PARTY DECLINE IN AMERICA

POLICY, POLITICS,
AND THE FISCAL STATE

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Preface and Acknowledgments

For much of the postwar period, scholars argued that American political parties were in decline. More recently, however, scholars have pointed to signs of party revival in Congress and party organizations, and there is a new and important literature of "resurgence" in both these areas. Among the citizenry, however, the status of parties remains grim whether one focuses on such behavior as voting turnout and split tickets or on opinions toward the performance of the two-party system and the contributions of parties to contemporary democracy. This paradox of parties—revival with decline—challenges our theories of parties and our understanding of American political development.

The status of party in American politics is tied intimately to its state setting, including particularly the major policy at the center of a given era and the institutional structure that articulates and resolves that policy. Thus, the significance and salience of parties depends on state-building episodes that are themselves subject to the influence of parties. This book is most directly concerned with the status of party after World War II, and particularly the decline of party in that period. The structure and policy concerns of the state before the 1930s encouraged stronger and more meaningful parties than did the structure and policy after the 1930s. In the "fiscal state" after the 1930s, parties were left on the periphery of economic management, which was the fundamental concern of the era. Losing control of policy weakened the political party. With economic management centered in the executive branch, implemented through automatic stabilizers and other structural devices, and tending toward Keynesian convergence, the legislative parties—the linchpin of the party system—were increasingly significant in this area and were seen as such by voters. This structure opened up opportunities for candidate-centered campaigning by members of Congress, but it also weakened the status of party in American politics. Only when the structure and policy of the fiscal state began to erode would the parties be able to revive. This process, I argue, began in the late 1970s with stagflation. Under what many saw as crisis conditions, the logic of fiscal state economic management unraveled and the party organizations found substantially increased numbers of donors willing to contribute to party coffers. In Congress, the erosion of the fiscal state allowed for increased party polarization. But enough of the fiscal state remained in place to limit the impact of this elite-level change on the public. It was this dynamic that produced the paradox of revival with decline. Party resurgence depends on the erosion of fiscal state
The Past and Present of American Political Parties

Political parties make policy; political parties take policy. To understand changes in the status of American political parties, one needs to begin from this point. When parties control policy, they are better able to act as vital linkage institutions. When they lose control, they weaken. The content of policy and the making of policy have concrete effects on the ability of parties to appear centrally important in the legislative process. By affecting whether parties appear to control a policy domain, policy substance and state structure in turn affect whether the public focuses on parties or on individuals when voting, and they tell citizens which political players deserve their attention. But the status of parties is not fixed. The changing significance of parties and their contribution to American political development have been of central interest to political participants, observers, and scholars across American history.

Because state structure and dominant policy concerns can change, the role, perceptions, and centrality of political parties can also change. From the 1870s to the 1930s, for example, party competition was based substantially but by no means exclusively on trade policy. This policy, both in content and in the way it was made, tied voters to the parties and tied the parties to meaningful policy differences. Parties controlled the making of trade policy, they differed significantly, and voters cared about the differences. In contrast, the fiscal policy-based party system of the post-war period was far less supportive of parties that play central legislative roles and that appear important to the public. A “fiscal state” emerged from several key institutional debates from the mid-1930s to the mid-1940s. By institutionalizing fiscal policy, introducing new components of policy making, and encouraging plebiscitary voting, this state set in place the long-term conditions for party decline and, I argue, the keys to party renewal.

To explore how the fiscal state affects parties, I take up one particular aspect of party performance: How do the parties respond to economic downturns? Given the relation of economic downturns to the creation of the new party system of the 1930s, it is a key question. Downturns are also important because the structure and policy of the state are potentially most malleable and public attention to politics is heightened. But the parties, not in control of macroeconomic policy, serve more as policy takers
than policy makers. During downturns, major areas of potential party contestation are effectively off-limits and, in those areas where parties do act, widespread Keynesian understandings of the way the economic world works push the parties to adopt similar solutions. The Keynesian revolution in economic thought argued that government had an active, ongoing role to play in the economy. Rather than hewing persistently to a balanced budget orthodoxy and allowing the economy to repair itself, government should use budget deficits to stimulate economic growth during recessions. Similarly, government should reduce deficits or run budget surpluses to combat inflation. This change in economic thinking had an impact on party actions. An analysis of budget-related roll-call votes shows that with economic decline, parties become less distinctive. Precisely when voters can use more policy choice, they hear more echo. A qualitative look at how parties respond to recessions reinforces this conclusion by showing that the parties choose from a narrow range of policy options and converge fairly quickly on which of these tools to employ.

Saying that policy matters and the state matters is important because it suggests that forecasts of inexorable decline (or improvement) for party are likely to be unreliable. When either the policy content or policy-making structure underlying party competition become less viable, a reconstituted party politics is possible. Predictions of dealignment or party decline as the irreversible result of postindustrialism, affluence, education, media, geographical mobility, or some other megatrend have not been sensitive enough to what has made American parties important in the past. The partial improvement in the parties position in the 1980s and early 1990s can, for example, be tied to the increasingly less tenable prescriptions of Keynesian analysis, not to any reversal of these broad historical trends. Policy content changed. But the limited nature of this improvement through the early 1990s—for example, voters remained distinctly unimpressed with the parties—reflected the relatively modest changes in state structure. Revitalized parties require a new policy basis for party competition and a new structure of policy making that places parties as central actors. Without both, the rebirth of American political parties will be stillborn. Factors such as changing communications media have no doubt influenced the status of parties. An adequate explanation of party decline and resurgence, however, must consider changes in the state. 1

My analysis of party decline and resurgence employs Chambers’s definition of party: “a relatively durable social formation which seeks offices or power in government, exhibits a structure or organization which links leaders at the centers of government to a significant popular following in the political arena and its local enclaves, and generates in-group perspectives or at least symbols of identification or loyalty” (1975: 5). With this kind of party, politicians should get a more predictable marketplace of voters, and voters should get more predictable results from politicians. At bottom, the story told in this book is most specifically about congressional parties and changes in their role and behavior, but congressional parties are the means to an analytical end: I focus on congressional parties because they are linchpins that connect the operation of parties in the government, parties in the electorate, and parties in relationship to policy arenas. Changes in congressional parties have ripple effects on the rest of the party system. Focusing on the congressional party and the key institutional debates redefining its role casts light on the postwar position and salience of party in Congress, in the polity, and among voters.

Party Decline in the Postwar Period

A large group of political scientists warned about the decline of American political parties in the late 1970s and early 1980s. Many implied the decline was irreversible. The concern about the status of political parties was wide ranging; virtually everything about the parties seemed to be going wrong. Writers pointed to difficulties in the electorate, Congress, party organizations, and the political system that decreased the salience, significance, and meaning of party. 2 Party decline need not mean decline from some “ideal” condition of parties, but rather a decline from what parties had been doing in the past. 3

More recently, scholars have pointed to at least partial party revital-

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1 Chapter 2 defines in more detail the conceptualization of the state in general and the fiscal state in particular. Lake (1988a) offers an excellent discussion and elaboration of the concept.

2 For indicators of decline in the electorate, see Nie, Verba, and Petrocik 1979; Burnham 1982; Lipset and Schneider 1983, 1987; Crotty 1984; Flanigan and Zigarela 1983; and Fiorina 1980, 1987, 1990. For Congress, see Burnham 1975; Clubb and Traugott 1977; Cooper and Hurley 1977; Brady, Cooper, and Hurley 1979; Collie and Brady 1983; Brady 1990. For party organizations, see Kirkpatrick 1979; Ranney 1975; and Polsby 1985. For decline in the system, see Schlesinger 1980; Finer 1984; and Ginsberg and Sheftler 1990. These examples are representative of the literature but are by no means exhaustive.

3 Assumptions about whether parties should be emphasizing clear ideological programs and punishing transgressors—the responsible party (Schattschneider 1942; APSA 1950)—or whether parties should be primarily concerned with integrating society and serving its other functions such as recruiting candidates—the functional party (Herring 1940; Eldersveld 1982)—influenced what analysts found dissatisfying about American parties and where they saw “decline” (Oren 1982). Nonetheless, both groups saw serious deficiencies in the workings of American political parties. V. O. Key showed that these two perspectives could be brought together. His famous work on one-party factionalism (1949), for example, shows an interest in the functional concerns of party while his work on realignment and the electorate evinces connections with responsible party concerns (1955, 1959, 1966).
CHAPTER 1

Despite an increase in 1992, turnout remained low, especially at subpresidential levels. Any celebration of voters shifting their party allegiance more in line with their views must be tempered by the simultaneous withdrawal of voters from the electoral universe. The centrality of party to the political discourse following the 1994 election is a promising sign that is discussed further in chapter 6.

Studies of decline and studies of resurgence provide many insights about the condition of parties, but they also share common problems. Both have relied too heavily on the tripartite approach to parties (party in the electorate, party in government, party as organization) and fail to illuminate how changes in one part of the party system might encourage States should either eliminate party labels from election ballots or have additional significant parties. In a 1991 USA Today survey, 41 percent of all respondents volunteered that “neither” party came closer to sharing their values. A 1990 USA Today survey found that 51 percent of the public agreed that “neither political party represents my views anymore.”

Sources: University of North Carolina, Institute for Social Research Public Opinion Index, online.

Despite numerous variations on a theme, four approaches predominate in the party decline literature: the breakdown of confidence, realignment and dealignment, institutional displacement, and Keynesianism and the politics of growth. The level of analysis differs: Breakdown of confidence theories and realignment theories begin with the role and behavior of individuals; institutional displacement theories begin with the role, capacity, and behavior of institutions; and politics of growth theories take policy and coalitions as their benchmark. Confidence theories argue that voters were increasingly detached from parties that failed to confront several concrete political and economic events in ways beneficial to their supporters. In short, a “crisis of confidence” in parties, party leaders, and politicians and government more generally led to less consistent party voting. The various stripes of realignment analysis agree that party decline on both the voter and system level should accelerate a generation or so following a realignment as issues, emotions, and environmental stimuli fade. Institutional displacement theory argues that parties declined as other institutions, such as the media or interest groups, adapted better to the changes of the twentieth century or, alternatively, as changes such as greater educational levels decreased the need for cues-givers. Changes made by Congress to allow construction of member enterprises and candidate-centered campaigning, such as staff increases, travel allowances, franking privileges, district offices, and so on, fall in this latter category (Loomis 1988). Politics of growth studies assert that systems oriented around Keynesian management techniques and operating under some notion of a labor-management accord progressively squeeze allowable debate into narrower parameters. Society is seen as a firm trying to optimize the ratio of output to input, and the state’s task is to manage the firm. The questions of importance are focused on expertise in macroeconomic and administrative management; parties can offer little of distinctive significance in such a system. Studies that employ aspects of these approaches include Broder 1972; Alt 1984; Crewe, Sarlvik, and Alt 1977; Ladd 1977, 1978; Burnham 1981b, 1982: chs. 1–2; Lawrence and Fleisher 1987; Schneider 1984; Nie, Verba, and Petrock 1979; and Dionne 1991 on the decline of confidence; Key 1955; Burnham 1970; Trilling and Campbell 1980; Nexon 1980; Williams 1984; Sunquist 1983; Kleppner 1981; Chubb, Flanigan, and Zingale 1989; Brady 1978, 1980, 1988; Brady and Stewart 1982; Ginsberg 1976; Seligman and King 1980; Meier and Kramer 1980; Hansen 1980; Adamy 1980; Macdonald and Rabinowitz 1987; A. Schlesinger 1984; Silbey 1990; Carmines and Stimson 1981, 1984, 1986, 1989; Carmines, McVicar, and Stimson 1987; P. Beck 1974, 1984;
or retard change in another part. Failing to focus on meaningful historical periods is another common weakness. Some studies of decline begin at the turn of the twentieth century and imply that all subsequent changes in party status derive from that historical turning point. Others, perhaps acknowledging that the forces behind changes in party status differ across historical periods, employ alternative starting years but do not indicate why these years are significant. Party resurgence studies, particularly those focusing on party organizations, suffer from a similar weakness. A related problem with much of the decline literature from the 1960s and 1970s that is now emerging in the resurgence literature is selection bias on the dependent variable: Taken from a slice of history, all party measures are apt to show a downward trend. Similarly, in models constructed to explain a decline in a particular measure of party strength, less attention is given to variables that might lead to party resurgence. This creates a dilemma: Models suggesting that parties decline as the media proliferates or geographical mobility accelerates, for example, look plausible on the surface, but they are hard-pressed to account for party resurgence (a change in the dependent variable) as these large trends (the independent variables) continue unabated. Explanations suggesting an ever improving trajectory for the fortunes of parties based on recent improvements are equally problematic.

An adequate explanation of postwar party status should incorporate some reversal of decline, explain why some signs of decline emerge early in the postwar period, and plausibly link together decline (and its reversal) at different levels and roles of party. The major lines of research into resurgence and decline fail on at least one of these points. To their credit, several studies do provide analyses that point to events aneading the 1960s. Most of the theories, however, are unidirectional and stress the slippery slope of decline or resurgence. And some are more adept than others in integrating different kinds of party decline or resurgence. Although there have been some recent attempts to integrate party theory from the perspective of party organization (see Cotter, Gibson, Bibby, and Huckshorn 1984; Baer and Bositis 1988, 1993; Schlesinger 1991), these

... attempts have largely left out the public. To the extent that the public is considered, cynical beliefs about the parties and withdrawal from the electorate are dismissed as relatively unimportant. With evidence of both decline and renewal, the data are now available to overcome these problems. Approaching parties from the perspective of the state makes sense of key points in other theoretical approaches, avoids unilinear analyses, and helps connect developments in different portions of the party system. By following the thread of the fiscal state across postwar American party politics, I hope to show that considering the relationship of the state and parties is vital to understanding the status of party in a particular era.

Why is the state's role so crucial? First, state structure places boundaries around the responsibilities of different institutions and the types of policies adopted. Structure does not drop from the sky: The structure that emerges reflects the policy range and actors' roles favored by the dominant political coalition at a particular time, tempered by existing institutions and policy legacies that provide a cumulative sense of what is feasible. Second, state structure builds public perceptions about where policy responsibility lies. When the state had relatively little institutionalized policy from one administration to the next and a relatively circum-

10 Cotter, Gibson, Bibby, and Huckshorn (1984), for example, devote only one paragraph to the public, and the tone is dismissive of public criticisms of the parties. Baer and Bositis (1988, 1993) argue that the parties have incorporated the public by incorporating social movements. Although developing an important argument about party elites, the authors are unable to show finally that this incorporation of social movement elites has had any effect on, or support in, the public. They also dismiss the significance of declining turnout. Finally, Schlesinger (1991) argues that party loyalty in the electorate and the need for strong party organization are inversely related; the improvement in party organization he argues, results from the uncertainties caused by increased voter volatility. It is plausible (though hardly inevitable) to link an uncertain environment with moves toward stronger party cohesion and party organization. Schlesinger, however, does not explain why voter behavior changed in the first place. And again, exit from the electorate is considered unimportant, except as it might affect the uncertainty of the political environment.

11 This statement links together two schools of thought that have been in a sharp debate over explaining why the United States (or any country) ends up with policy x and not policy y. On one side are the coalition theorists such as Kurth (1979), Gourevitch (1986), and Ferguson (1984), who see political coalitions as explaining policy choice. On the other side are the more state-centric analysts such as Skocpol and Weil, who argue that one needs to explain policy by looking at the state institutions, the interests of state managers, and the limits posed on innovation by previous policy legacies (cf. Moe 1989). But it seems to me that Skowronek has effectively bridged the debate in his analysis of the 1880–1920 period. In a sense rather different from Marx, Skowronek is echoing one of his dictums: Coalitions can make their structure, but not exactly the structure they please. It is on this point that Skowronek's 1982 work on bureaucracy and his recent (1993) work on the presidency most profoundly intersect. See also Orren and Skowronek's (1994) development of a multifaceted perspective to American political development, and Chubb and Peterson (1985).
scribed role for the central government, people saw parties as the locus of responsibility. When policies, programs, and procedures become institutionalized into the state and the president takes the lead role in policy initiation, however, the perception of party importance declines and partisan identification is more fleeting. Parties find it more difficult to challenge the new regime, as Joseph Harris, a research staff director on the President's Commission on Administrative Management, noted in 1936: "We may assume the nature of the problems of American life are such as not to permit any political party for any length of time to abandon most of the collectivist functions which are now being exercised. This is true even though the details of policy programs may differ and even though the old slogans of opposition to governmental activity will survive long after their meaning has been sucked out" (cited in Milkis 1984: 13). Third, the outcome of state policies changes the political environment within which political parties and other organizations operate. For example, the success or perceived success of the state's management can shape the political environment.

In short, the state shapes the relationship between the people, policies, politicians, and the parties. This "shaping" raises important questions: Does the state interfere with party links to voters? What happens to policy control? What conditions make parties "strong"? Are these conditions made less likely by the state? By asking questions such as these, an analysis viewed through the lens of the state can be sensitive to both the limits and opportunities facing parties. Today, American political parties witness both improvement and decline. These diverging paths of resurgence and decline taken by different "parts" of the parties in the present period present an excellent opportunity to understand how these components of the parties fit together.12

What Are American Political Parties?

The short answer to this question is that American parties, while not programmatic, have been strongly policy oriented and that this policy orientation matters to both the mass voters and elites (James 1992; Bridges 1994; cf. Bailey 1959: 4). It is also indisputable that American parties have assumed over time the "constituent" roles depicted by Theodore Lowi (1975). By this term, Lowi means roles that are constitutive of the political system, functions without which the political system would not operate. Such tasks include overcoming the constitutional separation of powers and branches, keeping conflict within boundaries, monitoring the rules of the game to keep them "fair," integrating new citizens into politics, recruiting and training candidates, running campaigns, and informing voters. In both policy considerations and political roles, then, political parties have been a central element of political life in the United States for both officeholders and the public. The decrease in this centrality is the core of the notion of party decline.

Does Policy Matter?

Party scholars generally agree that American political parties have been predominantly constituent rather than programmatic. Skowronek (1982), for example, argues that through the late nineteenth century the American state was a "state of courts and parties." Party, in his view, was exceptionally strong in this era: Parties linked the national government to each locale, linked the discrete units of government horizontally in a territory, and organized government institutions internally. Parties were less notable for their programs than for the "procedural unity" they lent the state. It was a party structure and party system designed to integrate national government services into local centers of governing activity. Consequently, "building a winning electoral coalition on a national scale substantially reduced the prospects for implementing a positive national program" (Skowronek 1982: 26).13

Despite the obvious importance of these constituent functions, it is not obvious that short of programmatic parties the policy consistency of parties must be written off altogether. Although American parties may not have been programmatic and ideological, they have been strongly issue oriented over time; one might label them "policist." Broad thematic differences have separated the parties over time (Jensen 1981b; Silbey 1984; Hibbs 1987; Budge and Hofferbert 1990; Hofferbert 1993; Stewart and Weingast 1992).14 Clusters of issue concerns have defined various eras in American political history (Sundquist 1973; Ferguson 1982; Ladd and Hadley 1975; Hahn 1983; Bensel 1990; Aldrich 1995). And nineteenth

12 See Baer and Bositis (1988: chs. 1–2) for an excellent overview of the weaknesses of tripartite theorizing. What was gained from the tripartite model was a rich, extensive, empirical literature on several aspects of American political parties that allowed for finely tuned, low-to-medium level theory building. What was lost was the sense that the whole of party was more than the sum of these three parts. Baer and Bositis's analysis suggests that an integrated theory ideally has some notion of "party," how party affects relations between mass and elite, the broad impact of party on politics, and the likelihood of change in party.

13 Jaenicke (1986), largely through the vision of Martin van Buren, presents a concise overview of the early struggle to institutionalize parties in national politics, including the balance between ideology, policy, and commitment to party organizational practices.

14 Silbey (1984) argues that parties vested on the responsible party model at certain times in the nineteenth century, perhaps most prominently in the 1830s and 1840s.
century congressional voting displayed high levels of party cohesion and interparty conflict, particularly in the latter part of the century.

Not only have parties had some issue content but links between the parties and the populace have been issue related as well. The pre–Civil War party system was critical for the development of the working class (Bridges 1986). Workers, as a minority, found it necessary to work with partisan coalitions at the state and federal level. With unionism not a possible strategy for craftsmen, and militant unionism an unacceptable strategy for others (because of their fear of immigration), workers could be mobilized into cross-class coalitions. Both “ostentatious paternalism” and the tariff that promised to protect American labor from British labor facilitated this process. Indeed, the tariff was “the policy cement of the view that labor and capital shared the same interest” (Bridges 1986: 187) After the Civil War, parties promoted visions of society to create reliable majorities. Partisan solidarities made workers American. Partisanship embraced ethnicity, class identity, and visions of social relations. Partisan identity was “larger” than class or ethnicity, not simply reflective of them. And the choice was firmly embedded in concrete issues: “Workers became Republicans and Democrats not as the result of symbolic or ritualistic activities but in the service of quite objective working-class goals” (Bridges 1986: 192).

The parties organized around issues that “were deeply meaningful to most workers” (Shefter 1994: 145), especially the tariff. Democrats argued that the Republican impulse to tax every article workers consumed (and to elevate blacks to a position of equality with whites) was tantamount to telling people “what they could or could not do [their] Sundays.” Republicans replied that Democrats were indifferent to the plight of workers by being unwilling to assist industry. These appeals held real meaning to citizens. Even if not programmatic, the way that parties and policies were intertwined was what made them significant to the public. The salience of party depended on both their constituent functions and their evident policy relevance. Issues like trade were important not only to the business or agricultural elite or to agricultural laborers but to the growing industrial workforce as well.

One way scholars have explored the link between policy and parties is by making a distinction between distributive and regulatory issues and how these affect parties. This dichotomy can be overdrawn (McCormick 1986: 197–227; Lowi 1975). Distributive issues are said to be “easy” for parties while regulatory issues are difficult and cut across coalitions. But looking more closely at distributive issues makes them appear less easy. If

15 In the late nineteenth century, Jensen writes, “The typical voter relished an articulate long speech unravelling the complexity of national monetary, trade, or constitutional policy” (1981b: 67).

“there were never enough of the choicest resources and privileges to go around” (McCormick 1986: 207), then parties had to make difficult decisions. If the hard times of the late nineteenth century led to great dissatisfaction among elites and demands for widespread retrenchment in the government and in the economy, then it is not so simple to give alternative forms of distributive largesse to groups excluded from a particular distributive benefit.

Even if party conflict were more muted in regulatory than distributive policies, there were party differences and they were differences over an increasingly important area of policy. Because elites demanded action, because these were key areas of public concern, and because party members wanted the party to be relevant to the public’s and elite’s political calculations, parties did not simply avoid regulatory issues after the turn of the century. And despite the mutual appearance of declining party conflict and the onset of regulation at the turn of the century, postwar party conflict had declined for years before the surge of social regulation arrived in the 1970s. In short, the importance of a policy to elites and the public, the existence of party divisions, and the ability of the parties to control policy making are key considerations when examining policy. Labeling an issue as regulatory or distributive is not sufficient.

There will be some ebb and flow in how issues play into party competition, and this fluctuation is an important contributor to party status across time. Key notes that party distinctiveness changes over time as parties move from controversy to convergence in the ongoing process he labels “dualism in a moving consensus” (1964: 222–27). Similarly, a key problem in the contemporary West is that the ideal of economic growth “gained an overwhelming grip on the public imagination. It was unan- mously endorsed (at any rate in their rhetoric) by political leaders of all persuasions, who treated it on the one hand as utterly self-justifying, and on the other as validating whatever burdens the state might impose on so-

16 Unfortunately, discussions of parties and policy often get tangled up in discussions of the responsible party model. But these are separate considerations. When he argues that American parties “have almost never been ‘responsible,’ policy-making parties,” Lowi (1975: 241) merges two concepts. Responsible parties campaign more or less as a cohesive team on policies, enact those policies when in office, and take responsibility for the results in the next election. So a responsible party is not only a policy-making party and a policy-making party is not necessarily responsible. Policy-making can occur through parties even if the parties are not necessarily responsible. I do not assert that this is desirable, only that it is possible. Otherwise, it is difficult to understand why wealthy individuals and interests pour so much money into political parties. Assuming these people are not irrational and that they do not thrive on the visceral thrills of empty victories, it is reasonable to assume that they see some concrete policy functions of the parties. Whether the parties responsibly campaigned on these policy differences or will mention them in the following campaign is another question.
ciety” (Poggi 1978: 133). The growth of the growth idea, with growth seen as a technical issue, “diminishes the relevance of the parties ideological heritage” and encourages parties to ask voters for ever-vaguer mandates (Poggi 1978: 141). As I suggest, the ebb and flow of these economic management issues help make sense of the decline and partial resurgence of postwar parties.

**When Are American Parties “Strong”?**

Most discussions of American parties depend on some notion, whether implicit or explicit, of the characteristics of “strong” and “weak” parties. Typically, this designation applies not to individual parties but to all parties in a political system (cf. Alt 1984). That is, it is intended to suggest something about the role, importance, and functioning of parties on a systemic level. American observers often consider parties in the United States to be weak, while those in Europe are said to be strong. But a general perusal of the literature on European parties often reveals the same lamentations about weak, irrelevant, and declining parties that have been common in the United States.\(^{17}\) This comparison suggests three things: Unless it is defined, the use of strong party/weak party may mask more than it reveals; the sources of party decline may be broader than particularistic events in one country;\(^ {18}\) and the parties may change. On this last point in particular, it does not explain party decline after the New Deal to say that American parties have traditionally been weak. Nor are the events and forces that caused party decline around the turn of the century necessarily the same events and forces that led to later decline. Recognizing change in parties is important: Except for strong contending ideologies, most of what is considered “strong” about European parties can be found at some point in American history.\(^ {19}\)

Putting first things first, how should a strong party be defined? I sug-

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\(^{17}\) See, for example, the articles (and bibliography) in Dalton, Flanagan, and Beck (1984); Crewe, Sarlvik, and Alt (1977); Wilson (1979); the essays in Dalton and Kuechler (1990); Esping-Andersen (1990); Mair (1990); Richardson (1991); and Reiter (1991), among many others.

\(^{18}\) Theoretical treatments of “party government” that focus especially on Europe are essays by Wildemmann, Katz, Pasquinio, Freddi, and Smith (all 1986) in an edited volume by Castles and Wildemmann. The second volume of the series (Katz 1987) presents country case studies. For a look at party decline, see Pogunke (1993).

\(^{19}\) By “strong contending ideologies” I refer simply to the familiar notion that the United States has never had a major party based on nonliberal (for example, socialist) ideas. Even within a liberal consensus, party differences can be dramatic. Defining terms such as “property” and “liberty” and the means to achieve these goals involves contention; occasionally such efforts lead to revivals of republicanism (Morone 1990).

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20 Despite the insistence of many strong-party advocates, there is no particular need for the party divisions to be class-based. That is one possible division. But one is reminded that even Antonio Gramsci, surely an advocate of “strong” parties, recognized the effectiveness of cross-class coalitions. Sartori (1990) points out the difficulties inherent in the discussions of class-party links.

21 Strong individual parties are those that are particularly successful in these strong party periods—they win elections, appear to have the backing of public opinion, and organize effectively to build political debate around policies voters care about in a fashion that voters find relevant to their lives. It may well be, as Ferguson (1982) suggests, that the messages voters receive are instigated by powerful investors in the parties and not anything that arises from the voters themselves. But voters are not likely to be mobilized for long on a set of issues in which they have no interest. Therefore, the issues still have to have some connection to voter interests.
McGovern—suggests voters veer away from extremes, there is some evidence that voters prefer a choice. Reclassifying data gathered by Martin Wattenberg on public evaluations of the parties, Konda and Sigelman (1987) build positivity indexes for the two American parties together and the Democratic and Republican parties individually. I compared these indexes (which examine voters' "likes" and "dislikes" about the parties in election years from 1952 to 1984) with indexes of intraparty cohesion and interparty dissimilarity in House roll-call votes. The result is a moderate, substantial relationship: The positivity ratings of the two parties correlate with party dissimilarity at .63. The individual positivity indexes correlate with cohesion at .67 and .41 for Democrats and Republicans, respectively. In other words, the more cohesive and distinctive the parties over this thirty-year period, the more positive the public view of the parties in general and the two parties specifically.22 A more extensive comparison of party distinctiveness with likes/dislikes evaluations from 1952 through 1990 paints the same picture (see table 1.1). Parties are more salient (that is, generate more like/dislike observations from respondents) and attract firmer support when they are distinctive. "Directional" theories of voting reinforce this argument. Rather than favoring parties to move toward a moderate median, voters are primarily interested that public policy head in a direction that they approve (Rabinowitz, Macdonald, and Listhaug 1993). This "directional" behavior means that voters prefer parties to move toward the extremes, though not to be extreme. Supportive attitudes about parties increase when the public is offered two strong, competitive, active party organizations (Coleman 1994). Similarly, periods of high turnout—when voters believe political involvement has some payoff—and periods of high cohesion and conflict have historically tended to coincide. For example, from 1862 through 1970, the congressional turnout rate outside the South correlated with party conflict in the House of Representatives at .50. The relationship is stronger when the fluctuation caused by presidential elections is controlled. In presidential election years, conflict and turnout correlate at .58; in off-year elections, the correlation increases to .69.23 These various findings make perfect Downsian (1957) sense: More distinctive parties are likely to increase an individual's calculation of the benefit from voting, if it is believed that the parties control key policy areas.

All three elements of party health—control of a policy area, contrasting party positions, and the salience of the policy to voters and elites—are relevant in considering the rise of fiscal issues in the 1930s and 1940s. In all three respects, the fiscal state made the prospect of healthy parties in postwar America problematic.24

From the Old Deal to the New: Moving Partisan Trade Politics to the Periphery

Before moving to an analysis of the fiscal state, the notion of healthy parties will be made clearer by looking to the past. One need not downplay the other important issues facing parties from the period between Reconstruction and the Great Depression to suggest that trade policy was the most important issue consistently dividing the parties and defining their coalitions. When the parties wanted to express a vision of state-economy

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22 The correlations are not spurious. When I compared the positivity indexes with the cohesiveness or dissimilarity of parties at years t-1 and t-2, the correlations dropped anywhere from 50 to 75 percent in magnitude for all three cases (both parties, Democrats only, Republicans only).

23 Party conflict is measured as the percentage of roll-call votes that pit a majority of Democrats against a majority of Republicans. Scores are calculated for each two-year Congress, not for each year separately. The conflict scores are then compared to the voting turnout outside the South in the subsequent congressional election. For example, conflict in the 1921-1922 Congress is matched with turnout for 1922. Party conflict data is from Clubb and Traugott (1977); turnout data is from Burnham (1987).

24 From 1976 through 1982, at least half of the electorate believed that there was no difference in the parties' ability to handle unemployment and inflation (Parker 1986: 394). Cotter (1985) concurs that the decline of partisan identification is most strongly related to a perception that the parties are no longer relevant.
relations and the proper interaction of industry and government, they relied most often on the measures and symbols of trade policy. To be sure, trade was not the only policy separating the parties, but most studies agree that it was the most enduring, crossing even the otherwise momentous party system changes of 1896 (Ferguson 1982, 1984; Bensel 1984; Terrill 1973; Jensen 1981b; McCormick 1986: 57, 210; Shefter 1994: ch. 4; Bridges 1986; O'Halloran 1994; Verdier 1992). Congressional parties developed and defined trade policy; they differed significantly on policy preferences; and voters, including newly mobilized portions of the electorate, understood and cared about the differences. Acknowledging that this era, like others, had serious democratic deficiencies, party scholars at the same time look with favor at the period's cohesive and distinctive parties, extremely high voter turnout, deep public interest in politics and issues, and emphasis on party labels and linkage in campaigning and governing. Trade policy tied together disparate levels of the parties.

Prior to fiscal policy and economic management, the American party system revolved around issues concerning foreign trade and economic development. Tariff politics provided an integration of sorts to the political order. Parties mobilized farmers, businesspersons, and workers and defined their interests in terms of trade issues (Bridges 1986). Tariffs pervaded other issues facing government. On budgetary policy, for example, tariff politics had both direct and indirect effects. A direct effect was a surge in government revenue. Republicans favored increasing spending so that this tariff-induced surge would not create huge budget surpluses. Increasing spending more rapidly than might have been the case under a less hidden tax is an example of the tariff's indirect budgetary effect (Stewart 1989: 63–66).

Ferguson (1982, 1984) has presented the most comprehensive accounts linking trade policy differences to party divisions; other studies also confirm the importance of the division to the party systems of the nineteenth and early twentieth centuries. Party divisions on trade were key for policy outcomes and for party competition for most of the country's history before World War II, according to Barrie (1987). O'Halloran's (1994) statistical analysis of tariff rates demonstrates that party control exerted an independent effect on tariff rate levels. McCormick notes that "Both parties enjoyed dispensing, and fighting about, policies benefiting particular constituencies, but both opposed any significant expansion of public authority. The perennial question of how much tariff protection to place on scores of separate products perfectly fit the major parties of the late nineteenth century" (1986: 173; see also Kleppner 1987; Silbey 1991). Verdier (1992) more narrowly depicts trade policy as salient, divisive, and controlled by congressional parties in the period from 1888 to the New Deal, with a brief executive-led interlude during World War I. Polushock (1965), unlike Verdier, suggests the 1880s featured pitched trade battles between the parties. Bensel (1990: 428–29) argues that there were two conflicts over wealth in late-nineteenth-century American politics: One was interregional in which northern workers and capitalists united to expropriate wealth from the South; another was intraregional in which northern capitalists and workers argued over distribution of wealth. In party politics, this latter conflict was subsumed by the former. Interregional issues like tariffs and trade defined the party system. These studies differ from Bauer, Pool, and Dexter's (1963) classic portrayal of the member of Congress as free from the external control of parties, the executive branch, or business, but it is important to remember that they were describing the trade policy system of the late 1950s and early 1960s.

Studies of trade policy suggest several benefits of trade politics for the parties that were not duplicated by postwar macroeconomic policy. First, trade policy was centered in Congress rather than the presidency. Congressional control created a stronger sense that policy positions were party positions, not individual or administration positions, and that parties were responsible for the policies adopted. Some recent studies suggest that the executive branch had more importance in trade policy than the literature generally recognizes (Lake 1988b; Frieden 1988), but Congress's position is still critical (Destler 1992).

Second, trade issues would seem to have a more concrete and more understandable impact on a typical voter's livelihood than do fiscal policy and economic management. Where grasping the different impact of a $20 billion and $50 billion budget deficit, or how fiscal policy is offset by monetary policy, or the effect of a myriad of tax change proposals would understandably be difficult and abstract, the difference between protection and no protection or a high tariff and a low tariff for one's industry is easier to grasp.

In turn, voters are more likely to view fiscal policy but not trade policy as a plebiscitary matter. Americans favor low unemployment and low inflation and are not particularly focused on just how these results are achieved. But if one's industry does poorly under protection, the response of the affected individuals—if we can infer from industry political actions (and public opinion data in contemporary periods)—is not to turn to free trade but to demand more protection. Unlike in fiscal policy, "trying something new" has relatively low appeal in trade politics, unless the "something new" is a more vigorous application of an existing policy. The policy tool chosen, not merely the result, is of major interest. Opinions on fiscal policy techniques are likely to be fleeting; on trade policy, stable. At the systemic level, these processes support persistent party conflict on trade with little likelihood of convergence.

A fourth difference is that trade politics, as practiced before the New
Deal, was more closely akin to distributive policies than was later fiscal policy. Although scholars imply incorrectly that distributive policies are easy policies, distributive policies do have some potential benefits for parties. Parties could produce distributive trade policies to retain the loyalty of key economic sectors. Fiscal policy and economic management per se did not enjoy this easy divisibility. Budget policy and tax breaks traveled more along the distributive track than did broader macroeconomic policy, and these are important in postwar politics. But it was the ability to forestall recession and to promote growth that defined the new state and played a dominant role in party campaigning beginning in the 1930s. Democratic reminders of the “Hoover Depression” made a point about the willingness to use government to stanch economic decline; the goal was only secondarily about which budget categories Hoover favored and which ones he ignored. Public knowledge of government spending patterns (the realm of budget policy) is in any case generally low, but the public is generally well aware of the macroeconomic problems of the day (the realm of macroeconomic policy). Public attitudes and political behavior relate more to macroeconomic conditions than to budget shares or personal financial conditions (Kiewiet 1983; Lewis-Beck 1988).

Finally, trade policy fit well into the sectional and cultural molds of American politics. Because industry was sectionally differentiated and because ethnic groups tended to cluster into certain industries and occupational types, politicians tapped into sectional or ethnocultural loyalties to arouse support for particular trade policies. These tactics were more successful after the Civil War than before because of the increased sectionalism in party coalitions after the Civil War. Before the Civil War, parties encountered difficulty building cross-sectional trade policy positions (Ratner 1972). The Democrats, for example, were especially split along class and sectional lines during the administration of Andrew Jackson. Politics at the national level was often more ideologically consistent about tariff and currency issues than politics at the state and local level (McCormick 1986: 210; Reynolds 1988). After the Civil War, partisan policy differences coincided with sectional differences in party strength (Schattschneider 1935: 9). But it is important to recognize that sectional policy preferences were not uniform, and within sections the parties represented significantly different views (Ratner 1972: 18–21). It is also important that economic management was not as well suited for integration into these preexisting sectional and ethnocultural molds.

These trade and fiscal policy comparisons suggest that the linkage of policy to parties is multifaceted and does not tie only in party conflict over policy preferences, although these conflicts are important, or in any one factor. Indeed, while there is substantial evidence of varying levels of partisan conflict across policy areas (see Fenno 1973: 84–85), partisan conflict does not always coincide with public concerns. Partisan differences are particularly high on procedural issues, for example, but these issues hold little if any public interest (Lowi 1975: 273).

How did these trade issues filter down to the electorate? Trade was important for the parties because it allowed a party to “identify itself clearly with a national issue that might give them the internal cohesion necessary to counter the centrifugal forces of sectionalism, ethnic and religious differences, dynamic but uneven economic change, or perspectives limited by the boundaries of a neighborhood or small community” (Terrill 1973: 9; see also McCormick 1986: 57). The tariff linked the interests of labor and capital (Bridges 1986: 187). These “mutualist” sentiments were reflected in national support for the Republican party. Yet ethnocultural historians such as Ronald Formisano, Richard Jensen, and Paul Kleppner argue that economic issues such as trade were important largely for their symbolic content. According to this school, “party rhetoric on particular economic issues could convey to voters a message about where the party stood on cultural issues close to their daily lives” (McCormick 1986: 37). Democrats in the 1890s could paint Republicans high-tariff views as another example of Republican meddling and paternalism (Shefter 1994: 145–46). This dispute over how nineteenth-century parties appealed to the public and, less explicitly, how economic policies were made, is a fascinating one but it should not obscure the central point: the widespread agreement that the tariff issue played a special role in delineating the two parties and that trade was, during that period, a widely perceived and encouraged demarcation. Indeed, trade issues seemed a constant. "Other issues come and go," a journalist wrote at the end of the nineteenth century, "but the tariff issue goes on forever" (cited in Terrill 1973: 36). Divisions over trade policy had been a key difference between the political parties for over a century, and the parties in Congress had control over trade policy (Jensen 1981b). William M. Springer (D-Illinois), chair of the
House Ways and Means Committee in the fifty-second Congress, published a four hundred-page book of speeches and writings in 1892 focused specifically on tariff reform. Copies of the book were to be distributed by the Democratic National Committee (Springer 1892). The latent function of trade policy, one might say, was party building.

Given the advantages of trade policy for the parties, it is puzzling that in the 1930s the parties would increasingly grant control over trade policy to the executive branch and abandon trade policy as the central point of partisan contention. Beginning with the Reciprocal Trade Agreements Act of 1934 (RTAA), Congress transferred the role of trade policy initiator to the president. Table 1.2 indicates how dramatically things changed after 1934. The table tallies changes in trade laws and regulations as designed to either increase or restrict presidential autonomy. These trade law provisions are weighted equally; the table presents a tally of changes, not a tally of the relative importance of each change. Prior to the New Deal, Congress had in small portions given presidents flexibility in trade negotiations and tariff setting. The column indicating what Congress "took back" is empty for these years because there were in effect so few permanent powers that the president could forfeit. After 1934 the pattern changes. The presumption now is that the president has autonomy in trade policy, and that every few years Congress gives the president more latitude on the one hand while trying to provide some restrictions on the other. Recent studies (Lohmann and O'Halloran 1991; O'Halloran 1994; Martin 1994) reinforce the findings of earlier accounts (Barrie 1987; Destler 1992) that Congress had not handcuffed itself regarding trade policy and that delegating power does not necessarily mean abdicating power. But setting parameters for acceptable policy via delegation is not the same as intensive microcontrol of policy details and is less visible to the public for use as cues. Congress did not abdicate trade policy entirely, but it retained substantially less control over this policy domain than it had before 1934, especially over the fate of individual industries. It increasingly sought to mandate not outcomes but rather access. Revisions in the trade law constituted an incremental approach that allowed more and more interests structured and predictable access into trade policy. 

Table 1.2

<table>
<thead>
<tr>
<th>Year</th>
<th>Congress Increases President's Autonomy</th>
<th>Congress Restricts President's Autonomy</th>
</tr>
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<tr>
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<td>0</td>
</tr>
<tr>
<td>1815</td>
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<td>0</td>
</tr>
<tr>
<td>1823</td>
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<td>1922</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>1934</td>
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<td>0</td>
</tr>
<tr>
<td>1937</td>
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</tr>
<tr>
<td>1940</td>
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<td>1979</td>
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</tr>
<tr>
<td>1984</td>
<td>1</td>
<td>1</td>
</tr>
</tbody>
</table>

Source: Yoffe (1989) and author's calculations.

To be sure, Congress, in an environment of emergency, transferred several powers to the president that one would not expect in more "normal" times. But these other areas did not have the emotional resonance of the trade issue and had not been an underlying factor in party divisions for over 130 years.

One reason for Congress's willingness to increase the president's role in trade policy seems to be the particularly close relations important members of Congress shared with Secretary of State Cordell Hull, who was the most important and persistent administration proponent of liberalizing trade and passing the Reciprocal Trade Agreements Act (Karl 1983: 209). Hull's views are presented in Hull (1934a, 1934b, 1935).

Particular outcomes were more rarely ordered, although institutional rules (for example, how one defines "injury") were sometimes altered to make successful outcomes more likely. Congress's attempts to place some restrictions on the widespread power it had given the president is indicated in the length of trade bills. The trade act in 1934 ran 2 pages; in 1958, 8 pages; 1962, 32 pages; 1974, 99 pages; 1979, 173 pages; 1984, 102 pages (Baldwin 1986: 38). But the president's power to negotiate re-
mained flexible.\textsuperscript{30} Congress did not attempt to regain the kind of control over trade policy it had before 1934.

Why did Congress loosen control over this jealously guarded policy turf? Several reasons seem plausible. First is the fact of the economic crisis itself. The infamous Smoot-Hawley tariff, instituted in reaction to the economic downturn, was a failure from nearly any perspective. It did not stanch the decline. Although it did not initiate the period of economic difficulties, it made things worse. Under these conditions, possibilities widen for dramatic policy change as old coalitions are scattered and old definitions of interests no longer appear tenable. As long as the RTAA seemed to work satisfactorily, there would be little incentive to return to the old system.\textsuperscript{31}

But economic crisis is not enough. Previous crises did not lead to major change in the parties control over trade policy. Perhaps this crisis was different because currency devaluation had provided an opening for a free trade policy: Import sensitive industries would be protected, and exporters would (in theory) see their international position improve (Yoffie 1989). These exporters, located in the now dominant Democratic

\textsuperscript{30} Destler best describes this "System of '34." He identifies seven major components (1992: ch. 2). First, the "bargaining tariff" replaced the statutory and inflexible tariff of the past. The president would have the authority to initiate and negotiate tariff changes within broad parameters outlined by Congress. Second, the "bicycle theory" stressed the importance of export promotion rather than import protection. During periods of ongoing negotiations, American officials used the negotiations themselves as a tool to deter protectionist demands. If protectionism was pushed during negotiations, these officials would argue, the long-term benefit of open international markets would have been sacrificed for a transient short-term advantage. The idea was that, like a bicycle, "the trade system needed to move forward, liberalize further, or else it would fall down, into new import restrictions. It could not stand still" (Destler 1992: 17). The next component was an "executive broker" to balance domestic and foreign concerns. Cordell Hull first played this role; after 1962, the role was filled by the Special Trade Representative. "Rules" and "objective" procedures for relief, the fourth component, set up administrative channels through which petitioners could seek some form of trade relief. Channels included, among others, countervailing duty and antidumping procedures, national security exceptions, and escape clause procedures for industries needing a respite from foreign competition. Remedies included tariffs, quotas, and adjustment assistance. In two of the channels, countervailing duty and antidumping, relief bypassed the political arena altogether as an industry that argued a successful case before the proper executive agency received protection automatically. Rules occasionally are politically burdensome, so the system allowed political deals for special cases such as steel, textiles, and so on. Aside from their raw political muscle because of their size, these industries, if they were so inclined, could tie up the administrative channel by filling a flood of complaints. The steel industry took just this path in 1982. The sixth component of the system was strong congressional committees such as Ways and Means and the Senate Finance Committee that could keep product-specific bills and amendments off the House and Senate floors. And finally, the system rested on an assumption of nonparty competition. To Destler (1992: 68), "open U.S. trade policies had been founded, in part, on closed politics."

\textsuperscript{31} See Fisher (1972) and Haggard (1988) for the establishment of the RTAA.

party, finally had a reliable institutional vehicle with which to pursue their interests (Ferguson 1984; Ferguson and Rogers 1986; Gourevitch 1986: chs. 3–4). In short, the conjunction of crisis and devaluation with a powerful coalition made liberal trade a potent idea.

Surely a liberalized trade policy could have emerged from a Democratically controlled Congress (Pastor 1980). Why make the executive branch the policy initiator in trade? The most plausible reason why liberalization and presidential autonomy coincided was that the two branches reached an implicit bargain: By giving the president control over trade policy, Congress expected the president to protect members from the kind of special-interest onslaught that produced the Smoot-Hawley tariff ( Pastor 1980; Yoffie 1989; Destler 1992). Stated differently, Congress needed to resolve a collective action problem in which district-minded behavior threatened to produce suboptimally high levels of protection (Lohmann and O'Halloran 1991; O'Halloran 1994).\textsuperscript{32} To be successful, supporters of liberalization had to provide compensation for opponents of this policy change (Haggard 1988; Goldstein 1988: 187), namely, administrative avenues for firms to get trade relief without employing massive log-rolling.\textsuperscript{33} And the process has worked. In the postwar period, only a handful of American industries have successfully circumvented the administrative channels of the International Trade Commission and obtained protection directly through Congress or the president (Hubbauer and Rosen 1986).

\textsuperscript{32} Schattschneider (1935) remains the single best portrait of the legislative proceedings that led to the tariff.

\textsuperscript{33} In contrasting the political significance of tariffs in the nineteenth century and the contemporary era, McKeown makes the interesting point that in the nineteenth century, tariffs were more significant politically because of the lack of alternative policy instruments. Tariffs carried a heavy political burden because "across deprived in this issue could not readily be compensated by payoffs in other areas" (1984: 231). McKeown also notes that the tariff issue can be evaded today by direct foreign investment. The effect of these two changes, is, first, to "reduce the degree to which the preferences of firms are likely to constrain a government's choices of tariff policies" (1984: 233), and second, to lead to a situation where the same level of economic difficulty would not produce the same level of protection in the twentieth century that it did in the nineteenth. The first conclusion is better supported by his points on compensation and has been a major and occasionally overwrought theme in the state autonomy literature. On the other hand, the availability of alternative forms of compensation cannot alone explain the change in protection from one "equivalent" period to another. One would also need to consider the structure of policy making (for example, the System of '34), the demands of coalitions (Gourevitch 1986), and the demands of industry (Milner 1988; Milner and Yoffie 1989). If the party systems of the nineteenth century were based largely on distributive issues, many writers would question whether alternative compensation was such a new feature of the 1930s. Distributive politics are often viewed as not a zero-sum game. Quoting historian Harry Scheiber, McCormick points out that in a system dominated by distributive politics, "repeated trips to the public trough are possible, both for those who come away empty-handed and for those already well fed." (1986: 208).
Are these sufficient reasons to transfer to the president a potent organizational issue that the parties controlled for over a century and that encouraged party discipline and party affiliation? Probably not. Even the bizarre special-interest carnival of the Smoot-Hawley tariff should not, by itself, have dislodged such a potent system. The relationship between the nature of the pleading that went on with Smoot-Hawley and the organizational power of the trade issue is the missing link. One advantage accruing from the old system of trade politics was stability and dependability. Firms, industries, agriculture, and the workers and communities tied to them had fairly stable demands in trade policy. With stable demands, coalition building is somewhat simplified. Logrolling itself can become almost routinized. In the early 1930s, however, members of Congress faced a new confusion in trade demands. Accounts of the period (Schattschneider 1935; Ferguson 1984) suggest that industry and company positions on trade were highly dependabel by the early 1930s and that the prospect of building stable coalitions likely appeared daunting to the typical member of Congress (Haggard 1988: 104–7). At least, it was not clear that a division existed that was relevant in the existing partisan terms, as Verdier notes (1992, 1994). While Verdier disagrees that changing industry demands resulted in changes in party politics, arguing instead that the converse is true, Verdier shows that farmers were a wild card that disrupted the existing party business coalitions. Democrats, he suggests, believed that the executive branch could more effectively balance the trade demands of industry and farmers; again, the president was helping Congress solve its collective action problems (O’Halloran 1994). Trade had lost its great organizational advantages for the parties. It was not the onslaught of demands alone that made abandoning trade policy appealing to Congress; it was the disorganized and unpredictable nature of the onslaught. Except for a few industries whose demands changed slowly if at all after World War II—steel and textiles, for example—members of Congress found that administrative channels for protection provided adequate protection for local industries and absolved the member of Congress of any blame should protection not be granted (Coleman and Yoffie 1990).

With the transfer of trade policy responsibilities to the executive branch, trade declined as a central issue of contention between the parties. After World War II, the two major parties became more alike in their views toward trade policy, at least as reflected in roll-call behavior. From 1947 to 1964, 60 percent of all trade-related votes in the House were party votes (votes where a majority of one party opposes a majority of the other). From 1965 through 1975 this figure dropped to 49 percent. Party votes declined even further from 1976 to 1982, totaling 44 percent of all votes. But party votes increased to 72 percent from 1983 to 1992. Although conflict substantially increased, it peaked in the first half of this period and tailed off thereafter. I consider in chapter 6 whether this recent polarization may be a harbinger of important and positive changes in the party system.

Moving the party vote cutpoints to 75 percent—defining a party vote as 75 percent or more of one party voting yes while 75 percent or more of the other party votes no—provides another measure of partisan divisions over trade. Using this criterion, 34 percent of all trade-related roll-call votes from 1947 to 1964 were party votes. From 1965 to 1975, 8 percent qualify as party votes, decreasing further to 1 percent from 1976 to 1982, and then increasing to 29 percent from 1983 to 1992. Other measures confirm these impressions. The index of party dissimilarity, a measure of the voting distance between the parties, averages 49 on trade votes from 1947 to 1964, 29 from 1965 to 1975, 27 from 1976 to 1982, and 47 from 1983 to 1992, on a scale of 0 (equal party proportions vote in the same direction) to 100 (parties are unified and vote in opposite directions). Looking at annual averages, from 1947 to 1964 party dissimilarity exceeded 50 five times and exceeded 70 three times. From 1965 to point and escape clauses, more so than an advocacy for free trade. The measures of party cohesion and conflict are discussed more fully in chapter 3.

34 Organizational is used here in two senses—that trade was useful for organizing constituencies and that trade was useful for the party organizations.

35 From 1934 to 1940 no more than five Republicans in either chamber voted for reciprocal trade, but they supported thirteen of sixteen such roll calls from 1943 to 1958 (Fisher 1972: 147). Some of the increased Republican support was due to support for the new peril
1982, the index topped 50 once, never exceeding 70. From 1983 to 1992, it topped 50 twice but did not exceed 70.37

The dominant impression from these data is the declining salience of partisan divisions in voting on trade until the mid-1980s. General studies of trade politics concur with that assessment (Destler 1992, Nivola 1993).38 Tariff and nontariff protection studies have had difficulty consistently linking the sectoral pattern of trade protection in the postwar United States to party differences. Ray's (1981) study of 225 industries, for example, indicates that tariff rates in the United States (as of 1970) were related positively to market concentration and labor intensity and negatively to the skill level of an industry's workforce. Nontariff barriers existed in capital-intensive industries producing homogenous products with low skill production, where tariff rates were high, and where foreigners also had nontariff barriers. They were not related to industry concentration or the level of imports. Other studies dispute parts of Ray's explanation of the pattern of protection. Despite this disagreement, there

37 Chapter 3 provides more information on this measure. For now it is sufficient to note that the index runs from 0 to 100, with higher scores an indication of more party conflict. In the late nineteenth century, annual dissimilarity scores as high as 70, 80, or even 90 were not uncommon. After World War II, a score of 50 tends to be considered quite partisan. (As noted above, the annual figures must be interpreted cautiously because of the low number of roll-call votes in some years.) The figures presented in the text are rounded.

38 Of course, even a cursory look at the party voting data indicates that party splits do not disappear. O'Halloran (1994) suggests that partisan differences on trade remained important in determining the amount of protectionism in United States trade policy from 1949 to 1990. Partisan differences on trade show up by contrasting policy during periods of unified and divided party control of government: Presidents during divided government face more restrictions on their trade authority than presidents in unified government periods, and restrictions lead to higher levels of protection. With only one two-year exception, all the unified government, lower-protection periods from 1949 to 1990 were Democratic and all the divided government scenarios featured a Republican president and Democratic Congress. In short, the partisan divisions between the institutions mattered. Lohmann and O'Halloran (1991) display a similar finding: Party control of Congress is not related to the level of protection unless unified and divided government are taken into account. Hansen and Powers (1994) suggest that their data show party conflict on trade issues to be higher in the 1980s than the 1880s, but some of this data is misread. For example, in their data, senators from unified states (both senators of the same party) were about 20 percentage points more likely to vote the same way on trade votes in the 1880s than the 1980s, thus giving a clear "party intensity" edge to the 1880s. But senators from split-control states were also about 20 points more likely to vote together in the latter period, suggesting partisanship was more intense in the earlier period—that is, split-control-state senators were less likely to vote together in the earlier period. These patterns suggest an overall increase in consensus on trade matters in the 1980s: Whether under split or unified control, senators were voting the same way more often. Hansen and Powers' data also show that if one looks only at votes in which 60 percent of each party's members voted the same, partisanship is clearly more notable in the earlier period. Compared to the 1980s, split-state senators in the 1880s were less likely to vote the same way and unified-state senators were more likely to vote together.

is only sketchy evidence in these critiques that party conflict, either in Congress or the White House, produced differing levels of protection across industries. O'Halloran (1994) makes the strongest effort to link party to the tariff rate structure, but her effort focuses on the period before 1934.39

The decreased centrality of trade divisions is evident and understandable in the post-New Deal period. Parties before the 1930s had domain over the trade policy area and fully appropriated any political benefits (or costs). With firm coalitions, stable industrial sector support, strong economic growth, and policy power clearly located in the parties, there was a strong incentive to support specific measures (a tariff, for instance) that explicitly distinguished between winners and losers. The other party would stand firmly and openly with an opposite view of the measure.

After the 1930s, the parties did not have each other as a trade policy foil. When trade policy leadership moved to the executive branch, interests organized within the parties were in flux and less predictable. With coalitions in flux, compromises within each party were increasingly necessary, and these internal compromises brought both parties toward the middle on trade issues and methods. These coalition-building strategies encouraged trade remedies that appeared dramatic but were not sharply disadvantageous to groups not involved in the protection.40 With supporters in flux, there was less incentive for the parties to favor a trade remedy that sharply disadvantaged one group to benefit another (Coleman and Yoffie 1990: 141–42). These changes initiated in the 1930s do not mean that a party system oriented around trade policy has become impossible—indeed, in chapter 6, I suggest that divisions over trade policy could reemerge as a central and meaningful difference between the parties. What these changes do show is that trade did not play the same positive role for the parties after 1934 as it did prior to that period. When trade collapsed as the central dividing line between the parties, some other

39 A representative sample of studies discerning the reasons that protection (or liberalization) looks the way it does includes Pincus (1977), Brock and Magee (1978), Ray (1981), Stone (1984), Conybear (1983), Krasner (1979), Esty and Caves (1983), Hansen (1990), Gallarotti (1985), Finger, Hall, and Nelson (1982), Guttsfield (1986), Baldwin (1986), Lavereng (1983), Hughes (1979), Goldstein (1986), and Lenway (1982). See Nelson (1988) for an excellent analysis of the theoretical literature. O'Halloran's (1994) study makes the case for the influence of party for overall tariff levels and for changes in the sectoral level of tariffs. From a group of sixteen sectors, in six sectors O'Halloran finds the two parties' effects on changes in tariff levels to be in opposite directions and significantly different from zero. In eleven sectors, the difference between the Democratic and Republican coefficients are significant. O'Halloran (1991) was less successful connecting party to the level, rather than the change in the level, of sectoral tariffs.

40 Voluntary export restraints provided one of the more popular means to perform this balancing act (Coleman and Yoffie 1990).
issue could move to the surface. That issue was management of the economy, especially fiscal policy.

Conclusion

Because state building is a political act, taking the state seriously discourages ruminations on either the inevitable decline or inevitable resurgence of parties due to some "law" of development or economics or technology or adaptation. Rather, it is an approach that seeks to understand change in the status of parties by pointing to some of the macroconditions that improve or worsen that status. In the following chapters, I argue that looking at postwar parties through this lens suggests that a reversal of decline can be expected at particular levels of party when a specific fiscal-state constraint is reformulated, but a party renewal that sweeps through government, organizations, and the electorate depends on major changes in the state-economy relationship. Broad-scale challenges to the fiscal state proved to be electorally fruitless when that state was considered a success. Replacement or redefinition of that state became politically viable when the fiscal state was widely perceived to have failed by the late 1970s. But party renewal in the 1980s and early 1990s was partial because changes in the fiscal state were partial.

Focusing on politics and state building also stresses that at some historical points parties may be innovative and push political development rather than simply respond and adapt to a continuing flood of "forces." Sorauf's (1975) observation that parties "cannot step outside of the political system in order to get greater leverage on it" is probably true for most periods, but at times this leverage is greater than others and is reflected in the politics of state building. This need not mean a bigger, more encompassing state. The parties of the late nineteenth century made decisions about the relation between the state and economy. It is hard to believe that the populist movement would not have made significantly different choices (Goodwyn 1978) and effectively redirected American political development, but this is what much of the thinking about parties concludes (Schlesinger 1991).41 Southern Democrats during the New Deal and immediately after surely had an important proactive effect on political development in areas such as social welfare and labor law. Simply put, while environmental factors including the state and policy will limit parties, there are times when parties can also influence and shape the environment.

This book focuses on the status of parties in postwar America, but parties have faced challenges in other periods. Some signs of party weakness—such as declining turnout and decreased party distinctiveness in Congress—emerged in the early decades of the twentieth century (Burnham 1981b). This decline can be viewed through the prism of a changing state. Changes in state structure do not necessarily produce party decline; structural changes will have implications for parties that can be either positive or negative. Scholars have hinted at this connection. McCormick (1986) suggests that changes in the mix of policies being funneled through the state changed the status of parties, while Skowronek (1982) points to structural changes in the rise of the civil service system. Considering the major policy division discussed in this chapter, in the early decades of the twentieth century congressional parties still dominated trade politics, but the executive found ways to intervene in specific instances (Lake 1988a). There were signs of increased intraparty tensions on trade during portions of this period (Wolfman 1992). In other major areas of congressional party concern, party control was also challenged and redefined. This challenge was most notable in currency with the formation of the Federal Reserve System in 1913, but also appears to a lesser extent with initial moves toward president-driven budgeting in the Budget and Accounting Act of 1921. Party organizations were also challenged as government began to integrate and absorb the party through reforms of ballots, elections, and party procedures. As noted above, reforms such as the direct primary weaken party organizations and perhaps produce less cohesive parties, but of greater importance to voters and the system is what parties do. To the extent that state redefinition led parties after the turn of the century to begin losing policy control, then it is not surprising to see signs of party weakness emerge in this period.

The remainder of this book makes the case for focusing on the state and policy in the study of postwar American parties. Chapter 2 explores the formation of the fiscal state between 1937 and 1946 and explores how this state constrains political parties and how it should affect party behavior. Reviewing several policy and institutional debates points out how the postwar position of the parties was importantly shaped by decisions made during this state-building period. The next two chapters explore how parties in the House of Representatives behave with the fiscal state in place from 1947 through 1990. Since I have suggested congressional parties are a linchpin in the party system, it is especially important to

41 Schlesinger (1991) makes a persuasive case about the importance of the goal of office seeking to the achievement of other party goals; he goes too far by suggesting that if policies are too dominant in a party's appeal, its electoral fortunes will suffer. Goodwyn's (1978) analysis suggests just the opposite—the decline of the People's party began when that party tailored its policy appeal to fit within the limits of the two dominant parties. The Populists proposed an alternative path to development, not a retrograde attempt to save the past. Their fortunes suffered as this agenda was watered down to meet the needs of the Democratic party.
see what messages emerge from the parties when the economic system is under stress. In a system explicitly intended to manage the economy, what choices do the parties offer the public during economic downturns? Chapter 3 presents roll-call data and builds a model of aggregate party cohesion and conflict to test whether the parties behave in a pattern expected by fiscal state premises. Chapter 4 pushes this analysis further by considering two topics. First, sectionalism has been a central concern of students of American parties. At times it has been variously suggested that party splits simply overlapped sectional splits; at others, the sectional diversity within a single party has been seen as a more fundamental dynamic in politics than interparty competition. Because of the importance of sections in the study of American parties, I take the roll-call votes introduced in chapter 3 and examine the impact of North-South divisions in the Democratic party. Does sectionalism nullify the effectiveness of examining parties in the context of state structure and policy? Second, because the literature on the authorizations and appropriations aspect of government budgeting is often separated, I examine whether fiscal state expectations for party behavior hold across these different types of votes.

Chapter 5 returns to qualitative analysis to examine how parties in the fiscal state respond to three postwar recessions. I discuss substantive responses to economic problems and consider the relationship between the president and congressional parties. Finally, chapter 6 reviews the findings, suggests some implications of these findings for American politics, and considers the possibility of party revitalization in light of changes in political economy and the results of the 1992 and 1994 elections.

Why be so concerned with explaining the changing status of political parties? Certainly, most students of parties believe that parties perform sufficiently important roles in the political system that their declining relevance and impact presents a “hole” of sorts in the mediation between citizens and the state.42 This “hole” in the representative system raises direct questions about the nature of American democracy. Ultimately, the point is the people and democracy. Poggi (1978: 144) asks of parliament, but one might well ask of party, “If it ceases to operate as an effective link, what or who can politically direct, control, and moderate the ever-growing mutual involvement between state and society?” If parties lose control of policy and the state, citizens lose as well.

42 Or, more precisely, parties at least potentially play these roles under certain conditions. See King (1969), Rose (1980), and Schonfeld (1983) for skeptical views.