Revaluing PAC Contributions to House Incumbents:

A Test of Partisan Cartel Theory

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Draft: Comments Appreciated

A crucial assumption for partisan theories of legislative organization is that majority status has significant control over procedure. This article replicates and extends Cox & Magar (1999) to unpack their 'Business PACs reward majority status as a form of institutional capital' argument by taking advantage of recent majority status shifts in the U.S. House to separate the party preference from a party in the majority. I find that majority status is not rewarded equally by Business PACs because they prefer Republicans in the majority.

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"[T]he neutrality of pressure groups in party politics is largely a myth because political alignments are not as fluid as this concept implies. It is at least as likely that pressure groups are prisoners of the parties as it is the other way around, because pressure groups cannot easily negotiate with both sides in the party conflict" (Schattschneider 1960, 55)

Introduction

The unique ability of a political party with majority status to control policy output is a crucial assumption familiar to those who study partisan theories of legislative organization. In theory, the value attributed to majority status applies to incumbents when the legislature is in session but also for reelection insofar as various constituencies value control of policy output; the literature has focused almost exclusively on the value of majority status within the legislature. Cox and Magar (1999) in addition to Rudolph (1999) and Taylor (2003)take the road less traveled by examining the value of majority status for reelection. These scholars find similar evidence that Business Political Action Committees (PACs) contribute additional funds to members of the political party with majority status as opposed to Labor PACs who do not (Cox and Magar 1999; Rudolph 1999; Taylor 2003). This essay focuses on Cox and Magar (1999) but has implications for Rudolph 1999 and Taylor 2003, who also examine partisan theories of legislative organization, because these scholars make almost identical arguments about why Business PACs would contribute to *both* political parties in order to bring to life the idea that majority status in and of itself is valuable. The argument made by Cox and Magar (1999) is straightforward: the political party with majority status is able to control policy output therefore access-seeking PACs whose primary goal is favorable policy for their organization will reward members of this party with additional contributions.

This argument links two lines of thought. One line is how parties shape legislative organization in the US Congress. There are several competing but sometimes complementary theories which fall into this line. Cox and Magar (1999) specifically test partisan cartel theory (Cox and McCubbins 1993). Supporters of the partisan cartel model hypothesize that the majority party is always able to control the legislative process thereby ensuring that bills which reach the floor will be favorable enough to a majority of the majority party that the minority party will not be able to form a coalition to pass the bill (Cox and McCubbins 1993, 2005). The concession of partisan cartel theory is that parties have weaker party discipline in the United States but they are strong enough to control which legislation reaches the floor for vote when party members gain control of offices with agenda-setting power (Cox and McCubbins 1993, 2002, 2005; Cox 2001). If the majority party did not have agenda control then we would expect to see legislation reach the floor which rolls over a majority of the majority party in its passage by the minority party and a splinter of the majority party (Cox and McCubbins 2005; Cox 2001).

In spite of evidence supporting partisan theories of legislative organization there are still those who argue that party has little influence on legislative process or outcomes (Krehbiel 1992, 1993, 1998). Krehbiel's non-partisan line of argument accounts for congressional institutions as operating in a way that advantages the House or Senate chamber in response to the need to inform legislative content among other pressures which are not subject to political parties (1992, 1993, 1998). A fundamental assumption Krehbiel (1992, 1998) makes is that there is a best policy legislators want to achieve and do so by structuring themselves to supply information to improve policy content. Given that a legislature could be organized to provide information to members Krehbiel (1992, 1993, 1998) argues that parties are not necessary to explain legislative organization because those features could occur under neutral rules; he does not explicitly address these implications for reelection.

The second line of thought Cox and Magar (1999) attempt to link to the first is how legislative organization contributes to reelection. Partisan theories of legislative organization stem from the straight-forward assumption that members of Congress value reelection (Mayhew 2004). Herein lays the problem for partisan theories.

Mayhew (2004) argues that many features of legislative organization benefit *all* members of the legislature and necessitates trivial amounts of zero-sum conflict between members. One example is how members belonging to committees are able to transfer particularized benefits with diffuse costs (footed by the taxpayer) that do not benefit one congress member at the expense of the others, such as the House Appropriations committee, will follow a policy that "…every member, regardless of party or seniority, has a right to his share of benefits" (Mayhew 2004, 88) . After dolling out a benefit from a committee with particularized benefits the member can credit-claim to her district which is thought to increase her chances of reelection (Mayhew 2004). Mayhew (2004) reinforces Fenno (1973)who notes that the House Interior committee makes the processing and passing of legislation in a way most likely to pass the House floor a central priority.

If parties matter, if a party with majority status is able to control policy output, then it is important to come to terms with *how* these facets of legislative organization benefit an incumbent during elections. The imperative question of *how* an incumbent is benefitted during elections who is in a political party with majority status is the motivating concern of Cox and Magar (1999). It is for this reason they attempt to forge a connection between partisan cartel theory and Business PAC contributions.

One explanation for why individual PACs may donate to incumbents or challengers of either party, why donors choose to access-seek, is that PACs or individual donors give money in exchange for contact with members of Congress and their staff to discuss relevant issues which may be tied to policy outcomes (Brown and Paik 1993; Calderia and Wright 1998; Epstein and O'Halloran 1995; Herndon 1982; Lowery and Brasher 2004; Smith 1984). Alternatively, other scholars account for PAC contributions primarily to one party, assumed to be in line with their ideological preference, as the practice of vote buying (Currinder 2003; Fleisher 1993; Romer and Snyder 1994; Wilcox 1990).

Favorable policy outcomes are important to PACs. It has been demonstrated that committee members and committee chairs receive disproportional donations from PACs when those legislators have influence over salient policy (Grenzke 1989; Grier and Munger 1991, 1993; Hall and Wayman 1990; Kroszner and Stratmann 1998; Romer and Snyder 1994) and are effective at turning the bill into a law (Box-Steffensmeier, Arnold, and Zorn 1995; Esterling 2007).

To forge a connection between partisan cartel theory and Business PAC contributions, Cox and Magar (1999) merge predictions made about majority party control in partisan cartel theory with PAC donations to the majority party relies on scholarship from Denzau and Munger (1986) as well as Grier and Munger (1991, 1993). These scholars view legislators' ability to provide favorable policy as a function of cost. They assume that PACs will contribute to gain favors in line with their economic interests from the representative who costs the least (Denzau and Munger 1986; Grier and Munger 1991, 1993). Cost to the legislator to provide favors to a PAC is determined by three factors: a member's committee assignments or 'institutional capital', the preferences of constituents in their district or 'electoral constraints', and the anticipated competitiveness of the upcoming election or 'electoral marginality'. Cox and Magar (1999) hone in on the institutional capital aspect of this model, put forward by Denzau and Munger (1986) along with Grier and Munger (1991, 1993), in claiming that any additional institutional capital possessed by a member should lower their cost and increase their amount of PAC contributions; ceteris paribus. Majority status is understood as a form of institutional capital similar to sitting on a certain House committee. Therefore, Cox and Magar (1999) assert that acquiring majority status will increase the amount of PAC contributions received by a member.

In this essay I investigate the question: do PAC contributions change from one party to the other party when majority status changes? If this question is answered in the affirmative then it is logically consistent to conclude that all PACs pursue a strategy of pure access-seeking. I answer this question by choosing to replicate and extend Cox and Magar (1999). I extend their work by addressing problems with their theory and research design.

The research design employed by Cox and Magar (1999) captured the switch from a Democratic Majority in the 103rd House to a Republican Majority in the 104th House. At the time their paper was published, this was the only recent switch between parties with majority status and was among the best available approaches for testing the value of majority status at the time. I am able to take advantage of recent changes in which party holds majority status. Specifically, I extend their test to the majority status switch from the Republican Party in the 109th House to the Democratic Party in the 110th House[1]. It is important to understand if the value of majority status is a form of institutional capital or an artifact of a Business PAC preference for donating to Republican Party members.

When Cox and Magar (1999) make the theoretical argument that access-seeking Business PACs contribute more money to the party with majority status they make the assumption that all Business PACs are access-seeking which allows them to argue that majority status is a form of institutional capital like a seat on a committee. The value of majority status as a form of institutional capital is derived from the political party with majority status' ability to control policy output and their willingness to include any policy position a Business PAC desires so long as members of this party are compensated appropriately. If these members are not willing to include any policy position in their policy output then it does not logically follow that Business PACs would stand to gain from access-seeking. There is no

[1] I do not include the 112th House because this cycle has not been completed. In future drafts the 112th House will be included.

benefit in gaining access to a member of Congress to talk about key policy positions if that representative does not listen.

As a theoretical issue, I think that Business PACs *prefer* the Republican Party over the Democratic Party. Grier and Munger (1993) also note that Business PACs have an ideological preference for Republicans but subtract from the value of that preference if that party is not in the majority. For this reason I argue that the value of majority status will considerably decline when Business PACs non-preferred party holds majority status because that party will not be willing to pursue their key positions. My argument is that Business PAC contributions are constrained by the Democratic Party's willingness to implement their preferred policies; therefore, those party members will not be rewarded when they have majority status. For that reason, I hypothesize that **Business PAC contributions will change less from their preferred party to their non-preferred party when majority status changes**. My hypothesis differs from that utilized by Cox and Magar (1999) who state **"those gaining majority status [will] receive more from business PACs, those losing majority status [will] receive less, other things constant"** (p.302)**.**

These hypotheses are in contrast because my hypothesis infers that all other things cannot be constant because Business PACs will give more money to their preferred party, the Republicans. Party preference is derived by assessing which party, in the aggregate, Business PACs contribute more money. Cox and Magar (1999) in addition to myself consider the theoretical implications of Grier and Munger (1993). These authors argue that a contribution to a party with majority status is different than contributions to a party because of their preferred policy positions. Cox and Magar (1999) interpret this piece to mean that majority status is valuable, other things held constant. I interpret Grier and Munger (1993) to mean that contributions because of majority status cannot be separated from a political party because the underlying party preference for Republicans means that a Republican party with majority status is more *valuable* than a Democratic party with majority status. Therefore, Business PACs should give more money to their preferred party, the Republicans, than their non-preferred party, the Democrats, when they have majority status. Put differently, I think Business PACs will pursue a strategy of vote-buying rather than access-seeking because members of political parties are not willing to incorporate *any* policy position for donations.

I test these predictions by revisiting Cox and Magar's (1999) study and applying their model to the change in majority status from Republicans in the 109th House to Democrats in the 110th House thereby expanding their research design and addressing the theoretical concern about access-seeking behavior. The use of their exact statistical model is a proper starting point *in addition to* a possibly thorny locale to test my theory. I start in Section 2 by explaining the research strategy, and why I stress the importance of replication and extension. The results of this study are presented in Section 3. As a final point, in Section 4 I bring this essay to a close by discussing potential objections to my findings as well as noting their importance to the literature.

Research Strategy

At the core of the research strategy for this paper is replication[2]. King (1995) urges the use of a replication standard across the discipline of political science in noting that 90 percent of published articles are never cited and a smaller amount are replicated; there is real value in "building on existing work rather than repeatedly reinventing the wheel" (p. 445). Replication and extension is a key facet of normal science. The most thorough investigation of causal inference builds from previous scholarly contributions to help paint a clearer picture of exactly what is the causal mechanism at work when explaining phenomena. I use the exact empirical model employed by Cox and Magar (1999) because I

[2] This research strategy is guided in the use of a similar approach taken by Krasno, Robinson, and Farrer (2012)

am interested in reevaluating their influential finding with a larger objective of moving further towards conventional science.

It may not be possible for social scientists to replicate data collection but we can make adjustments to research design and statistical models that created the original finding. Taking the value of replication and extension into account, I advance the findings of Cox and Magar (1999) by expanding their test of majority status value to include a shift in majority status from the Republican party to the Democratic party (109th House to the 110th House). In expanding their dataset I follow their specifications regarding the all variables as closely as possible. I will add no additional variables, the only alterations I make are to reflect the fact that Democrats gained majority status in the 110th House instead of Republicans in the 104th House. This strict adherence to the statistical model put forward by Cox and Magar (1999) may make demonstrating my assertions more challenging but it also helps move the discipline more towards the practice of normal science. Demonstrating reason to doubt a decisive finding using their own model specifications provides potent support for my assertions.

Results

I now assess the evidence for my argument that majority status as a form of institutional capital is an artifact of vote-buying Business PACs who prefer Republicans. While I expect majority status to appear to be valuable in the switch from a Democratic House to a Republican House (103rd to 104th) that value should dissipate for Business PACs when the switch is reversed in the 109th to the 110th House. If majority status really is a form of institutional capital then Cox and Magar (1999) would expect Democratic party members with majority status to increase in equal proportion to Republican Party members in the majority because they assume that Business PACs are access-seeking. My research strategy is informed by replication so I move forward in two steps. First, I replicate Cox and Magar's (1999) original finding and demonstrate the expected value of majority status as a form of institutional capital and extend this analysis with an examination of my hypothesis. Second, I expand the sample to include the change from 109th House Republican Party to 110th House Democratic Party with majority status and examine the same hypotheses. By taking advantage of a research design capturing majority status loss and majority status gain for both parties I am able to more thoroughly understand if Business PACs access-seek and therefore reward majority status or vote-buy, consequently rewarding their preferred political party; the Republicans.

The data used by Cox and Magar (1999) to collect Business and Labor PAC receipts is made available through the Federal Election Commission (FEC) for the 1993-94 and 1995-96 election cycles which coincide with 103rd and 104th House. Of the 435 House races available, they choose to drop 84 incumbents who lost reelection bids in 1994, and drop 55 incumbents who did not seek reelection in 1996 from the dataset. Additionally, they chose to drop incumbents who were elected into the 103rd House from their dataset because of conflicts with other data sources providing information on committee seats. This leaves Cox and Magar (1999) with 293 observations (N=293).

[Table 1-A About Here]

In compiling a dataset for the 109th and 110th House I take advantage of PAC filings to the FEC as accounted for by the Center of Responsive Politics (CRP) supplied the data on the contributions made to House candidates. The CRP serves as a clearinghouse for data related to campaign finance. I used the 2005-06 and 2007-08 election cycles because they coincide with the 109th and 110th House. 435 potential observations were available. 21 incumbents were dropped who lost their elections in 2006, 56 incumbents did not seek reelection in 2008 and were dropped, 5 incumbents were elected in special elections in the 110th House and were dropped[3].

[Table 2-A About Here]

I make no changes to the statistical model employed by Cox and Magar (1999). They have two dependent variables, total Labor PAC contributions and total Business PAC contributions to each incumbent. A Labor PAC could be a local trade union or a larger organization like the AFL-CIO. A Business PAC is a more encompassing term that includes corporations, trades, and health PACs. Business PACs tend to reflect the interests of business owners while Labor PACs are more in line with the interests of employees who belong to unions. The distinction between Corporate, Trade, Health, or Labor PAC is made by hand coding a list of all PACs who contribute to House elections in the 2006 and 2008 cycles. A PAC must contribute in both election cycles to be eligible for the list.

To capture the amount of money majority status is worth Cox and Magar (1999) are not interested in the total amount of contributions an incumbent receives in one election cycle compared to the next but the *change* in PAC contributions from one party's members to the other party's members when majority status shifts. As such, they employ a change model to capture this effect. The dependent variable captures this change by utilizing the increase in total amount of Business or Labor PAC contributions to a candidate from the 103rd to the 104th House. In expanding the dataset I take the increase in Business or Labor PAC contributions to an incumbent in the 110th House from the 109th House.

[3] Committee data was available on these individuals but in keeping with Cox and Magar (1999) I chose to drop the observations to make the datasets for the 103rd-104th House as comparable as possible to the 109th-110th House.

To understand the exact statistical technique[4] utilized by Cox and Magar (1999) let C_{i1} equal the total contributions received by House member *i* from one of the two categories of PACs (Business or Labor)for the election cycle ending in year *t*. Begin with two cross-sectional equations for each of two models. Cox and Magar (1999) apply their model to the 103rd & 104th House. Therefore, the first equation for the 103rd House captures the election cycle ending in 1994 (*t=1*) and the second equation is used for the 104th House when the election cycle ends in 1996 (*t=2*). I refer to this model at *Model 1*. Beginning in the 110th House majority status was transferred from the Republicans to the Democrats. *Model 2* ensnares this shift, the election cycle ending in 2006 (*t=1*) applies to the 109th House while the 2008 election cycle (*t=2*) coincides with the 110th House.

$$C_{i1} = \propto_1 + \beta Maj_{i1} + \gamma Rep_{i1} + \lambda Z_{i1} + \theta X_i + \varepsilon_{i1}; \quad \textbf{(1)}$$

$$C_{i2} = \propto_2 + \beta Maj_{i2} + \gamma Rep_{i2} + \lambda Z_{i2} + \theta X_i + \varepsilon_{i2}. \quad \textbf{(2)}$$

Maj_{it} is 1 if member *i* is in the party with majority status, -1 if this member's party lost majority status and 0 if member *i* chose to switch party membership between the 103rd House and 104th House for *Model 1* or the 109th and 110th House for *Model 2*. Rep_{it} is a variable that captures party switching, in *Model 1* this is a 1 if Republican, otherwise 0; the reverse is true in *Model 2* because the key component of this variable is capturing those who switch to the party with majority status. Z_{it} serves as a vector for time-varying covariates[5] while Z_i is "a vector of member-specific time-invariant covariates" (Cox and Magar 1999, 301). It is assumed that the coefficients *β, γ, λ, ϑ* mirrored respectively by Maj_{it}, Rep_{it}, Z_{it},

[4] The following statistical equations are from page 301 of Cox and Magar (1999). I maintain the key points of their interpretation of this technique while extending the explanation of this technique to include a description of how the 109th and 110th House fit into this analysis.

[5] More specifically, is represented by five separate variables serving as controls *(change in lagged electoral safety, change in freshman status, change in prestige committee status, change in voting record, and whether they joined party leadership*) but is used as a vector to simply the explanation of this statistical model.

and X_i do not vary between the two-years separating House elections. To capture the *change* in PAC contributions from one party to the other party when majority status changes equation **(2)** is subtracted from equation **(1)** which gives us equation **(3)**:

$$C_{i2} - C_{i1} = (\propto_2 - \propto_1) + \beta(Maj_{i2} - Maj_{i1})$$
$$+\gamma(Rep_{i2} - Rep_{i1}) + \lambda(Z_{i2} - Z_{i1}) + (\varepsilon_{i2} - \varepsilon_{i1}).$$

(3)

In equation **(3)** the member-specific time invariant factors represented by *Xi* cancel out. The remaining coefficients (β, γ, λ, ϑ) allow the value of majority status, $\Delta Maj_{i2} = Maj_{i2} - Maj_{i1}$, to be assessed while holding a member who switches party constant, $\Delta Rep_{i2} = Rep_{i2} - Rep_{i1}$. In *Model 2,* I alter the equation to capture the Democratic Party instead of the Republican Party: $\Delta Rep_{i2} = Rep_{i2} - Rep_{i1}$ is changed to $\Delta Dem_{i2} = Dem_{i2} - Dem_{i1}$. If I did not make this adjustment in *Model 2* then variation in contributions to the Democratic Party who is in the majority and variation to the Democratic Party could not be separated.

[Figure 1 About Here]

The importance of using a model which incorporates a change in majority status from the Republican to Democratic Party in addition to a model where the shift is from Democratic to Republican Party is that this approach allows us to pick up on variation in access-seeking behavior or vote-buying behavior from PACs. The statistical model designed by Cox and Magar (1999) is aware of issues which may arise if PACs are contributing to a political party rather than the majority status, considered a form of institutional capital, those party members have secured. To mitigate this problem Cox and Magar (1999) measure contributions to party switchers, ΔRep_{i2}, represented by the coefficient γ. At the time of publication, this appears to be the best available empirical strategy. Now that there have been additional change in majority party status improvements to this equation to this issue should be made.

The viability of γ relies on a member of the House switching to the majority party. Between the 109^{th} and 110^{th} House no incumbent who did not lose their reelection bid in 2006 or did seek reelection in 2008 was willing to switch political parties. This makes comparisons between γ in *Model 1* and *Model 2* a moot point. It is not possible with this research design to separate the effect of a political party in the majority from a preferred political party unless β in *Model 1* is compared to β in *Model 2*.

[Figure 2 About Here]

The effect of PACs contributing to a political party can be separated from their contributions to a party with majority status by assessing the *direction* of changes in majority status. If Business PACs are access-seeking and thereby reward the party with majority status additional contributions for their institutional capital then we would expect both political parties to receive similar benefits. The *direction* of the shift from Democratic to Republican majority or from Republican to Democratic majority should have marginally different levels of Business PAC contributions. If Business PACs do not increase the amount of donations to Democrats when they gain majority status then their contribution strategy is in line with vote-buying rather than access-seeking. Additional contributions from a Business PAC to a political party or to a party because they have majority status can be separated by gauging the *direction* of the majority party switch. Party preference is captured by the *direction* of the majority party switch. It is for this reason that I employ two models in replicating and extending Cox and Magar (1999).

Using this strategy for measuring of party preference, I turn to my analysis. I start by reporting the results found in *Model 1* which is an exact replication of Table 1 used by Cox and Magar (1999). I then proceed to analyzing the support for my hypothesis in *Model 2* where new data conformed to a close as possible to the specifications in *Model* 1is used. In both *Model 1* and *Model 2* I keep an eye towards testing both hypotheses.

[Table 1 About Here]

Cox and Magar's (1999) findings in Table 1 (p. 303) comprise the most unequivocal evidence of their theory. In asking “how much is majority status in the US Congress worth”, the dollar amount matters (Cox and Magar 1999, 299). They find that when majority status changes from the Democratic to Republican Party in the 104th House Business PACs are willing to donate about an additional $36,000 (Δ*Maj*). This compares to a change in party status (Δ*Rep*) which is only worth about $13,000 but is not statistically significant—these were Democratic House members in the 103rd who switched to the Republican party in the 104th. Of the control variables the change in freshman status (Δ*Frosh*) and *Joined Leadership* were significant. A member of the House who was an incoming freshman in the 103rd House received about an additional $23,000 upon being elected to their second term in office by Business PACs. There was only one member of the House who joined party leadership—Tom Delay was elected Chief Whip for the Republicans—in the 104th House but received about an additional $500,000 in contributions from Business PACs for his troubles. A rank and file party member who gained majority status in the 104th House could expect about $71,500 in contributions from Business PACs with about $36,000 attributed to the institutional capital gained by being in the majority. Democratic rank and file members of the House—belonging to the minority party—would expect about $35,000 from Business PACs.

Labor PACs display much different contribution patterns. Labor PACs do not reward the Republican members who gained majority status. If a Democratic member in the 103rd House switched to the Republican Party in the 104th House then those individuals received about $26,000 less than they had in the 103rd House from Labor PACs. These results would make it appear that Labor PACs are strongly opposed to giving to members of the Republican Party regardless of majority status. However, in becoming the Republican whip Tom Delay received about an additional $7,000 from Labor PACs than he had in the 103^{rd} House. It is very clear that the donation strategies of Labor PACs are much different from Business PACs.

[Table 2 About Here]

The results of *Model 2* in Table 2 tell a much different story even though the exact same statistical model and data specifications were used. When majority status changed from the Republican Party in the 109^{th} House to the Democratic Party in the 110^{th} House, Business PACs contributed about $47,700 more to Democrats (Δ*Maj*). There were no House members who switched from the Republican Party to the Democratic Party so this variable was omitted (Δ*Dem*). Of the control variables, only those who *joined leadership* were statistically significant. The *joined leadership* variable serves as a dummy variable for James E Clyburn (D-SC) who became the Democratic Chief Whip. This resulted in an additional $936,399 in contributions from Business PACs for Rep. Clyburn. Those who are not in leadership—rank and file members—but are in the Democratic majority would expect to receive about $168,100 from Business PACs with about $47,700 attributed to Majority status. Interestingly, the amount received by Republican rank and file members—minority party members—of the House is about $90,000 in the 110^{th} House.

Labor PACs appear to not be willing to contribute additional funds to the Democratic Party when they hold majority status (Δ*Maj*). No members of the House were willing to switch from the Republican Party to the Democratic Party in the 110^{th} House so the variable is omitted (Δ*Dem*). The control variables which were statistically significant are *change in electoral safety*. Labor PACs will contribute less to incumbents who have won by higher margins in the previous election. Labor PACs appear to ignore the institutional capital associated with majority status and focus on the electoral safety of their preferred incumbents.

Discussion

My reassessment of Cox and Magar's (1999) model confirms that Business PACs value a party in the House with majority status. However, Business PACs do not value majority status for both political parties equally. House members who gain majority status, holding all else equal, can expect about an additional $35,000 in contributions from Business PACs in Model 1. In Model 2 these members receive about an additional $47,700. At first look, it would appear that Business PACs give more to the Democratic Party with majority status; given that these dollar amounts have been adjusted for inflation circa 1994. When we understand the context in which these donations are occurring we will see that the Democratic Party with majority status actually receives much less than the Republican Party, relatively speaking. I will address why I find support for my hypothesis and as a result do not find support for (Cox and Magar's (1999) competing hypothesis.

I cannot find support for my hypothesis without considering the important contextual changes which have occurred since Cox and Magar (1999) have based their study. Since that time, the overall amount of PAC contributions to House members has been increasing (CRP 2012). This study finds evidence for that assertion in examining the constant term of both models. In *Model 1*, a replication of Cox and Magar (1999), rank and file members of the minority party, the Democrats, received about $36,000. Rank and file members of the minority party in *Model 2*, the Republicans, received about $120,000. The relative values of the constant term in *Model 1* and *Model 2* demonstrate that all minority party rank & file House members receive considerably more contributions in *Model 2*. Majority status is also significant in both models; those rank and file members with majority status receive a higher total amount of contributions in *Model 2*.

Given the increase of total contributions which has occurred over time we should examine the value of majority status for the Republican Party and Democratic Party as a proportion of the total contribution received by rank and file members with majority status. In *Model 1* the Republican Party rank and file members with majority status receive $35,985/$70,500 or about 51% of their total contribution from having majority status. Democratic Party rank and file members with majority status, in *Model 2*, receive $47,748/$168,105 or about 28% of their total contribution from Business PACs can be attributed to majority status. After assessing contextual changes which have occurred since Cox and Magar's (1999) writing we can clearly see that majority status is not an institutional feature that can be held constant by holding all other factors equal. Business PACs have a party preference and this clearly affects the value they place in giving to a House member with majority status.

In finding strong contextual support for assertions I reject my null hypothesis. I find support for my hypothesis stating that **Business PAC contributions will change less from their preferred party to their non-preferred party when majority status changes.** As a result, I must fail to reject the null hypothesis posed by Cox and Magar (1999). I do not find continued support for their hypothesis: **"those gaining majority status [will] receive more from business PACs, those losing majority status [will] receive less, other things constant"** (p.302)**.**

The refutation of Cox and Magar (1999)provided here is not to be considered *proof* that both political parties are receptive to donations from Business PACs. Several times each election cycle House incumbents return money contributed from PACs; in replicating Cox and Magar (1999)I only counted donations which were kept—those which were returned were recorded as a "0". Another limitation of this study is that there may be interesting variation within the large category that has been referred to as Business PACs. Perhaps Democrats are friendlier to some businesses—such as those providing Healthcare—than Republicans. There may be considerable variation within the label 'Business PAC' that would lend to inferences about broader questions regarding the viability and implications of PACs who access-seek which is not captured by the scope of the research in this paper.

I have addressed some of the most pressing limitations for inference which can be drawn from this paper. This essay *does* contribute to our understanding of how Business PACs value majority status when held by Republicans or Democrats. As such, evidence is presented which supports the idea that partisan cartel theory is linked to additional contributions from Business PACs for members of the *preferred* political party with majority status.

In considering future research for how PAC contributions interact with facets of legislative organization several possible extensions of this study comes to mind. Many, including Cox and McCubbins (2005), would think that the reelection value of a political party inside the legislature who controls legislation is also tied up in their *party label*. A fundamental issue for partisan theories of legislative organization is whether this explanatory architecture contributes to a majority party member's reelection bid *more than* a minority party member. Cox and McCubbins (2005) argue in fleshing out partisan cartel theory that parties value their *party label* because this helps voters decide who to elect—based on which challenger or incumbent has the more favorable *party label*.

If Business PACs can buy policy from either political party then that party does not value a strong *party label*. Given the length and complexity of legislation such as the current Healthcare Bill being grimaced at by the Supreme Court Justices, party members in the House may think that the time it takes voters to gather the information necessary to comprehend their *party label* is too costly to affect their electoral outcomes. Given this presumption, party members may not think they need to hold rigid ideological positions in the legislature—perhaps this is known by Business PACs.

The notion of *party label* is used in partisan cartel theory to tie what is done in the legislature to the electorate. In accepting contributions from Business PACs, party members are less willing to stake out their *party label* as favoring Businesses or not. The paradox of this essay is that the more support which is found for the value of majority status to Business PACs means less support for a strong *party* *label* on which partisan cartel theory truly attempts to make its connection to the electorate (Cox and McCubbins 1993, 2005). This paradox only serves to further the larger question enveloping this essay of whether partisan explanations of legislative organization can be linked to benefits received by House members in the majority to further their chances of being reelected.

Table 1

Model 1		Dependent Variable: Change in Receipts		
Independent Variable	From Business PAC Coefficient Estimates	Robust Standard Errors	From Labor PAC Coefficient Estimates	Robust Standard Errors
Constant	34,515***	(6,971)	7,130*	(3,854)
Change in Majority Status (Δ*Maj)*	35,985***	(50,480)	-3,076	(2,413)
Change in Party Status (Δ*Rep)*	13,279	(23,410)	-25,916***	(7,414)
Change in lagged electoral safety	-34,361	(7,666)	-25,352**	(11,275)
Change in freshman status (Δ*Frosh)*	23,344***	(14,043)	7,830*	(4,215)
Change in prestige committee status	8,319	(932)	-5,694	(6,497)
Change in voting record	864	(9,487)	631*	(341)
Joined Leadership	496,509***	(9,917)	7,558***	(2,165)
Number of Observations	293		293	
R^2	.34		.05	
***P>.01 **P>.05 *P>.1				

Table 1-A

	Descriptive	Statistics	For	Model 1
Continuous Variables	**Mean**	**SD**	**Min.**	**Max.**
Change in Business PAC Contributions	32,883.78	85,827.39	-17,9917	571,683
Change in Labor PAC Contributions	8,288.94	34,415.56	-121,273	180,825
Change in lagged electoral safety	.050	.191	-.469	.637
Change in voting record	8.09	6.80	-17.56	29.87
Categorical Variables		**Frequency -1**	**Of 0**	**Values +1**
Δ*Maj*(gain or loss of majority status)		152	4	137
Δ*Rep* (party switcher)		289		4
Δ*Frosh*(change in freshman status)		89	204	
Change in prestige committee status		9	269	15
Joined leadership		292		1

Table 2

Model 2		Dependent Variable: Change in Receipts		
Independent Variable	From Business PAC Coefficient Estimates	Robust Standard Errors	From Labor PAC Coefficient Estimates	Robust Standard Errors
Constant	120,357***	(14,250)	3,351	(2,523)
Change in Majority Status (Δ*Maj)*	47,748***	(12,623)	-2,179	(2,355)
Change in Party Status (Δ*Dem)*	(omitted)		(omitted)	
Change in lagged electoral safety	-822,460	(500,395)	-450,146***	(159,453)
Change in freshman status (Δ*Frosh)*	6,094	(21,424)	8,945	(6,121)
Change in prestige committee status	24,172	(44,441)	6,686	(5,566)
Change in voting record	-2,298	(1,401)	-100	(467)
Joined Leadership	936,399***	(50,099)	2,883	(7,463)
Number of Observations	360		360	
R^2	.09		.05	
***P>.01 **P>.05 *P>.1				

Table 2-A

	Descriptive	Statistics	For	Model 2
Continuous Variables	**Mean**	**SD**	**Min.**	**Max.**
Change in Business PAC Contributions	121,925	228,822	-375,894	2,300,705
Change in Labor PAC Contributions	1,009	46,038	-326,384	281,751
Change in lagged electoral safety	.001	.018	-.056	.157
Change in voting record	.658	5.02	-62.9	62.9
Categorical Variables		**Frequency -1**	**Of 0**	**Values +1**
Δ*Maj* (gain or loss of majority status)		168		193
Δ*Dem* (party switcher)			360	
Δ*Frosh* (change in freshman status)		78	282	
Change in prestige committee status		14	327	19
Joined leadership			359	1

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