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Author(s): John R. Wright

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JOHN R. WRIGHT
The Ohio State University

Interest Groups, Congressional Reform, and Party Government in the United States

The generally accepted explanation for the congressional reforms of the 1970s is that Northern Democrats sought greater control over the legislative process in order to enact a liberal policy agenda. Party leaders, according to this explanation, then acted forcefully and cohesively to satisfy these ideological policy demands. I argue instead that congressional reforms were motivated by the need for House Democrats to raise money for reelection, and that the subsequent policies enacted by party leaders were designed to satisfy important interest group constituencies that supply campaign money. The former argument suggests that interest groups reconcile their policy demands to the ideological policy objectives of the party. My explanation suggests that political parties adjust their policy agendas to satisfy interest group constituencies.

Introduction

The ascendancy of interest groups and the decline of political parties have been defining features of U.S. politics for much of the past one hundred years. The demise of the patronage system, together with the institution of direct primaries and the Australian ballot near the turn of the century, coincided with rapid growth in the number and variety of interest groups active before Congress and federal agencies. These changes, occurring within a constitutional system of autonomous national institutions and geographic representation, made it exceptionally difficult for legislative parties to mediate access of organized interests and to act cohesively (Rose 1988). As evidenced by the revolt against Speaker Cannon in 1910, centralized partisan control of the U.S. House of Representatives was difficult to sustain in the presence of a weakened party system.

Important developments during the past several decades, however, suggest that the relative strengths of the congressional parties and national interests may be changing. By most accounts, congressional parties have become stronger and more cohesive in recent years

(e.g., Rohde 1991). Indices of party voting began to increase in the early 1980s, the Democratic whip system was expanded, and the incidence of omnibus bills and complex rules grew noticeably as party leaders in the House sought to control outcomes on the floor. Congressional party leaders are now believed to care about their parties' policy records in much the same way that party leaders in parliamentary regimes care about policy (e.g., Cox and McCubbins 1993).

One supposed implication of stronger parties is weaker interest groups. Schattschneider (1942, 196) noted that "If the parties exercised the power to govern effectively, they would shut out the pressure groups." More recently, Jewell and Patterson (1986, 191) have concluded that "There is, indeed, an inverse relation between political party and interest group strength; where parties are strong, groups tend to be weak, and where parties are weak, groups tend to be strong." These generalizations imply that resurrection in the strength and cohesiveness of the congressional parties should accompany a decline in the influence of interest groups in Congress. Indeed, Salisbury (1990) has argued that the contemporary policymaking process is "not dominated so often by a relatively small number of powerful interest groups as it may once have been" (204). He observes that "many of the old symbioses have given way, destabilized as a result of expanded group participation, of greater electoral security, increased staff, and lessened inclination or need to specialize on the part of Congress" (229).

My purpose in this paper is to assess changes in the organization of Congress and the congressional parties over the past 30 years that have affected the relationship between organized interests and parties. I begin by reexamining the causes for organizational reforms in Congress during the 1970s. These congressional reforms are usually explained as consequences of liberal policy demands made by congressional Democrats, with the implication that the central objective of legislative parties is to make policy to satisfy these demands. I argue instead that the reforms and subsequent policy agenda of congressional Democrats were driven by legislators' concerns about money and reelection. I argue that the political parties have not formed alliances with distinct and opposing sets of interests, as would be expected under party government. Instead, the increasing pressures of fundraising and reelection have forced both Democrats and Republicans to compete for, and to share, a common constituency—organized business.

The remainder of the paper follows in three main sections. First, I review the public policy explanation for congressional reform and the strengthening of the congressional parties. Second, I pose the

argument that the reforms were driven by money and reelection, not policy. And third, I assess parties and interest groups in the postreform House. I conclude with some general observations about interest groups and legislative parties.

Public Policy and Reform

As interest groups were proliferating and establishing operations in Washington beginning in the mid-1960s, significant organizational and procedural reforms were also underway in Congress.¹ By the mid-1970s, the selection of committee chairs was made subject to caucus approval; subcommittees were established for most committees and then provided with staff, funding, fixed jurisdictions, and referral of appropriate legislation; the Ways and Means Committee was expanded and Democratic members stripped of their authority to make committee assignments; bills could be referred to multiple committees; committee hearings and markups were opened to the public; teller votes were introduced; and the Speaker was allowed to nominate Democratic members of the Rules Committee. Generally, then, power over legislation was dispersed more widely within the House, the powers of the Speaker were enhanced, and the entire legislative process became more accessible to the public.

What caused these changes? The prevailing explanation is public policy demands from liberal Democrats. Rohde (1991, 20), for example, traces the origins of the reform movement to the liberal Democratic Study Group. He contends that “policy goals were a primary motive among DSG leaders who proposed, packaged, and mustered support for most reforms, and that these policy goals were an important common ground among rank-and-file members who supported the reforms, in addition to (or sometimes in spite of) other motivations.” Likewise, Sinclair (1995, 34) asserts that “Northern liberals’ policy dissatisfaction provided the initial impetus for and a continuous driving force behind the reform movement.” Deering and Smith (1997, 33) agree, noting that demands for reform were “especially strong” among junior members and liberal Democrats “who found their efforts to shape public policy stymied by their more conservative senior colleagues.” Rieselbach (1986, 44) argues that issues such as environmental protection, school prayer, abortion, civil rights, and energy “rose to the top of the policy agenda, and Congress found that it was ill-prepared to deal with them. Congress, suffering from a collective, institutional ‘inferiority complex,’ called for reform.” Similarly, Davidson (1992, 11) suggests that an underlying cause of

the reforms was a “series of unmet policy demands pushed by urban and suburban voting blocs, as well as minority groups.”

Whatever their motivation, one important consequence of the reforms was the redistribution of power from southern conservatives to northern liberals. Ornstein (1975, 89), for example, claims that “structural reform in Congress is generally a product of those who feel shortchanged of power” and notes that the reason “major reform efforts of the 1960s and 1970s have emanated from the liberal Democrats is simply that they were most in need of payoffs.” Davidson and Oleszek (1977, 43) argue that the reforms “were mainly efforts to give more legislators a ‘piece of the action,’” but the authors imply that it was action over policy that was of most concern. Cox and McCubbins (1993, 271) see the reforms as “redressing the balance between veto and proposal power in favor of the latter by increasing the number of subunits with proposal power.” The reforms, in other words, enhanced the policymaking authority of northern liberals at the expense of southern conservatives.

One intended consequence of the reforms, according to Rohde, was a stronger party and leadership apparatus capable of carrying out the policy mandates of the reformers (Rohde 1991, 28–29).

... a wide range of reforms in the House were linked together by a common goal, and by a common theme or approach. The goal was to improve the chances for enacting into law policies favored by a majority of Democrats. The approach was to make people who held power through the party—leaders, committee and subcommittee chairs—responsible to the majority of that party, and to facilitate moving party-supported measures through the legislative process. All three tracks of these reforms were proposed by the same set of people—the DSG leadership—and they made no secret of the policy motivations behind their actions.

A more subtle, and less directly causal, explanation for stronger congressional parties pursuant to the reforms is offered by Sinclair (1995), who asserts that stronger party leadership evolved partly as an unintended consequence of the reforms. Soon after the initial wave of reform, amendment activity on the House floor increased significantly, which increased the uncertainty and vulnerability of committees’ legislative initiatives (Smith 1986). As a result, “Democratic committee contingents, Democratic committee leaders, and Democratic members needed help passing their legislation, and began to look to the party leadership for that help” (Sinclair 1995, 48). The response of party leaders was to become “more and more drawn into the substantive legislative process; in the House, leaders developed special rules into powerful and flexible tools for strengthening floor decisions” (Sinclair 1997, 231).

Whether one subscribes to the direct causal link articulated by Rohde or the indirect connection advanced by Sinclair, the essential motivation for both the reform movement and the subsequent strengthening of the congressional party system was members' concerns for substantive policy. In short, liberal members of Congress, together with the Democratic leadership, seized direct responsibility for salient and, in many instances, controversial policy issues of the day. They did so, first, by significantly restructuring the committee and seniority system of the U.S. House and, second, by according party leaders greater power and responsibility for managing legislation.

The policy explanation for reform implies that a principal function of legislative parties is to formulate agendas and forge coalitions in order to satisfy preferences of the median party member. This perspective, however, is alien to the traditional view of legislative parties in presidential systems (e.g., Sorauf and Wilson 1990). Epstein (1982, 280) argues that in presidential systems "The parties are not primarily trying to promote the policies. That remains the task of interest groups. It is to win the support of interest groups, or their members' support, that parties adopt policy positions." Thus, in the view of Epstein and others (e.g., Truman 1955), parties advance policy agendas only as a means of competing for electoral support from interest groups.

The policy explanation for the congressional reforms, therefore, represents a striking exception to the usual reelection perspective on parties and politicians. Not only are the parties typically thought of as election machines rather than policy advocates, but elected politicians are also typically thought to be motivated by reelection rather than policy (Mayhew 1974). Hence, as an alternative to the policy explanation for reform, I explore below the possibility that congressional reform was consistent with electoral ambitions. Specifically, I propose that congressional Democrats undertook reform as a way to accommodate and appeal to organized interests whose financial resources were essential to the maintenance of their majority status.

Money and Reform

Perhaps even more significant to American politics during the 1970s than the congressional reforms were changes in the costs and methods of financing congressional campaigns. House and Senate campaigns have become increasingly costly over the years, and the pressure on members to raise money has increased accordingly. The rules of the game have also changed. The Federal Election Campaign

Act (FECA) of 1971 unleashed political action committees (PACs), and subsequent amendments in 1974 imposed limits on contributions that tilted the system away from large individual contributors to small individual donors. Then, even before new equilibria in spending and fundraising took hold, Congress opened the door to soft money in 1979. Today, most congressional campaigns depend significantly on soft money, independent expenditures, and issue advocacy, all of which are largely outside the control of the candidates themselves.

1964–68: Democratic Vulnerability

The transformation of the campaign finance system began in the early 1960s, with the first major shift taking place after the 1964 election. Although total political spending on all U.S. elections increased steadily from 1952 until 1964, the percentage increase from one presidential election to the next over that same period was a modest 10–15%.² Total political spending rose from \$140 million in 1952 to \$200 million in 1964. In 1968, however, total spending jumped to \$300 million, a dramatic increase of 50% over the 1964 total (Alexander 1971). In 1972 it jumped again to \$425 million. Thus, from 1964 to 1972, the costs of political campaigning increased by 112%, even though the consumer price index only grew by roughly 38% over the same period of time (Alexander 1976, 17).

The dramatic escalation in costs between 1964 and 1968 was not simply a function of spending on presidential elections. Total allocations by party and nonparty national committees to House and Senate candidates also increased from \$1.9 million in 1960 to \$6.6 million in 1968.³ Moreover, in just four years—from 1966 to 1970—nonpresidential radio and television spending nearly doubled, increasing from \$27.2 million in 1966 to \$50.3 million in 1970 (*Congressional Quarterly* 1971, 20). By various indicators, then, the costs of congressional campaigns were spiraling upward at a rate as great as, if not greater than, overall political spending from 1964 to 1972. Most of the increase over this period was due to increased broadcast spending.

As the costs of campaigning skyrocketed, congressional candidates perforce became more and more sensitive to existent and potential sources of money. By 1968, Democratic candidates were heavily dependent on organized labor for the bulk of their funds. Of the \$3.6 million allocated to Democratic congressional candidates by national committees in 1968, 61% came directly from labor committees, 32% from national party committees, and 7% from nonlabor (primarily business and trade) committees (Alexander 1971, 131). The actual

proportion of labor-supplied money to Democratic candidates was higher than 61%, however, since the Democratic national committees received a significant proportion of their funds from labor committees. The Democratic national committees in 1968 had adjusted receipts of \$2.1 million, of which only 52% was from individual contributors.⁴

Republican congressional candidates, in contrast, received the lion's share of their money from national party committees, which in turn received most of their money from individual contributors. Beginning after the 1964 election, under the direction of Ray Bliss, the Republicans began to cultivate small, individual contributors through direct-mail efforts. The Republican national committees in 1968 had adjusted receipts of \$11.5 million, of which 92% came from individual donors.⁵ Thus, one of the important and relatively untapped sources of money in 1968 was that of small, individual contributors, and it was the Republicans who had a decided advantage over the Democrats in cultivating that money.

A second important source of campaign money that began to emerge in the 1960s was political action committees, especially business and trade association committees. Although PACs were not explicitly authorized by statute until 1971, legal and judicial decisions regarding PACs prior to 1971 were sufficiently vague and ambiguous that many organizations began to experiment with PACs in the 1960s. The total number of PACs registered with the Clerk of the House increased from 40 in 1960 to 89 in 1968. The greatest growth was among *nonlabor* PACs: 19 in 1960, 26 in 1964, and 52 in 1968 (Alexander 1962, 1966, 1971).

Not only did nonlabor PACs outnumber labor PACs by 1968, but an increasing share of this money went to Republican congressional candidates. Of their total receipts from national committees, Republican congressional candidates received 13% more from nonlabor PACs in 1968 than in 1960, whereas the share of national nonparty receipts allocated directly to Democratic congressional candidates decreased by only 1% between 1960 and 1968.

As PACs developed, their contribution patterns also began to take shape. A distinct pattern, clearly established by 1964, was for the smaller, nonlabor PACs to contribute to members of congressional committees with jurisdiction over their interests. In his analysis of PAC contributions during the 1964 election, McKeough (1966, 104) reported that nonlabor committees "tended to select the recipients of their aid from the membership of congressional committees which had jurisdiction over legislation of interest to the contributing committee." More extensive evidence of this general pattern was noted by

an investigative reporter during the 1968 campaign. Albright (1968) reported that special interest groups had contributed \$500,000 to congressional campaigns from 1965–68 and that 150 members of key congressional committees had received contributions from groups with direct interests in legislative issues before the committees. Based on additional journalistic accounts, Mayhew (1974, 93) noted that BANKPAC gave money to members of the House Banking and Currency Committee in 1970, tobacco interests contributed to House Commerce Committee members opposed to tobacco labeling, and highway construction interests contributed to members of the House Public Works Committee.

By the end of 1968, then, three important trends in campaign finance were obvious to congressional incumbents. First, the cost of campaigning had soared; second, the most promising new sources of money were from direct-mail solicitations to individuals and from nonlabor PACs; and third, nonlabor PACs were contributing to incumbents on the basis of their committee assignments. Importantly, two of these three trends clearly favored the Republicans. Republicans held a distinct advantage in direct-mail solicitations, and they were the favored recipients of nonlabor PAC money. Hence, their national party committees were raising five times more than the Democratic committees were.

If these developments were not concern enough for Democrats, the congressional election returns for 1966 and 1968 surely were. When the 89th Congress convened in 1965, the Republicans controlled 32 Senate seats and 140 House seats. When the 90th Congress convened in 1967, Republicans controlled 36 Senate seats and 187 House seats. By the time the 91st convened, the Republicans controlled 42 Senate seats and 192 House seats. Thus, in just four years the Republicans gained 10 Senate seats and 52 House seats. Although various national forces certainly operated against the Democrats during the 1966 elections, their situation was made more precarious by the financial advantage of the Republicans. The Democrats fielded 46 marginal freshmen in 1966, and these freshmen received average total contributions of \$3,000 from the Democratic national committees. The Republican challengers to these 46, however, received an average of \$10,000 from the Republican party committees (McKeough 1966). Of the 46 Democrats, only 20 were reelected. Significantly, most of the Democratic defeats in 1966 came where the Democrats were most vulnerable—in the north. The ranks of the northern Democrats were trimmed from 191 to 156.

1969–78: Democrats Cash In on Reform

In 1969, faced with soaring campaign costs, Congress began considering legislation to reform the process. Incumbents of both parties, but particularly Democrats (Sorauf 1988, 35), worried that wealthy or well-funded challengers might unseat them in expensive media campaigns. Eventually, after vetoing campaign finance legislation in 1970, President Nixon in 1971 signed into law the Federal Election Campaign Act, the principal purpose of which was to limit expenditures on media advertising. The law limited the amount that congressional and presidential candidates could spend on media advertising to 10 cents per voter.

The legacy of the 1971 FECA, however, was not a limit on media expenditures (that limit was repealed by the 1974 amendments to the FECA) but instead on the proliferation of PACs. The famous “separate, segregated fund” clause in the 1971 statute explicitly authorized organizations to establish political action committees, and their growth was immediate and dramatic. Whereas in 1968 there were 89 PACs, by 1974 there were 608, and by 1982 there were 3,371. More significantly, direct contributions from PACs to congressional candidates increased from \$3.1 million in 1968, to \$8.5 million in 1972, to \$83.1 million in 1982 (Alexander 1984, 95–96).

The transformation of the campaign finance system was well under way by the time the Hansen Committee first met on May 12, 1970, to discuss reforms in congressional organization. Given the financial pressures on congressional campaigns by 1970, together with the increasing vulnerability of northern Democrats, Democratic reformers were surely quite sensitive to possible connections between campaign finance, congressional organization, and their future reelection prospects (e.g., Bender 1988). For Democrats, whose direct-mail operations were largely undeveloped, the most promising source of campaign funds was the burgeoning nonlabor PACs. As noted earlier, by 1970 these PACs had established clear patterns of contributing on the basis of committee jurisdiction. To tap into this new source of money, Democrats needed only to expand their presence and participation on key committees of interest to nonlabor PACs. At the time, these committees were dominated by southern Democrats from safe districts who needed money least, and thus, it was necessary to reform the committee system so as to distribute influence and participation more broadly within the party ranks. Doing so would ensure that PAC money began to flow to the most vulnerable party members, which would in turn ensure the continuation of Democratic congressional majorities.

The reforms of the first Hansen Committee were quite modest, but they did expose a larger number of Democrats to the campaign largesse of the newly formed PACs. The limitation of holding one subcommittee chair led to 16 additional Democratic subcommittee chairmen in the 92d Congress (Ornstein 1975, 102). The products of the Hansen Committee and the Democratic caucuses in 1973 and 1974 had more profound effects. The Subcommittee Bill of Rights, the expansion of the Ways and Means Committee from 25 to 37 members, and the use of multiple referral combined to increase the number of Democrats with influence over legislation. In short, these reforms gave a large number of Democrats—particularly northern liberals, but also younger southern conservatives whose support was critical to enactment of the reforms—“a piece of the legislative action.”

With more Democrats exercising control over legislation, more Democrats were also exposed to PACs, with predictable effects. Consistent with the trends first observed by McKeough (1966) during the 1964 election, business interests were the main source of PAC money in the 1970s, and not surprisingly, Democrats became the primary recipients of this new PAC money. Of the dollars contributed directly by PACs to congressional candidates in 1972, the ratio of labor to business contributions was 1.34, but by 1976, the ratio of labor to corporate and trade association contributions was .41. Hence, not only was there a substantial surge in business-related PAC contributions between 1972 and 1976 that greatly surpassed labor-related contributions, but the main recipients of this money were congressional Democrats. In 1978, 35% of the corporate PAC money went to Democratic incumbents, and 28% went to Republican incumbents. By 1994, Democratic incumbents received 54% of corporate PAC money.

Are the trends in campaign finance and congressional reforms coincidental? Perhaps. The parallels, however, are striking. Consider, for example, which House committees were most affected by the reforms. One would expect the congressional reforms—if driven by financial considerations—to have significant impact on those committees with jurisdiction over issues of interest to business and industry. Deering and Smith (1985) report that the largest changes in subcommittee orientation in the House (bills reported, staff, meetings, and management of bills by subcommittee chairs) occurred among five committees: Banking, Commerce, Education and Labor, Judiciary, and Foreign Affairs. Two other House committees—Ways and Means and Interior—experienced significant changes in bill management. Thus, among the committees that experienced the greatest decentrali-

zation of power subsequent to the reforms were those with substantial jurisdiction over issues of concern to the business community: Banking, Commerce, and Ways and Means.

Campaign finance records clearly reveal that Banking, Commerce, and Ways and Means are the three most highly targeted committees for business contributions. Grier and Munger (1993), for example, report that the House committees attracting the greatest contributions from corporate PACs are Banking, Energy and Commerce, and Ways and Means. Those committees receiving the greatest contributions from trade association PACs are Agriculture, Banking, Energy and Commerce, and Ways and Means. Romer and Snyder (1994) show that members who transfer to Banking, Energy and Commerce, and Ways and Means attract significantly more contributions than members who do not transfer. Consequently, had reformers wanted to maximize the exposure of Democrats to business contributions, they could not have picked better committees to decentralize. Election-oriented members of these committees quickly took advantage of the new arrangements to pursue business PAC money to finance their reelection campaigns.

In summary, not only did northern Democrats have ample incentive to reform the committee system for purely electoral reasons, but they also realized significant electoral dividends from their efforts. The policy explanation for congressional reform, in contrast, asserts that policy dissatisfaction among liberal Democrats, unable to implement their policy agenda because of a committee system dominated by southern conservatives, provided the incentive for reform. Sinclair (1995, 29) describes the apparent policy frustration of northern liberals in the late 1960s as follows:

The mass of highly significant liberal legislation passed during the mid-1960s demonstrated that, under extraordinary circumstances, internal structural barriers to nonincremental policy change could be overcome. For a time, liberal dissatisfaction with the system lessened. However, in the late 1960s, in the aftermath of the overwhelming numbers they had commanded in the mid-1960s, and the replacement of a skillful progressive ally with the often hostile Nixon as president, liberals again perceived the committee system to be a significant barrier to the advancement of their goals.

Further examination of the 90th, 91st, and 92d Congresses (1967–72), however, reveals a legislative record that, while not as productive for liberals as the 89th Congress, resulted in several significant policy accomplishments. Despite their electoral losses in 1966, and despite the growing inflationary pressures of the time, liberals achieved passage

of the Housing and Urban Development Act of 1968, which provided massive funding for housing in the inner cities and subsidies for the poor. The House version passed by 295–114, drawing significant Republican support as well because of the bill's pork-barrel provisions during an election year. The second session of the 90th was significant for its record on consumer legislation. In addition to the Truth in Lending Act, Congress passed a variety of other initiatives on the consumer agenda. Irwin Unger (1996, 278) writes:

On consumer protection issues the Ninetieth Congress gave the administration a batting average as high as the overall legislative record of its predecessor. Besides the consumer credit bill, Congress passed laws to establish state systems of poultry inspection, to regulate pipelines, to reduce air and water pollution, radiation hazards, and aircraft noise, to set auto insurance rates, and to supervise dangerous drugs.

The 91st and 92d Congresses also enacted significant legislation from the liberal agenda. On the consumer front was the Public Health Cigarette Smoking Act of 1969 and the Occupational Health and Safety Act of 1970; and on the environmental front, where environmental activism peaked on Earth Day in 1970, there was the Water Quality Improvement Act (1969), amendments to the Clean Air Act (1970), the National Environmental Protection Act of 1970, and the Federal Water Pollution Control Act of 1972.

Naturally, there were elements of the liberal policy agenda that were not enacted between the end of the 89th Congress and the onset of congressional reform, and thus there most certainly was some dissatisfaction and frustration among liberals. Yet their policy successes in the prereform congresses, excluding the 89th, were impressive, and when one adds the extraordinary accomplishments of the 89th to the subsequent accomplishments of the 90th and 91st, the extent of policy frustration among northern liberals is questionable.

Money and Partisan Politics in the Postreform House

Although political action committees continued to provide a significant infusion of money into the campaign finance system throughout the 1980s, the costs of campaigning soon exceeded even what the PACs could provide. Real campaign costs continued to rise sharply. Total campaign spending in 1980 was 120% more than in 1976, even though the cost of living increased only 35% over the same four-year period. Costs were driven up by increased use of television and radio, by increased fundraising expenditures aimed at raising money under the contribution limits in small amounts, and by the

professionalization of campaigns and the corresponding need to hire expensive consultants.

In addition to the rapidly escalating cost of campaigning, two other factors strained the campaign finance system in the 1980s. First, the contribution limits that were established in 1974 were not indexed to inflation. A \$1,000 contribution in 1974 had a real value of only about \$400 in 1990. The second factor was what Sorauf (1992) has described as “softness” in the supply of money to congressional campaigns. The pool of money available for congressional campaigns, which comes entirely from individuals, stopped expanding. Beginning sometime in the early to mid-1980s, the number of individuals contributing money to political campaigns began to decline, and even though the size of the average contribution increased, the overall pool of money stopped growing. The costs of campaigning continued to rise sharply, however, so that candidates experienced considerable financial pressures in the 1980s, similar to those of the late 1960s, but within the context of a very different campaign finance system.

As pressures on the campaign finance system mounted throughout the 1980s, both political parties, but especially the Democrats, turned increasingly to soft money. Soft money was created by amendments to the Federal Election Campaign Act of 1979 and was intended to strengthen the role of parties in federal campaigns. Consequently, it is not subject to the usual contribution limits of FECA, and prior to 1991, it did not have to be reported to the Federal Election Commission. State and local party committees are allowed to spend unlimited amounts of soft money on voter registration, get-out-the-vote activities, and campaign materials used for volunteer activities (e.g., lawn signs, bumper stickers, sample ballots, and so forth). Moreover, this money can be coordinated with candidates' campaigns if it is used for mobilization activities. For example, soft money can be used for TV promotion of a party's general philosophy or for specific legislative positions, but not for the promotion of specific candidates.

In 1980, the Republican National Committee allegedly raised \$9 million of soft money in contributions of unspecified size from individuals and corporations (Alexander 1984). This money was targeted and distributed to state party committees where it was used for voter-mobilization efforts, allowing the Reagan campaign to use its public funds for other purposes. Although the exact amount of the GOP's soft money expenditures in 1980 is a matter of some dispute (Jackson 1988), perceptions that the Republicans were raising significant amounts of soft money motivated the Democrats to do the same.

Soft money has been much more important for the Democratic than for the Republican national committees, which are much more

successful at raising hard money from individual contributors. For Democrats, soft money was a way to close the fund-raising gap with Republicans, and thus, soft money contributions became a priority for the DCCC under the direction of Tony Coelho in the early 1980s. Estimated soft-money contributions to the DCCC in 1985–86 were roughly \$3 million or 20% of the committee's total receipts (Edsell 1986). Roughly another 20% came from PACs, so by the middle of the decade, soft-money contributions were as integral a part of Democratic congressional fundraising as were PAC contributions. During the 1980s, the Democrats used soft money to pay for the party's new headquarters building, to pay for legal battles over redistricting, to support nationally televised appearances by party leaders to rebut President Reagan's State of the Union addresses, and to defray general operating expenses of the DNC (Jackson 1988). By the time of the 1995–96 election cycle, soft money comprised fully one-third of all the money raised and spent by the Democratic national committees.

As with PAC contributions, soft-money contributions come primarily from business interests. During the 1995–96 election cycle, 87% of the soft money contributed by organizations to the Democratic national party committees came from business interests.⁶ But even as early as 1986, business money clearly dominated union money within the Democratic Party. Corporations comprised 57% of the soft-money contributions to the DNC, and unions comprised only 34% during the 1985–86 cycle (Edsell 1986). Thus, by the mid-1980s, organized business emerged as the dominant supplier of campaign funds, whether measured by PAC contributions or by soft-money contributions.

As the pressures to raise campaign funds escalated throughout the 1980s, competition between congressional Democrats and Republicans for business contributions intensified from what it had been a decade earlier. Both parties were pulled increasingly into the political orbit of business, despite the fact that organized labor continued to contribute primarily to Democrats. One consequence of the bipartisan pursuit of business money has been a blurring of the basic distinction between Republicans as the party of business and Democrats as the party of organized labor. The aggressive pursuit of business money by both national parties makes it difficult, if not impossible, for the parties to take distinct policy positions on issues of general concern to the business community. Indeed, David Austen-Smith (1987) has demonstrated theoretically that when two competitive parties solicit campaign contributions in order to maximize their vote shares, both parties will move their policy platforms in the same direction, toward the interests of the largest contributor.

The extent to which the Democratic congressional policy agenda actually gravitated toward business throughout the 1980s is an empirical matter that deserves closer investigation than can be provided here. We do know, however, that the operative preferences of Democratic House members have changed to a more pro-business orientation over the very period of time that the party has needed to co-opt the financial support of business. Rohde notes the election of business-oriented “Atari Democrats” in 1974 and 1978 and “deficit-conscious” Democrats in 1982, concluding that “The balance of operative preferences among House Democrats shifted away from positions favored by southern conservatives and those desired by traditional liberals, and toward a common ground between” (Rohde 1991, 50). Electoral trends in the 1980s that favored the election of fiscally conservative Democrats, therefore, coincided neatly with the legislative strategy the congressional Democratic leadership needed to pursue in order to attract business contributions.

Gary Jacobson (1984) also notes the policy consequences of increasing business contributions to Democrats. He suggests that traditional Republican concerns began to dominate the policy agenda in the 1980s, even though Republicans did not control Congress. Godwin (1988, 136) claims more explicitly that “Democratic members of the House of Representatives are increasingly supportive of business and trade interests and this support occurs because the representatives are seeking campaign contributions.” He argues that Democrats respond to business and trade interests on bills for which there is no organized opposition by labor or consumer groups.

One legacy of the reforms in congressional organization has been the alleged strengthening and cohesiveness of the congressional parties during the 1980s. Indeed, both parties have demonstrated more cohesive voting patterns from the time of the reforms, yet the extent to which these patterns are a function of rank-and-file members bowing to pressures of the party leadership is unclear. The academic debate continues as to whether policy outcomes in the postreform Congress reflect partisan or majoritarian preferences (e.g., Krehbiel 1999). What is clear, however, is that the congressional parties have not formed distinct alliances with opposing sets of interests during the 1980s. Instead, both parties have pursued their electoral interests by forging alliances with the dominant supplier of campaign money—organized business. This outcome most closely resembles reelection parties in the traditional American mold, not policy-oriented parties of the party-government mold.

Conclusions

Several conclusions can be drawn from the foregoing discussion. First, American congressional parties may appear more partisan at some times than others, but fundamentally they are reelection machines. While party leaders may at times attempt to focus on and accentuate the party's legislative record, the purpose in doing so is to attract the sponsorship of important interest groups needed to reelect the party's rank-and-file. Second, contrary to Schattschneider's assertion, cohesive legislative parties will not necessarily "shut out" interest groups. The case of the Democrats indicates that increases in party cohesion may actually correspond with efforts by the party to accommodate the preferences of important interest groups. Whereas the dominant organized interest in the 1950s and 1960s was labor, the dominant interest since the 1970s has been business. If the influence of organized labor has diminished, it is not because parties in Congress are more cohesive, but because congressional organizations and procedures have been adjusted to accommodate business's political interests in order to raise money. Thus, the balance of power has shifted, but it has shifted *among* interest groups, not *away* from interest groups.

Finally, the distinction between American parties and their "responsible" European counterparts is somewhat overdrawn in terms of how they interact with interest groups. Legislative parties in both types of systems must forge coalitions among organized interests, and thus, group influence can be substantial even in cohesive party systems. As Epstein (1982, 292) observes, a parliamentary party "may enact policies as a party in the way that an American party cannot regularly manage, but the policies may be the product of particularized interest groups rather than of any programmatic commitments backed by majority support." Thus, the key differences between the two systems are that (1) in parliamentary systems, interest-group lobbying is less visible because important interests are frequently incorporated into the formal policymaking structure, and (2) in parliamentary systems, groups need to influence only the majority party. Consequently, one does not observe cross-party lobbying in strong party systems, but in the United States, the tendency of corporate and trade PACs to contribute substantially to members of both parties suggests that a good deal of cross-party lobbying occurs.

John R. Wright is Professor of Political Science, The Ohio State University, Columbus, Ohio 43210.

NOTES

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1. Except for Sinclair (1989), congressional scholars have generally given little consideration to the implications of change in the interest-group environment for change in congressional behavior and outcomes. Sinclair relates the tremendous growth in the number and diversity of interest groups active in Washington during the 1960s and 1970s to an expanded issue agenda and increased demands on legislators.

2. The first year that total political spending was estimated was 1952.

3. National party committees such as the Democratic National Committee (DNC) and the Democratic Congressional Campaign Committee (DCCC) and national nonparty committees—the PACs of organized labor and the American Medical Association (AMA), for example—were required to file spending reports with the Clerk of the House. Money spent on congressional campaigns by state and local committees, however, did not have to be disclosed. Not until passage of the Federal Election Campaign Act of 1971 did all expenditures on federal elections have to be disclosed.

4. The national Democratic committees in 1968 included the DNC, the Democratic Senatorial Campaign Committee, the DCCC, the Democratic National Congressional Committee, and Democrats for Sound Government.

5. The Republican national committees included the Republican National Committee, the National Republican Senatorial Committee, the National Republican Congressional Committee, the Republican Congressional Boosters Club, and five other miscellaneous committees.

6. This figure is based on a total of \$173 million dollars of soft-money contributions that the Center for Responsive Politics was able to identify by donor interest.

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