

Conditional Party Government and Campaign Contributions: Insights from the Tobacco and Alcoholic Beverage Industries

Andrew J. Taylor North Carolina State University

I examine whether tobacco and alcoholic beverage PAC giving in the 1975-to-2000 period has followed trends inferred by the conditional party government (CPG) model. I look specifically at these PACs because they should be especially sensitive to shifting veto points in the legislative process and, consistent with CPG, contribute increasingly more to the majority party and its leadership and relatively less to members of relevant standing committees. My results show both sectors to give more to leadership as party becomes more important. Increasing CPG, however, generally results in greater giving by tobacco to members of the majority party and relatively larger contributions from alcoholic beverages to committee members and their chairs. I reveal a principal cause of this difference to be issue salience and conclude by arguing that contributions from some PACs are reacting to increased partisanship in the House but PACs interested in issues of relatively low salience still behave as if dealing with a chamber organized along distributive lines—a development that is consistent with CPG.

Advocates of conditional party government (CPG) hypothesize that the emergence in the House of Representatives during the 1980s and 1990s of a clear majority viewpoint created by interparty preference polarization and intraparty preference homogenization has made members of the majority party “progressively more willing to create strong powers for leaders and to support the exercise of these powers in specific instances” (Aldrich and Rohde 2001, 275). Despite empirical vindication, however, theirs is not an uncontroversial argument. Some say party has just about always been the critical institution within the House, promoting a sort of unconditional party government that is more frequently called the partisan cartel model (Kiewiet and McCubbins 1991; Cox and McCubbins 1993, 1994). Still others argue that party does not really matter very much. Most prominent among this literature is the work of Krehbiel (1993, 1998) who explains that congressional institutions work on behalf of the chamber as a whole and respond to a

myriad of pressures, not mainly those exerted by parties and their leaders.

CPG has been supported after undergoing a number of tests on many aspects of House life including agenda setting (Sinclair 1995; Taylor 1998) and committee behavior (Maltzman 1997). One potentially fruitful area in which it has not been tested vigorously is campaign contributions. Because business political action committees (PACs) give money to leverage the kinds of public policy they desire—tax breaks, government subsidies, and the regulation of competitors are obvious examples (Grier and Munger 1991, 1993)—they ought to contribute more to those lawmakers who, because of the formal positions they occupy in the legislative process, can greatly influence the passage and substance of policy that is of direct interest to the PAC. As Wawro puts it, “A member’s position in the institution will provide him or her with certain resources that can be used to a group’s benefit” (2000, 84). Such an approach is known as an “investor” strategy

Andrew J. Taylor is Associate Professor of Political Science and Public Administration, North Carolina State University, Box 8102, Raleigh, NC 27695-8102 (taylor@social.chass.ncsu.edu).

An earlier version of this article was delivered at the 1999 Annual Meeting of the American Political Science Association. The work was supported by a 1999 North Carolina State University College of Humanities and Social Sciences’ Summer Stipend. I would like to thank Roland Stephen, Mike Dimock, Barry Burden, Gary King, and Michael Munger for their comments and advice. I would also like to thank Jane Torcasso of the North Carolina Board of Elections, Richard R. Sylvester at the Federal Election Commission in Washington DC, the Center for Responsive Politics, and Tony Raymond and Kent Cooper at Public Disclosure’s FEC Info for help with data collection. The usual caveat applies. The data were analyzed using Stata 7.0.

American Journal of Political Science, Vol. 47, No. 2, April 2003, Pp. 293–304

©2003 by the Midwest Political Science Association

ISSN 0092-5853

(Snyder 1992). In turn, patterns of corporate and trade PAC giving can tell us a lot about who the influential members and institutions are in the House and whether they have changed over time. CPG, of course, says that they are the majority party and its leadership, which have become only stronger during the 1980s and 1990s.

Congressional scholars have already utilized campaign contributions as a way of examining House organization. Some have shown that PACs give disproportionately to members who sit on committees with jurisdictions that are of interest to them (Grier and Munger 1991, 1993; Hall and Wayman 1990; Kroszner and Stratmann 1998; Romer and Snyder 1994) and who are effective at turning proposed legislation into law (Box-Steffensmeier and Grant 1999)—something which is largely a product of the member's affiliation with and leadership of important committees. Others have explicitly substantiated partisan cartel theory by revealing that members of the majority party receive a disproportionately large amount of corporate and trade contributions (Cox and Magar 1999; Rudolph 1999).

My aim here is to see whether patterns of giving are dynamic and have matched expectations produced by a House supposedly characterized by burgeoning CPG. Specifically, this article looks at contributions by manufacturer and trade PACs in the tobacco and alcoholic beverage industries to House members from 1975 to 2000. Giving by the tobacco and alcoholic beverage industries is an especially useful way of testing for the presence of CPG because the legislative objective of these industries is largely to protect existing law from efforts by opposing interests to change it. The federal agenda on these issues was, throughout 1975–2000, set largely by adversaries of tobacco and alcoholic beverage producers, trade associations, and their allies. Put another way, the PACs I examine generally “play defense.” A short contemporary history of the two industries quickly highlights this fact.

Tobacco. The tobacco industry spent the 1975–2000 period protecting price supports and quotas and resisting attempts to increase excise taxes on and strengthen mandatory warning labels for tobacco products (Taylor 1985). Indeed, this pressure was sometimes so great that the industry actually advocated minor changes detrimental to profits in order to dilute criticism.¹ Tobacco was put under further pressure in the 1990s with the release of documents that revealed tobacco executives to have known nicotine to be addictive and to cause a variety of

diseases (Glantz et al. 1996). What is more, in 1996 the Food and Drug Administration declared nicotine a drug and cigarettes drug-delivery devices—a statement that justified the agency's regulation of the industry (Derthick 2002, 50–70). Within Congress, pressure on the industry continues, despite the defeat of heavily punitive legislation in 1998 and a deal with states' attorney generals to settle suits to recover the costs of Medicare (Derthick 2002, 118–81; Meier 1998).²

Alcoholic beverages. The alcoholic beverage industry was resisting federal attempts to raise the minimum drinking age, strengthen blood-alcohol limits for drunk driving, create health warning labels, and increase excise taxes (Meier 1994).³ It was not always successful.⁴ Most of the defensive posturing can be traced to two pivotal sets of events. The first was the highly publicized report by the Cooperative Commission on the Study of Alcoholism in 1967 that focused attention on the fact that Americans were drinking too much (Meier 1994, 165–7). The second surrounded the President's Commission on Drunk Driving and the creation of Mothers Against Drunk Driving (MADD) in the early 1980s. This led to legislation that withheld federal highway funds from states that did not use 21 as the minimum drinking age (Meier 1994, 167–9).⁵

By “playing defense” these industries ought to contribute money to lawmakers who belong to institutions capable of preventing bills from making their way through the legislative process.⁶ That is, the PACs of these industries should be most attracted to members who exercise veto power.

²The tobacco industry bill would have cost manufacturers \$516 billion and given the federal government control over the regulation of nicotine.

³A 1982 Gallup Poll in which respondents were asked, “Which of these do you favor as ways of reducing the federal budget deficit?” reveals both industries' problems during the period of deficits. While only 19% called for “increase tax on gasoline,” 40% to “reduce spending for social programs,” 43% to “reduce military spending,” and 44% to “postpone tax cuts scheduled for 1982 and 1983,” 76% wanted to “increase tax on cigarettes and liquor” (Gallup 1982).

⁴The industry suffered a significant defeat in 1988 when Sen. Strom Thurmond (R-SC) finally saw his health-warning label legislation turned into law (*Congressional Quarterly Almanac* 1988, 326–7). Moreover, in the 1990 budget beer taxes were doubled.

⁵The alcoholic beverage industry has not played “defense” exclusively, however. In the 1990s a number of bills were introduced to revert the excise taxes on beer, wine, and distilled spirits to pre-1990 levels (Kranish 1998). There were also several attempts in the 1970s to reduce the excise tax on beer.

⁶The PACs connected to these industries are not completely monolithic, of course. Liggett's decision in March 1997 to admit to the health problems related to smoking is an example of intraindustry division.

¹In 1982, for example, the industry supported legislation that obligated tobacco growers to reimburse the federal government for losses resorting from loans made to them (*Congressional Quarterly Almanac* 1982, 357–9).

- Cox, Gary W., and Eric Magar. 1999. "How Much is Majority Status in the U.S. Congress Worth?" *American Political Science Review* 93(2):299-309.
- Cox, Gary W., and Mathew D. McCubbins. 1993. *Legislative Leviathan: Party Government in the House*. Berkeley: University of California Press.
- Cox, Gary W., and Mathew D. McCubbins. 1994. "Bonding, Structure and the Stability of Political Parties: Party Government in the House." *Legislative Studies Quarterly* 19(2):215-31.
- Deering, Christopher J., and Steven S. Smith. 1997. *Committees in Congress*. 3rd ed. Washington DC: Congressional Quarterly.
- Derthick, Martha A. 2002. *Up in Smoke: From Legislation to Litigation in Tobacco Politics*. Washington, DC: Congressional Quarterly.
- Epstein, Lee, and Jeffrey A. Segal. 2000. "Measuring Issue Salience." *American Journal of Political Science* 44(1):66-83.
- Fiorina, Morris P. 1977. *Congress: Keystone of the Washington Establishment*. New Haven: Yale University Press.
- Fleisher, Richard. 1993. "PAC Contributions and Congressional Voting on National Defense." *Legislative Studies Quarterly* 18(3):391-409.
- Gallup, George H. 1982. *The Gallup Poll: Public Opinion 1982*. Wilmington, DE: Scholarly Resources, Inc.
- Glantz, Stanton A., John Slade, Lisa A. Bero, Peter Hanauer, and Deborah E. Barnes. 1996. *The Cigarette Papers*. Berkeley: University of California Press.
- Grenzke, Janet M. 1989. "Candidate Attributes and PAC Contributions." *Western Political Quarterly* 42(2):245-64.
- Grier, Kevin B., and Michael C. Munger. 1991. "Committee Assignments, Constituent Preferences, and Campaign Contributions to House Incumbents." *Economic Inquiry* 29(1):24-43.
- Grier, Kevin B., and Michael C. Munger. 1993. "Comparing Interest Group PAC Contributions to House and Senate Incumbents, 1980-1986." *Journal of Politics* 55(3):615-43.
- Hall, Richard L., and Frank W. Wayman. 1990. "Buying Time: Moneyed Interests and the Mobilization of Bias in Congressional Committees." *American Political Science Review* 84(3):797-820.
- Hersch, Philip L., and Gerald S. McDougall. 2000. "Determinants of Automobile PAC Contributions to House Incumbents: Own Versus Rival Effects." *Public Choice* 104(3-4):329-43.
- Kranish, Michael. 1998. "Rep. Neal is Point Man in Push to Halve Federal Beer Tax." *Boston Globe*, July 21, p. A1.
- Kiewiet, D. Roderick, and Mathew McCubbins. 1991. *The Logic of Delegation: Congressional Parties and the Appropriations Process*. Chicago: University of Chicago Press.
- Krehbiel, Keith. 1993. "Where's the Party?" *British Journal of Political Science* 23(2):235-66.
- Krehbiel, Keith. 1998. *Pivotal Politics: A Theory of U.S. Lawmaking*. Chicago: University of Chicago Press.
- Kroszner, Randall S., and Thomas Stratmann. 1998. "Interest Group Competition and the Organization of Congress: Theory and Evidence from Financial Services' Political Action Committees." *American Economic Review* 88(5):1163-87.
- Long, J. Scott, and Jeremy Freese. 2001. *Regression Models for Categorical Dependent Variables*. College Station, TX: Stata Press.
- Maddala, G. S. 1983. *Limited-Dependent and Qualitative Variables in Econometrics*. New York: Cambridge University Press.
- Maltzman, Forrest. 1997. *Competing Principals: Committees, Parties, and the Organization of Congress*. Ann Arbor: University of Michigan Press.
- Mayhew, David R. 1974. *Congress: The Electoral Connection*. New Haven: Yale University Press.
- Mayhew, David R. 1991. *Divided We Govern: Party Control, Lawmaking, and Investigations, 1946-1990*. New Haven: Yale University Press.
- McDonald, John F., and Robert A. Moffitt. 1980. "The Uses of Tobit Analysis." *Review of Economics and Statistics* 62(2):318-21.
- Meier, Barry. 1998. "Cigarette Makers and States Draft a \$206 Billion Deal." *New York Times*, November 14, p. A1.
- Meier, Kenneth J. 1994. *The Politics of Sin: Drugs, Alcohol, and Public Policy*. Armonk, NY: M.E. Sharpe.
- Poole, Keith T., and Howard Rosenthal. 1997. *Congress: A Political-Economic History of Roll-Call Voting*. New York: Oxford University Press.
- Public Disclosure, Inc. "U.S. House/Senate Campaign Money Info." 2001. <http://www.tray.com/fecinfo/_states.htm> (accessed August 25, 2001).
- Rohde, David W. 1994. "Parties and Committees in the House: Member Motivations, Issues, and Institutional Arrangements." *Legislative Studies Quarterly* 19(3):341-59.
- Romer, Thomas, and James M. Snyder. 1994. "An Empirical Investigation of the Dynamics of PAC Contributions." *American Journal of Political Science* 38(3):745-69.
- Roncek, Dennis W. 1992. "Learning More From Tobit Coefficients: Extending a Comparative Analysis of Political Protest." *American Sociological Review* 57(4):503-7.
- Rudolph, Thomas J. 1999. "Corporate and Labor PAC Contributions in House Elections: Measuring the Effects of Majority Party Status." *Journal of Politics* 61(1):195-206.
- Sigelman, Lee, and Langche Zeng. 2000. "Analyzing Censored and Sample-Selected Data with Tobit and Heckit Models." *Political Analysis* 8(2):167-82.
- Sinclair, Barbara. 1995. *Legislators, Leaders, and Lawmaking: The U.S. House of Representatives in the Postreform Era*. Baltimore: Johns Hopkins University Press.
- Sinclair, Barbara. 2001. *Unorthodox Lawmaking: New Legislative Processes in the U.S. Congress*. 2nd ed. Washington, DC: Congressional Quarterly.
- Smith, Steven S. 1989. *Call To Order: Floor Politics in the House and Senate*. Washington, DC: The Brookings Institution.
- Snyder, James M., Jr. 1992. "Long-Term Investing in Politicians; Or, Give Early, Give Often." *Journal of Law and Economics* 35(1):15-43.
- Sorauf, Frank J. 1988. *Money in American Elections*. Glenview, IL: Scott, Foresman.