Introduction

It is often taken for granted, at least where economic objectives are involved, that groups of individuals with common interests usually attempt to further those common interests. Groups of individuals with common interests are expected to act on behalf of their common interests much as single individuals are often expected to act on behalf of their personal interests. This opinion about group behavior is frequently found not only in popular discussions but also in scholarly writings. Many economists of diverse methodological and ideological traditions have implicitly or explicitly accepted it. This view has, for example, been important in many theories of labor unions, in Marxian theories of class action, in concepts of "countervailing power," and in various discussions of economic institutions. It has, in addition, occupied a prominent place in political science, at least in the United States, where the study of pressure groups has been dominated by a celebrated “group theory” based on the idea that groups will act when necessary to further their common or group goals. Finally, it has played a significant role in many well-known sociological studies.

The view that groups act to serve their interests presumably is based upon the assumption that the individuals in groups act out of self-interest. If the individuals in a group altruistically disregarded their personal welfare, it would not be very likely that collectively they would seek some selfish common or group objective. Such altruism, is, however, considered exceptional, and self-interested behavior is usually thought to be the rule, at least when economic issues are at stake; no one is surprised when individual businessmen seek higher profits, when individual workers seek higher wages, or when individual consumers seek lower prices. The idea that groups tend to act in support of their group interests is supposed to follow logically from this widely accepted premise of rational, self-interested behavior. In other words, if the members of some group have a common interest or objective, and if they would all be better off if that objective were achieved, it has been thought to follow logically that the individuals in that group would, if they were rational and self-interested, act to achieve that objective.

But it is not in fact true that the idea that groups will act in their
self-interest follows logically from the premise of rational and self-interested behavior. It does not follow, because all of the individuals in a group would gain if they achieved their group objective, that they would act to achieve that objective, even if they were all rational and self-interested. Indeed, unless the number of individuals in a group is quite small, or unless there is coercion or some other special device to make individuals act in their common interest, rational, self-interested individuals will not act to achieve their common or group interests. In other words, even if all of the individuals in a large group are rational and self-interested, and would gain if, as a group, they acted to achieve their common interest or objective, they will still not voluntarily act to achieve that common or group interest. The notion that groups of individuals will act to achieve their common or group interests, far from being a logical implication of the assumption that the individuals in a group will rationally further their individual interests, is in fact inconsistent with that assumption. This inconsistency will be explained in the following chapter.

If the members of a large group rationally seek to maximize their personal welfare, they will not act to advance their common or group objectives unless there is coercion to force them to do so, or unless some separate incentive, distinct from the achievement of the common or group interest, is offered to the members of the group individually on the condition that they help bear the costs or burdens involved in the achievement of the group objectives. Nor will such large groups form organizations to further their common goals in the absence of the coercion or the separate incentives just mentioned. These points hold true even when there is unanimous agreement in a group about the common good and the methods of achieving it.

The widespread view, common throughout the social sciences, that groups tend to further their interests, is accordingly unjustified, at least when it is based, as it usually is, on the (sometimes implicit) assumption that groups act in their self-interest because individuals do. There is paradoxically the logical possibility that groups composed of either altruistic individuals or irrational individuals may sometimes act in their common or group interests. But, as later, empirical parts of this study will attempt to show, this logical possibility is usually of no practical importance. Thus the customary view that groups of individuals with common interests tend to further those common interests appears to have little if any merit.

None of the statements made above fully applies to small groups, for the situation in small groups is much more complicated. In small groups there may very well be some voluntary action in support of the common purposes of the individuals in the group, but in most cases this action will cease before it reaches the optimal level for the members of the group as a whole. In the sharing of the costs of efforts to achieve a common goal in small groups, there is however a surprising tendency for the “exploitation” of the great by the small.

The proofs of all of the logical statements that have been made above are contained in Chapter I, which develops a logical or theoretical explanation of certain aspects of group and organizational behavior. Chapter II examines the implications of this analysis for groups of different size, and illustrates the conclusion that in many cases small groups are more efficient and viable than large ones. Chapter III considers the implications of the argument for labor unions, and draws the conclusion that some form of compulsory membership is, in most circumstances, indispensable to union survival. The fourth chapter uses the approach developed in this study to examine Marx’s theory of social classes and to analyze the theories of the state developed by some other economists. The fifth analyzes the “group theory” used by many political scientists in the light of the logic elaborated in this study, and argues that that theory as usually understood is logically inconsistent. The final chapter develops a new theory of pressure groups which is consistent with the logical relationships outlined in the first chapter, and which suggests that the membership and power of large pressure-group organizations does not derive from their lobbying achievements, but is rather a by-product of their other activities.

Though I am an economist, and the tools of analysis used in this book are drawn from economic theory, the conclusions of the study are as relevant to the sociologist and the political scientist as they are to the economist. I have, therefore, avoided using the diagrammatic-mathematical language of economics whenever feasible. Unfortunately, many noneconomists will find one or two brief parts of the first chapter expressed in an obscure and ungenial way, but all of the rest of the book should be perfectly clear, whatever the reader’s disciplinary background.
I

A Theory of Groups and Organizations

A. THE PURPOSE OF ORGANIZATION

Since most (though by no means all) of the action taken by or on behalf of groups of individuals is taken through organizations, it will be helpful to consider organizations in a general or theoretical way. The logical place to begin any systematic study of organizations is with their purpose. But there are all types and shapes and sizes of organizations, even of economic organizations, and there is then some question whether there is any single purpose that would be characteristic of organizations generally. One purpose that is nonetheless characteristic of most organizations, and surely of practically all organizations with an important economic aspect, is the furtherance of the interests of their members. That would seem obvious, at least from the economist's perspective. To be sure, some organizations may out of ignorance fail to further their members' interests, and others may be enticed into serving only the ends of the leadership.


But organizations often perish if they do nothing to further the interests of their members, and this factor must severely limit the number of organizations that fail to serve their members.

The idea that organizations or associations exist to further the interests of their members is hardly novel, nor peculiar to economics; it goes back at least to Aristotle, who wrote, "Men journey together with a view to particular advantage, and by way of providing some particular thing needed for the purposes of life, and similarly the political association seems to have come together originally, and to continue in existence, for the sake of the general advantages it brings." More recently Professor Leon Festinger, a social psychologist, pointed out that "the attraction of group membership is not so much in sheer belonging, but rather in attaining something by means of this membership." The late Harold Laski, a political scientist, took it for granted that "associations exist to fulfill purposes which a group of men have in common." The kinds of organizations that are the focus of this study are expected to further the interests of their members. Labor unions are expected to strive for higher wages and better working conditions for their members; farm organizations are expected to strive for favorable legislation for their members; cartels are expected to strive for higher prices for participating firms; the corporation is expected to further the interests of its stockholders; and the state is expected to further the common interests of its citizens (though in this nationalistic age the state often has interests and ambitions apart from those of its citizens).

Notice that the interests that all of these diverse types of organizations are expected to further are for the most part common interests: the union members' common interest in higher wages, the farmers' common interest in favorable legislation, the cartel members' common interest in higher prices, the stockholders' common interest in higher dividends and stock prices, the citizens' common interest in good government. It is not an accident that the diverse types of organizations listed are all supposed to work primarily for the common interests of their members. Purely personal or individual interests can be advanced, and usually advanced most efficiently, by individual, unorganized action. There is obviously no purpose in having an organization when individual, unorganized action can serve the interests of the individual as well as or better than an organization; there would, for example, be no point in forming an organization simply to play solitaire. But when a number of individuals have a common or collective interest—when they share a single purpose or objective—individual, unorganized action (as we shall soon see) will either not be able to advance that common interest at all, or will not be able to advance that interest adequately. Organizations can therefore perform a function when there are common or group interests, and though organizations often also serve purely personal, individual interests, their characteristic and primary function is to advance the common interests of groups of individuals.

The assumption that organizations typically exist to further the common interests of groups of people is implicit in most of the literature about organizations, and two of the writers already cited make this assumption explicit: Harold Laski emphasized that organizations exist to achieve purposes or interests which "a group of men have in common," and Aristotle apparently had a similar notion in mind when he argued that political associations are created and maintained because of the "general advantages" they bring. R. M. usage instead, and to distinguish the members of, say, a union from the employees of that union. Similarly, the members of the union will be considered employees of the corporation for which they work, whereas the members of the corporation are the common stockholders.
MacIver also made this point explicitly when he said that "every organization presupposes an interest which its members all share." 8

Even when unorganized groups are discussed, at least in treatments of "pressure groups" and "group theory," the word "group" is used in such a way that it means "a number of individuals with a common interest." It would of course be reasonable to label even a number of people selected at random (and thus without any common interest or unifying characteristic) as a "group"; but most discussions of group behavior seem to deal mainly with groups that do have common interests. As Arthur Bentley, the founder of the "group theory" of modern political science, put it, "there is no group without its interest." 9 The social psychologist Raymond Cattell was equally explicit, and stated that "every group has its interest." 10 This is also the way the word "group" will be used here.

Just as those who belong to an organization or a group can be presumed to have a common interest, 11 so they obviously also have purely individual interests, different from those of the others in the organization or group. All of the members of a labor union, for example, have a common interest in higher wages, but at the same time each worker has a unique interest in his personal income, which depends not only on the rate of wages but also on the length of time that he works.


11. Any organization or group will of course usually be divided into subgroups or factions that are opposed to one another. This fact does not weaken the assumption made here that organizations exist to serve the common interests of members, for the assumption does not imply that intragroup conflict is neglected. The opposing groups within an organization ordinarily have some interest in common (if not, why would they maintain the organization?), and the members of any subgroup or faction also have a separate common interest of their own. They will indeed often have a common purpose in defeating some other subgroup or faction. The approach used here does not neglect the conflict within groups and organizations, but, because it considers each organization as a unit only to the extent that it serves a common interest, and considers the various subgroups as the relevant units with common interests to analyze the factional strife.

B. Public Goods and Large Groups

The combination of individual interests and common interests in an organization suggests an analogy with a competitive market. The firms in a perfectly competitive industry, for example, have a common interest in a higher price for the industry's product. Since a uniform price must prevail in such a market, a firm cannot expect a higher price for itself unless all of the other firms in the industry also have this higher price. But a firm in a competitive market also has an interest in selling as much as it can, until the cost of producing another unit exceeds the price of that unit. In this there is no common interest; each firm's interest is directly opposed to that of every other firm, for the more other firms sell, the lower the price and income for any given firm. In short, while all firms have a common interest in a higher price, they have antagonistic interests where output is concerned. This can be illustrated with a simple supply-and-demand model. For the sake of a simple argument, assume that a perfectly competitive industry is momentarily in a disequilibrium position, with price exceeding marginal cost for all firms at their present output. Suppose, too, that all of the adjustments will be made by the firms already in the industry rather than by new entrants, and that the industry is on an inelastic portion of its demand curve. Since price exceeds marginal cost for all firms, output will increase. But as all firms increase production, the price falls; indeed, since the industry demand curve is by assumption inelastic, the total revenue of the industry will decline. Apparently each firm finds that with price exceeding marginal cost, it pays to increase its output, but the result is that each firm gets a smaller profit. Some economists in an earlier day may have questioned this result, 12 but the fact that profit-maximizing firms in a perfectly competitive industry can act contrary to their interests as a group is now widely understood and accepted. 13 A group of profit-maximizing firms can act to reduce their aggregate profits because in perfect competition each firm is, by definition, so small that it can ignore the effect of its output on price. Each firm finds it to its advantage to increase output to the point where mar-


The Logic of Collective Action

ginal cost equals price and to ignore the effects of its extra output on the position of the industry. It is true that the net result is that all firms are worse off, but this does not mean that every firm has not maximized its profits. If a firm, foreseeing the fall in price resulting from the increase in industry output, were to restrict its own output, it would lose more than ever, for its price would fall quite as much in any case and it would have a smaller output as well. A firm in a perfectly competitive market gets only a small part of the benefit (or a small share of the industry's extra revenue) resulting from a reduction in that firm's output.

For these reasons it is now generally understood that if the firms in an industry are maximizing profits, the profits for the industry as a whole will be less than they might otherwise be. And almost everyone would agree that this theoretical conclusion fits the facts for markets characterized by pure competition. The important point is that this is true because, though all the firms have a common interest in a higher price for the industry's product, it is in the interest of each firm that the other firms pay the cost—in terms of the necessary reduction in output—needed to obtain a higher price.

About the only thing that keeps prices from falling in accordance with the process just described in perfectly competitive markets is outside intervention. Government price supports, tariffs, cartel agreements, and the like may keep the firms in a competitive market from acting contrary to their interests. Such aid or intervention is quite common. It is then important to ask how it comes about. How does a competitive industry obtain government assistance in maintaining the price of its product?

Consider a hypothetical, competitive industry, and suppose that most of the producers in that industry desire a tariff, a price-support program, or some other government intervention to increase the price for their product. To obtain any such assistance from the government, the producers in this industry will presumably have to organize a lobbying organization; they will have to become an active pressure group. This lobbying organization may have to conduct a con-

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siderable campaign. If significant resistance is encountered, a great amount of money will be required. Public relations experts will be needed to influence the newspapers, and some advertising may be necessary. Professional organizers will probably be needed to organize "spontaneous grass roots" meetings among the distressed producers in the industry, and to get those in the industry to write letters to their congressmen. The campaign for the government assistance will take the time of some of the producers in the industry, as well as their money.

There is a striking parallel between the problem the perfectly competitive industry faces as it strives to obtain government assistance, and the problem it faces in the marketplace when the firms increase output and bring about a fall in price. Just as it was not rational for a particular producer to restrict his output in order that there might be a higher price for the product of his industry, so it would not be rational for him to sacrifice his time and money to support a lobbying organization to obtain government assistance for the industry. In neither case would it be in the interest of the individual producer to assume any of the costs himself. A lobbying organization, or indeed a labor union or any other organization, working in the interest of a large group of firms or workers in some industry, would get no assistance from the rational, self-interested individuals in that industry. This would be true even if everyone in the industry were absolutely convinced that the proposed program was in their interest (though in fact some might think otherwise and make the organization's task yet more difficult).

Although the lobbying organization is only one example of the logical analogy between the organization and the market, it is of


15. Robert Michels contends in his classic study that "democracy is inconceivable without organization," and that "the principle of organization is an absolutely essential condition for the political struggle of the masses." See his Political Parties.
some practical importance. There are many powerful and well-
financed lobbies with mass support in existence now, but these lobby-
ing organizations do not get that support because of their legislative
achievements. The most powerful lobbying organizations now obtain
their funds and their following for other reasons, as later parts of this
study will show.

Some critics may argue that the rational person will, indeed,
support a large organization, like a lobbying organization, that works
in his interest, because he knows that if he does not, others will not
do so either, and then the organization will fail, and he will be
without the benefit that the organization could have provided. This
argument shows the need for the analogy with the perfectly competi-
tive market. For it would be quite as reasonable to argue that prices
will never fall below the levels a monopoly would have charged in
a perfectly competitive market, because if one firm increased its out-
put, other firms would also, and the price would fall; but each firm
could foresee this, so it would not start a chain of price-destroying
increases in output. In fact, it does not work out this way in a
competitive market; nor in a large organization. When the number
of firms involved is large, no one will notice the effect on price if
one firm increases its output, and so no one will change his plans
because of it. Similarly, in a large organization, the loss of one dues
payer will not noticeably increase the burden for any other one
dues payer, and so a rational person would not believe that if he
were to withdraw from an organization he would drive others to
do so.

The foregoing argument must at least have some relevance to
economic organizations that are mainly means through which indi-
viduals attempt to obtain the same things they obtain through their
activities in the market. Labor unions, for example, are organizations
through which workers strive to get the same things they get with
their individual efforts in the market—higher wages, better working
conditions, and the like. It would be strange indeed if the workers
did not confront some of the same problems in the union that they
meet in the market, since their efforts in both places have some of the
same purposes.

However similar the purposes may be, critics may object that atti-
dudes in organizations are not at all like those in markets. In organi-
izations, an emotional or ideological element is often also involved.
Does this make the argument offered here practically irrelevant?

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A most important type of organization—the national state—will
serve to test this objection. Patriotism is probably the strongest non-
economic motive for organizational allegiance in modern times. This
age is sometimes called the age of nationalism. Many nations draw
additional strength and unity from some powerful ideology, such as
democracy or communism, as well as from a common religion, lan-
guage, or cultural inheritance. The state not only has many such
powerful sources of support; it also is very important economically.
Almost any government is economically beneficial to its citizens, in
that the law and order it provides is a prerequisite of all civilized
economic activity. But despite the force of patriotism, the appeal of
the national ideology, the bond of a common culture, and the in-
dispensability of the system of law and order, no major state in
modern history has been able to support itself through voluntary
dues or contributions. Philanthropic contributions are not even a
significant source of revenue for most countries. Taxes, compulsory
payments by definition, are needed. Indeed, as the old saying indi-
cates, their necessity is as certain as death itself.

If the state, with all of the emotional resources at its command,
cannot finance its most basic and vital activities without resort to
compulsion, it would seem that large private organizations might
also have difficulty in getting the individuals in the groups whose
interests they attempt to advance to make the necessary contributions
voluntarily.

The reason the state cannot survive on voluntary dues or payments,

19. Sociologists as well as economists have observed that ideological motives alone
are not sufficient to bring forth the continuing effort of large masses of people. Max
Weber provides a notable example:

"All economic activity in a market economy is undertaken and carried through
by individuals for their own ideal or material interests. This is naturally just as true
when economic activity is oriented to the patterns of order of corporate groups . . .

"Even if an economic system were organized on a socialistic basis, there would be
no fundamental difference in this respect . . . The structure of interests and the
relevant situation might change; there would be other means of pursuing interests,
but this fundamental factor would remain just as relevant as before. It is of course
ture that economic action which is oriented on purely ideological grounds to the
interest of others does exist. But it is even more certain that the mass of men do not
act in this way, and it is an induction from experience that they cannot do so and
never will . . .

"In a market economy the interest in the maximization of income is necessarily
the driving force of all economic activity." (Weber, pp. 319–320.)

Talcott Parsons and Neil Smelser go even further in postulating that "performance"
throughout society is proportional to the "rewards" and "sanctions" involved. See
their Economy and Society (Glencoe, Ill.: Free Press, 1954), pp. 50–69.
but must rely on taxation, is that the most fundamental services a nation-state provides are, in one important respect, like the higher price in a competitive market: they must be available to everyone if they are available to anyone. The basic and most elementary goods or services provided by government, like defense and police protection, and the system of law and order generally, are such that they go to everyone or practically everyone in the nation. It would obviously not be feasible, if indeed it were possible, to deny the protection provided by the military services, the police, and the courts to those who did not voluntarily pay their share of the costs of government, and taxation is accordingly necessary. The common or collective benefits provided by governments are usually called "public goods" by economists, and the concept of public goods is one of the oldest and most important ideas in the study of public finance. A common, collective, or public good is here defined as any good such that, if any person \( X_1 \) in a group \( X_1, \ldots, X_n \) consumes it, it cannot feasibly be withheld from the others in that group.\(^{21}\) In

20. See, however, section E of this chapter, on "exclusive" and "inclusive" groups.
21. This simple definition focuses upon two points that are important in the present context. The first point is that most collective goods can only be defined with respect to some specific group. One collective good goes to one group of people, another collective good to another group; one may benefit the whole world, another only two specific people. Moreover, some goods are collective goods to those in one group and at the same time private goods to those in another, because some individuals can be kept from consuming them and others can't. Take for example the parade that is a collective good to all those who live in tall buildings overlooking the parade route, but which appears to be a private good to those who can see it only by buying tickets for a seat in the stands along the way. The second point is that once the relevant group has been defined, the definition used here, like Musgrave's, distinguishes collective good in terms of infeasibility of excluding potential consumers of the good. This approach is used because collective goods produced by governments seem to be such that exclusion is normally not feasible. To be sure, for some collective goods it is physically possible to practice exclusion. But, as Head has shown, it is not necessary that exclusion be technically impossible; it is only necessary that it be infeasible or uneconomic. Head has also shown most clearly that nonexcludability is only one of two basic elements in the traditional understanding of public goods. The other, he points out, is "jointness of supply." A good has "jointness" if making it available to one individual means that it can be easily or freely supplied to others as well. The polar case of jointness would be Samuelson's pure public good, which is a good such that additional consumption of it by one individual does not diminish the amount available to others. By the definition used here, jointness is not a necessary attribute of a public good. As later parts of this chapter will show, at least one type of collective good considered here exhibits no jointness whatever, and few if any would have the degree of jointness needed to qualify as pure public goods. Nonetheless, most of the collective goods to be studied here do display a large measure of jointness. On the definition and importance of public goods, see John G. Head, "Public Goods and Public Policy," Public Finance, vol. XVII, no. 3 (1962), 197-219; Richard Musgrave, The Theory of Public Finance (New York: McGraw-Hill, 1959); Paul A. Samuelson, "The Pure Theory of Public Expenditure," "Diagrammatic exposition of A Theory of Public Expenditure," and "Aspects of Public Expenditure Theories," in Review of Economics and Statistics, XXXVI (November 1954), 387-390, XXXVII (November 1955), 350-356, and XL (November 1958), 332-338. For somewhat different opinions about the usefulness of the concept of public goods, see Julius Margolis, "A Comment on the Pure Theory of Public Expenditure," Review of Economics and Statistics, XXXVII (November 1955), 347-349, and Gerhard Colm, "Theory of Public Expenditures," Annals of the American Academy of Political and Social Science, CLXXXIII (January 1936), 1-11.

22. There is no necessity that a public good to one group in a society is necessarily in the interest of the society as a whole. Just as a tariff could be a public good to the industry that sought it, so the removal of the tariff could be a public good to those who consumed the industry's product. This is equally true when the public-good concept is applied only to governments; for a military expenditure, or a tariff, or an immigration restriction that is a public good to one country could be a "public bad" to another country, and harmful to world society as a whole.

23. R. M. MacIver in Encyclopaedia of the Social Sciences, VII, 147.
or some attraction distinct from the public good itself, that will lead individuals to help bear the burdens of maintaining the organization. The individual member of the typical large organization is in a position analogous to that of the firm in a perfectly competitive market, or the taxpayer in the state: his own efforts will not have a noticeable effect on the situation of his organization, and he can enjoy any improvements brought about by others whether or not he has worked in support of his organization.

There is no suggestion here that states or other organizations provide only public or collective goods. Governments often provide noncollective goods like electric power, for example, and they usually sell such goods on the market much as private firms would do. Moreover, as later parts of this study will argue, large organizations that are not able to make membership compulsory must also provide some noncollective goods in order to give potential members an incentive to join. Still, collective goods are the characteristic organizational goods, for ordinary noncollective goods can always be provided by individual action, and only where common purposes or collective goods are concerned is organization or group action ever indispensable.  

C. THE TRADITIONAL THEORY OF GROUPS

There is a traditional theory of group behavior that implicitly assumes that private groups and associations operate according to principles entirely different from those that govern the relationships among firms in the marketplace or between taxpayers and the state. This "group theory" appears to be one of the principal concerns of many political scientists in the United States, as well as a major preoccupation of many sociologists and social psychologists. This traditional theory of groups, like most other theories, has been developed by different writers with varying views, and there is accordingly an inevitable injustice in any attempt to give a common treatment to these different views. Still, the various exponents of the traditional understanding of groups do have a common relationship to the approach developed in the present study. It is therefore appropriate to speak here in a loose way of a single traditional theory, provided that a distinction is drawn between the two basic variants of this theory: the casual variant and the formal variant.

In its most casual form, the traditional view is that private organizations and groups are ubiquitous, and that this ubiquity is due to a fundamental human propensity to form and join associations. As the famous Italian political philosopher Gaetano Mosca puts it, men have an "instinct" for "herding together and fighting with other herds." This "instinct" also "underlies the formation of all the divisions and subdivisions . . . that arise within a given society and occasion moral and, sometimes, physical conflicts." 26 Aristotle may have had some similar gregarious faculty in mind when he said that man was by nature a political animal. 27 The ubiquitous and inevitable character of group affiliation was emphasized in Germany by Georg Simmel, in one of the classics of sociological literature, 28 and in America by Arthur Bentley, in one of the best-known works on political science. 29 This universal joining tendency or propensity is often thought to have reached its highest intensity in the United States. 30

The formal variant of the traditional view also emphasizes the universality of groups, but does not begin with any "instinct" or "tendency" to join groups. Instead it attempts to explain the associations and group affiliations of the present day as an aspect of the evolution of modern, industrial societies out of the "primitive" societies that preceded them. It begins with the fact that "primary groups"—groups so small that each of the members has face-to-face

27. Politics 1:2.9.1253a. Many others have also emphasized the human propensity towards groups; see Coyle, Social Process in Organized Groups; Robert Lowie, Social Organization (New York: Rinehart & Co., 1948); Truman, especially pp. 14–43.
31. Charles H. Cooley, Social Organization (New York: Charles Scribner's Sons,
relationships with the others—like family and kinship groups are predominant in primitive societies. As Talcott Parsons contends, "it is well-known that in many primitive societies there is a sense in which kinship 'dominates' the social structure; there are few concrete structures in which participation is independent of kinship status." Only small family or kinship type units represent the interests of the individual. R. M. MacIver describes it this way in the Encyclopaedia of the Social Sciences: "Under more simple conditions of society the social expression of interests was mainly through caste or class groups, age groups, kin groups, neighborhood groups, and other unorganized or loosely organized solidarities." Under "primitive" conditions the small, family-type units account for all or almost all human "interaction."

But, these social theorists contend, as society develops, there is structural differentiation: new associations emerge to take on some of the functions that the family had previously undertaken. "As the social functions performed by the family institution in our society have declined, some of these secondary groups, such as labor unions, have achieved a rate of interaction that equals or surpasses that of certain of the primary groups." In Parsons' words, "It is clear that in the more 'advanced' societies a far greater part is played by non-kinship structures like states, churches, the larger business firms, universities and professional societies ... The process by which non-kinship units become of prime importance in the social structure inevitably entails 'loss of function' on the part of some or even all of the kinship units." If this is true, and if, as MacIver claims, "the most marked structural distinction between a primitive society and a civilized society is the paucity of specific associations in the one

and their multiplicity in the other," then it would seem that the large association in the modern society is in some sense an equivalent of the small group in the primitive society, and that the large, modern association and the small, primitive group must be explained in terms of the same fundamental source or cause.

What then is the fundamental source which accounts alike for the small primary groups in primitive societies and the large voluntary association of modern times? This the advocates of the formal variant of the theory have left implicit and unclear. It could be the supposed "instinct" or "tendency" to form and join associations, which is the hallmark of the casual variant of the traditional view; this predication for forming and joining groups would then manifest itself in small family and kinship groups in primitive societies and in large voluntary associations in modern societies. This interpretation would however probably be unfair to many of the theorists who subscribe to the formal variant of the traditional theory, for many of them doubtless would not subscribe to any theory of "instincts" or "propensities." They are no doubt aware that no explanation whatever is offered when the membership of associations or groups is said to be due to an "instinct" to belong; this merely adds a word, not an explanation. Any human action can be ascribed to an instinct or propensity for that kind of action, but this adds nothing to our knowledge. If instincts or propensities to join groups are ruled out as meaningless, what then could be the source of the ubiquitous groups and associations, large and small, posited by the traditional theory? Probably some of the traditional theorists were thinking in "functional" terms—that is of the functions that groups or associations of different types and sizes can perform. In primitive societies small primary groups prevailed because they were best suited (or at

33. MacIver in Encyclopaedia of the Social Sciences, VII, 144-148, esp. 147. See also Truman, p. 25.
37. For a different interpretation of the voluntary association see Oliver Garceau, The Political Life of the American Medical Association (Cambridge, Mass.: Harvard University Press, 1941), p. 3: "With the advent of political intervention and control, particularly in the economy, it became evident that the formation of policy could not be confined to ballot or legislature. To fill the gap the voluntary group was resorted to, not only by the individual who felt himself alone, but by the government which felt itself ignorant."
least sufficient) to perform certain functions for the people of these societies; in modern societies, by contrast, large associations are supposed to predominate because in modern conditions they alone are capable of performing (or are better able to perform) certain useful functions for the people of these societies. The large voluntary association, for example, could then be explained by the fact that it performed a function—that is, satisfied a demand, furthered an interest, or met a need—for some large number of people that small groups could not perform (or perform so well) in modern circumstances. This demand or interest provides an incentive for the formation and maintenance of the voluntary association.

It is characteristic of the traditional theory in all its forms that it assumes participation in voluntary associations is virtually universal, and that small groups and large organizations tend to attract members for the same reasons. The casual variant of the theory assumed a propensity to belong to groups without drawing any distinctions between groups of different size. Though the more sophisticated variant may be credited with drawing a distinction between those functions that can best be served by small groups and those that can best be served by large associations, it nonetheless assumes that, when there is a need for a large association, a large association will tend to emerge and attract members, just as a small group will when there is a need for a small group. Thus in so far as the traditional theory draws any distinction at all between small and large groups, it is apparently with respect to the scale of the functions they perform, not the extent they succeed in performing these functions or their capacity to attract members. It assumes that small and large groups differ in degree, but not in kind.

But is this true? Is it really the case that small, primary groups and large associations attract members in the same way, that they are about equally effective in performing their functions, or that they differ only in size but not in their basic character? This traditional theory is called into question by the empirical research which shows that the average person does not in fact typically belong to large voluntary associations and that the allegation that the typical American is a "joiner" is largely a myth. It is therefore worth asking if it is really true that there is no relation between the size of a group and its coherence, or effectiveness, or appeal to potential members; and whether there is any relation between the size of a group and the individual incentives to contribute toward the achievement of group goals. These are questions which must be answered before the traditional theory of groups can be properly assessed. What needs to be known, in the words of the German sociologist Georg Simmel, is "the bearing which the number of sociated individuals has upon the form of social life." 88

One obstacle, it would seem, to any argument that large and small groups operate according to fundamentally different principles, is the fact, emphasized earlier, that any group or organization, large or small, works for some collective benefit that by its very nature will benefit all of the members of the group in question. Though all of the members of the group therefore have a common interest in obtaining this collective benefit, they have no common interest in paying the cost of providing that collective good. Each would prefer that the others pay the entire cost, and ordinarily would get any benefit provided whether he had borne part of the cost or not. If this is a fundamental characteristic of all groups or organizations with an economic purpose, it would seem unlikely that large organizations would be much different from small ones, and unlikely that there is any more reason that a collective service would be provided for a small group than a large one. Still, one cannot help but feel intuitively that sufficiently small groups would sometimes provide themselves with public goods.

This question cannot be answered satisfactorily without a study of the costs and benefits of alternative courses of action open to individuals in groups of different sizes. The next section of this chapter contains such a study. The nature of this question is such that some of the tools of economic analysis must be used. The following section contains a small amount of mathematics which, though extremely rudimentary, might naturally still be unclear to readers who have never studied that subject. Some points in the following section,

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moreover, refer to oligopolistic groups in the marketplace, and the
references to oligopoly may interest only the economist. Accordingly,
some of the highlights of the following section are explained in an
intuitively plausible, though loose and imprecise, way in the “non-
technical summary” of section D, for the convenience of those who
might wish to skip the bulk of the following section.

D. SMALL GROUPS

The difficulty of analyzing the relationship between group size
and the behavior of the individual in the group is due partly to the
fact that each individual in a group may place a different value upon
the collective good wanted by his group. Each group wanting a
collective good, moreover, faces a different cost function. One thing
that will hold true in every case, however, is that the total cost
function will be rising, for collective goods are surely like non-
collective goods in that the more of the good taken, the higher total
costs will be. It will, no doubt, also be true in virtually all cases that
there will be significant initial or fixed costs. Sometimes a group must
set up a formal organization before it can obtain a collective good,
and the cost of establishing an organization entails that the first unit
of a collective good obtained will be relatively expensive. And even
when no organization or coordination is required, the lumpiness or
other technical characteristics of the public goods themselves will
ensure that the first unit of a collective good will be disproportionately
expensive. Any organization will surely also find that as its
demands increase beyond a certain point, and come to be regarded as
“excessive,” the resistance and the cost of additional units of the
collective good rise disproportionately. In short, cost \( C \) will be a
function of the rate of level \( T \) at which the collective good is
obtained \( (C = f(T)) \), and the average cost curves will have the
conventional U shape.

One point is immediately evident. If there is some quantity of a
collective good that can be obtained at a cost sufficiently low in relation
to its benefit that some one person in the relevant group would
profit from providing that good all by himself, then there is some
presumption that the collective good will be provided. The total
gain would then be so large in relation to the total cost that some
one individual’s share would exceed the total cost.

An individual will get some share of the total gain to the group,
a share that depends upon the number in the group and upon how
much the individual will benefit from that good in relation to the
others in the group. The total gain to the group will depend upon
the rate or level at which the collective good is obtained \( (T) \), and
the “size” of the group \( (S) \), which depends not only upon the
number of individuals in the group, but also on the value of a unit
of the collective good to each individual in the group. This could be
illustrated most simply by considering a group of property owners
lobbying for a property tax rebate. The total gain to the group would
depend upon the “size” \( (S) \) of the group, that is, the total assessed
valuation of all the group property, and the rate or level \( (T) \) of tax
rebate per dollar of assessed valuation of property. The gain to an
individual member of the group would depend upon the “fraction”
\( (F_i) \) of the group gain he got.

The group gain \( (S \cdot T) \) could also be called \( V_{gr} \), for “value” to
the group, and the gain to the individual \( V_i \), for “value” to the
individual. The “fraction” \( (F_i) \) would then equal \( V_i/V_{gr} \), and the gain
to the individual would be \( F_i S \cdot T \). The advantage \( (A_i) \) that any
individual \( i \) would get from obtaining any amount of the collective
or group good would be the gain to the individual \( (V_i) \) minus the
cost \( (C) \).

What a group does will depend on what the individuals in that
group do, and what the individuals do depends on the relative advan-
tages to them of alternative courses of action. So the first thing to
do, now that the relevant variables have been isolated, is to consider
the individual gain or loss from buying different amounts of the
collective good. This will depend on the way the advantage to the
individual \( (A_i = V_i - C) \) changes with changes in \( T \), that is, on
\[
\frac{dA_i}{dT} = \frac{dV_i}{dT} - \frac{dC}{dT}.
\]

For a maximum, \( dA_i/dT = 0 \). Since \( V_i = F_i S \cdot T \), and \( F_i \) and \( S \)
are, for now, assumed constant, \( F_i S \cdot T \),
\[
\frac{d(F_i S \cdot T)}{dT} - \frac{dC}{dT} = 0
\]
\[
F_i S \cdot T - \frac{dC}{dT} = 0.
\]

\[40\] The second-order conditions for a maximum must also be satisfied; that is, \( d^2A_i/dT^2 < 0 \).

\[41\] In cases where \( F_i \) and \( S \) are not constant, the maximum is given when
\[
\frac{d(F_i S \cdot T)}{dT} - \frac{dC}{dT} = 0
\]
\[
F_i S \cdot T + F_i T (\frac{dS}{dT} + S \cdot T(\frac{dF_i}{dT}) - \frac{dC}{dT} = 0.
\]
VI

The “By-Product” and “Special Interest” Theories

A. THE “BY-PRODUCT” THEORY OF LARGE PRESSURE GROUPS

If the individuals in a large group have no incentive to organize a lobby to obtain a collective benefit, how can the fact that some large groups are organized be explained? Though many groups with common interests, like the consumers, the white-collar workers, and the migrant agricultural workers, are not organized, other large groups, like the union laborers, the farmers, and the doctors have at least some degree of organization. The fact that there are many groups which, despite their needs, are not organized would seem to contradict the “group theory” of the analytical pluralists; but on the other hand the fact that other large groups have been organized would seem to contradict the theory of “latent groups” offered in this study.

But the large economic groups that are organized do have one common characteristic which distinguishes them from those large economic groups that are not, and which at the same time tends to support the theory of latent groups offered in this work. This common characteristic will, however, require an elaboration or addition to the theory of groups developed in this study.

The common characteristic which distinguishes all of the large economic groups with significant lobbying organizations is that these groups are also organized for some other purpose. The large and powerful economic lobbies are in fact the by-products of organizations that obtain their strength and support because they perform some function in addition to lobbying for collective goods.

1. “When lists of these organizations are examined, the fact that strikes the student most forcibly is that the system is very small. The range of organized, identifiable, known groups is amazingly narrow; there is nothing remotely universal about it.” E. E. Schattschneider, The Semi-Sovereign People (New York: Holt, Rinehart & Winston, 1960), p. 30.

The lobbies of the large economic groups are the by-products of organizations that have the capacity to “mobilize” a latent group with “selective incentives.” The only organizations that have the “selective incentives” available are those that (1) have the authority and capacity to be coercive, or (2) have a source of positive inducements that they can offer the individuals in a latent group.

A purely political organization—an organization that has no function apart from its lobbying function—obviously cannot legally coerce individuals into becoming members. A political party, or any purely political organization, with a captive or compulsory membership would be quite unusual in a democratic political system. But if for some nonpolitical reason, if because of some other function it performs, an organization has a justification for having a compulsory membership, or if through this other function it has obtained the power needed to make membership in it compulsory, that organization may then be able to get the resources needed to support a lobby. The lobby is then a by-product of whatever function this organization performs that enables it to have a captive membership.

An organization that did nothing except lobby to obtain a collective good for some large group would not have a source of rewards or positive selective incentives it could offer potential members. Only an organization that also sold private or noncollective products, or provided social or recreational benefits to individual members, would have a source of these positive inducements. Only such an organiza-

2. An economic organization in a perfectly competitive market in equilibrium, which had no special competitive advantage that could bring it a large amount of “rent,” would have no “profits” or other spare resources it could use as selective incentives for a lobby. Nonetheless there are many organizations that do have spare returns they can use for selective incentives. First, markets with some degree of monopoly power are far more common than perfectly competitive markets. Second, there are sometimes important complementaries between the economic and political activities of an organization. The political branch of the organization can win lower taxes or other favorable government policies for the economic branch, and the good name won by the political branch may also help the economic branch. For somewhat similar reasons, a social organization may also be a source of a surplus that can be used for selective incentives.

An organization that is not only political, but economic or social as well, and has a surplus that provides selective incentives, may be able to retain its membership and political power, in certain cases, even if its leadership manages to use some of the political or economic power of the organization for objectives other than those desired by the membership, since the members of the organization will have an incentive to continue belonging even if they disagree with the organization’s policy. This may help explain why many lobbying organizations take positions that must be uncongenial to
tion could make a joint offering or “tied sale” of a collective and a noncollective good that could stimulate a rational individual in a large group to bear part of the cost of obtaining a collective good. There are for this reason many organizations that have both lobbying functions and economic functions, or lobbying functions and social functions, or even all three of these types of functions at once. Therefore, in addition to the large group lobbies that depend on coercion, there are those that are associated with organizations that provide noncollective or private benefits which can be offered to any potential supporter who will bear his share of the cost of the lobbying for the collective good.

The by-product theory of pressure groups need apply only to the large or latent group. It need not apply to the privileged or intermediate groups, because these smaller groups can often provide a lobby, or any other collective benefit, without any selective incentives, as Chapter 1 showed. It applies to latent groups because the individual in a latent group has no incentive voluntarily to sacrifice his time or money to help an organization obtain a collective good; he alone cannot be decisive in determining whether or not this collective good will be obtained, but if it is obtained because of the efforts of others he will inevitably be able to enjoy it in any case. Thus he would support the organization with a lobby working for collective goods only if (1) he is coerced into paying dues to the lobbying organization, or (2) he has to support this group in order to obtain some other noncollective benefit. Only if one or both of these conditions hold will the potential political power of a latent group be mobilized.

B. Labor Lobbies

The labor union is probably the most important single type of pressure-group organization and accordingly deserves first place in any discussion of large lobbying organizations. Though the opponents of the labor unions are exaggerating when they claim that the Democratic candidates in industrial states are merely puppets of labor leaders, it is quite clear that the Democrats in these states are normally very friendly to labor, and that the Republicans usually treat the labor unions as the major source of enemy strength. The membership of the AFL-CIO is several times larger than the membership of any other lobbying organization. The labor unions have, moreover, an impressive organizational network to match their numbers: there are about 60,000 to 70,000 union locals in this country. Labor leaders have claimed that they could influence about 25 million voters. Their purely political expenditures are measured in the millions. In 1958 some candidates may have been elected as a result of the large labor vote brought out by “right-to-work” proposals on the ballot in some industrial states. In Michigan the Demo-

7. For example, ibid., pp. 475-476.
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democratic party came out of the doldrums as labor organization grew. There were about 200 unionists who were either delegates or alternate delegates to the 1952 Democratic national convention. The late Sumner Slichter argued that "the American economy is a laboristic economy, or at least is rapidly becoming one." By this he meant "that employees are the most influential group in the community and that the economy is run in their interest more than in the interest of any other economic group." Professor Slichter may have been mistaken, but if so only because many business, professional, and agricultural organizations unite in intense opposition to what they regard as the excessive claims of labor.

Just as there can be little doubt that labor unions are a significant political force, neither can there be much question that this political force is a by-product of the purely industrial activities that unions regard as their major function. As Chapter III pointed out, it was only when labor unions began to concentrate on collective bargaining with employers and abandoned the mainly political orientation of the earlier American unions, that they came to have any stability or power. It was only when the labor unions started to deal with the employers, who alone had the power to force the workers to join the union, that they began to prosper. It is, moreover, hard to see how the labor unions could have obtained and maintained the "union shop" in a democratic country like the United States if they had been solely political organizations. Labor unions came to play an important part in the political struggle only long after they had forsaken political action as a major goal. It is worth noting that the Wagner Act, which made organizing a union with compulsory membership much easier, and which led to the greatest increase in union membership, was passed before labor unions came to play a really important role in politics. The experience of Great Britain also shows that a democratic nation is often happy to overlook compulsory membership in organizations that engage in collective bargaining, but hesitant to make membership in a political organization in any degree automatic. Although, as Chapter III explained, it has long been taken for granted in Britain that unionists will often not work with nonunion men, there has been a great deal of bitter controversy over whether union men should "contract in" or "contract out" of a contribution to the Labour party. (The vast majority of the members of that party, incidentally, are a by-product of the trade unions' activities; all except a small minority belong through the trade unions.) If, then, it is true that a democratic nation would not normally want to make membership in a purely political union compulsory, and that compulsion is essential to a stable labor movement of any size, then it follows that the political power of unions is a by-product of their nonpolitical activities.

C. Professional Lobbies

Many of those who criticize organized labor because of the coercion entailed in labor unions are themselves members of professional organizations that depend upon compulsion as much as unions do. Many organizations representing prosperous and prestigious professions like the law and medicine have also reached for the forbidden fruits of compulsory membership. There is in fact a pervasive tendency towards compulsion in professional associations generally. "The trend," writes Frances Delaney, "is toward the professional guild." This is what many other scholars have also observed. "A characteristic of the politics of the professional association," according to V. O. Key, "is their tendency to seek the reality, if not invariably the form, of a guild system." J. A. C. Grant argues that the guild "has returned. Its purposes are the same as in the Middle Ages." The guild form of organization is often adopted not only by the ancient and learned professions, but also by undertakers, barbers, "beauticians," "cosmeticians," plumbers, opticians, and other groups interested in professional status. This adoption of the guild form of

8. Key, p. 73. 9. Ibid.
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organization is evidence for the by-product theory of large pressure groups, for compulsory membership has always been, Grant points out, "the first rule" of the guild system. 16

The self-regulating guild with compulsory membership has reached its furthest degree of development in many state bar associations. Many state legislatures have been induced to require by law that every practicing lawyer must be a member of the state bar association. 17 These bar associations have closed shops enforced by government, and thus should be the envy of every labor union.

The modern professional associations or guilds are moreover coming to resemble "miniature governments." They have "all the types of power normally exercised by government." 18 State governments often give the professional groups authority to govern themselves (and to a degree their clients) and to discipline any members of the profession that do not maintain the "ethical" standards the profession finds it expedient or appropriate to maintain. It follows that, even when membership in these associations is not a legal requirement, the individual in professional practice knows that he has an interest in maintaining membership in good standing with the professional association.

The advantages of maintaining membership and good relationships with a professional association may be illustrated by the fact that it was not found expedient to release the name of a doctor who had written to a congressional committee to argue that "the central organization of the AMA in Chicago has no idea what the average physician wants his patients to have." 20 Oliver Garceau, author of the classic work on the American Medical Association, has argued that the recalcitrant doctor in trouble with organized medicine may face "a genuine economic threat." 21 When the American Medical Association blocked the Denver city council's program for Denver General Hospital in 1945, a Denver councilman, according to Time magazine, was driven to exclaim: "Nobody can touch the American

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Medical Association . . . Talk about the closed shop of the AFL and the CIO—they are a bunch of pikers." 22

The role of coercion, even in its subtler forms, in the American Medical Association is, however, probably less important as a source of membership than the noncollective benefits the organization provides its membership. According to Garceau, there is "one formal service of the society with which the doctor can scarcely dispense. Malpractice defense has become a prime requisite to private practice." 23 One doctor who had founded a cooperative hospital, and lost his membership in his medical society, discovered that not only had he lost his chance to have other doctors testify in his behalf during malpractice suits, but that he had lost his insurance as well. 24 The many technical publications of the American Medical Association, and the state and local medical societies, also give the doctor a con-

23. Garceau, p. 103.
24. Ibid., p. 104. Those who are not members of thier local medical societies can, now at least, usually get malpractice insurance, though they must apparently pay higher rates. One student of the economics of medicine, Reuben Kessel, describes the situation in this way:

"County medical societies play a crucial role in protecting their members against malpractice suits. Physicians charged with malpractice are tried by their associates in the private surgical system of organized medicine. If found innocent, then local society members are available for duty as expert witnesses in the defense of those charges. Needless to say, comparable services by nonmembers for plaintiffs in such actions are not equally available. By virtue of this monopoly over the services of expert witnesses and the tacit coalition of the members of a society in the defense of those charged with malpractice, the successful prosecution of malpractice suits against society members is extremely difficult.

"On the other hand, for doctors who are persona-non-grata with respect to organized medicine, the shoe is on the other foot. Expert witnesses from the ranks of organized medicine are abundantly available for plaintiffs but not for defendants. Therefore the position of the plaintiff in a suit against a non-society member is of order of magnitude stronger than it is for a suit against a society member. Consequently it should come as no surprise that the costs of malpractice insurance for non-society members is substantially higher than it is for society members. Apparently some non-society members have experienced difficulty in obtaining malpractice insurance at any price."

Kessel also argues that the nonmember of the county medical society may have difficulty getting on a hospital staff. "This control over hospitals by the AMA has been used to induce hospitals to abide by the Mundt Resolution. This resolution advises hospitals that are certified for intern training that their staff ought to be composed solely of members of local medical societies. As a result of this AMA control over hospitals, membership in local medical societies is a matter of enormous importance to practicing physicians. Lack of membership implies inability to become a member of a hospital staff." Reuben Kessel, "Price Discrimination in Medicine," Journal of Law and Economics, 1 (October 1958), 2–53, esp. 30–31 and 44–45.

16. Grant's first installment (August 1942), 304.
18. Grant (August 1942), 324.
19. Ibid.
siderable incentive to affiliate with organized medicine. The American Medical Association publishes not only its celebrated journal, but also many other technical periodicals on various medical specialties. Since the nineteenth century the journal alone has provided a "tangible attraction for doctors." The importance of this attraction is perhaps indicated by a survey conducted in Michigan, which showed that 89 per cent of the doctors received the Journal of the American Medical Association, and 70 per cent read a state society journal, but less than 30 per cent read any other type of medical literature. The journal has been, moreover, the "prime money maker of the organization." Much of the organization's revenue, according to Garceau, comes from drug companies' advertisements—advertisements which Garceau believes helped companies obtain the AMA seal of approval for their products. The conventions of the American Medical Association and many of its constituent organizations also provide technical information needed by doctors, and thus give the member a "direct return in education" for the investment in dues, just as the medical journals do.

In short, by providing a helpful defense against malpractice suits, by publishing medical journals needed by its membership, and by making its conventions educational as well as political, the American Medical Association has offered its members and potential members a number of selective or noncollective benefits. It has offered its members benefits which, in contrast with the political achievements of the organization, can be withheld from nonmembers, and which accordingly provide an incentive for joining the organization.

The American Medical Association, then, obtains its membership partly because of subtle forms of coercion, and partly because it provides noncollective benefits. It would have neither the coercive power to exercise, nor the noncollective benefits to sell, if it were solely a lobbying organization. It follows that the impressive political power of the American Medical Association and the local groups that compose it is a by-product of the nonpolitical activities of organized medicine.

It is interesting to ask why no organization of college professors has acquired anything like the political power of the American Medi-

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metrical Association. Probably the most important factor is that, in the academic profession, the learned societies are independent of the political association. If the American Association of University Professors could usurp the functions of the learned societies, it could rival the AMA. If subscriptions to the scholarly journals, and attendance at the conventions of the learned societies, were restricted to members of the AAUP, professors would probably be as well organized and as powerful as doctors. If the AAUP published as many technical journals as the American Medical Association, almost every faculty member would have an incentive to join, and the AAUP membership would presumably rise above its present level, and dues and participation could perhaps also increase.

D. THE "SPECIAL INTEREST" THEORY AND BUSINESS LOBBIES

The segment of society that has the largest number of lobbies working on its behalf is the business community. The Lobby Index, an index of organizations and individuals filing reports under the Lobbying Act of 1946 and 1949, reveals that (when Indian tribes are excluded), 825 out of a total of 1,247 organizations represented business. Similarly, a glance at the table of contents of the Encyclopedia of Associations shows that the "Trade, Business, and Commercial Organizations" and the "Chambers of Commerce" together take up more than ten times as many pages as the "Social Welfare Organizations," for example. Most of the books on the subject

30. "One important structural difference exists between the AAUP and the AMA. The AMA performs two kinds of functions for its members. In addition to serving physicians in the capacity of a craft union, i.e., protecting and advancing their economic interest, it provides the services of an outstanding scientific organization. For example, it publishes scientific journals, standardizes drugs, protects the public from harmful medicines, and provides a forum for scientific papers. The AAUP, on the other hand, has but one dimension: it is a craft union for college teachers. For scientific services its members look to the professional organizations serving their subject fields." Melvin Lucie, "Professors, Physicians, and Unionism," AAUP Bulletin, XLVIII (September 1962), 274.

31. As of January 1, 1965, the AAUP had 66,645 members. AAUP Bulletin, LI (March 1965), 54.

