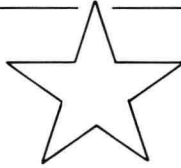


ECONOMICS, POWER, and POLICY



Texas Politics: Economics, Power, and Policy



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Preface



This is not an ordinary text about Texas politics. Beyond simply describing the political landscape of the state, this work explores the economic scaffolding that supports the governing process in Texas. As such, it continues in the tradition of V. O. Key, Jr., who a quarter of a century ago characterized Texas politics as one primarily based upon economics.¹ This volume, however, departs from Key in one major observation: where he saw political power distributed to rival economic factions, I find the corporate power structure operating in Texas in firm control of the state's political system.

While similar conclusions have been drawn about political power at the national level and in some locales, the economic structure of state politics has not as yet been thoroughly investigated. I hope that this book will stimulate more political analysis coached within an economic framework, not only in Texas, but also in other states. I am certain that Texas — a state that often basks in its uniqueness — is not alone in having a state government that basically serves prominent economic interests.

It is not my intention to condemn or condone the Texas political system; such judgments are better left for the reader to make. Admittedly, however, this book is critical in tone. If politics in Texas is essentially an epiphenomenon of economic status, then those who share my predilection for democratic government — one in which large segments of the public both participate in and benefit from the political system — hopefully will indulge my critique. Those not sharing this commitment should understand my personal orientation.

In working on this project I have incurred numerous debts. Many people were quite generous in giving their time and, in some cases, their work. At appropriate points in the manuscript these contributions are acknowledged. I am particularly indebted to Ben Sargent, cartoonist for the *Austin American-Statesman*, for freely opening his files for my perusal and allowing the reprinting of his work. Jim R. Alexander (Midwestern State University), C. Richard Bath (University of Texas at El Paso), G. David Garrison (University of Southwestern Louisiana), Murray C. Havens (Texas Tech University), Walter Noelke (Angelo State University), R. Michael Stevens (University of Texas at San Antonio), C. Neal Tate (North Texas State University), and Alfred J. Watkins (University of Texas at Austin) penned invaluable comments about earlier drafts of the text.

Rosalind Federman ably typed the initial versions of the text and the instructor's manual. The people at West Publishing Company were extremely helpful: the acquisition editor of this project patiently and sympathetically

nurtured the manuscript from its conceptual beginnings to its eventual printing, while the production editor deftly guided the production phase of publication. Finally, the multifarious skills of Mary Lamare prevail throughout the book from cover to cover. Without her, the contents found herein might only be a long-winded interpersonal conversation.

I assume complete responsibility for all that appears on these pages.

1. V. O. Key, Jr., *Southern Politics in State and Nation* (New York: Vintage, 1949), chap. 12.

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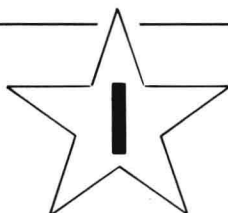
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The Texas Economy



Exploring the impact of economic forces upon the politics of Texas requires an analysis of the state's economy. In particular, the key economic actors must be identified. The first part of this book pursues this goal. Chapter 1 is an introduction to the concepts of power and economic rule as they relate to the political situation in Texas. Chapter 2 outlines the major economic arenas in the state. The core of the economy is composed of the petroleum industry, agriculture, and financial transactions conducted through banks, insurance companies, and savings and loan firms. Large-scale corporations dominate each of these important economic areas. Chapter 3 shows that these distinct sectors of the state's economy are interconnected. Mergers, shared ownership, and interlocking directorates link seemingly disparate members of the economic elite operating throughout Texas.

Power, Pluralism, And Economic Rule: An Introduction



This is a book about the distribution of political power in the state of Texas. Its aim is to determine who has political power in Texas and why.

Power simply refers to the ability of a party — be it a person or a group — to achieve its goals. The struggle for power is most obvious in situations where parties compete for scarce resources. The party that accomplishes its purposes is generally recognized as the more powerful. After numerous victories, a party might reach a position of such superiority that it no longer faces any serious challenges. In this case power is highly structured. The powerful party can control the agenda of pending social action to minimize the materialization of any threats to its position. Realizing the awesomeness of this power, potential opponents may forego any challenge. There are times, in other words, when goals are achieved without much, if any, meaningful conflict.

Political power is a distinct type of power. It refers to actions that affect a substantial segment of the population. A party has political power if, in trying to attain its goals, society in general is influenced.

Any social organization that makes decisions that have an impact on the general public is politically powerful. It is possible for institutions to have political power independent of the government, but, in modern industrial societies such as the United States, government is inextricably involved in the relationships of political power. Political groups often align themselves with and rely upon the government because people are more likely to obey decisions if the government has sanctioned them. There are two reasons for widespread obedience.

First, most modern governments are considered to be the highest level of protectorate by their constituent populations. So overwhelming is this supportive feeling that a governmental request for adherence is frequently acceded to by most citizens simply out of respect for the government.

Second, governments can compel obedience through the threat or actual use of coercion. The most distinguishable characteristic of a government,

according to the eminent sociologist Max Weber, is that it “successfully upholds a claim to the monopoly of the legitimate use of physical force in the enforcement of its order.”¹

In the United States, the government has traditionally been accepted by its citizens as the legitimate source of rules and regulations. Quite understandably, private interests have sought the sanction of government in their quest for political power. Requests for government assistance have taken two general forms. At times, the government is asked to adopt and implement the programs and ideas of outside groups. On other occasions, private interests seek government assurance that the former can engage in certain activities without the intervention of the latter. In either instance, the government becomes deeply involved in the distribution of political power in this country.

The governments of the fifty states play a major role in the allocation of resources for the overall society. The expansion of the federal government throughout the first eight decades of this century has encouraged, not discouraged, a greater involvement of state governments in public policy. All states are heavily engaged in formulating policies in the areas of education, welfare, transportation, taxation, and the regulation of business, labor, and social behavior. Indeed, it has been concluded that “the states are growing in importance more than any other level of government in the United States.”²

City and county government has a very immediate effect on citizens. Local governments are primarily responsible for providing public services such as education, water delivery, sanitation facilities, streets, and police protection.

This book analyzes political power at the state and local levels in Texas. There are two prevailing theoretical approaches to studying the distribution of political power in the United States. One is called *pluralism*; the other is the *economic rule* perspective.³

As theories, pluralism and economic rule are at odds in their interpretations of almost every aspect of the political power question. They do, however, have one belief in common: each school of thought agrees that government at all levels in the United States is actually run by a relatively small group of people — an elite. As to the nature of the elite, its composition, and its accountability to the mass public, disagreement reigns supreme. An analysis of the pluralist and economic rule theories follows.

PLURALISM

Pluralism contends that political power is widely distributed in the United States.⁴ No one group or person has a monopoly on it. Political decisions are mostly made openly in government institutions by officials representative of, and accountable to, the general public. The ties between the rulers and the ruled are quite intricate. Both parties benefit from the relationship.

With regard to political leaders, many things keep them close to the public.

1. *Political leaders are plentiful.* Thousands of Americans hold offices in local,

state, and federal government. Leadership positions tend to cluster around specific policy issues. For example, those who make decisions in the area of education — members of school boards, superintendents, etc. — do not enter into other areas, such as agriculture. Tax collectors do not plan city traffic light patterns. Consequently, numerous leadership groups have emerged in the government. Each is quite autonomous from the other, and each specializes in a given policy area. As the public increasingly demands resolution of crucial issues, many new leadership groups (boards, commissions, agencies, legislative committees, etc.) are born. The public thus is not without government institutions to hear complaints and redress grievances. The more formidable problem often becomes finding the right group of officials to address. Pluralism holds that in those rare instances where one leader or a small group of leaders dominates the decision-making process, the leader or leaders becomes very visible, and therefore accountable to a wide constituency.

2. *Diversity, both in the social backgrounds and in the issue orientations of the political elite, is quite pronounced.* Within each specialized leadership group, and across the broad spectrum of political leaders, officials are drawn from all walks of life. No one social group, such as a race, region, economic class, sex, or religion, dominates all leadership posts; each social group is represented in the elite. Moreover, pluralism contends that elite members vary in their perspectives on the issues; their outlooks are as distinct as the social backgrounds from which they come.
3. *Political leaders firmly believe in democratic values.* While diversity marks the issue orientations of officials, they are alike in their adherence to the democratic creed. They share a common commitment to procedural fair play, tolerance for all points of view, and respect for individual liberties. They encourage nonviolent solutions to social problems and emphasize the importance of mass participation in the political process; hence, disagreements over policy matters are conducted in a democratic atmosphere.

The masses also play a crucial role in pluralist theory; the elite are cognizant of the multitude in many ways:

1. *It is not difficult for the average person to join the ranks of political decision makers.* The line between the two is thin. Becoming a leader is mostly a matter of desire. If one wants to seek office, opportunities are ample. A general disinterest found among the public is the major barrier preventing most people from seeking a position of leadership. Accordingly, a citizen outraged at the behavior of decision makers can quickly exorcise his or her feelings by seeking a political post.
2. *Citizens control leadership behavior through the electoral process.* The ultimate route to becoming a leader includes winning votes. Failure at the polling booth effectively bars attainment of a leadership post. Even appointed officials are influenced by mass preference since they are selected by popularly elected leaders. The threat of electoral defeat is often enough to shape the behavior of officeholders. Candidates hence pay close