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Veto Power and Legislation: An Empirical Analysis of Executive and Legislative Bargaining from 1961 to 1986

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One of the most important American political institutions is the executive veto. The Founding Fathers sought to create an institution that would both protect the executive branch from encroachments of the legislature as well as provide an additional safeguard against "unwise" measures that might be passed. These concerns were weighed against concerns about executive usurpation of legislative power. The extent to which the veto serves to preserve this delicate balance is a question that remains largely unanswered. Few will dispute that the president plays a role in the legislative process. The question remains one of extent. Is the legislative role of the president within the confines of the formal powers enumerated in the constitution, or have additional informal powers emerged?

In this analysis, we try to measure the influence of the president in the legislative process. We develop an empirical model based on several current theories of executive-legislative bargaining. The model we estimate is a generalized version of the legislative agenda control model. While we find strong evidence for the basic structure of the legislative agenda control model, we reject several of its predictions. We argue that many of these rejections may be due to presidential influence on the agenda and/or to incomplete information.

From these clear and indubitable principles results the propriety of the negative, either absolute or qualified, in the executive upon the acts of the legislative branches. Without one or the other, the former would be absolutely unable to defend himself against the depredations of the latter. He might be gradually stripped of his authorities by successive resolutions or annihilated by a single vote. And in one mode or another, the legislative and executive powers might speedily come to be blended in the same hands.

—Alexander Hamilton, *The Federalist*, No. 73

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It would be no wonder if the veto power were not only discriminatory among bills already passed, but if it became an ever-present, if unuttered, threat to promoters of bills (unless they were quite certain of a two-thirds majority in the ultimate resort), and tended to become an instrument of bargaining ... an instrument to be propitiated by timely and obvious surrenders.

—Herman Finer, *Theory and Practice of Modern Government*¹

1. Introduction

One of the most important American political institutions is the executive veto. The veto, the power to settle interbranch disagreements over adjournment, and the power to convene either or both Houses on “extraordinary occasions” are the only direct legislative powers given to the president under the United States Constitution.² The veto has proven to be a substantial grant of legislative power, while the other two powers have had little impact.³

In debating the executive veto, the Founding Fathers sought to create an institution that would both protect the executive branch from encroachments of the legislature as well as provide an additional safeguard against “unwise” measures that might be passed. These concerns were weighed against the possibility of executive usurpation of legislative power. Those who sought greater protection for the executive argued forcefully for an absolute veto that could not be overridden, while proponents of the legislative branch called for either a less restrictive override procedure or for a veto that required the consent of a judicial panel as well as the president.⁴ Ultimately, the president was given a qualified veto while the role of initiator of legislation was reserved for Congress.⁵

From 1789 through 1992, there were 1,448 regular vetoes, of which only 104 (7 percent) were overridden. In addition there were 1,067 pocket vetoes.⁶ The veto is unquestionably an effective legislative power. The president gets his way 93 percent of the time. Clearly, there is no question that the president can play an effective role in the legislative process: the question remains one of extent. The purpose of this analysis is to attempt to measure the extent of the president’s influence over legislation. To do so, we utilize theory developed

1. The quote is from Finer (1932: vol. 2, 1033).

2. Article I, section 7, paragraph 2, and Article II, section 3, respectively.

3. Corwin (1941: 289) notes that *not* calling Congress into session can be a powerful act by the president: “Lincoln did this at the outset of his administration, to the vast aggrandizement of the presidential office for the time being at least.”

4. See Corwin (1941), Spitzer (1988), and Watson (1993) for an analysis and history of the constitutional debates on the form of the executive veto.

5. Article II, section 3 of the Constitution does grant the president the vague prerogative to “recommend to their [Congress] such measures as he shall judge necessary and expedient.” This power should not be confused with true proposal power, as the president has no power to force congressional consideration of any of his proposals. Later, we discuss the possibility and implications of *de facto* presidential proposal power.

6. These numbers are taken from Stanley and Niemi (1994: 278, Table 8–13).

within the rational-choice paradigm of political science. In Sections 2–4 we discuss rational-choice theories of the veto power; in Sections 5–7 we discuss empirical tests based upon these rational-choice theories.

2. Rational-Choice Theories of the Veto Power

In recent years, there has been a great deal of theoretical research within the rational-choice paradigm on how presidential policy preferences and interests get translated into policy outcomes via the institutional relationships between the executive and legislative branches. Much of this work concentrates on the role of the presidential veto in forcing Congress to consider presidential preferences when formulating legislation. One of the most common theoretical constructs in this literature is the theory of agenda control (Romer and Rosenthal, 1978). Models of agenda control demonstrate the differential influences on legislative outcomes of proposal power and veto power.

Following the “extended form” outlined in the Constitution, early models of the president’s role in legislation assumed that proposal powers rested with the Congress and veto powers with the president (Hammond and Miller, 1987; Ferejohn and Shipan, 1990). Given these roles, the extent of the president’s influence is that the veto will prevent the passage of proposals that the president considers inferior to the previous status quo or reversion policy. Given the implied usage of the veto, any legislative proposer who wishes to see her proposal enacted into law will offer only proposals that make the president better off than the status quo. This framework seems quite consistent with the arguments of the Founders that the veto would, in fact, lead only to a minimal legislative role for the president in the legislative process.

This framework, however, does seem at odds with the seemingly large legislative role of modern presidents. In particular, many scholars have suggested that while the legislative agenda control (LAC) model may not be entirely inappropriate, modern presidents possess a great deal of influence over the legislative agenda. The logic of agenda control suggests that this transfer of proposal power also entails a large shift to the president in terms of influence over public policy. Sundquist (1981) argues that the inability of Congress to plan and develop comprehensive policies forced it to delegate, if not abdicate, its role of policy initiator. Miller (1993) extends this argument to a legislative coordination game, wherein presidential proposals serve as a focal point for legislative activity.

Kernell (1986) and Ingberman and Yao (1991a, 1991b) propose a different mechanism for presidential cooption of proposal power. Kernell argues that presidents have been able to take a much larger role in the legislative process due to their standing with the American people. When Congress refuses to act on a presidential initiative or wishes to greatly alter it, presidents have the option of “going public” to rally opinion against Congress. Ingberman and Yao formalize and extend Kernell’s argument by suggesting that “going public” may also be a way of making the veto a more credible weapon. In their model the president goes public to commit to vetoing bills that deviate from his own proposals, even if the bill is preferred to the status quo. Presidents who renege

on these commitments are presumably punished by voters (or historians).

Another critique of the strict constitutional interpretation traces its origins to Neustadt (1990), who argues that the president is given very weak formal prerogatives by the Constitution. To compensate, a successful president is forced to rely on his abilities to bargain and persuade. In Neustadt's conception, presidential power has more to do with personal reputation and image than with formal institutional position. Rational-choice scholars have begun to use developments in models of incomplete information to incorporate some of these concerns into models of executive-legislative bargaining. These models assume that Congress is incompletely informed about the willingness of the president to veto legislation. A primary focus of these studies is presidential strategies to manipulate the beliefs of members of Congress to obtain more influence over legislation. Matthews (1989) analyzes the role that costless veto rhetoric can have in a veto bargaining game when Congress is uncertain of the president's issue positions. He demonstrates that presidential threats and rhetoric can have a substantial impact on bargaining outcomes. Further, use of rhetoric can give the president a limited degree of proposal power. Following Matthews's lead, McCarty (1994) also analyzes a situation in which Congress is incompletely informed about the president's preferences. However, McCarty focuses on the dynamics of interbranch bargaining and thus analyzes the role that repeated play and reputation may have on legislative bargaining. Noting that a president can enhance his bargaining position by pretending to be closer to the status quo, McCarty argues that vetoes on related, earlier pieces of legislation can be utilized as a mechanism toward this end. Since vetoes on early proposals can influence a greater number of proposals, the president will have the greatest incentive to veto legislation early on in his term. Understanding these incentives, legislators will be more accommodating to the president. However, later in his term, when reputational vetoes have less appeal to the president, Congress will correspondingly be less accommodating. Consequently, in equilibrium, there may emerge a "honeymoon" pattern of early accommodation followed by later conflict.

Because all the preceding models make clear and falsifiable empirical predictions, it is surprising that few empirical tests of these hypotheses have been undertaken. The reason for this deficiency is that researchers typically lack the fundamental data to test such models: the preferences of the legislature and the president (or the legislature's beliefs about those preferences) over different proposals. An exception is the study by Kiewiet and McCubbins (1988), who apply the veto model to the appropriations process, where legislative outcomes are dollar amounts and thus easily quantifiable. By comparing appropriation outcomes with presidential requests, they find that patterns suggested by the LAC model are borne out in the data analysis. However, because appropriation outcomes proxy both bargaining outcomes and legislative preferences, Kiewiet and McCubbins were not able to consider the alternative models that we discuss. Furthermore, while the appropriations process is probably the most important area of executive-legislative bargaining, the question remains whether the veto constrains legislative proposals in other areas as well.

In sum, the theoretical literature on the effects of the veto varies greatly in terms of the predictions made about the role of the executive in the legislative process. Given the lofty ambition of the Founders to create an institution simultaneously consistent with separation of powers as well as checks and balances, a better understanding of the veto's effects is needed to assess its success in achieving that delicate balancing act. The goal of this article is to begin building the empirical foundation necessary to make this appraisal. To this end, we develop an empirical model that nests many of the hypotheses found in the extant literature on veto power. This model is a generalized version of the agenda-control model, which we will use to test many of the alternative hypotheses of the theoretical literature against one another.

In addition to pursuing a distinctive modeling strategy, we attempt to overcome several inherent data problems. First, we use the data collected by *Congressional Quarterly* (CQ) for its computations of presidential support scores. In computing support scores, CQ determines a president's position on a wide variety of roll call votes. These positions are analogous to votes cast by members of Congress, which enables us to estimate the president's spatial position in a spatial model of legislative voting. Using the NOMINATE procedure of Poole and Rosenthal (1985, 1991), we are able to estimate the president's spatial position, which we use to infer the president's preferences over the legislative proposals. Secondly, we utilize Poole and Rosenthal's data on legislator preferences and the spatial location of bills. With this data we are able to estimate a generalized agenda-control model of the presidential veto.

In Section 3 we discuss the standard LAC model of legislative-presidential bargaining and the empirical insights derived from the model. We develop an empirical model to test the main predictions of the LAC model. In Section 4 we discuss various criticisms and extensions of the basic model. The empirically relevant distinctions between the models are discussed and an empirical model that nests these distinctions is developed in Section 5. In Section 6 we detail the sources of our data and in Section 7 we discuss our estimation results. We conclude in Section 8.

3. Presidential Power and the Veto: The Legislative Agenda Control (LAC) Model

We begin by outlining the LAC model implied by the veto power, which will serve as a benchmark for other extensions and alternative hypotheses. The extended form of this model is the one found in Article I of the United States Constitution: the legislature proposes, the president signs or vetoes the legislation, and a veto may be overridden by a two-thirds vote in each house. However, we consider a model with only the first two stages.⁷

7. We are not insensitive to the possible role of the override in the bargaining process. However, this assumption greatly simplifies the exposition of the theoretical models and makes the estimation of the model we propose tractable. This restriction is likely to be problematic only when the president and proposer have preferences more extreme than two-thirds of the legislators. When the president and proposer are moderate, it will generally be easier to satisfy the president than to meet

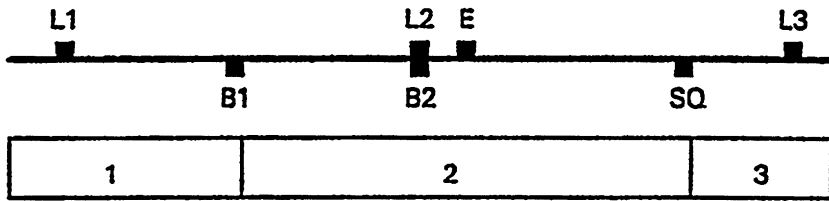


Figure 1. Optimal proposal as a function of the proposer's position.

The results of the LAC model can be illustrated simply in a diagram. Assume a simple one-dimensional model in which the president's policy preferences are a function of the distance between the policy and the president's ideal policy, E . We also assume that legislative proposers have preferences that are a function of the distance between the enacted policy and their ideal policy. Figure 1 depicts a preference configuration of E and three proposers: $L1$, $L2$, and $L3$. In addition, we assume that there is some exogenously imposed status quo or reversion policy, SQ , which is to remain intact absent legislative action. Since the president has Euclidean preferences, all proposals in region 2 are acceptable to the president because they provide him with more utility than SQ . Unless the president can credibly precommit to do otherwise, he will accept all proposals in region 2.

Now consider the optimal responses of each of the three proposers. Given the constraint that a successful proposal must fall within region 2 of Figure 1, $B1$ would be the optimal proposal for legislator $L1$ as it is the point in region 2 closest to $L1$. On the other hand, a legislator such as $L2$ would not find the veto constraint binding, because his ideal policy is acceptable to the president. Finally, we should not expect any proposals from legislators like $L3$, since there is no policy that the president and $L3$ both prefer to SQ .

The model demonstrates that the crucial variables in determining how accommodating a proposal will be are the distance between the president's ideal policy and the status quo, $d(SQ, E)$, and the distance between the position of the proposer and the president's ideal policy, $d(L, E)$.⁸ Whenever the proposer is closer to the president than is the status quo, the proposer need not accommodate. Any veto threat would not be credible. On the other hand, when the proposer is more distant from the president relative to the status quo, the proposer will have to accommodate somewhat to the president. However, in this case, the president is made no better off than the status quo. This result underscores how little influence over legislation is conferred by the veto itself.

We now devise an estimation strategy to test the model. Assuming that data on the preferences of the president, the preferences of the proposer, and the

the two-thirds requirement. Our estimates of president and proposer positions, which we discuss below, are reasonably moderate compared to the distribution of positions within each chamber.

8. In the analysis and empirical work that follows, we adopt the convention that $d(x, y) = (x - y)^2$. This is equivalent to assuming that the president has quadratic preferences over policy.

positions of the bill and status quo are available,⁹ the model of veto power discussed above implies the following model of proposer behavior:

$$d(B_j, E) = \alpha_0 + \alpha_1 d(SQ_j, E) + \alpha_2 d(L_j, E) + \varepsilon_j, \quad (1)$$

where B_j is the position of the j th bill, SQ_j is the status quo, E is the executive's position, L_j is the position of the legislative proposer,¹⁰ and ε_j is an i.i.d. error term. The dependent variable is the distance from the bill to the president's position, which should be thought of as a measure of legislative accommodation to the president. As suggested by the model, the independent variables are the distance between the president's position and the status quo and the distance between the positions of the president and the proposer.

To test the LAC model, we must assume that the policies and preferences arise from a common underlying dimension. We utilize the spatial theory of voting suggested by Ordeshook (1976) and fully articulated by Hinich and his colleagues (Hinich and Pollard, 1981; Enelow and Hinich, 1984; and Hinich and Munger, 1994). In the Ordeshook–Hinich model the policy dimensions are generated by an underlying set of “evaluative” (Hinich and Pollard, 1981) or “basic” (Ordeshook, 1976) dimensions. Below we utilize estimates of B , SQ , and L from Poole and Rosenthal's (1991) study of all roll call voting in Congress from 1789 to 1985. Poole and Rosenthal find that during the period of our study—1961 to 1986—congressional voting is largely accounted for by a simple one-dimensional Ordeshook–Hinich spatial model. This dimension is the familiar liberal/conservative or left/right continuum.

Because Poole and Rosenthal (1991) estimate a dynamic model to estimate the roll call policy positions (one corresponding to the “yea” outcome and one corresponding to the “nay” outcome) and legislator positions, we are able to pool the data over the 25-year period of our study, thereby allowing us to estimate various versions of the LAC model we detail below. In Section 6 we explain how we obtain estimates for the president's position on Poole and Rosenthal's estimated liberal/conservative continuum.

The predicted estimates of the LAC model will depend whether the president is closer to the proposer or to the status quo. When $d(L_j, E) \geq d(SQ_j, E)$ (region 1 of Figure 1), the proposer is constrained by the veto, and the optimal proposal will be the same distance from the president as the status quo, so that $d(B_j, E) = d(SQ_j, E)$. Location in this *accommodation regime* implies hypothesized estimates of $\alpha_0 = 0$, $\alpha_1 = 1$, and $\alpha_2 = 0$. When $d(L_j, E) < d(SQ_j, E)$ (region 2), the proposer is unconstrained and will be able to propose her ideal point, so $d(B_j, E) = d(L_j, E)$. In this *legislative dominance regime*, the model suggests estimates of $\alpha_0 = 0$, $\alpha_1 = 0$, and $\alpha_2 = 1$. Again, the theory predicts that no proposals from region 3 will be made. However, our data set does contain some observations of this type. Fortunately, they can be classified within the two-regime model. Note that in region 3, $d(L_j, E) \geq d(SQ_j, E)$

9. We discuss how these positions may be estimated below.

10. Note that L_j is indexed by *roll call*, so the same legislator can be the sponsor of multiple roll calls.

and $B_j = SQ_j$, which implies that $d(B_j, E) = d(SQ_j, E)$. Thus, in region 3 the predictions are identical to the accommodation regime. In our empirical work, these observations will be classified as accommodating.

The key to estimating the model is being able to classify the observations into the correct regimes and to derive estimates for Equation (1) in each case. Fortunately, the model indicates how the data should be separated. Let REG be a dummy variable such that

$$\text{REG} = \begin{cases} 1 & \text{if } d(L_j, E) \geq d(SQ_j, E) \\ 0 & \text{otherwise} \end{cases}$$

Given this definition, an observation is predicted to be in the accommodation regime when $\text{REG} = 1$ and in the legislative dominance regime when $\text{REG} = 0$. Having classified observations by regime, the equations we must estimate are

$$d(B_j, E) = \alpha_{01} + \alpha_{11}d(SQ_j, E) + \alpha_{21}d(L_j, E) + \varepsilon_{j1} \quad (2)$$

for the accommodation regime and

$$d(B_j, E) = \alpha_{02} + \alpha_{12}d(SQ_j, E) + \alpha_{22}d(L_j, E) + \varepsilon_{j2} \quad (3)$$

for the legislative dominance regime. We assume that $\varepsilon_r \sim N(0, \sigma_r^2)$ for $r = 1, 2$.¹¹

Let $f_r(\varepsilon_{ir})$ be the density of ε_{ir} in regime $r = 1, 2$. If REG is a perfect indicator of the regime, we could estimate the structural parameters of the model by maximizing the following likelihood function:

$$\begin{aligned} \mathcal{L} = & \Pi_j [\text{REG} f_1(d(B_j, E) - \alpha_{01} - \alpha_{11}d(SQ_j, E) - \alpha_{21}d(L_j, E)) \\ & + (1 - \text{REG}) f_2(d(B_j, E) - \alpha_{02} - \alpha_{12}d(SQ_j, E) - \alpha_{22}d(L_j, E))] \end{aligned} \quad (4)$$

However, there are theoretical and econometric problems associated with testing the LAC model with Equation (4). The theoretical problem is that the definition of REG is an assumption of the model. Thus, it would be inappropriate to test the model based on the parameter estimates of Equation (4) while imposing part of the model's structure. Furthermore, many of the alternative models discussed in the next section have a similar regime-switching structure for which REG is an inappropriate indicator. Estimating Equation (4) would bias against the alternative models. The econometric problems arise when REG is an imperfect indicator of the regime. Lee and Porter (1984) demonstrate that regime misclassification will lead to biased and inconsistent estimates of the structural parameters. We will return to these problems in Section 5.

11. Note that these error distributions are conditional on a proposal being made. Ideally, if we had information on the distribution of all possible proposals, we could condition the disturbance terms on the fact that a proposal was made. However, as with many empirical studies of proposal making, no information is available about proposals that are not made. While we know the set of possible proposers, we have no information on the distribution of the status quos. Theoretically, this selection problem should pose few problems, however, as the models suggest that the decision not to propose is based on the exogenous variables L and SQ ; so our sample is not selected on the basis of the endogenous variable, $d(b, E)$.

We next discuss the various critiques and extensions that could lead to rejections of the LAC model and develop an estimation approach that is consistent with the alternative hypotheses.

4. Extensions and Critiques of the Legislative Agenda Control Model

4.1 Delegated Proposal Powers: The Presidential Agenda Control (PAC) Model

The primary argument against the LAC model is that Congress does not actually control the agenda. This is the position taken by Sundquist (1981), who argues that collective-action problems, the slow pace of legislative deliberations, and the desire to force the executive to make the tough decisions have forced Congress to abdicate its role in producing legislation. Miller (1993) formalizes this hypothesis as a coordination game in which presidential proposals serve as a focal point for legislative activity.

If Congress has delegated its proposal powers to this extent, the LAC model would make erroneous predictions. If the president has absolute control of the agenda—that is, if Congress votes on presidential proposals without amendment—then the appropriate model would be one in which the president submits proposals that may be vetoed by a majority of Congress. If the preferences of Congress were unidimensional, the model is equivalent to Equation (4), where the president is the proposer and the median legislator is the veto player.

The strong form of this hypothesis has been attacked vigorously by Kiewiet and McCubbins (1991), who argue that there is little evidence that Congress has completely abdicated its constitutional role of formulating legislation. While it is true that many proposals (especially appropriations, on which Kiewiet and McCubbins focus) emanate from the executive branch, Congress is under no obligation to vote on them without amendment or alteration in committee. In fact, they calculate that from 1948 to 1985 fewer than 10 percent of the president's agency budget estimates were approved by Congress in an unaltered form.

Given the unlikely nature of this strong hypothesis, we consider a weaker version under which the extent of presidential proposal influence can be parameterized. Assume that the legislature is constrained in the extent to which it may alter presidential proposals. While we regard this constraint as exogenous, it may arise for any of the reasons suggested above. Formally, assume that given a presidential proposal b_P , Congress can alter it only by k . Thus, the set of bills that may be passed are $[b_P - k, b_P + k] \cap [2E - SQ, SQ]$ if $SQ > E$ and $[b_P - k, b_P + k] \cap [SQ, 2E - SQ]$ if $SQ \leq E$ (see Figure 2). Since this is smaller than the feasible set of bills without proposal power, the president can only do better for himself. In fact, the smaller k is, the more closely policies will mimic the preferences of the executive.

Now, consider the strategies of proposers. Given the set of acceptable bills, legislators will choose the bill in this set that maximizes their utility. A proposer will propose her ideal point only if $L \in \{b_P - k, b_P + k\} \cap [2E - SQ, SQ]$ when $SQ > E$ or $L \in \{b_P - k, b_P + k\} \cap [SQ, 2E - SQ]$ when $SQ < E$. Hence, the legislator has less latitude to propose her ideal point than in the LAC model. This effect implies that the legislative dominance regime is less likely than that implied by the LAC model.

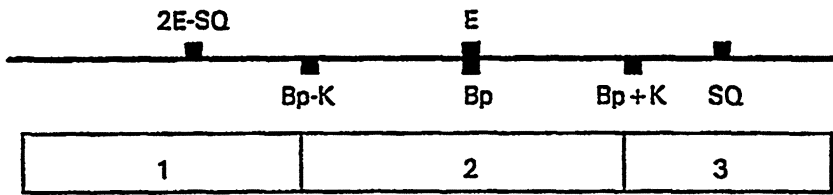


Figure 2. Proposal regimes with presidential influence over agenda.

We will refer to this extension of the LAC model as the presidential agenda control (PAC) model. The PAC model suggests two potential ways in which the LAC model could be rejected. First, with presidential agenda influence, there should be more accommodation in the accommodation regime. This would imply that the LAC model's restriction of a zero intercept in the accommodation regime would be rejected. If the president has influence over the agenda, the intercept in the accommodation regime should be negative, implying that the average distance between proposals and the president's ideal point is smaller than that predicted by the LAC model. Secondly, the legislative dominance regime should be smaller. Under the PAC model, proposers will sometimes have to accommodate even when $d(L_j, E) - d(SQ_j, E)$ is negative.

According to the logic of delegation, we should not, however, expect the president's influence on the agenda to be equal across all presidents. In fact, as Lohmann and O'Halloran (1992) and Martin (1994) point out, delegation of proposal power should be more likely to occur when the president's party controls the legislative branch. When the Democrats control Congress, the distributive and information losses of granting proposal power to the president will be much smaller when the president is also a Democrat. We should thus expect the discretion given the president to be a function of his party's strength in Congress. According to the PAC model, the net effect will be a positive correlation between the president's party strength and the accommodation of legislative proposals. This can easily be tested by regressing party strength—measured by the percentage of the seats in the chamber controlled by the president's party—on our measure of presidential accommodation, $d(b, E)$.

4.2 Going Public and Veto Threats: The Presidential Public Commitments (PPC) Model

Another problem with the LAC model is that the president cannot credibly threaten to veto legislation that he prefers to the status quo. In a series of papers extending an argument of Kernell (1986), Ingberman and Yao (1991a, 1991b) argue that there are indeed informal mechanisms by which the president can make credible veto threats that will give him more leverage over legislative outputs. Their primary focus is to show how the president can stake his reputation with the voting public to veto certain legislation. If voters punish presidents who renege on these commitments, the president can get more preferable policies. If the commitments are credible enough, then the resulting policies are equivalent to those that would be generated if the president had

formal proposal power, because the president would credibly veto all but his own proposals. In cases where commitments are not clear-cut, the presidential public commitments (PPC) model predicts that the legislative proposer will submit her preferred bill that the president has not threatened to veto.

To understand the PPC model more clearly, assume that the president moves first and makes a proposal, b_P , and publicly commits to veto any deviation from his proposal.¹² The commitment is made credible by the fact that the president will fall in the esteem of voters if he fails to carry out his threat. Assume that the president suffers a reputation cost, c , for failing to carry out his threat. If c is high enough, the president will obtain absolute control of the agenda because any veto threat would be credible. For smaller values of c , these threats will be only partially credible, because legislative proposers may be able to offer bills such that the president prefers to accept the bill and pay the reputation cost than have the status quo remain intact.

The result is an implicit constraint (which is a function of reputation costs) on the extent to which presidential proposals can be altered without incurring a veto. Formally, the PPC model is identical to the PAC model developed above in Section 4.1. It shares the implications for greater accommodation to the president and the likelihood of legislative dominance. For this reason, estimation of a model like Equation (4) is unlikely to distinguish between the sources of presidential influence on the agenda. However, the PPC model suggests a relationship between presidential accommodation and public opinion. For these public commitments to be credible, the president must have a reputation that can be tarnished. When his standing in the polls is low, he has very little at stake, which undermines the credibility of the threat. Further, voters should punish presidents who renege only when the voters are basically in agreement with the president's policies.¹³ To account for these possibilities, we include the Gallup presidential approval rating just prior to each proposal in the empirical work that follows. If public opinion helps the president, we should see a negative coefficient on the Gallup rating when it is regressed against $d(b, E)$.¹⁴

4.3 Reputation and Information: The Incomplete-Information Legislative Agenda Control (IILAC) Model

Another critique of the LAC model stems from Neustadt (1990). Neustadt notes that the Constitution gives the president very weak formal prerogatives. He argues that the presidents who have been successful in the legislative realm

12. There is a strong similarity between the suppositions of this model and President Clinton's tactics on health care reform. During his speech outlining the administration's proposals, he brandished a fountain pen with which he threatened to veto any legislation that did not include provisions for universal coverage.

13. To expand the Clinton analogy, suppose voters were not in favor of universal coverage. It would then seem implausible for them to punish Clinton further if he compromised his position.

14. Previous studies have found that positive public opinion helps the president in the legislative arena. Edwards (1980) finds that presidential support scores are correlated with the Gallup approval rating. Rivers and Rose (1985) find that the probability of passage of the president's program increases with public esteem.

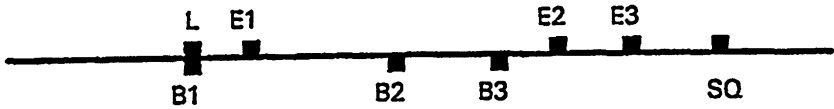


Figure 3. Optimal proposals as a function of type.

are precisely those who can augment their formal powers via an exceptional ability to bargain and persuade. In Neustadt's conception, presidential power has more to do with personal reputation, image, and persuasion than with formal institutional position.

Notions of image and reputation are very subtle. Fortunately, scholars using the theory of games with incomplete information have illustrated how these concepts may have predictable effects on the standard theoretical models. One of the most prominent works in this literature is that of Matthews (1989), who develops a model in which the legislature has incomplete information about the president's preferences. Due to this lack of information, legislative proposers are uncertain as to which bills will be vetoed. Since the proposer will wish to avoid vetoes, information on the president's preferences is valuable. On the other hand, the president may have an incentive to obfuscate preferences, because legislators may be more accommodating when preferences are not known.

As the details of the Matthews's model and results are somewhat involved, we will only sketch the model and refer the reader to the original. Matthews considers a game between a legislator and the president when the legislator knows only a probability distribution of E . Prior to any legislative action, the president makes a speech, which is a costless signal of his true ideal point. Formally these speeches are treated abstractly and have no literal meanings, however they may be thought of as either veto threats or legislative proposals. Yet these threats and proposals are not credible or binding in any way. They influence legislation only to the extent to which they reveal information about executive preferences.

Matthews demonstrates that although only limited communication is possible, it does have significant effects on the outcome. In equilibrium, communication can consist of only two messages: an accommodating one ("I will accept the proposer's ideal point") and a threatening one ("I will veto the proposer's ideal point"). Certainly, upon receipt of the accommodating message, the proposer will propose her ideal point. Upon receiving the threatening message, however, the proposer learns only that the president is one of the preference types who give this message in equilibrium. Subsequently, because the uncertainty about the president's position is not completely resolved, the proposer will submit a proposal that trades off policy concessions with a reduced probability of veto.

The logic of Matthews's result can be captured with a simple example. Suppose that L believes that the president is one of three possible types: E_1 , E_2 , or E_3 . Also assume that the configuration of preferences is given by Figure 3. Let b_i be the bill that would be submitted if the legislator knew the president

was type $i \in \{1, 2, 3\}$. Note that E_1 prefers b_1 to the bills of the other types and thus has no incentive to misrepresent his preferences. The lack of an incentive to misrepresent stems from the fact that L provides more utility than SQ . President E_3 also has no incentive to misrepresent his preferences, because he can do no better than b_3 .¹⁵ However, E_2 prefers b_3 to b_2 and thus will make whichever speech that E_3 does.¹⁶ Thus, in equilibrium, E_1 makes the accommodating speech while E_2 and E_3 make the threatening speech. When the accommodating speech is made, $b = L$. When the threatening speech is made, the choice of b will depend on the relative probabilities of E_2 and E_3 as well as on the proposer's relative dislike of SQ .¹⁷

Given Matthews's results on limited communication, both the complete- and incomplete-information versions of the legislative agenda control (LAC versus IILAC) model predict that there are two distinct strategic regimes. Furthermore, both contain a legislative dominance regime in which the proposer can implement her ideal point. However, there are major differences between the LAC and IILAC models. In the presidential accommodation regime, the incomplete-information model suggests that the preferences of the proposer will be important. Thus, in the presence of incomplete information, there is no *a priori* reason to believe that the coefficient on $d(L, E)$ should be zero in the accommodation regime.¹⁸ The definition of the regimes also changes substantially across models. In the LAC model discussed in Section 3 the regimes can be assigned simply by inspection of the data, because there is complete information. With incomplete information, neither the proposer nor the econometrician is certain of the president's position, so assigning regimes is more problematic. Even estimates of the president's expected position are not sufficient, because the prediction of regime is determined by the distribution of possible presidential positions, not simply by the mean.

Following Matthews's lead, McCarty (1994) also analyzes a situation in which Congress is incompletely informed about the president's preferences. However, McCarty focuses on the dynamics of interbranch bargaining and thus analyzes the role that repeated play and reputation may have on legislative bargaining. Noting that a president can enhance his bargaining position by

15. He also cannot do any worse than b_3 , as he would veto either of the two other bills and is indifferent between SQ and b_3 .

16. Matthews's work shows that this logic is not a function of the number or distribution of possible types.

17. This statement can be made more formally. Let $u(\bullet)$ be the proposer's utility function and let ρ be the probability that the president is E_3 . Note that E_3 will veto b_2 but not b_3 , whereas E_2 will accept both. Thus, the proposer will choose b_2 if and only if $\rho u(SQ) + (1 - \rho)u(b_2) > u(b_3)$ so that the actual proposal is a function not only of presidential preferences and information but also legislative preferences.

18. Unfortunately, the Matthews model gives very little guidance as to what this coefficient should be. In general, it will depend on unobservables such as the proposer's risk aversion and the dispersion of beliefs around E . Thus, we are not in a position to suggest a positive test for incomplete information—we can only suggest that incomplete information is a theoretical rationale for rejecting this particular hypothesis of the complete-information model.

pretending to be extreme (i.e., close to the status quo), McCarty argues that vetoes on related, earlier pieces of legislation, can be utilized as a mechanism toward this end. Since vetoes on early proposals can influence the remainder of the legislative agenda, the president will have the greatest incentive to veto legislation early on in his term. Understanding these incentives, legislators will be more accommodating to the president. However, later in his term, when reputational vetoes have less appeal to the president, Congress will correspondingly be less accommodating. Consequently, in equilibrium, a “honeymoon” pattern of early accommodation followed by later conflict may emerge. This implication is testable, because it suggests that $d(b, E)$ may be an increasing function of the time that a president has been in office.

5. Estimation

Our goal is to obtain consistent estimates of the parameters of Equation (4). As we argued above, these estimates will tell us a lot about the workings of the veto power and how it distributes legislative power across institutions. The key problem, however, is to be able to appropriately assign observations to the two regimes. This is not only an econometric problem, but a theoretical one as well, since the various hypotheses suggest different regime-switching processes.

To this end, we adopt a latent-variable, switching-regimes approach to identify regimes; that is, we estimate the *probability* of being in one regime or another. Let REG^* be a latent variable such that the model is in the accommodation regime if $REG^* \geq 0$ and in the legislative dominance regime otherwise. To implement the model, we need estimates of REG^* . To this end, let

$$REG^* = \gamma_0 + \gamma_1(d(L_j, E) - d(SQ_j, E)) + \gamma_2 Z + \mu_i, \quad (5)$$

where $\mu \sim N(0, 1)$ and Z is a vector of other exogenous variables, such as number of months in office, strength of the president’s party in the chamber, and public opinion. The error term μ is designed to capture the effects of both incomplete information and measurement error on the choice of regime. Our distributional assumption implies that the probability of the accommodation regime is $\Phi(REG^*)$, where $\Phi(\cdot)$ is the cumulative normal distribution.

Given the regime selection, the models are

$$d(B_j, E) = \alpha_{01} + \alpha_{11}d(SQ_j, E) + \alpha_{21}d(L_j, E) + \delta_1 X + \varepsilon_{j1} \quad (6)$$

for the accommodation regime, and

$$d(B_j, E) = \alpha_{02} + \alpha_{12}d(SQ_j, E) + \alpha_{22}d(L_j, E) + \delta_2 X + \varepsilon_{j2} \quad (7)$$

for the legislative dominance regime, where $\varepsilon_r \sim N(0, \sigma_r^2)$ and X is a vector of exogenous variables.

Let $f_r(\varepsilon_{ir})$ be the density of ε_{ir} in regime $r = 1, 2$. Given the assumed distributions of the error terms, the likelihood function is

$$\begin{aligned} \mathcal{L} = & \Pi_j \left[\left\{ \Phi(\gamma_0 + \gamma_1(d(L_j, E) - d(SQ_j, E)) + \gamma_2 Z) \right\} \right. \\ & \times f_1(d(B_j, E) - \alpha_{01} - \alpha_{11}d(SQ_j, E) - \alpha_{21}d(L_j, E) - \delta_1 X) \\ & \left. + \left\{ 1 - \Phi(\gamma_0 + \gamma_1(d(L_j, E) - d(SQ_j, E)) + \gamma_2 Z) \right\} \right. \\ & \times f_2(d(B_j, E) - \alpha_{02} - \alpha_{12}d(SQ_j, E) - \alpha_{22}d(L_j, E) - \delta_2 X) \\ & \left. \right] \end{aligned}$$

$$+ \{1 - \Phi(\gamma_0 + \gamma_1(d(L_j, E) - d(SQ_j, E)) + \gamma_2 Z)\} \\ \times f_2(d(B_j, E) - \alpha_{02} - \alpha_{12}d(SQ_j, E) - \alpha_{22}d(L_j, E) - \delta_2 X)\}, \quad (8)$$

where Φ is the cumulative normal density function. This model can be estimated easily via maximum likelihood techniques. The key to this model is that each regime is now weighted by the estimated probability that the observation is drawn from that regime. As in the Lee and Porter (1984) model, this helps to eliminate the bias and inconsistency associated with imperfect regime classification. The difference between this model and that of Lee and Porter is that we do not have a single index upon which to base regime classification. Rather, we give a specific functional form for an index based on a set of exogenous variables. Intuitively, we are maximizing the likelihood of the observations by simultaneously estimating the parameters that determine the index (and therefore the probabilities of the regimes) and the parameters of the two regimes.

A key feature of the theoretical models being tested is that regime selection depends on the relative distances of the proposer and the status quo from the president. In terms of our specification of the regime probabilities, this would imply that $\gamma_1 > 0$. If $d(L_j, E) - d(SQ_j, E)$ is not an important factor in determining the regime, we could reject the theoretical frameworks that we have discussed. Similarly, the models would be rejected if the data fail to find more than one regime.¹⁹

The complete-information version of the legislative agenda control model (the LAC model) is nested in Equation (8), as estimates of $\gamma_0 = 0$ and $\gamma_1 = \infty$ are predicted by it. Unfortunately, precise point predictions of these parameters are not possible for the other models without having data on some unobservables, such as reputation costs and the distribution of beliefs about the president's positions. However, we can make certain qualitative predictions. Recall that the constant term in Equation (5), γ_0 , is related to the probability of being in the accommodation regime when the proposer and status quo are equidistant from the president. Thus, if $\gamma_0 > 0$, the accommodation regime is smaller than that implied by the LAC model. This finding is consistent with the incomplete-information legislative control (ILLAC) model or the presidential agenda control (PAC) model.

6. Data and Measurement

The empirical models outlined above demand very strong data about factors that are not readily observable—the preferences of the president and legislators as well as the positions of bills and status quos. Fortunately, as discussed in Section 3, Poole and Rosenthal's (1986, 1991) study of roll call voting provides much of the data necessary for estimating Equation (8). Their D-NOMINATE

19. Technically, it would not reject all the equilibria to the Matthews model, only the most informative. The babbling equilibrium found by Matthews would be consistent with only one regime.

procedure creates estimates of the spatial positions of legislators, the yeas outcome (bill), and the nay outcome (status quo) for each roll call, thereby providing a large set of bills for analysis. However, there are certain caveats to the use of these data. Clearly, the model should be estimated only on winning proposals, given that these are the proposals subject to the veto constraint. This is especially important in that Poole and Smith (1994) find that in the Senate from 1979 to 1981 the strategies employed by proposers of losing motions differed significantly from those offering winning motions. They find that most losing proposers proposed their own ideal policy rather than make a strategic compromise. For these reasons, we use only winning proposals in our analysis. While it is true that not all winning proposals in Congress are subject to veto constraints (e.g., a minor amendment to a major bill), it is empirically difficult to draw the line between proposals that should be altered by the veto constraint and those that are not because the veto threat could alter some amendment behavior as well as final passage motions. For this reason, our data set includes all winning proposals for which the proposer is identified in the Interuniversity Consortium for Political and Social Research codebooks.²⁰

The remaining problem is to develop a measure of the president's preferences over legislation. Various studies have taken quite different approaches to this problem. Kiewiet and McCubbins's (1988) analysis of the executive's role in the appropriations process uses the budget estimates of the Office of Management and Budget as a proxy for the preferences of the president. However, a similar measure is typically not available for most policy areas. In a recent paper, Grier, McDonald, and Tollison (1994) use the votes of senators from electorally important states as a proxy for the president's preferences. They find that their measure is a good predictor of whether a measure is vetoed or not, but they do not consider its effects on accepted legislation. The third way in which presidential preferences have been measured is through the president's positions on *Congressional Quarterly's* presidential support votes. Edwards (1980), Bond and Fleisher (1990), and others have done extensive studies of the effect of the president's position on congressional voting. However, the goal here is to aggregate votes to a measure of the president's overall preferences. Zupan (1992) achieves this by computing an ADA (Americans for Democratic Action) score for each president from the *CQ* positions. Yet the reliability of these positions may be suspect due to the small overlap of votes between the support votes and the ADA votes.²¹

To solve these problems, we utilize techniques developed in the study of voting behavior of legislators to induce the policy preferences of the president. Using techniques similar to Poole and Rosenthal (1991), we are able to estimate the president's position using the roll call votes for which *CQ* was able to obtain

20. We do not use proposals in which the proposer voted against the proposal. These cases are almost always due to dilatory tactics by minority party members, such as objections to unanimous consent agreements that lead to roll calls on such mundane matters as the approval of the House journal.

21. See Snyder (1992) for other criticisms of the use of interest-group ratings.

the president's position. Hence, we are able to treat the president as if he were a legislator—we have a set of roll call votes for the president. Below, we briefly outline the methodology used in computing the president's positions. (For a more detailed treatment, see Poole and Rosenthal, 1991.)

The basic model is based on the spatial theory of voting developed by Downs (1957) and Davis, Hinich, and Ordeshook (1970). Let E be the president's public position. Similarly, for each roll call, we can represent the yea and nay outcomes with vectors z_{jY} and z_{jN} . We can express the spatial distance between the president and each of the outcomes as

$$d_{Ejk}^2 = (E - z_{jk})^2 \quad \text{for } k = Y, N \quad (10)$$

Since we assume that the president's utility from taking any given stand is declining in the distance between the outcome and the president's public position, we assume that the president's utility from endorsing outcome k is

$$U_{Ejk} = u_{Ejk} + \varepsilon_{Ejk} = \beta(\exp(-d_{Ejk}^2)) + \varepsilon_{Ejk} \quad \text{for } k = Y, N, \quad (11)$$

where u_{Ejk} is the deterministic portion of utility and ε_{Ejk} is the random or idiosyncratic component. The coefficient β gives the relative weight the president places on the deterministic portion of utility against the random component.²²

Assuming utility maximization by the president, he will take a position in favor of the yea outcome if and only if

$$U_{EjY} > U_{EjN} \quad (12)$$

Consequently, if we assume that ε_{Ejk} is distributed logistically, we can estimate E as a parameter of a standard stochastic utility model given the president's position choices.

To understand the intuition of how E is identified in this estimation procedure, consider the following example. Suppose that there were two roll calls with outcome coordinates z_{1Y}/z_{1N} and z_{2Y}/z_{2N} such that the legislators when ranked from liberal to conservative voted as follows:

Roll call 1: Y Y Y Y Y Y Y Y | N N N N N N

Roll call 2: N N N N | Y Y Y Y Y Y Y Y Y Y

where | represents the cutting line such that members to the left vote one way and those to the right vote the opposite way. Suppose that the president took the yea position on both roll calls. If we were to choose the president's ideal point that minimized the classification error of his positions, we should choose a point to the left of the cut point of roll call 1 but to the right of roll call 2. Any of these positions leads to no classification error. In principle, by adding roll calls, we whittle away the range of positions that minimize the classification error until we get an estimate of E . Although we actually estimate the president's position by maximizing the likelihood of his observed CQ positions rather

22. We assume this functional form for utility to make the model consistent with Poole and Rosenthal's (1985, 1991) NOMINATE procedure.

Table 1. Classification of Presidential Positions

President	Total Number of Positions	Number per Year	Correct Classification (%)
Kennedy (1961–1963)	529	176.3	.924
Johnson (1963–1968)	1127	225.4	.878
Nixon (1969–1974)	815	135.8	.775
Ford (1974–1976)	369	184.5	.677
Carter (1977–1980)	874	218.5	.848
Reagan (1981–1985)	827	165.4	.817

than minimizing classification error, in practice the two are quite similar when the underlying decision process can be modeled spatially. The procedure is described more fully in Appendix 1.

We use z_{jY} and z_{jN} from Poole and Rosenthal's study to estimate E . (For a discussion of how these outcome coordinates are estimated, see Poole and Rosenthal, 1991.) Since Poole and Rosenthal use a dynamic model to estimate the coordinates of most roll calls and legislators from 1789 to 1985 in the same policy space, our estimates of presidential positions are directly comparable across presidents and with legislators' voting positions. We could have achieved the same results by recomputing Poole and Rosenthal's dynamic model treating the president as a legislator and his positions as votes. However, the computational costs of doing so would be quite prohibitive. We utilize the one-dimensional Poole–Rosenthal coordinates in our study as it accounts for over 81 percent of all roll call votes cast in Congress from 1789 to 1985. In the modern era, their one-dimensional scaling represents positions along the liberal/conservative continuum.

To increase the sample size, we combine the House and Senate in our estimations. Because the House and Senate D-NOMINATE coordinates are identified only up to a linear transformation, one chamber must be mapped onto the space of the other. To combine the two sets of coordinates, we estimated a linear transformation between the houses using Poole's (1990) and Poole and Rosenthal's (1995) results, which use an unfolding technique on interest-group ratings to estimate both houses in the same metric. This transformation allowed us to pool legislation from both houses. As a check, we analyzed the House and Senate separately, and the results are very similar to those we report below.²³

The spatial model outlined above does exceptionally well in accounting for the positions taken by the president on various roll calls. In fact, the presidential positions are as predictable as the voting patterns of most legislators. Table 1 gives the classification percentage of the model for each president, and Figures 4–7 plot the position of each president along the liberal/conservative scale along with a histogram of the positions of the members of each chamber for a typical Congress during his administration.

23. The correlation of the D-NOMINATE parameters and those generated by independent scalings of each house for every Congress always exceed .95.

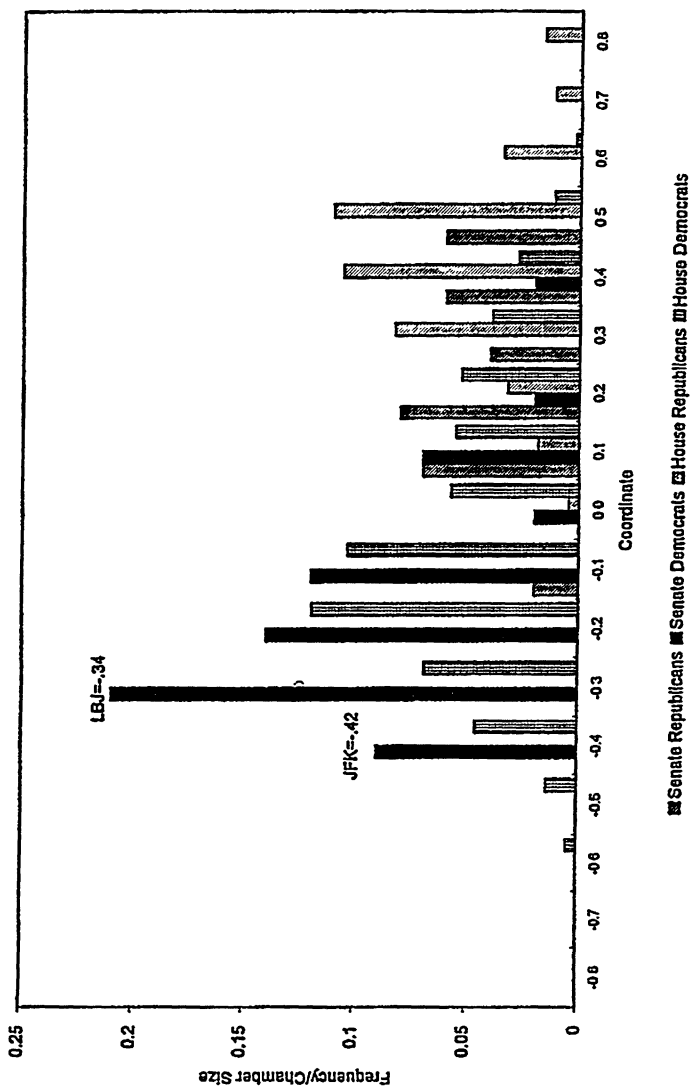


Figure 4. Presidents Kennedy (JFK), Johnson (LBJ), and the 88th Congress.

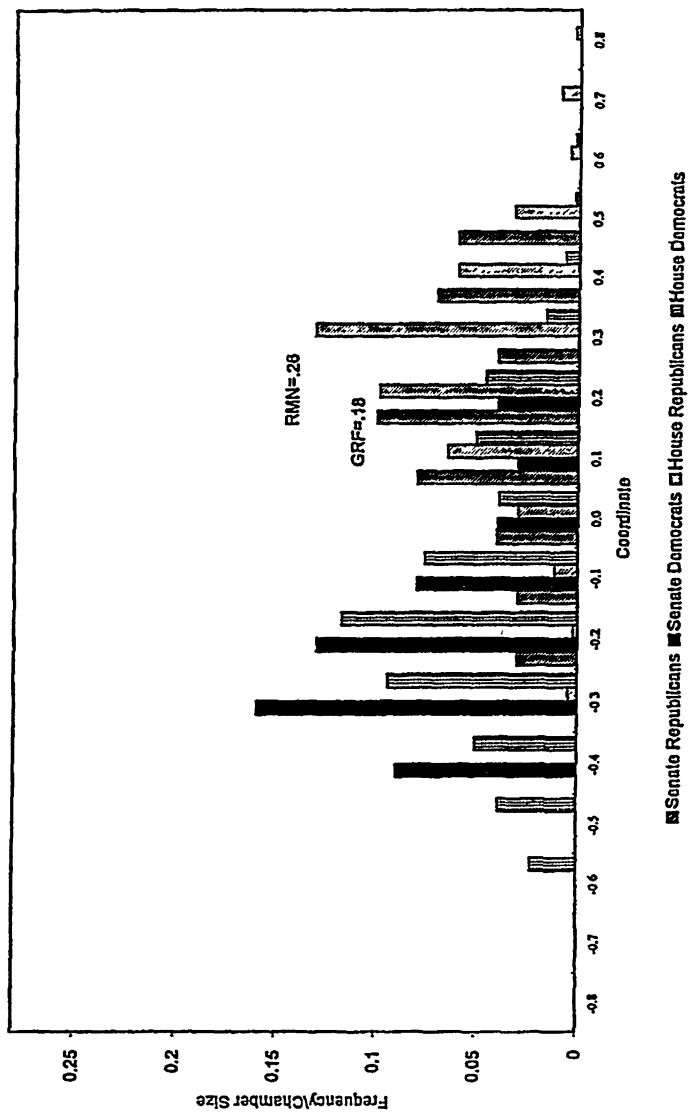


Figure 5. Presidents Nixon (RMN) and Ford (GRF) and the 93rd Congress.

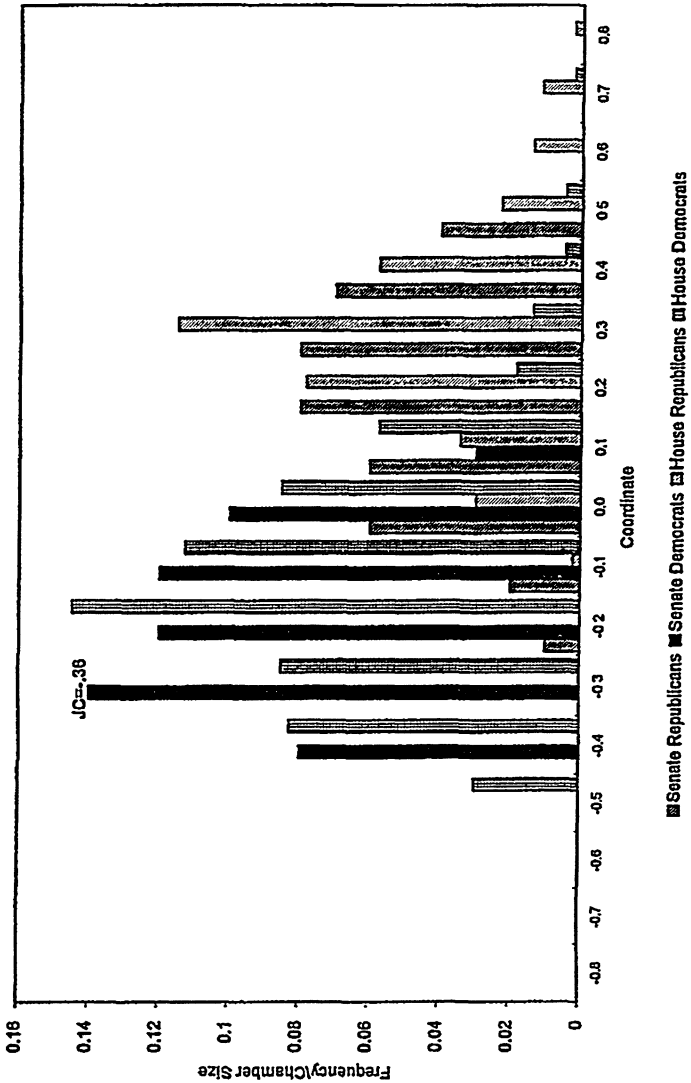


Figure 6. President Carter (JEC) and the 96th Congress.

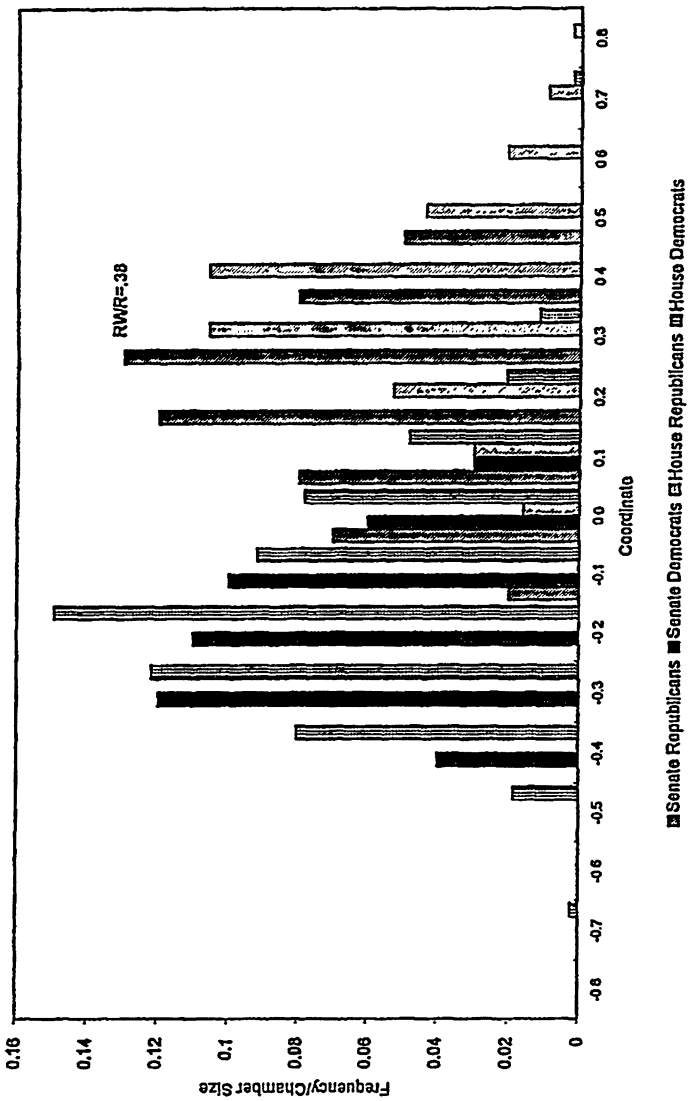


Figure 7. President Reagan (RWR) and the 98th Congress.

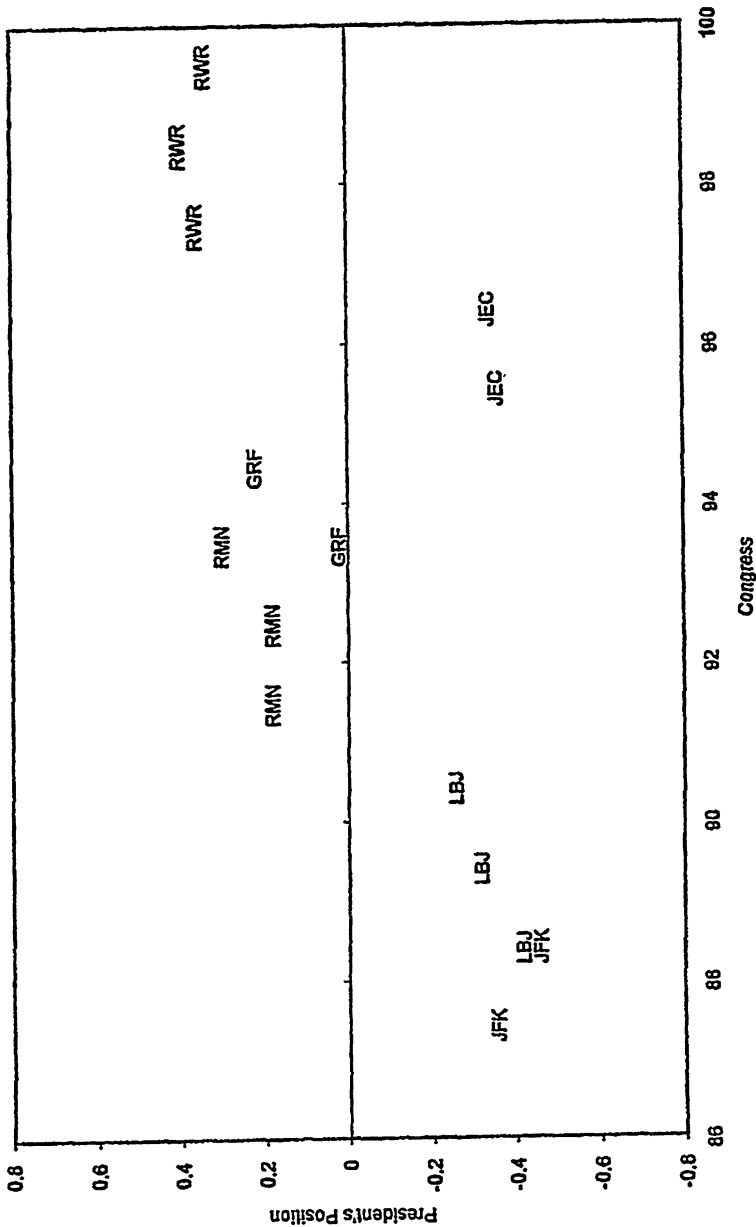


Figure 8. President's position in each congress.

Table 2. Descriptive Statistics

Variable	Mean	Standard Deviation	Max	Min
Distance from Bill to <i>E</i>	0.928	1.159	5.450	$10 \times E^{-4}$
Distance from SQ to <i>E</i>	1.471	1.338	7.800	$10 \times E^{-4}$
Distance from Proposer to <i>E</i>	0.185	0.219	1.192	$10 \times E^{-4}$
Month in Office	28.359	16.909	72.000	1.000
Gallup Poll	48.418	10.907	79.000	24.000
Party Strength	0.516	0.108	0.680	0.331

There are two potential problems with the use of our estimated presidential positions: (i) due to strategic positioning, they do not capture sincere presidential preferences; and (ii) the positions might change over time. The first objection is not important, because we are interested in the legislative response to the president's public positions. If Congress believes these to be insincere positions, it will affect their response. It is precisely these types of effects that we hope to capture in our analysis below. The second objection has little merit empirically. The results show that each president's position was remarkably stable over the course of his administration. Figure 8 shows the estimated position of each president in each Congress. Each plotted position is represented by a token with the president's initials. The only real inconsistencies from one Congress to the next involved Congresses that served under two presidents. These apparent movements are probably due to the small number of positions taken by each president during such a Congress.

7. Results and Analysis

Table 2 displays the descriptive statistics for the variables used in our analysis. Table 3 shows the estimates for the deterministic model—Equation (4)²⁴—and Table 4 shows the estimates for the probabilistic model—Equation (8).

The pattern of the estimated coefficients in Table 3 is consistent with the complete-information legislative agenda control (LAC) model. Although we can reject the precise point predictions of the LAC model, the qualitative results point in the correct direction. Substantively, the most important finding is the asymmetry between the estimated coefficients for $d(SQ, E)$ in the accommodation and legislative dominance regimes. This is consistent with Kiewiet and McCubbins's findings on appropriations bills. While the spatial positioning of the president is significant in both cases, the effect is much more substantial in the accommodation regime. Results on the positioning of the proposer, $d(L, E)$, seem similarly promising. While the point prediction can be rejected in the legislative dominance regime, because the estimates far exceed 1, the fact that it is insignificant in the accommodation regime is consistent with the asymmetry implied by the LAC model.

As promising as the results of Table 3 seem to be for the LAC model,

24. Due to the multicollinearity between the Month in Office variable and the Gallup approval ratings, we report the results of two different specifications containing each variable separately.

Table 3. Dependent Variable—Distance from Proposal to President [$d(B, E)$] Under Deterministic Regime Switching

	Accommodation Regime		Legislative Dominance Regime	
Model Coefficients	(1)	(2)	(3)	(4)
Constant	.359*** (.069)	.368*** (.083)	.160** (.080)	.157* (.093)
Distance from SQ [<i>d</i> (SQ, <i>E</i>)]	1.444*** (.101)	1.464*** (.101)	.365*** (.010)	.365*** (.010)
Distance from Proposer [<i>d</i> (<i>L</i> , <i>E</i>)]	.092 (.072)	.1061 (.074)	3.660*** (.072)	3.662*** (.072)
Month in Office	.0015*** (.0007)	—	.0004 (.0008)	—
Gallup Poll	—	.0009 (.0011)	—	.0004 (.0013)
Party Strength	−.390*** (.123)	−.424*** (.122)	−.593*** (.132)	−.605*** (.130)
<i>σ</i>	.360*** (.009)	.360*** (.009)	.888*** (.010)	.888*** (.010)
<i>N</i>	778		4312	
Log-likelihood				
Model 1	−5914.6			
Model 2	−5916.4			

Note: Standard errors are shown in parentheses.

* $p < .10$, ** $p < .05$, *** $p < .01$.

the results of Table 4 tell a different story. In this case, we can soundly reject the restrictions on the regime determination parameters imposed by the complete-information (LAC) model. First and foremost, the coefficient on $d(L_j, E) - d(SQ_j, E)$ in the regime determination equation is positive but small in magnitude. This result is consistent with the importance of this variable in regime determination but is not consistent with an abrupt change in regime at $d(L_j, E) - d(SQ_j, E) = 0$. Instead, it suggests that the likelihood of legislative dominance decreases slowly as the position of the proposer moves farther from that of the president.

Another important aspect is the difference in regime prediction between the two empirical models. At the beginning of an administration, the probability of being in the accommodation regime is .345 when $d(L_j, E) = d(SQ_j, E)$ and party strength is 60 percent. Compared to the .5 probability predicted by the complete-information model, this shows that the legislative dominance regime is much more likely than predicted by the complete-information (LAC) model.

Table 4. Dependent Variable—Distance from Proposal to President [$d(B, E)$] Under Probabilistic Regime Switching

Model Coefficients	Accommodation Regime		Legislative Dominance Regime	
	(1)	(2)	(3)	(4)
Constant	.584*** (.111)	.501*** (.132)	-.007 (.030)	-.008 (.032)
Distance from SQ [$d(SQ, E)$]	1.225*** (.025)	1.215*** (.025)	.298*** (.005)	.297*** (.005)
Distance from Proposer [$d(L, E)$]	1.108*** (.098)	1.1941*** (.098)	.651*** (.046)	.642*** (.045)
Month in Office	.0049*** (.0012)	—	-.0003 (.0004)	—
Gallup Poll	—	.0061*** (.0019)	—	.0001 (.0005)
Party Strength	-1.051*** (.186)	-1.229*** (.189)	-.179*** (.054)	-.174*** (.059)
σ	.684*** (.017)	.690*** (.017)	.363*** (.006)	.362*** (.006)
N (predicted)	156		4934	
Regime Determinants				
Constant (γ_0)	.624*** (.132)	.788** (.156)		
Distance from Proposer Distance from SQ (γ_1) [$d(L, E) - d(SQ, E)$]	.221*** (.023)	.219*** (.023)		
Month in Office	-.0001 (.0014)	—		
Gallup Poll	—	-.0042* (.0023)		
Party Strength	-1.721*** (.228)	-1.6537*** (.2314)		
Log-likelihood				
Model 1	-4942.4			
Model 2	-4945.8			

Note: Standard errors are shown in parentheses.

* $p < .10$, ** $p < .05$, *** $p < .01$.

Table 5. Regime Classification by Model

Probabilistic Model (LAC)	Deterministic Model (IILAC)	
	Accommodating	Legislative Dominance
Accommodating	4292	642
Legislative	20	136

Note: Classifications of IILAC model based on $\text{prob}\{\text{accommodating}\} \geq .5$.

The extent of this misclassification can be seen in Table 5. In Table 5, we classify regimes for the LAC model based on whether $d(L_j, E) \geq d(SQ_j, E)$ and for the IILAC (probabilistic) model based on whether $\text{Prob}\{\text{accommodating regime}\} \geq .5$. We find that the criterion of .5 was met for only 156 observations, compared to the 778 observations that would be classified as accommodating by the LAC model. However, rarely was an observation classified as accommodating by the IILAC (probabilistic) model classified as legislative dominance by the LAC (complete-information) model. By any standard, the misclassification of the LAC model is substantial. These results are somewhat damaging for the presidential agenda control (PAC) models, which suggest that the LAC model will *underpredict* accommodation.²⁵

As we explained in Section 5, misclassification leads to biased and inconsistent estimates of the structural parameters. Indeed, as Table 4 demonstrates, the effects are substantial. The primary result of the misclassification is to deflate the effect of the proposer's position in the accommodation regime and to inflate it in the legislative dominance regime. By estimating the regime probabilities rather than relying on the classification suggested by the complete-information model, we find that asymmetry due to the effect of the proposer's position, $d(L, E)$, predicted by the LAC model disappears. The position of the proposer is significant in both regimes in the probabilistic IILAC model, and the marginal effect is actually bigger in the accommodation regime. While this does not provide a direct test for the IILAC model, it suggests that incomplete information may be important, because the IILAC is the only model that does not rule out these results—all the complete-information models predict that the proposer's position will not be important in the accommodation regime. Furthermore, contrary to predictions of the presidential agenda control (PAC) models, the estimates of Table 4 show that proposals in the accommodating regime are far *less* accommodating than predicted. To see this, note that when evaluated at the sample means of the other variables, $d(b, E) = .386 + 1.225d(E, SQ) > d(E, SQ)$ in the accommodation regime.

25. One possible explanation for the rejection of the LAC model is that our estimates of the president's position may be poor measures of the president's actual position. To test for this possibility, we reestimated Equations (4) and (8) several times with perturbed values of the president's position. We found that these perturbations not only did not substantively change the estimates, but also tended to lower the estimated likelihood (some experiments with very small perturbations increased likelihood slightly). These experiments indicate that our substantive conclusions depend very little on the precision of our estimates of the president's position.

Consistent with the hypothesis, we also find a strong role for the partisan composition of the legislature. The level of party support for the president is significant in both regimes of both specifications. As predicted by the PAC model, an increase in the president's party strength moves policy closer to his preferences. What is more surprising is the way in which party strength affects the determination of the regime. Contrary to predictions of the PAC model, the larger the president's delegation in Congress the more likely the legislative dominance regime, *even when the position of the actual proposer is held constant*. While this result may seem counterintuitive, it may be consistent with the incentives for presidents to dissemble, discussed in Matthews (1989) and McCarty (1994). If most members of Congress are close to the president ideologically, he will have much less of an incentive to take extreme positions and will indicate a greater willingness, on average, to accept the legislature's proposals, which will lead to the legislative dominance scenario on more legislation.

Results on the existence of a presidential honeymoon are somewhat mixed. As predicted by the honeymoon model of McCarty (1994), the legislation offered to presidents in the accommodation regime is significantly less accommodating as time goes by, as shown by the positive and significant coefficients on the "month in office" variables. However, the effect does not appear significant in the legislative dominance regime. In terms of log-likelihoods, the honeymoon model outperforms the public opinion model. Furthermore, in the accommodation regime, the coefficient on the Gallup approval rating has the wrong sign—it is positive, suggesting that legislation is less favorable when approval is high.

8. Conclusion

In adopting a provision for an executive veto, the Founder's created an institution that gave the president a direct role in the formulation of legislation and public policy. That the executive does indeed perform a legislative function has rarely been disputed. Rather, the question of concern to most scholars has been, *How influential is the president?* To address this question, we consider various rational-choice models of the veto power.

The benchmark model is the legislative agenda control model (LAC). We reject several of the key predictions of this model. We find that it actually *overpredicts* accommodation to the president. Not only does it misclassify many observations in the accommodation regime, but it underestimates legislative influence on proposals that are accommodating. This result is somewhat damaging for arguments that the president has been delegated or has coopted proposal powers. If this were the case, the LAC model should have underpredicted accommodation. Concerns that the veto would lead to presidential dominance of the legislature seems to have been misplaced, as our results can be interpreted as showing that the president has less influence than was intended.

Little evidence is presented here that delegated proposal powers or public commitments have served to increase presidential influence beyond that predicted by the LAC model. However, consistent with the presidential agenda

control (PAC) model, partisan strength in the chamber does increase accommodation. The links between public opinion and accommodation were found to be tenuous at best and provide little additional support for the presidential public commitments (PPC) model.

Our results demonstrate that incomplete information may also affect legislative outcomes. As pointed out earlier, the incomplete-information legislative agenda control (IILAC) model can account for some of the results that are inconsistent with the complete-information models, such as the lack of abrupt regime changes and the influence of legislative preferences in the accommodation regime. Some support was also found for the existence of a honeymoon in the accommodation regime. However, there are problems in interpreting our results favorably to the IILAC model. While this model may have had fewer rejections than the other model, its predictions are also far less specific. Nevertheless, informational models seem to be a promising avenue. The president is in a unique position in the American political system to manipulate his image and reputation to enhance his bargaining position. Future research should focus on the role of presidential image and reputation on congressional delegation as well as on the president's ability to go public.

An interesting puzzle remains. Why do we actually observe vetoes? Given complete information, a rational proposer who cares only about policy will not propose legislation that will be vetoed. While our empirical analysis sheds little light on this issue, we think that it remains an important issue. Given that many of our findings are consistent with incomplete information, uncertainty about presidential preferences does seem to be a likely cause of vetoes. Yet empirical work on the occurrence of vetoes has shown important relationships between such political variables as the election cycle and presidential approval (Rohde and Simon, 1985; Wooley, 1991). It appears that formal models should move in these directions to explain usage of the veto as well. Groseclose (1994) has provided such a framework for analyzing the role of electoral politics in explaining the breakdown of legislative bargaining. More work needs to be done, however, to extend these insights to executive-legislative bargaining and to test them on the use of the veto.

Appendix

Following Poole and Rosenthal (1985, 1991), we assume that ε_{PJY} and ε_{PJN} are distributed logistically. Then the probability that the president will take the yea position on roll call j is

$$P_{jY} = \text{prob}\{\varepsilon_{EjY} - \varepsilon_{EjN} > u_{EjN} - u_{EjY}\} \\ = \exp(u_{EjY}) / [\exp(u_{EjY}) + \exp(u_{EjN})]. \quad (\text{A.1})$$

Thus, the likelihood of the president's observed positions is

$$\prod_j (P_{jY})^{Y_j} (1 - P_{jY})^{(1-Y_j)}, \quad (\text{A.2})$$

where Y_j is a dummy variable that equals 1 if the president took the yea position on roll call j , and J is the number of roll calls on which the president took a

position. This likelihood function can be maximized by an alternating algorithm described by Poole and Rosenthal (1985, 1991). In general, this procedure will produce estimates of β , z_Y , z_N , and E . However, in order to make our results directly comparable to Poole and Rosenthal's results, we used their estimates of β , z_Y , and z_N and maximized the likelihood function to produce estimates of E .

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