

The Institutional Context of Veto Bargaining

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By all accounts, the presidential veto is a central feature of the American constitutional system of separate institutions sharing power. Alexander Hamilton asserted that the veto power “establishes a salutary check upon the legislative body, calculated to guard the community against the effects of faction, precipitancy, or of any impulse unfriendly to the public good, which may happen to influence a majority of that body.”² Senator Trent Lott routinely offered a different normative interpretation of President Bill Clinton’s many vetoes and veto threats during the late 1990s. But Lott and other congressional Republicans certainly understood the pervasive impact of the veto on lawmaking during times of divided government.

Not surprisingly, political scientists have accumulated a substantial body of empirical knowledge about the veto. We now know a lot about the incidence of vetoes across administrations, the relationship between veto usage and the electoral cycle, the role of the veto in the early American Republic, the prevalence of threatened vetoes, and the implications of the veto for policy gridlock.³ In recent years, our theories of the lawmaking process also have been extended to more fully incorporate the veto prerogative. Cameron (2000), for instance, advances several models of “veto bargaining” in which Congress lacks full information about the substantive concessions necessary to convince the President to sign pending legislation. Groseclose and McCarty (2001) incorporate a public audience in their “blame game” model of congressional-presidential bargaining. Under the right conditions, they show, Congress may send the White House legislation that is designed to draw a veto, perhaps undermining public approval of the President.

The burgeoning scholarly literature about the veto, however, has not settled the key conceptual questions about its role in American national government. Are veto threats indeed

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² The quotation is from Federalist No. 73. The Federalist Papers. New American Library Edition, 1961, p. 443.

³ Empirical studies that touch on various aspects of the veto and veto bargaining include: Lee (1975), Copeland (1983), Rohde and Simon (1985), McKay (1989), Spitzer (1988), and Woolley (1991), and Watson (1993) on trends in veto usage across administrations and the electoral cycle; Watson (1987) and McCarty (2002) on 19th Century use of the veto; Wayne, Cole, and Hyde (1979) on the process of internal White House deliberations about vetoes; Deen and Arnold (2002), Conley (2001), Sinclair (2002), Cameron, Lapinski, and Reimann (2000), and Gilmour (2001) on the strategic implications of threatened vetoes. A number of interesting empirical tests relating to veto bargaining also are summarized in Cameron (2000) and Groseclose and McCarty (2001).

crafted to take advantage of congressional uncertainty about administration preferences, as argued by Cameron? Or are veto threats and vetoes better conceptualized as position taking before an audience, as suggested by Groseclose and McCarty? More generally, we do not know very much about the process through which veto threats are formulated within the executive branch, the different forms that such threats can take, and the linkages that exist between presidential legislative signals and the message agendas of the congressional parties. What factors explain the significant variance that exists in the intensity and ambiguity of veto threats? What impact does the threat of a veto have on legislative strategies? How do the answers to these questions vary across issues, different threat levels, and over time?

The purpose of this paper is to shed light on such questions and to inform scholarly theorizing about inter-branch relations. Our main argument is that greater attention should be paid to the institutional context within which congressional-presidential bargaining is nested. Over time, the White House and Congress have both developed institutionalized mechanisms for confronting the internal coordination and collective action problems that (to varying extents) characterize all complex political organizations. These mechanisms also condition how the branches bargain with one another, and thus the explanatory power of our leading theories in this area. Of particular importance are the Central Legislative Clearance Process within the Executive Office of the President and party institutions within the House and Senate, especially the party message operations.

In Section 1, we review the leading theories of the veto and the methodological challenges to testing them. In Section 2, we consider the executive branch side of the institutional context of veto bargaining – the clearance process through which most veto threats are formulated. We focus on new data gleaned from almost eight hundred *Statements of Administration Policy* that were sent to Congress by Presidents Bill Clinton and George W. Bush. These documents, largely unexplored by scholars, provide a highly useful window into the broader process of presidential signaling on legislation. Section 3 is a preliminary empirical analysis of the factors that shape the intensity and ambiguity of presidential legislative signals. In Section 4, our attention turns to the congressional side of the institutional context of veto bargaining. Here, we explore the consequences of presidential signaling for several aspects of legislative strategy on a sample of major bills considered by Congress from 1997-2000. Although we find compelling evidence that Presidents do make strategic use of uncertainty in

their policy signals to Congress (a la Cameron), the more relevant a measure is to the party message agendas in Congress, the more inter-branch bargaining approximates the blame game conceptualization of Groseclose and McCarty. We conclude by summarizing the broader implications of our study.

1. Foundational Theories

Although there long has been a rich empirical literature about congressional-presidential relations, theoretically informed empirical work about the veto took a major step forward in 2000 with the publication of Charles Cameron's landmark book, *Veto Bargaining*. In his study, Cameron describes the development of rational choice theorizing in this area by reviewing several key models, each based on somewhat different assumptions about the structure of the bargaining sequence and the distribution of information.

First, congressional-presidential interactions can be conceptualized as a *Sequential Game with Complete Information*. This scheme is the simplest model of veto bargaining, and it derives from the Romer-Rosenthal "agenda setter" model (Romer and Rosenthal, 1978) and Keith Krehbiel's work in *Pivotal Politics* (Krehbiel, 1998). The game begins with the Congress passing legislation. If the administration's preferred policy is closer to the measure passed by Congress than to existing law, the President responds by signing the measure. However, if the administration prefers existing law to the bill, Members of Congress will anticipate – correctly – that the measure will be vetoed unless changes are made. As a result, they will respond by either (1) anticipating the President's response and making the adjustments necessary to garner administration support; or (2) not bothering to pass legislation. Although the veto prerogative is central to this model, Cameron points out that no actual vetoes will occur in equilibrium. The model falls short, he concludes, as a tool for understanding key elements of the veto bargaining process.

Second, legislative-executive bargaining has been conceptualized as a *Commitment Game* (Ingberman and Yao, 1991). Here, the interaction begins with the administration making a strong statement of its position prior to congressional action, promising to veto any legislation that does not reflect the President's program. Such a pledge, if viewed as credible on Capitol Hill, will effectively reduce the President's negotiating discretion, and thus strengthen the administration's hand by limiting its ability to make concessions. If the President miscalculates

and draws the line in the wrong place, or if the threat is not perceived as credible, Congress may not pass legislation that the President can sign, leading to a veto.

How does the commitment game comport with data? The commitment game implies that Presidents will seldom capitulate to congressional demands on measures with veto threats – to do so would undermine the administration’s credibility. Cameron demonstrates, however, that Presidents often do sign threatened bills that have not been fundamentally modified by Congress. Thus, although intuitively plausible, the commitment game is of limited value for understanding when vetoes occur and congressional-presidential bargaining.

A third approach is to portray congressional-presidential bargaining as a *Coordination Game* (Mathews, 1989). In this model, the administration knows more about Presidential preferences than does the Congress. Based on expectations about presidential preferences (which are based in part on past behavior by the White House), Members of Congress will make strategic calculations about the likelihood of a veto for the different policy alternatives under consideration. By issuing carefully calibrated veto threats, the administration may be able to use its informational advantage to pull legislative outcomes toward the President’s preferred outcome. The underlying intuition is similar to brinkmanship interactions in international relations. And just as brinkmanship can result in war, the strategic posturing of Presidents and lawmakers can lead to vetoes.

Cameron analyzes a truly impressive array of new data about vetoes and veto threats and concludes that the coordination game best fits the evidence. Vetoes, for instance, are much more common during periods of divided government. The coordination game predicts an increase in vetoes precisely when preferences are configured in a manner that we associate with divided party control. Cameron explores veto bargaining via an extensive data set of post-World War II legislative enactments, categorized by importance. Major bills, he finds, are significantly more likely to draw vetoes during periods of divided government, but not when the same party controls both the White House and Congress – another finding consistent with the coordination game. Moreover, vetoed bills are often repassed by Congress (occasionally multiple times), which suggests that lawmakers may be updating their expectations about what the President will sign (phenomena that Cameron labels “veto chains”).

Groseclose and McCarty (2001), in contrast, offer a qualitatively different treatment of veto bargaining -- the *Blame Game* model. They conceptualize the strategic interactions between

the President and Congress as bargaining before an audience, which might include the general public, party activists, interest groups, and so on. In the blame-game, Congress is fully informed about presidential preferences on legislation. But the public (or some subset of the public to which politicians must respond) is only partially informed. In the blame-game model, Members of Congress pass legislation that is popular with the relevant audience, but contrary to presidential preferences and likely to draw a veto. The goal is to induce the administration to cast unpopular vetoes, reducing support among audience members for the President. Groseclose and McCarty offer preliminary evidence that popular support for the President indeed drops following a veto. Moreover, it is well known that vetoes are more common during election years, which may imply the existence of audience effects à la the blame game.

The coordination and blame game models add important precision to the literature about congressional-presidential relations, but they are at best foundational theories, and substantially more empirical evidence is needed to evaluate their explanatory power. The coordination game does imply the increase that we observe in vetoes during divided government. But this pattern resonates equally well with the blame game – We would not expect a congressional majority to repeatedly send veto bait to a President of the same party. The interesting relationship that Cameron finds between divided government, major bill status, and the incidence of vetoes is also consistent with the Groseclose-McCarty model. An opposition party seeking to embarrass a President during times of divided government would probably target major measures as veto bait because of the increased public visibility. No such pattern would be expected under unified control. Cameron's analysis of veto-chains is also consistent with blame-game dynamics – Forcing a President to repeatedly veto popular measures might further undermine public support for the administration. Furthermore, Gilmour (2001) uses media accounts to show that most vetoes are fully expected at the time of initial congressional passage, raising some questions about Cameron's informational assumptions.

On the other hand, existing empirical support for the blame game is also preliminary. The linkage that Groseclose and McCarty find between vetoes and presidential popularity is intriguing, but how closely do voters actually follow congressional-presidential bargaining on even major issues? Also, Congress may be more likely to send legislation with veto threats to the White House when public approval for the President is low – in other words, perhaps the causal arrow, to the extent one exists, points in the opposite direction.

How, then, might theoretically informed research about veto bargaining proceed? Our view is that the Cameron and Groseclose-McCarty models should be treated as important *foundational* theories. Although rife with problems of observational equivalence, there is a degree of support in existing empirical knowledge for both models. Moreover, it is fairly easy to find compelling illustrations of coordination, blame-game, and even commitment strategies in media accounts of the legislative process. There are plenty of anecdotes to go around. Both sets of models assume that the President and Congress are unitary actors – simplifying assumptions that are entirely appropriate for foundational models. We believe, however, that useful light can be shed on the essential features of veto bargaining by examining the processes through which presidential veto threats are formulated and congressional bargaining stances are devised – that is, by examining the broader institutional context.

2. Central Legislative Clearance

In contemporary American government, presidential positions on pending bills are formulated through an elaborate clearance mechanism, centered in the Office of Management and Budget (OMB). The signals that Presidents transmit to Congress often take the form of complex documents running eight to ten pages in length. The phrases included in these documents are carefully calibrated, with an eye toward influencing legislative deliberations on Capitol Hill. How does the central clearance process function?

Five decades ago, Richard Neustadt (1954) published a classic article in the *American Political Science Review* about the evolving process of policy coordination within the White House. He described how the Bureau of the Budget (renamed in 1970 the Office of Management and Budget, or OMB) was allocated over time increased responsibilities for ensuring that agency legislation reflected the President's agenda – the process of Central Legislative Clearance. Neustadt's article is packed with important insights for contemporary rational choice theories of organizational design. Terry Moe (1995) argues that the process of preference aggregation in Congress is complicated by internal coordination and collective actions problems (see also Cox and McCubbins, 1993, and Sinclair, 1995). Members represent diverse constituencies and seek to promote divergent interests, complicating efforts by congressional leaders to forge coalitions. As a result, particularly on issues touching on inter-branch prerogatives, the President tends to have certain bargaining advantages relative to Congress. As the leader of a hierarchy, Moe

argues, the President has the organizational leverage necessary to overcome problems of coordination and collective action. The executive branch is better able to speak with one voice.

The modern executive branch, however, is a large and fragmented hierarchy, and there is at least the potential for coordination and collective action problems *absent certain key institutional arrangements*. On tobacco issues, for instance, agency heads within the Agriculture Department will have different policy priorities than leaders in the Department of Health and Human Services or the Department of Commerce. Even when jurisdiction over an issue is concentrated in a single department or agency, bureaucratic leaders may disagree with the President on pressing policy matters. During the Clinton Administration, for instance, the White House policy office was more reformist on educational issues than was the leadership of the Department of Education (Evans, nd). Moreover, the vast array of issues in play every year on Capitol Hill creates the potential for coordination problems within the executive branch. The White House is asked to take positions on countless policy matters. Without an effective clearance mechanism, the President would not be able to adequately monitor the policy positions that bubble up from the bureaucracy.

The potential for such coordination and collective actions problems should increase with the scope of the national policy agenda. In American national government, such increases occurred gradually throughout the 20th Century, but also via rapid bursts of change during the New Deal era and the Johnson-Nixon years. Interestingly, as the scope of the policy agenda expanded, the Bureau of the Budget was repeatedly charged with new responsibilities for coordinating policy proposals and positions within the executive branch. It was natural that the Budget Bureau, rather than some other organizational entity, would take on such a role. As Neustadt observed, the federal budget traditionally has been the primary mechanism for policy coordination across agency and departmental lines. Moreover, the Budget Bureau (and now OMB) is formally located within the Executive Office of the President, and is thus directly under the supervision of top White House staff and the President. In 1934, President Roosevelt mandated that the Budget Bureau clear all agency proposals for new legislation. Five years later, the Bureau was given responsibility for evaluating the contents of all enrolled bills, and thus for advising the President on vetoes. During the Johnson-Nixon years, the central clearance process was further institutionalized through increased staff and more regularized patterns of operation (Wayne, Cole, and Hyde, 1979). By the early 1980s, the central clearance process also included

responsibility for the signaling of White House views about pending legislation in Congress. Such signals are now transmitted through a number of mechanisms, ranging from cleared correspondence to agency reports and formal Statements of Administration Policy.

Statements of Administration Policy (called SAPs, for short) have become perhaps the central *formal* mechanism through which Presidential views about pending legislation are communicated to Capitol Hill. A few days, or perhaps weeks, before chamber action on a measure, OMB will send a formal document to the House Rules Committee, the full House, or the Senate (depending on which chamber is acting) summarizing the President's views about the legislation. In the 106th Congress, for instance, the Clinton Administration sent 368 SAPs to Congress; 62 to the House Rules Committee, 236 to the full House, and 70 to the Senate. SAPs can range from a few sentences to ten or more pages, but the modal length is around one page. Typically included are a sentence about the President's overall position on the bill, criticisms of certain provisions, perhaps requests for specific modifications, and often veto threats of varying ambiguity. The SAPs provide the richest and most systematic data available about Presidential positions on pending legislation (Evans and Oleszek, 2002).

Almost all bills of any significance are the subject of one or more SAPs. They are less often sent to the Senate, however, because of the relative unpredictability of the Senate floor agenda. Executive branch officials often cannot predict when a Senate SAP will be needed or the precise contents of the underlying legislation. That said, even when no SAP is sent to the Senate for a measure, one typically is forwarded to the House if and when the bill surfaces in that chamber. As a result, the SAPs can provide a highly useful window for analyzing presidential legislative rhetoric in a systematic fashion on a broad cross-section of bills.

On June 8, 2000, for instance, OMB sent to the House a SAP for H.R. 8, a bill to repeal the federal estate tax. The measure was a central element of the Republican message agenda that year, and it created significant partisan conflict on Capitol Hill. "The President strongly opposes H.R. 8," the SAP began, and "the President would veto this legislation ... if it were presented to him." The SAP outlined the Clinton Administration's basic approach to estate tax reform and endorsed a substitute measure proposed by the House Democratic leadership.

Based on a systematic review of recent SAPs, as well as interviews with current and former White House aides, OMB staff, and congressional staff, we have learned that standard phrases and code words are routinely included in the SAPs, as part of efforts to carefully

calibrate the information sent to Congress about presidential preferences. For the White House, the goal is to craft these signals in a manner that enhances the President's strategic leverage in the lawmaking process. Top leadership and committee staff – especially aides to the House and Senate Appropriations Committees – are fully aware of the rhetorical nuances included in the SAPs and other cleared communications.

The formal SAP process grew out of the correspondence, reports, and other communications that OMB has been transmitting to Congress for decades. It became significantly more institutionalized, however, during the period when Richard Darman served as OMB Director (1989-93). Top OMB staff remarked that the Darman changes have been maintained through successive administrations because they facilitate effective bargaining between the branches. “There are lots of pending bills on Capitol Hill that the administration might take a position on,” observed a former OMB Deputy Director. “There are significant time constraints. The SAPs help people deal with the time pressures. People know where to go to get information about the administration position. The right people know how to interpret that information.”⁴

It is useful, we think, to consider the formal distinction between risk and uncertainty in the literature on bargaining. Risky choice occurs when a decision maker assigns probabilities to the possible outcomes associated with a set of alternatives, and then calculates the strategy that will maximize expected utility. Uncertainty, on the other hand, exists when a decision maker is unable to assign probabilities to the possible outcomes. The presence of significant uncertainty can substantially impede the exchange of information, and thus the process of signaling and bargaining. The contents of SAPs and other presidential communications to Congress often include strategic ambiguity; creating the conditions we associate with decision-making under risk. But by lending important structure and predictability to the presidential signaling process, these communications also reduce uncertainty, and thus facilitate the process of bargaining between the branches.

What is this structure that SAPs lend to the bargaining process? Along what dimensions can we usefully compare these documents? The direction and intensity of the President's overall position on a bill typically is communicated via one of five phrases; phrases that surface repeatedly in SAP after SAP. Either the President “strongly supports passage;” “supports

⁴ Personal interview conducted in Washington, D.C., February 2003.

passage;” “does not object to passage;” “opposes passage;” or “strongly opposes passage.” On a subset of the SAPs, no explicit position on final passage is referenced.

In addition, SAPs often include veto threats, which are calibrated to capture different levels of ambiguity or commitment to the veto strategy. Again, these phrases surface repeatedly across different SAPs and over time in almost identical language. The least ambiguous form of threatened veto is the *presidential veto threat*: “If the legislation were presented to the President in its current form, he would veto the bill.” The *senior advisors threat*, in contrast, is generally viewed as more ambiguous: “If sent to the President in its current form, the President’s senior advisors would recommend that he veto the bill.” Carrying still more ambiguity are threats that reference the relevant departmental secretary or agency head, but not White House staff or the President. “If sent to the President in its current form, the Secretary of _____ would recommend a veto.” Participants remark that Congress will take a secretary’s threat referencing multiple agencies more seriously than a threat from a single entity within the executive branch.

This ordering of veto threats is directly related to the proximity of the “threatener” to the Oval Office. Secretary’s threats typically originate within the relevant department or agency, or from the staff level inside OMB. The OMB Director, and perhaps personnel from the White House Office of Domestic Policy or the National Security Council, depending on the subject matter, formally clears the threats. Staff from the White House Office of Legislative Liaison also are often included in deliberations about SAP contents. The goal is to gauge the likelihood of a successful override if a veto actually occurs. For the past three administrations, the White House Chief of Staff has made the final decision about whether to issue a senior advisors threat on a measure. Presidential threats are personally cleared with the President. As the threat level shifts from the secretary to the senior advisors to the Presidential level, participants in the process perceive that the administration retains less “wiggle room” regarding the veto decision. As a result, Presidential veto threats are taken very seriously; secretary’s threats, less so. If a SAP references presidential opposition, but does not contain an explicit veto threat, legislators do not necessary perceive that a veto is completely off the table – just less likely to occur.

There are, of course, additional sources of ambiguity in SAPs and other forms of cleared presidential communications. Veto threats can reference a number of problematic provisions without delineating the precise changes necessary to secure the President’s signature. The language in which concerns are phrased is strategically calculated. SAPs for Appropriations

bills, for instance, tend to be long, usually referencing dozens of individual programs. For certain provisions, the administration is said to be “concerned;” while on others, it is “strongly concerned.” For certain programs, the administration “urges that funding be reinstated;” but for others, it “strongly urges” such modifications. Occasionally, certain issues are omitted entirely from a SAP for strategic reasons. And on some major bills (not many), the administration does not send a SAP to Congress, perhaps enhancing the President’s bargaining flexibility. The Clinton administration, for instance, did not transmit a SAP to either chamber during congressional deliberations on the landmark 1997 reconciliation package.

For the purposes of analysis, we have collapsed references in the SAPs to vetoes and the administration’s overall views into a single signaling scale that ranges from strong support for a measure (almost no chance of a veto) to a presidential veto threat (an unambiguous pledge to veto the bill). The levels of the signaling scale are as follows.⁵

9 – presidential veto threat

8 – senior advisors veto threat

7 – secretary’s veto threat (single and multiple agency)

6 – strongly oppose

5 – oppose

4 – no position on passage

3 – do not object to passage

2 – support passage

1 – strongly support passage.

Before proceeding, we should mention a few measurement caveats. Our composite scale captures the direction and intensity of the President’s preferences, as well as the degree of ambiguity in veto threats, and thus to a certain extent collapses multiple dimensions into a single scale. In the real world of legislative politics, however, the perceived likelihood of a veto is closely tied to perceptions about the direction and intensity of the administration’s policy views. Thus, the scale comports well with the concrete markers that participants in the process use to gauge the probability of a presidential veto.

⁵ This scale is a combination and elaboration of the measures introduced in Evans and Oleszek (2002).

Our signaling scale, for instance, closely resembles the hierarchy of veto threats presented in a *Congressional Quarterly Weekly Report* article on the topic.⁶ The article begins: “The formal administration view is usually made in a Statement of Administration Policy issued before a floor vote. These can be several pages, and legislators have learned to read them carefully for signs of how strongly the administration feels. Of course, since the president is the sole arbiter, he is free to change his mind when a bill reaches his desk.” The article then describes, “the most common phrases used to send these signals” According to *CQ*, the message of a presidential threat is “No doubt about it; these bills will be vetoed.” For a secretary’s threat, the message is, “we’ll think about [a veto].” And for various levels of communicated opposition without an explicit veto threat: “We want changes, but probably will sign it anyway.” As a result, we believe that the nine-point signaling scale accurately captures administration attempts to send signals about the intensity and direction of presidential preferences – and the likelihood of a veto.

In addition, OMB staff occasionally make even finer distinctions in presidential signals to Capitol Hill. Some cleared documents describe the President’s stance as “oppose unless amended,” “oppose as currently drafted,” “cite concerns,” or “support if amended.” For our purposes in this paper, though, the nine-point scale captures essential features of presidential signaling.

Table 1 summarizes the frequency of the different levels in our scale for the 105th, 106th, and 107th Congresses – that is, for the two Congresses in Clinton’s second term and the first Congress of the George W. Bush Administration. The unit of analysis is the SAP. Thus, both House and Senate SAPs are included for certain bills (legislation often changes substantially between House and Senate floor consideration). To avoid double counting, though, we have dropped from the sample all SAPs sent to the House Rules Committee if a SAP also was transmitted to the full House for that measure (Rules and House SAPs on a bill tend to be nearly identical).⁷

As indicated in Table 1, in all three Congresses less than 25 percent of the SAPs included *explicit* veto threats for the underlying measure. However, as we will see, if the focus is on

⁶ “Assessing the Spectrum of Veto Threats.” *Congressional Quarterly Weekly Report*. September 4, 1999, 2026.

⁷ For the most part, coding these data from the SAPs was straightforward. The two authors of this paper coded all of the SAPs individually, and then met to reconcile any differences. Once the ground rules were established, inter-coder reliability on these variables exceeded 90 percent.

major bills, the prevalence of veto threats is much higher. Moreover, a number of SAPs that did not include explicit threats on the underlying measure did include *contingent veto threats* – that is, the threat of a veto if certain provisions were removed from or added to the measure. (We leave an analysis of contingent threats to further research.) As expected, the distribution of observations across the scale shifts downward in the 107th Congress. The 105th and 106th Congresses were periods of divided government – Clinton was president and Republicans organized both chambers of Congress. During the 107th Congress, Republicans controlled the White House, the House, and before June 2001, the Senate as well. As a result, only eight of the 138 SAPs (5.8 percent) for the 107th Congress included threatened vetoes of the underlying measure, reinforcing Cameron’s observation that veto bargaining is closely associated with divided government.

What does our description of the Central Clearance Process (especially SAP formulation and structure) imply about the nature of inter-branch bargaining? In our view, the contents of the SAPs are best conceptualized as equilibrium strategies to a signaling game of the sort modeled by Cameron. The SAPs vary in content, based on strategic calculations about presidential preferences and the decision-making context on Capitol Hill. There are nuanced patterns in these communications that have been maintained across (at least) three different administrations, covering periods of divided and unified party control. These messages exhibit the stability that we associate with equilibrium strategies. Moreover, there is a shared understanding among key participants in the bargaining game about the meaning of different phrases. And administrations clearly craft their signals on pending legislation to communicate different levels of ambiguity.

It is possible, of course, that some of this ambiguity helps the White House minimize public opposition to administration positions a la the blame game. But the observations of top White House and congressional aides, the rich complexity of the SAPs, and the highly calibrated nature of the veto threats call to mind the types of strategic signaling that have been modeled by Cameron. The SAPs, in short, provide compelling prima facie evidence that presidents systematically use signaling strategies in attempts to shape congressional expectations about administration preferences.

3. Explaining Presidential Signals

What factors are likely to shape the contents of presidential signals to Congress? More concretely, what are the independent variables that might explain the considerable variance that we observe in the nine-point signaling scale? Existing conceptualizations of bargaining between the branches imply several hypotheses. For one, the coordination and blame-game models both imply that vetoes will be more likely on major bills, especially during divided government, and this prediction is supported by data. We also expect that presidential opposition and veto threats will be positively associated with major bill status, and that the effect will be mostly apparent for the two Congresses characterized by divided government.

As mentioned, many of the SAPs were sent to the Senate. By most accounts, the Senate is more bipartisan in operation than is the House. All Senators have the procedural prerogatives necessary to influence legislation. During the Congresses under consideration, the majority party also lacked the 60 votes necessary to invoke cloture, further fostering cooperation across the aisle. We expect, then, lower levels of signaled opposition and fewer veto threats in the Senate SAPs, especially during the Clinton years. The contents of the Senate SAPs during the Bush Congress should depend in part on which party controlled the chamber. Prior to June 2001, the Republicans organized the Senate. We would not expect significant Senate effects during this brief period of unified party control. With the defection of Senator James Jeffords, Vt., to independent status, however, control of the chamber shifted to the Democrats. For SAPs transmitted after June 1, 2001, we expect substantially higher levels of signaled opposition.

A distinction also can be drawn between different categories of legislation. Appropriations bills, for instance, touch on a wide range of significant policy concerns. During the Clinton years, there often was substantial partisan conflict over GOP policy riders that were attached to major spending bills. Furthermore, Clinton had considerable political leverage in the appropriations process. Following the partial closure of the federal government in fall 1995 (and the ensuing drop in public support for the Republicans), the leaders of both parties perceived that the public would mostly blame the GOP for future breakdowns in the appropriations process. As a result, there was enormous pressure on congressional Republicans to strike deals with the administration on spending bills, creating further incentives for Clinton to escalate his rhetoric on such measures. At the time, GOP aides referred to this dynamic as “the Clinton Exit Fee,” that

is, the concessions they would have to make to the President to finish the appropriations bills and get out of town.

During the Bush administration, in contrast, we would not expect to observe an “Exit Fee” effect. Unlike Clinton, Bush also faced a House controlled by his own party. The House traditionally moves first on spending measures, and chamber Republicans should have been able to keep the major appropriations bills from diverging sharply from the President’s preferences.

Our signaling scale may also shed new light on a longstanding empirical controversy in the scholarly literature about the Presidency. The “two presidencies” thesis maintains that the executive branch will receive greater deference on foreign policy and defense matters than is the case for domestic policy (see Wildavsky, 1966; LeLoop and Shull, 1979; Siegelman, 1979; and Bond and Fleischer, 1990). Empirical support for the thesis is mixed. Some scholars, for instance, find the thesis to be less accurate since the Vietnam era. Other scholars argue that it primarily holds for Republican presidents, and not Democratic presidents, and that the effect mostly obtains on minor bills (Bond and Fleischer, 1990).

Two competing hypotheses come to mind about the possible association between the signaling scale and foreign policy and defense matters. On the one hand, legislators may defer to administration preferences on such issues, reducing the need for veto threats and high levels of signaled opposition. On the other hand, Presidents tend to view foreign policy and defense items as especially critical to their credibility as leaders, perhaps generating higher scores on the signaling scale. Or alternatively, controlling for major bill status, there may be no difference in presidential signaling strategies across international and domestic policy issues. The relative strength of these effects is an empirical question.

We also expect certain temporal effects on the contents of presidential signals to Congress. As mentioned, vetoes tend to increase during elections years. Is this also the case for veto threats and high levels of signaled opposition? Such a relationship might reflect audience effects a la Groseclose and McCarty. Or perhaps it would simply reflect the greater time necessary to process controversial issues. High conflict bills might dominate the second session, increasing veto activity in even-numbered years.

The temporal proximity of important legislative deadlines may also influence the content of administration signals. The appropriations process, for instance, is conducted on a yearly cycle, officially ending on September 30, but occasionally extending into November or

December (through continuing resolutions). As the year draws to a close, we expect that the signaling scores for the Clinton SAPs will increase significantly. That is, we expect that the Clinton administration used the specter of the veto to leverage concessions from congressional Republicans. For the Bush administration, facing a Congress partially controlled by fellow partisans, no such effects are expected.

Finally, as the end of a Congress approaches and Election Day grows near, there are potentially conflicting consequences for presidential signaling. On the one hand, the proximity of adjournment may increase the legislative payoff to veto threats and the level of signaled opposition. On the other hand, the potential costs to such posturing also will rise. The administration's intransigence might prolong the bargaining process, endangering passage of legislation that the President could sign.

Table 2 reports the results of a multivariate regression analysis, with our signaling scale serving as dependent variable. The analysis is conducted separately for the three Congresses for which extensive SAP data are available. Included are independent variables relating to our hypotheses and conjectures about the factors that influence SAP content.

Included among the independent variables, for instance, is a dummy variable that takes on the value of one for major bills as identified by *Congressional Quarterly Weekly Report*, and is zero otherwise. As expected, confrontational signals are significantly more likely on major bills for the two Clinton Congresses, but no such effects exist for the Bush years, even though the Senate was in Democratic control for most of the 107th Congress. This result resonates nicely with Cameron's empirical analysis.

Interestingly, the available evidence does not support our general expectations about the Senate. Overall, Senate SAPs were not more accommodating than were House SAPs. There is a substantively large, positive, and statistically significant effect, however, for the Senate during the period of Democratic control in the 107th Congress. We believe that this finding mostly reflects the importance of divided partisan control rather than the special institutional characteristics of the Senate. Veto threats were especially likely and especially unambiguous in the signals sent to the chamber following the shift to Democratic control. Call it the "Jeffords effect."

In Table 2, there is intriguing evidence that foreign policy and defense measures are treated differently in the inter-branch bargaining process – even controlling for the significance

of legislation. The level of signaled opposition is significantly higher on such measures during the first Clinton Congress and the Bush Congress, but not for 106th Congress, the last two years of the Clinton administration. Interestingly, the 1999-2000 period coincides with active U.S. military intervention in the Balkans. Clinton was heavily reliant on the support of congressional Republicans for his Balkans policy, creating incentives for him not to make regular use of veto threats, or to strongly oppose pending legislation relating to foreign and defense policy. Under such conditions, particularly aggressive bargaining tactics also would have been difficult to explain to the American public.

The positive and statistically significant parameter estimates on foreign policy and defense issues for the other two Congresses have potentially important implications for the two presidencies thesis. The thesis most often is conceptualized in terms of presidential support and presidential success. Are administration initiatives in these areas particularly likely to pass? Are lawmakers particularly likely to vote with the President on foreign policy and defense matters? As mentioned, the available evidence is mixed. Our focus, however, is on bargaining tactics and strategic signaling, and our results suggest that there may indeed be important differences between international and domestic policy issues. As the Commander in Chief, the bargaining stakes for the President are particularly high on international matters and the administration's informational advantages often are substantial – factors that are part of the essential structure of any bargaining game. Perhaps empirical evaluations of the two presidencies thesis should focus more on the process of bargaining and less on roll call outcomes.

As expected, there is inconsistent support for the various temporal hypotheses. We find significant second session effects, but only for the presidential election year of 2000. The variable that taps deadline effects for the end of a Congress, CongDead, measures the number of months remaining until the end of a given Congress. As a result, the statistically significant, negative effect for this variable during the 105th Congress indicates that the intensity of signaled opposition increased as adjournment neared. For the 106th Congress, however, we find a statistically significant effect in the opposite direction.

In part, these conflicting results reflect the special circumstances in play toward the end of each Congress. Clinton's bargaining stance toward congressional Republicans was particularly aggressive in fall 1998. Republicans leaders, emboldened by the Monica Lewinsky scandal, were similarly confrontational toward the White House. In fall 2000, however, the

attention of the Washington political community was focused on presidential campaign politics, rather than lawmaking. Both the administration and the GOP congressional leadership sought to circumscribe the legislative agenda and adjourn sine die. Indeed, a post-election lame-duck session was required to consider the remaining appropriations bills.

Finally, a term is included in all three models for the interaction between Appropriations measures and the proximity of the end of a year. The parameter estimates on this variable are uniformly negative. For appropriations bills, it appears that the approach of a deadline is associated with more confrontational signals from the White House. None of these parameter estimates, however, achieves the level of statistical significance.

Overall, the results in Table 2 confirm most of our initial expectations about presidential signaling and raise some interesting questions for future research. There clearly are theoretically and intuitively plausible patterns in the presidential signals as contained in SAPs. The patterns relate to important questions in the literature about congressional-presidential bargaining. And at the very least, our first set of empirical tests establishes the external validity of the signaling scale. We need additional information about the bargaining context and legislative strategy, however, to systematically address the explanatory power of the competing models of congressional-presidential bargaining. Before proceeding, it is instructive to consider the legislation that drew presidential veto threats – the highest level on the signaling scale. For these items, the administration transmitted an unambiguous signal that a veto was forthcoming unless significant modifications were made in the underlying bill.

A list of the measures is included in Table 3. Notice that these items disproportionately are major bills that touch on issues prominent on the message agendas of one or both parties. Included are important initiatives pertaining to education, health care, tax reduction, Social Security, labor rights, and national defense. Such items typically divide the political parties, and are associated with preference distributions that in Cameron's models are particularly likely to predict vetoes and veto threats. But the lack of ambiguity in these veto threats, combined with their high relevance to the party campaign agendas, suggests to us that congressional-presidential interactions (on these items) are best conceptualized as bargaining before an audience. The conceptual tools that are most appropriate for understanding presidential signals may vary by issue area, depending in part of the relevance of a measure to the message agendas of one or both

political parties. The consequences of message politics for veto bargaining and legislative strategy are the focus of the next section.

4. Veto Bargaining and Message Politics

As mentioned, internal deliberations within the House and Senate are also characterized by problems of coordination and collective action. Indeed, such problems typically are much more severe in a legislature than in a hierarchy such as the federal executive branch. Legislators, for instance, are often cross-pressured on major issues by parochial constituency concerns, on the one hand, and by broader concerns relating to party goals or the collective interests of the chamber, on the other. Scholars have delineated how the internal structural arrangements of Congress can help overcome problems of coordination and collective action. Cox and McCubbins (1993) argue that party leaders play a particularly important role in this regard (see also Sinclair, 1995, and Smith and Gamm, 2000). Under the right conditions, party leaders in Congress can use their procedural and political prerogatives to advance the party agenda and help their fellow partisans promote a favorable partisan “name brand” with voters – an important collective goal for the party.

The concept of a party “name brand” resonates with a significant, but understudied, process through which mass attitudes and congressional decision making are linked – a process called *Message Politics* (Evans, 2001). In the contemporary Congress, members of the two political parties develop organized message agendas, “which are comprised of the issues, themes, and policy symbols that legislators believe will generate a positive response toward their party among voters.” Message politics, in turn, refers to the “interconnected set of electoral, communications, and legislative strategies that congressional parties employ to advance their respective messages (p. 219).”

What factors do the congressional parties consider in formulating their messages? According to the best scholarship, party leaders tend to focus their message agendas on policies and proposals that:

- (1) Unify their rank and file,
- (2) Differentiate their party from the opposition,
- (3) Evoke public interest, and
- (4) Reflect public attitudes about their party’s issue strengths.

Unity matters because internal divisions on a matter will blur the party's message, and thus complicate leadership efforts to develop a coherent name brand in the area (Cox and McCubbins, 1993, Sellers, 2002). Similarly, if members of the public do not perceive substantial differences between the parties on an issue, the matter will not help voters make decisions at the polls (Downs, 1957, Campbell et al., 1960). Salient issues – or issues that are potentially salient – are more likely to be factored into the voters' decision calculus, and thus have more message value than is the case with less salient matters. Finally, the public perceives the two parties as having comparative advantages at handling different issues (Kelly, 1983; Petrocik, 1996). Republicans, for instance, are generally viewed as the party best able to handle tax reduction and defense, while voters traditionally have perceived the Democrats as the stronger party on Medicare, Social Security, and the environment (Petrocik, 1996; Sellers, 2002; Evans 2001). Other factors held constant, people will respond most favorably to a party's message when it features issues upon which the party is viewed as most competent.

The congressional parties and their message operations are a critical feature of the institutional context of veto bargaining, and clearly relate to the basic structure of the blame game model. Under the blame game, Congress passes popular legislation that the White House will veto, with the aim of undermining public support for the President and the President's party. Such dynamics are most likely during periods of divided government, and on issue areas that are central to the party message agendas. These items, after all, are designed to distinguish between Republicans and Democrats, reflect core public attitudes about the strengths and weaknesses of each party, and resonate with the issue priorities of the American people. It is on message issues that we would particularly expect to see blame game dynamics.

What are the likely linkages between a bill's message status and bargaining? Since veto bargaining and the blame game are largely characteristics of divided government, assume for the purposes of argument that different parties control the White House and Congress – that is, take as given the partisan configuration of the 105th and 106th Congresses. The strategic calculations of Message Politics imply several hypotheses about presidential signaling and legislative bargaining. It is important, however, to distinguish between different kinds of message items.

Shared Message Priorities. Some policy areas (education is an example) are prominent on the message agendas of both political parties. For the two parties, the goal on these items is to distinguish themselves from the opposition, galvanize their own activist base, and convince

citizens that they will govern in the public interest. There will be strong disincentives for either party to completely acquiesce on substance during the lawmaking process. Most likely, the congressional majority will advance legislation reflecting its core values and the President will respond with strong opposition and a veto threat. If the public is demanding governmental action in the area and there exists a degree of middle ground, after successive rounds of position taking the President and congressional majority may split the difference and both claim victory. Absent a pressing need to pass legislation, however, neither party will offer major concessions and gridlock will ensue. Thus, on shared message priorities, there should be strong and relatively unambiguous initial opposition from the White House, and then a symmetric bargaining response leading to mutual intransigence or middle ground. We would not expect to see ambiguous presidential signals or patterns of asymmetric bargaining.

Majority Message Priorities. Other issues are prominent on the message agenda of the majority party in Congress, but not that of the minority party (which by assumption is also the party of the President). For the Clinton years, defense issues are an example. As we know from our description of message formulation, majority message priorities typically unite the majority party and reflect public views about the party's strengths. In addition, these issues usually divide the minority party or raise significant public concerns about the party's governing abilities. On such items, we would expect the congressional majority to move strong legislation that reflects the party program. The President likely will respond with signals that are somewhat ambiguous or with relatively low levels of opposition. Here, we expect to observe presidential positions that are clustered near the middle of the signaling scale. Of course, the president might dig in tactically, leading to gridlock. But in this message category, we expect to see a relatively high incidence of major concessions from the White House, perhaps even acquiescence. The congressional majority, though, will probably not offer major concessions unless the president is intransigent and there are major pressures to enact something.

Minority Message Priorities. Now consider a third category of message issue – items that are prominent on the message agenda of the minority party on Capitol Hill (again, by assumption the party of the President), but not on the message agenda of the majority party. For the 105th and 106th Congress, prominent examples of minority party message priorities would include campaign finance reform and the Patients' Bill of Rights. The majority leadership generally will attempt to keep these items off the floor. By their nature, however, minority

message priorities tend to unite the minority party and divide the majority party. As a result, the President and his fellow partisans likely will “go public,” attempting to move the issue onto the active decision-making agenda. Minority party Senators may exploit the free-flowing floor procedures of their chamber to force action via nongermane amendments. And a cross-partisan coalition of sufficient size may emerge in the House to secure access to the floor, perhaps via the discharge petition.

The character of the bargaining that results will depend on the strategic posture adopted by the majority party. The majority leadership may opt for a “strategy of inoculation” and make major concessions. In response, the administration will probably dig in, transmitting signals of unambiguous opposition, including veto threats. Alternatively, the opposition to the initiative within the activist base of the majority party may be so strong that the leadership will refuse to compromise. Under such conditions, given the underlying distribution of preferences, the minority party in Congress (with help from the White House and majority party moderates) may gain the upper hand, advancing to the floor a measure that the President can support. Thus, for minority message priorities, we expect to observe strongly negative signals from the White House, and either major concessions from the congressional majority, or intransigence on their part and the emergence of a strong cross-partisan coalition that includes the President.

Other Bills. The remaining issues are not directly tied to the message agendas of either party. Here, the strategic calculations of message politics will be much less relevant. Presidential signals and congressional-presidential bargaining will be driven by idiosyncratic features of the bargaining context – for instance, whether or not cleavages are mostly partisan or cross-partisan, the personal policy agendas of the President and key legislators, issue salience, whether or not a measure is a “must pass” item such as an appropriations bill, and so on. And here, the essential characteristics of the blame game should be less apparent.

To gauge how well the hypothesized linkages between message status and congressional-presidential bargaining are supported by evidence, we need fairly rich data about message relevance and inter-branch bargaining on a sample of measures, ideally major bills under conditions of divided government. As a result, we adopt and extend the measurement strategy utilized in Evans (2001). This strategy has three components.

First, using the listings of “major legislation” routinely compiled by *Congressional Quarterly Weekly Report*, we constructed a sample of major bills from the 105th and 106th

Congresses that also were the subject of SAPs from one or both chambers. Although a few of the CQ major measures did not receive SAPs – most prominently, the 1997 reconciliation bill – the vast majority of them did make the cut. The total number of measures included in our major bill sample is 63. Because our interest is in inter-branch bargaining, companion House and Senate bills are treated as a single piece of legislation.⁸

Second, we used the one-minute speeches delivered on the House floor at the beginning of most legislative days as an indicator of the two parties' message priorities. For over a decade, House Republicans and Democrats have employed the one-minute speeches as a forum for articulating their party messages. If a bill or issue area surfaced repeatedly in the one-minute speeches delivered by members of a party, then the measure is coded as a message priority for that party. Particular attention was paid to the one-minutes presented by members of the organized Republican and Democratic “message teams” (e.g. Rosa DeLauro of Connecticut for the Democrats and Jack Kingston of Georgia for the GOP). Some major bills are not referenced explicitly by name in the one-minutes, but clearly touch on policy areas that are mentioned regularly. Such bills also are treated as message items for the purposes of analysis.

The message status of the 63 major bills is summarized in Table 4. Notice that the allocation of issues across message quadrants is largely consistent with public attitudes about party competence as revealed in mass opinion surveys. Defense issues, targeted tax reductions, and crime are all message items for the Republicans but not for Democrats (and thus are considered majority message priorities). Campaign finance reform, managed care reform, and the minimum wage are prominent on the Democratic Party message, but not on that of the Republicans (they are minority message priorities). The shared message priorities include several education bills, but also across-the-board tax cuts. Democrats generally responded to GOP omnibus tax cut proposals by linking them to the long-term viability of Medicare and Social Security, which are core Democratic priorities.

In coding message status, we adopted a conservative strategy. A number of the bills in the “other major bills” category did relate to party issues. Trent Lott, for instance, described the Compensatory Time measure as a major GOP priority for the 105th Congress, and the bill also touched on labor issues that are central to the Democratic agenda. But the legislation was only

⁸ For this paper, we chose not to add (to the major bills sample) appropriations measures, which typically have long, detailed SAPs and distinct patterns of bargaining. We hope to extend this part of the analysis to the appropriations process in future work.

referenced during five one-minute speeches on a single day. As a result, we placed it in the “other bills” category. Similarly, Republicans often use the partial-birth abortion issue to force pro-choice Democrats to cast politically difficult floor votes. The item was not a major feature of the one-minutes, however, and thus was not coded as a message issue.

The third prong of our measurement strategy was to use the extensive legislative coverage provided in *CQ Weekly Report* for the 63 major bills to code a range of variables relating to the bargaining process within Congress and between the branches. Included are the nature of the conflict (partisan, regional, and so forth), the identities of the key bargainers (committee leaders, party leaders, administration officials), the concessions offered by the main competing coalitions, the relative significance of such concessions, the point when the concessions were offered (House or Senate committee, floor, conference), and the outcome of the bargaining process. We both coded these variables and talked through all judgment calls. The legislation for Federal Lands Acquisition during the 106th Congress (H.R. 701), for instance, passed the House and was filibustered in the Senate. Negotiations over the bill continued, however, and key elements of the measure were enacted via an appropriations bill. We chose to code that outcome as an enactment.⁹ And occasionally, categorizing concessions as minor or major was somewhat difficult. For the most part, though, the coding decisions were straightforward and we believe that our indicators accurately tap important aspects of the bargaining process.

Bargaining Analysis

Our analysis of legislative bargaining is hampered somewhat by the number of observations.¹⁰ There are 63 measures in the major bills data set, and certain of the message

⁹ We did not rely on THOMAS or Congressional Universe for information about the fate of a measure. Bills often are renumbered during the legislative process, added as amendments to different items, or otherwise subsumed by other measures – developments that are not adequately captured by either data base. According to a conversation with the Congressional Research Service staff responsible for gathering the information in THOMAS for “bill status,” it also is apparent to us that the “related bills” information included in these on-line data bases is similarly limited as a source of information about legislative outcomes. The *only* way to track the fate of a bill with confidence is to research the legislative history.

¹⁰ We did conduct additional tests on the larger SAP data set. For instance, we used a series of bivariate regressions to gauge the effects of the signaling scale on GOP and Democratic votes for final passage in the House. Across the three Congresses, there were strong negative relationships. That is, the higher the level of signaled opposition, the lower the support for House final passage. The effect, however, was disproportionately on the President’s fellow partisans. Moreover, it is problematic to infer anything about causality from these results. The relationship between the signaling score and final passage support may arise from presidential influence on House Members, anticipatory

categories have a small N. There are only six minority message priorities, for instance, reflecting the ability of majority party leaders to keep such initiatives off the agenda. There also are only nine issues for the shared message category. Still, we have sufficient evidence for the exploratory purposes of this project. At the very least, these data can provide useful illustrations of the patterns we expect in congressional-presidential bargaining.

Several key bargaining indicators are summarized by message category in Tables 5-7. Table 5 is a frequency distribution for the position scale across each quadrant of the message chart. Table 6 summarizes our evidence about bargaining concessions. For each issue, we focused our attention on two main coalitions; (1) the President and his supporters on Capitol Hill, and (2) the primary coalition of opponents. For the vast majority of the measures, conflict divided along party lines and the opposing coalition was largely comprised of congressional Republicans (with perhaps some conservative Democrats as allies). On a number of the bills, there were significant policy differences between the House and Senate, with one chamber (usually the Senate) embracing a position that was substantially closer to the President's position. In such instances, we identified as the opposing coalition the main group (of opponents) from within the chamber that was furthest from the position of the White House. (We expect to better incorporate bicameral bargaining in future research.) For two of the measures in our sample, there was minimal conflict. In Table 6, these items are placed in the "none needed" category for concessions. Table 7 provides summary information about how far in the legislative process each measure progressed, distinguishing between message categories. Interestingly, none of the major bills in our sample passed the Senate and failed in the House, reflecting in part the high legislative hurdle created by the Senate filibuster.

For the most part, the evidence summarized in these tables is consistent with our expectations about the linkages between message status and inter-branch bargaining. Consider each message category in turn.

Shared Message Priorities. Recall that we expect high scores on the presidential signaling scale for the shared message priorities, and then either mutual intransigence or mutual accommodation. By either side, acquiescence should be rare. Of the nine measures in this category, six drew an explicit veto threat (three of them presidential threats). In the 106th

behavior by the White House, or both the President and legislators mutually responding to the same exogenous forces (party activists, interests groups, public opinion, and so on).

Congress, Republican leaders divided the reauthorization of the Elementary and Secondary Education Act into five separate bills as part of an effort to maximize media attention on their education agenda. Certain of the education items, particularly the Student Literacy and Education Impact Aid bills, were not controversial, and largely account for the low scores on the signaling scale. As expected, neither the White House nor congressional Republicans capitulated on any of the shared message priorities. Most of the concessions were minor. And the major concessions that were made were insufficient for enactment. Only two of the nine measures in this category were signed by the President (both minor education bills). And two bills were vetoed (Education Savings Accounts in the 105th Congress and the Omnibus Tax Reduction measure in the 106th). The remaining items failed to clear both the House and the Senate.

Majority Message Priorities. We predicted somewhat different bargaining patterns for the majority message priorities. Here, we expect that the scores on the presidential signaling scale will tend toward the middle range. Compared to the shared message priorities, there should be a lower percentage of presidential and senior advisors threats. We also hypothesized an asymmetric bargaining pattern – the White House should concede more than the opposing coalition (primarily congressional Republicans). Indeed, of the thirteen observations in this category, seven (53.8 percent) do fall toward the middle range of the scale. Five observations, however, are in the highest levels, including two presidential veto threats. One of the presidential threats was on the FY2000 Defense Authorization bill. The veto threat focused on a single provision that would have prohibited the use of FY2000 funds to pay for the ongoing Kosovo mission. Clearly, the provision touched on war powers, a core presidential prerogative. The other presidential threat was on a bill to repeal the federal estate tax.

As expected, though, the evidence in Table 6 does indicate an asymmetric bargaining process for the majority message priorities. On over half of the measures in the category, the opposing GOP coalition offered minor or no concessions, while on nine of the thirteen the White House made major concessions or capitulated. Interestingly, the two examples of presidential capitulation were on a military pay hike and a bill to overhaul the Internal Revenue Service. The Clinton Administration initially opposed the IRS overhaul, but flipped positions after the Senate Finance Committee conducted a series of highly emotional, nationally televised hearings about IRS investigatory abuses. As mentioned, majority message priorities tend to unify the majority party and divide the minority: During divided government, this preference configuration also

weakens the President's negotiating leverage. As a result, over 60 percent of these initiatives were eventually enacted – the highest success rate across the four message quadrants.

Minority Message Priorities. Now consider the minority message priorities – again, with the caveat that there are only six observations here. We predicted a cluster of observations at the top and/or at the bottom of the presidential signaling score, with very few in the middle range. We also predicted that the president would seldom offer major concessions on these bills. Moreover, we expect that the opposing Republican coalition would either make major concessions or be rolled on the floor. The prospects for gridlock on these issues are high because of majority party control over the legislative agenda.

In fact, five of the six measures do fall near the top or at the very bottom of the signaling scale. However, the presidential coalition also offered major concessions on half of the measures – not the pattern that we expected. Two of the three cases dealt with the McCain-Feingold campaign finance reform proposal. In both the 105th and 106th Congresses, Senator John McCain, R-Ariz., chose to dramatically scale back his proposal as part of an effort to pick up the GOP support necessary to cut off a filibuster by Mitch McConnell, R-Ken. Clinton supported McCain's tactics, but also expressed his preference for the stronger bill. The third example was a proposed minimum wage hike in the 106th Congress. Here, the President conceded very little on the underlying measure, but was willing to accept the addition of a small business tax package endorsed by GOP leaders. Interestingly, none of the six minority message priorities reached the President's desk.

Other Major Bills. As expected, there are no clear patterns within the “other major bills” category. Roughly half of the measures drew explicit veto threats, indicating the general importance of veto bargaining on major legislation. Still, there was considerable variance across the different levels of the signaling score for this quadrant. Bargaining concessions were about equally divided between minor and major modifications. A little less than half of the measures were eventually enacted, with the rest fairly equally distributed across the remaining outcome categories. Most of the cleavages in this quadrant also were partisan, reflecting the overarching party polarization of the late 1990s. Based on our review of the legislative histories, though, party position taking and other audience effects were relatively muted in this issue quadrant.

For the most part, our analysis of bargaining dynamics is consistent with the hypotheses rooted in Message Politics. Although the number of observations is limited and our

generalizations necessarily are tentative, audience effects do appear to significantly influence the process of inter-branch bargaining – at least during periods of divided government. These effects, however, are *conditional* on the relevance of a measure to the message agendas of the majority and minority parties. The blame game model appears to be most applicable to shared message priorities. During 1999, for instance, the Republican Congress sent to President Clinton a reconciliation package that would have reduced federal taxes by \$792 billion. Prior to House and Senate passage, the White House repeatedly issued a presidential veto threat. No significant policy concessions were offered by either side, the measure cleared both chambers on near party-line votes, and the President vetoed the bill to great fanfare. The Republicans clearly were playing the blame game.

Notice, though, that over half of the shared message priorities did not pass the Senate, suggesting that the President's fellow partisans may sometimes circumvent the blame game by filibustering potential veto bait into oblivion. It should be straightforward to extend the basic blame game model to incorporate a filibuster pivot, perhaps increasing the model's explanatory power. Blame game calculations also can characterize issues that are majority message priorities. But the President is also more likely to make major concessions in this message quadrant, and may be able to duck public blame by simply signing the relevant legislation. In contrast, the blame game does not really fit the minority message category. Here, the majority leadership uses its agenda prerogatives and other resources to keep the targeted legislation away from the President's desk. If anything, it is the President's party that will attempt to assign blame to the congressional majority.

The bottom line – Based on our analysis of the SAPs, we find compelling evidence that veto bargaining has certain essential features of a signaling game as modeled by Cameron. However, during divided government, the more relevant an issue becomes to the message agenda of the majority party in Congress, the more unambiguously negative will be the legislative signals emanating from the executive branch. Relatively clear-cut veto threats will become more common. And congressional-presidential bargaining will resonate more with the blame game approach of Groseclose and McCarty.

5. Conclusion

The coordination and blame game approaches to modeling congressional-presidential bargaining have substantially clarified scholarship in this area. These models help isolate the essential features of veto bargaining and make explicit certain strategic calculations that drive the bargaining process. Still, constructing tests that can distinguish between them is difficult and much of the strategic richness that characterizes bargaining is assumed away by the premise that both Congress and the executive branch are unitary actors. The American Congress, by its very nature, is a mechanism for collective choice, and the federal executive branch is one of the most internally complex political hierarchies in existence. The internal characteristics of both branches condition how they bargain with one another. And the processes through which bargaining strategies are developed within Congress and the White House can provide scholars with valuable perspective on inter-branch relations.

The recent work of Cameron and Groseclose and McCarty (as well as the scholars responsible for the models they refine) provides a critical foundation for theoretically-informed empirical research about elite bargaining in American national politics. Cameron's approach focuses almost exclusively on the elite bargainers themselves. He marshals extensive evidence that key features of veto bargaining are consistent with the implications of an elite-driven coordination game. Much of that evidence is also consistent with alternative conceptualizations. Our examination of the institutional context within the executive branch, however, generates strong *prima facie* evidence for exactly the kinds of strategic dynamics that characterize the coordination model.

The blame game model of Groseclose and McCarty also captures essential features of elite-level bargaining in politics. From David Mayhew's classic description of position taking to contemporary accounts of party campaigning, there is ample evidence that bargaining stances may also serve as public appeals to a wider audience. The offering of such appeals, however, should vary with a range of issue-specific factors. In the contemporary era, the two political parties play a central role in selecting the issues upon which organized position taking will occur. As a result, to understand the position-taking aspects of inter-branch bargaining, we need to consider the party message operations within Congress – as well as the role that Presidents themselves play in message formulation. In American national government, the essential features of the blame game – and, we believe, of audience-conditioned bargaining in general –

are most prevalent for policy areas prominent on the message agendas of one or both political parties.

To some extent, the strategic manipulation of information and the tactic of position taking are always present in bargaining over legislation. The real issue here is one of extent. As a result, the important question to ask is not: “Does the coordination model or the blame game better explain congressional-presidential bargaining?” Rather, we should ask: “Under what conditions does bargaining more closely approximate the coordination model and under what conditions does it most resemble public posturing before an audience?” We can help identify these conditions by considering the institutional context within which congressional-presidential bargaining occurs.

Table 1. Variation in Presidential Signals on Pending Legislation, 105th-107th Congress*

Position	105th Congress	106th Congress	107th Congress
Presidential Veto Threat	18 (5.5%)	21 (6.8%)	4 (2.9%)
Senior Advisors Veto Threat	33 (10.0%)	50 (16.1%)	4 (2.9%)
Secretary's Veto Threat	22 (6.7%)	8 (2.6%)	0
Strongly Oppose Passage	23 (7.0%)	21 (6.8%)	6 (4.3%)
Oppose Passage	40 (12.2%)	33 (10.6%)	6 (4.3%)
No Position on Passage	55 (16.7%)	65 (20.9%)	25 (18.1%)
No Objection to Passage	43 (13.1%)	22 (7.1%)	3 (2.2%)
Support Passage	66 (20.1%)	63 (20.3%)	59 (42.8%)
Strongly Support Passage	29 (8.8%)	28 (9.0%)	31 (22.5%)
Total	329	311	138

* The unit of observation is the signal, or position, as articulated in a Statement of Administration Policy (SAP). For some bills, there are multiple SAPS (sent to the House Rules Committee, full House, or full Senate). To avoid double counting, when SAPs are sent to both the House Rules Committee and the full House for a measure, only the signal in the latter document is included in the analysis.

Table 2. Ordinary Least Squares Analysis of Presidential Signals on Pending Legislation, 105th-107th Congress (SE in parentheses)

Independent Variable	105th Congress	106th Congress	107th Congress
Major Bill	2.00** (.40)	2.03** (.34)	.029 (.35)
Senate	.037 (.30)	.27 (.32)	
GOP Senate			-.47 (.71)
Democratic Senate			2.18** (.38)
Appropriations	3.33** (1.32)	4.10** (1.31)	.56 (1.07)
Defense-Foreign	1.21** (.42)	.53 (.39)	1.13** (.37)
Second Session	-.58 (.58)	1.62** (.676)	-.097 (.78)
CongDead	-.093* (.048)	.134** (.053)	.042 (.068)
AppropsDead	-.36 (.22)	-.31 (.20)	-.081 (.18)
Constant	5.24** (.87)	1.20 (.99)	1.56 (1.26)
R Square	.140	.206	.315
N	329	311	138

Note: The dependent variable is a nine-point scale reflecting the different levels of Presidential opposition and support. The scale ranges from nine (Presidential veto threat) to one (strongly support passage). See Table 1.

** p < .05 (two-tailed test). * p < .10 (two-tailed test).

Table 3. Issues Subject to Presidential Veto Threats, 105th-107th Congress

105 th Congress	106 th Congress	107 th Congress
Compensatory Time (2)* Education Testing Foreign Operations Approps Labor/HHS Approps Labor Rights (2) Military Construction (2) Nuclear Waste (2) Partial-Birth Abortion (3) Private Property Rights Social Security Supplemental Approps Taxes/Social Security	Banking Overhaul China Defense Authorization Education (ESEA) Ergonomics Estate Tax (2) Labor/HHS Approps (3) Medicare Prescriptions Minimum Wage (4) Nuclear Waste Partial-Birth Abortion (2) Tax Cuts (2) Teacher Empowerment	Foreign Relations Auth Foreign Operations Approps Homeland Security Managed Care Reform

* If multiple measures, the number is in parentheses.

Table 4. Message Relevance of Major Bills with SAPs, 105th-106th Congress

	Democrats High	Democrats Low			
GOP High	Shared Message Priorities	Majority Message Priorities			
	<table style="width: 100%; border: none;"> <tr> <td style="width: 50%; border: none;"><u>105th Congress</u> Education Savings Accounts Private School Vouchers</td> <td style="width: 50%; border: none;"><u>106th Congress</u> Education Block Grants Education Impact Aid Student Literacy Teacher Training Title 1 (ESEA) Medicare Prescriptions Tax Reduction</td> </tr> </table>	<u>105th Congress</u> Education Savings Accounts Private School Vouchers	<u>106th Congress</u> Education Block Grants Education Impact Aid Student Literacy Teacher Training Title 1 (ESEA) Medicare Prescriptions Tax Reduction	<table style="width: 100%; border: none;"> <tr> <td style="width: 50%; border: none;"><u>105th Congress</u> Defense Authorization 97 Defense Authorization 98 Juvenile Justice IRS Overhaul</td> <td style="width: 50%; border: none;"><u>106th Congress</u> Debt Reduction (90-10 Plan) Defense Authorization 99 Defense Authorization 00 Education Flexibility Estate Tax Juvenile Justice Marriage Penalty Military Pay Missile Defense</td> </tr> </table>	<u>105th Congress</u> Defense Authorization 97 Defense Authorization 98 Juvenile Justice IRS Overhaul
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GOP Low	Minority Message Priorities	Other Major Bills			
	<table style="width: 100%; border: none;"> <tr> <td style="width: 50%; border: none;"><u>105th Congress</u> Campaign Finance Managed Care Reform</td> <td style="width: 50%; border: none;"><u>106th Congress</u> Campaign Finance Gun Control Managed Care Reform Minimum Wage</td> </tr> </table>	<u>105th Congress</u> Campaign Finance Managed Care Reform	<u>106th Congress</u> Campaign Finance Gun Control Managed Care Reform Minimum Wage	<table style="width: 100%; border: none;"> <tr> <td style="width: 50%; border: none;"><u>105th Congress</u> Banking Overhaul Bankruptcy Reform Caribbean Trade Chemical Weapons Treaty Cloning Ban Compensatory Time Endangered Species Act FDA Revisions Higher Education Housing Overhaul Internet Taxes Nuclear Waste Disposal Partial Birth Abortions Private Property Rights State Department Authorization Transportation Reauthorization Workers Visas</td> <td style="width: 50%; border: none;"><u>106th Congress</u> Aviation Reauthorization Census Banking Overhaul Bankruptcy Reform Community Renewal/New Markets Electronic Signatures Federal Land Acquisition Fetal Protection Internet Taxes Nuclear Waste Disposal Partial Birth Abortions Pension/IRA Tax Breaks Product Liability Steel Imports Satellite TV State Department Authorization Tax Extenders Y2K Liability</td> </tr> </table>	<u>105th Congress</u> Banking Overhaul Bankruptcy Reform Caribbean Trade Chemical Weapons Treaty Cloning Ban Compensatory Time Endangered Species Act FDA Revisions Higher Education Housing Overhaul Internet Taxes Nuclear Waste Disposal Partial Birth Abortions Private Property Rights State Department Authorization Transportation Reauthorization Workers Visas
<u>105th Congress</u> Campaign Finance Managed Care Reform	<u>106th Congress</u> Campaign Finance Gun Control Managed Care Reform Minimum Wage				
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Table 5. Presidential Signals by Message Category, Major Bills with SAPS, 105-106th Congress*

Position	Shared Message Priority	Majority Message Priority	Minority Message Priority	Other Major Bills	Total
Presidential Veto Threat	3	2	1	6	12
Senior Advisors Veto Threat	2	3	2	8	15
Secretary's Veto Threat	1	0	0	7	8
Strongly Oppose Passage	0	0	0	3	3
Oppose Passage	0	3	1	3	7
No Position on Passage	0	4	0	2	6
No Objection to Passage	1	0	0	1	2
Support Passage	2	1	0	4	7
Strongly Support Passage	0	0	2	1	3
Total	9	13	6	35	63

* Entries denote the number of bills falling in a particular category.

Table 6. Bargaining Stances by Message Category, Major Legislation with SAPs, 105th-106th Congress*

<u>Concessions</u>	<u>Shared Message Priorities</u>	<u>Majority Message Priorities</u>	<u>Minority Message Priorities</u>	<u>Other Major Bills</u>	<u>Total</u>
Pres**	6	4	3	18	31
<u>None/Minor</u>					
Opp***	5	7	3	12	27
Pres	2	7	3	15	27
<u>Major</u>					
Opp	3	6	3	21	33
Pres	0	2	0	1	3
<u>Capitulation</u>					
Opp	0	0	0	1	1
<u>None Needed</u>	1	0	0	1	2

* Entries denote the number of bills falling in a particular category.

** Presidential Coalition

*** Opposition Coalition

Table 7. Legislative Fate of Major Bills with SAPs by Message Category, 105th-106th Congress*

Outcome	Shared Message Priorities	Majority Message Priorities	Minority Message Priorities	Other Major Bills	Total
Passed Neither Chamber	1	0	0	3	4
Passed House, not Senate	4	2	3	8	17
Passed Both Chambers	0	1	3	4	8
Vetoed by the President	2	2	0	4	8
Enacted	2	8	0	16	26
Total	9	13	6	35	63

*Entries denote the number of bills falling in a particular category.

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