed to the "Prussian" bloc, which is more nationalistic, protectionist, and militaristic (Klare, 1977). The commission achieved its greatest notoriety during the Carter administration when more than twenty of its members were appointed to top government posts (Shoup, 1980; Burch, 1983:136). The resurgence of military hard-liners and growing economic protectionism during the late 1970s and 1980s led to a decline in the commission's influence.