

**BANKING ON POLITICS:  
A STUDY OF CAMPAIGN CONTRIBUTIONS AND REVOLVING DOORS**

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*The Establishment model of American politics is examined through a study of the political involvement of the largest 100 banks. Establishmentism posits a close and mutually beneficial relationship between economic and political elites. The findings indicate that larger, more transnational and economically connected banks from New York are indeed more politically involved with respect to campaign contributions and revolving doors. The implications of the findings are then discussed.*

The Establishment model of American political life, perhaps more maligned than empirically studied, still generates controversy as an explanatory framework. Whereas the pluralist paradigm has continued as a dominant tool for building a theory of American politics, at least some political and social researchers have found the Establishment perspective more useful.

Since Establishmentism posits a set of close, mutually beneficial connections between certain economic enterprises and public officials, our purpose here is to examine the utility of the model by analyzing the political involvement of the largest 100 bank holding companies in the U.S. We focus deliberately on banks because they have rarely been studied due to poor data availability (U.N. Centre on Transnational Corporations, 1981, pp. 1, 80). Moreover, a few established banks appear to function as the “peaks” of the U.S. economy. Their huge funds and investment decisions help shape the course of economic development. And studies of director interlocks have consistently shown that only a dozen or so large banks operate as the communications “hubs” of economic networks (Mintz and Schwartz, 1981a, p. 98).

If the Establishment perspective has some theoretical validity, then we should find positive correlations between the degree of banks' establishmentism and their level of political involvement. If, on the other hand, the characteristics of establishmentism prove uncorrelated with political activity, then one would have trouble in asserting that the more established economic enterprises are best positioned to influence public policy. Particularly, if a study of established and non-established banks fails to confirm Establishmentism tenets, then proponents would have great difficulty staying theoretically afloat.

### **The Establishment Syndrome**

One must first isolate a set of criteria with which to distinguish established banks from the non-established. In Establishmentism parlance, little empirical content can be found for the concept of "banking community." Establishmentism posits a highly stratified banking system, with a banking *creme de la creme* located relatively securely on the top of a multitude of non-established ones with whom they have fewer common interests than is sometimes supposed.

Several characteristics are often listed as useful for separating established banks from the non-established. Four such features are most evident in the literature and deserve a brief description: economic resources, transnationality, New York location, and economic linkages.

First, established banks are usually identified as the largest in terms of economic resources. According to Dolbear and Edelman's establishment model (1985, p. 505), "great wealth can...serve many as platforms from which they can achieve such an establishment status." These resources, in turn, are sooner or later parlayed or "pyramided" into social, cultural, and other forms of influence among established elites. Wealth not only allows upward mobility into "established" positions but also binds these elites together into a broad socioeconomic consensus.

Second, established banks tend to be more transnational. Large economic assets seek transnational public and private targets for loans. Technological innovations enable the largest banks rapidly to coordinate the financial activities of their overseas branches and other entities. Large U.S. transnational banks are more likely to join other large banks abroad in lending consortia. They have forged close ties with large non-American transnational banks operating in the U.S., seemingly to the detriment of small and medium-sized U.S. banks (Lees, 1976, p.121).

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Third, Establishmentism theorists often focus on New York as the coziest home for established banking enterprises (Glasberg, 1981, p. 112). Large New York banks, according to some, share a cohesive liberal "White Anglo-Saxon Protestant" ethic characteristic of the eastern "Yankee" seaboard elite. These social and cultural commonalties serve to generate a consistent operational code. Even proponents of a new "Southern Rim Establishment" admit that established eastern sources of wealth and power continue to dominate national life (Sale, 1975). New York banks are highly transnational. Some observers assert that New York operates as a bank for the entire world. New York banks, with three-fifths of all U.S. overseas banking branches, have the highest proportion of foreign operations of all banks (Lees, 1974, pp. 37-38, 238). In 1977 foreign operations accounted for over 50 percent of total income for seven large New York banks (Corporate Data Exchange, 1980a, p. 43).

Finally, established banks have far more linkages with other economic institutions than do non-established ones. Primary among these connections are director interlocks and institutional shareholdings with other banks and large corporations. Allen (1978) found that the ten major interlock groups of corporations and banks contained, at their center, major banks, five of which were New York banks (see also Whitt, 1981, p. 147; Mintz and Schwartz, 1981b; Carroll, Fox, and Ornstein, 1982). Through this network flow common values, norms, and a social sense of establishmentarian "we-ness" (Koenig and Gogel, 1981b, p. 37). Indeed, the larger the corporation, and the greater its number of interlocks with other corporations, the closer its integration with large established banks (Jung, Purdy, and Eitzen, 1981). The favorite partners of established banks are their corporate counterparts in the economic Establishment (Feld, 1980, p.2). Mutual stockholdings also serve as salient economic linkages among large banks and other Establishment members. Glasberg (1981, p. 112) found that the pattern of investment of funds by large banks in corporations "supports the notion of bank hegemony." Dye (1979, p. 163) noted that large U.S. banks "are acquiring increasing control of corporate America." Established banks serve as major sources of capital for large established corporations. Especially relevant is their financing of takeovers of less established corporations by larger and more established ones (Mintz and Cohen, 1971, p. 97).

## Political Involvement

These features have led theorists to posit that established banks and corporations are also the enterprises most involved in attempts to influence

the policy process. The logic is relatively straightforward. The larger size of established banks implies a greater economic stake to advance and protect from political interference, especially redistributive efforts, as well as a more diverse array of financial activities subject to government regulation. They have greater visibility and stronger impact on communities, thus often becoming targets of political attacks for high interest rates on home mortgages and farm loans, realigning, and so forth. Because of their large economic resources established banks seek branch outlets across state lines. The right to have such outlets is a policy on behalf of which they have been lobbying for some time.

The largest New York banks tend to be older and more experienced by virtue of traditional social ties and other connections with national political elites. Nelson Rockefeller's governorship of New York State and his involvement in national politics is often adduced as a case in point. The greater transnationality of New York banks implies concern with a broad array of foreign policy issues which leads to a higher level of political involvement. The greater risks involved in transnational banking, especially in the Third World, generate interests in federal government information and influence. Threats of expropriation, terrorism, and Third World defaults on loans represent only a few of the major political issues of salience to transnational banks (Jodice, 1980).

Connections with other economic institutions confer a sense of political solidarity much greater than that for more isolated, non-established banks. Interlocks and mutual shareholdings imply a more unified mobilization of disparate resources for political ends. Koenig and Gogel (1981a, p. 125) concluded that "behind-the-scenes coordination and conflict-resolution...within the business community...implies a highly unified corporate orientation toward government policy." Kowalewski and Lietko (1983) found the most interlocked U.S. corporations to be the most heavily recruited into David Rockefeller's Trilateral Commission, an institution in which the largest transnational banks and several prominent politicians from North America, Japan, and Western Europe were represented. Vogel's examination (1979, p. 21) of the recent activities of large banks and corporations discovered that chief executive officers are increasingly public figures involved directly in political struggles. Useem (1979) found the number of interlocks of corporate directors highly correlated with involvement in governmental advisory committees at local, state, and national levels.

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### **Measures and Hypotheses**

To determine the degree to which Establishmentism is associated with political involvement, we first took a preliminary purposive set of 100 bank holding companies with the greatest assets in the U.S. (Corporate Data Exchange, 1980a). These largest banks were selected partly because of the well-known problem of data availability for smaller banks and partly because of their prominence in American financial life. By limiting our original set of cases to the largest 100 we have embarked on a relatively conservative test of Establishment theory. Our data suggest that among these 100 one can distinguish an established subset from a far less established one. The largest 10, for example, control close to one-half of the top 100's total assets.

To measure the four dimensions of Establishmentism delineated above, we selected 12 indicators. Economic resources are measured according to total assets, net income, and stockholders' equity. Transnationalism is reflected by number of entities in foreign developed market economies and foreign developing market economies, by percent of deposits in foreign countries, and by share of global bank assets. New York location is tapped by a dummy New York/non-New York variable. Economic resources are measured by director interlocks, as well as by institutional investments generating shareholdings held in trust in other banks, other bank's shareholdings in the bank, and shareholdings in industrial corporations (Palmer, Friedland, and Singh, 1986).

These measures should prove highly intercorrelated. Prior research has found director interlocks, for example, related to a number of economic success indicators (Koenig and Gogel, 1981a, p. 123). If Establishmentism propositions regarding the close connectedness of the four dimensions are correct, then correlations should prove strongly positive. Appendix 1 reveals that all 66 Pearsonian correlations are positive. All except nine register  $+ .30$  or above; none of the lower nine fall below  $+ .24$ . As suggested by Establishmentism, New York banks are not only larger and more transnational, but also more economically connected to other banks and corporations via interlocks and joint shareholdings than are non-New York ones. Larger and more transnational banks also have the greatest economic connectedness with other banks.

Our measures of political involvement fall under two dimensions: campaign contributions and revolving doors. Contributions are indicated by Political Action Committee (PAC) disbursements to congressional and presidential candidates. Since some banks did not form PACS or did not disburse funds for certain candidate categories, the numbers of cases for

correlations fall below 100; the low N's in many instances require interpretive caution.

Campaign contribution variables were in turn divided into three subdimensions: incumbency-orientation, spread (number of candidates) and intensity (dollars disbursed). Establishmentism suggests that the more established banks should favor the more "established," i.e., incumbent, political candidates. "Their life experiences and current interests," write Dolbeare and Edleman (1985, pp. 30, 505), "have bred in them a strong commitment to orthodoxy and defense of the integrated economic and political structure." Establishmentarians are known by "their willingness to play by the familiar rules" (see also Clawson, Neustadtl, and Bearden, 1986). Established banks should have much in common with established political officials. Having won economically over a period of several decades, in the process they have likely forged numerous social connections with political winners. Conversely, incumbent candidates, having been socialized for at least one term into the political rules of the game via positive and negative sanctions wielded by established elites, should appear more politically attractive to Establishment financiers.

Established banks should also render campaign assistance to a greater number of candidates. Since they have far greater trans-state and transnational involvements than non-established ones, their interests range far wider than the narrow band of issues falling under the purview of House and Senate banking committees alone. Their broader concerns could result in an effort to structure both domestic and foreign policy in their favor. Non-established, more localized banks should be more likely to restrict their electoral assistance to local and state campaigns or to a relatively few congressional races in their own districts and states.

A somewhat different pattern should be visible in correlations between Establishmentism and campaign contribution intensity (dollars disbursed). On the one hand, established banks certainly have greater economic resources with which to finance candidates and presumably will give to a greater number. On the other hand, these resources allow more permanent political contacts via lobbying and PAC offices in Washington (Conway, 1983; Eismeier and Pollock, 1983), generating considerable expertise concerning how much to give to whom. Greater experience should render funding more electorally "cost-effective." Further, if less established banks are more likely to support challengers, as suggested above, and since challengers must often spend greater amounts than incumbents to win (Jacobson, 1980), then less established banks may spend even greater amounts during campaigns. In addition, many established enterprises have been found to favor less visible

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or indirect forms of monetary contributions, such as low-interest loans to candidates (Mintz and Cohen, 1971). Because of their high-level social connections, established banks should render substantial non-monetary assistance, e.g., facilitation of endorsements by influential groups. Finally, legal limits on the amount of expenditures may minimize the difference between the economically most and least powerful banks. Thus we might expect zero or even slightly negative correlations between Establishmentism and contribution intensity.

The variables within each of the three contribution subdimensions are all positively correlated at  $+ .24$  or above. The mean  $r$  for incumbency is  $+ .86$ ; for spread,  $+ .66$ ; for intensity,  $+ .68$ .

The second set of political variables concerns the revolving door--the number of distinct national-level government and government-affiliated institutions with which officers of the bank were associated. We gathered lists of the officers for the 100 banks in 1976 and then surveyed the resulting 1096 officers for biographical data.<sup>1</sup> Three measures were utilized: institutions concerned with domestic policy (sum of agencies, independent regulatory commissions, and advisory committees); those concerned with foreign policy (sum of agencies, advisory committees, and international governmental organizations); and total number of institutions (sum of total domestic and total foreign institutions).

Established banks should have more revolving door affiliations. Some reports (Hershey, 1977) indicate that employees of the Federal Reserve Board (the most frequent revolving door found in our survey) often have "conflicts of interest" because of their close connections with large banks. Since established banks are more transnational, their number of foreign revolving door positions should prove higher. BankAmerica, for example, coordinates its foreign operations closely with the *International Monetary Fund and the World Bank* (Multinational Monitor, 1982). The Establishment "encompasses individuals holding positions of power (in government and private affairs)," its members "circulating...freely among the upper echelons of the economic, social, and political systems" (Dolbeare and Edelman, 1985, pp. 504, 30, original emphasis). Our three measures are intercorrelated positively at  $+ .45$  or above; the mean  $r$  is  $+ .71$ .<sup>2</sup>

The two dimensions of contributions and revolving doors reflect theoretically salient characteristics of political involvement. They measure political participation in both legislative (campaign contributions) and executive (revolving door) branches, both of which for Establishmentism theorists appear "captured" by large banks and corporations. Hence the two

dimensions seem appropriate for gauging the mutuality of intercourse essential to Establishment theory.

## Findings

Appendix 2 presents the correlations between Establishment and political involvement variables. Because of data limitations restricting sample size, as well as multicollinearity among the Establishmentism indicators, only bivariate correlations are presented. Indeed our theoretical concern is more with the overall *pattern* of relationships between the two *sets* of variables than with individual correlations. The small sample sizes for certain correlations indicate that the findings should be taken as more suggestive than definitive.

The results lend support to the Establishment model. All correlations are positive (except for contribution intensity, as expected) and only eight of these fall below +.20. As predicted, established banks are more incumbent-oriented. Banks with a large number of interlocks seem especially to favor established candidates. Yet other Establishment indicators also prove highly connected. The findings may shed some additional light on the extremely high re-election rate of incumbents. Financial backing by large banks and other established enterprises may give incumbents a decided edge over their challengers. Legitimation by Establishment influentials via public fundraising dinners, advertising and so forth, as well as subsidiary assistance through civic associations, social clubs and the like, may have considerable electoral impact. Whereas past research has tended to focus on the amounts of PAC money spent by candidates, more detailed attention should perhaps be devoted to the specific sources of the funding.

Establishmentism also predicts the spread of contributions fairly accurately. Less established banks donated to far fewer candidates. In contrast, established banks are more likely to "blanket" the national electoral system with contributions. The economic resource variables in particular prove highly correlated. The greater resources of established banks imply a wide array of interests ranging across local, state, and even national borders. Also the number of corporations in which the bank has shareholdings seems related with special consistency. Since large corporations often operate in several districts, states, and countries, the banks with which they are associated via shareholdings correspondingly acquire a wide range of transborder interests.

Establishmentism proves even more positively correlated with revolving door institutions. The transnationalism variables, in particular the number of entities abroad, seem especially useful. Note that correlations between the



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transnationalism variables and domestic revolving doors prove equal to those between transnationalism and foreign ones. As Establishmentism predicts, and as Appendix 1 has shown, the largest banks in the domestic market are most likely to be the largest in the international one as well.

Finally, correlations with contribution intensity are weak and even slightly negative. Established banks actually spend slightly less on national campaigns than do non-established ones. Since established banks contribute to a greater number of candidates, yet tend to contribute no more dollars than the non-established, we should expect them to spend *less per candidate* as well. We divided the total dollars contributed from the bank's PAC by the total number of candidates receiving its contributions. We then ran correlations between Establishment indicators and this new variable. As expected, all correlations turned out negative (see Appendix 3). Established banks spent far fewer dollars per candidate than did non-established ones. Further, since the candidates most backed by established banks are incumbents, and since incumbents most probably will emerge victorious, Establishment contributions do indeed appear more electorally "cost-effective" than those of their less established counterparts. The economic success of established banks seems associated with political success in elections.

As suggested by the Establishmentism model, large transnationalized New York-based banks having numerous connections with other economic institutions seem much more politically involved than banks less well endowed. We must emphasize that only political involvement has been considered. Political influence is, of course, another matter entirely. Thus we do not assume that participation implies policy-formation. However, we would expect that established banks seem in far better position to influence policy. In politics, as in all games, the importance of "positioning" can be crucial to ultimate success.

Yet Establishmentism theorists insist that politicians do indeed rule on behalf of the established sector of the economy. Thus the degree to which contributions and revolving doors influence policy-making deserves more research. Some (Vogel, 1978, p. 73) denigrate their importance. Others, however, point to the influence generated by involvement in these two political dimensions (Gromley, 1979; Ginsburg and Green, 1979; Ray, 1972, p. 80).

We recognize that our findings concerning revolving doors may be more theoretically salient in this respect than those concerning contributions. Political candidates, especially powerful incumbent officials, may possibly "extort" contributions from those most able and willing to pay, i.e.,

established enterprises. Social and political contacts between economic and political elites during campaigns may be only occasional and sporadic. Establishment-backed winners may betray their contributors' interests to avoid the loss of significant electoral support. In regard to revolving doors, however, the government's invitations to established banks to help formulate policies, and the banks' recruitments of government officials who often retain connections with their former employers, seem to reflect a more consistent and clear mutual-benefit interchange between economic and political sectors of the Establishment.

Our study may also shed some light on the controversy concerning the alleged "power shift" from snowbelt to sunbelt. The findings underscore the primacy of New York-based banks and cast doubt on the validity of the impending "southern rim" domination over the eastern seaboard Establishment. While certainly southern economic institutions are growing in strength (Sale, 1975, pp. 49-50), the "Cowboys" have yet to run roughshod over the "Yankees" with respect to national political involvement.

Additional research questions arise. Other modes of Establishment political involvement, such as advocacy advertising and lobbying, might also be usefully studied. The extent to which our findings hold for industrial corporations and other enterprises deserves investigation. Given the close connections between Established banks and other large firms, we might suggest parallel findings for Establishment indicators of industrial corporations, insurance companies, and the like. Finally, to what degree are the results reflected at the sub-national level? Do large enterprises form mini-Establishments in the 50 states? Are they similarly involved in state politics? Studies of campaign contributions (Fraser/Associates, 1980, p. 324), for example, have correctly called for more research on the growing number of state PACs formed by banks and corporations. Our findings indicate that while Establishmentism theory is far from "established" as a dominant paradigm for explaining the structure of power and policies in the U.S., it deserves perhaps more serious consideration from empirical researchers.

Correlations Among Establishmentism Indicators<sup>a</sup>

	Assets <sup>b</sup>	Income	Equity	Developed Country Entities	Developing Country Entities	Foreign Deposit Dependence	Global Market Share	New York Base	Share- holding in Banks	Bank Share- holding in Bank	Shareholding in Corporations
Income <sup>c</sup>	.50										
Equity <sup>d</sup>	.52	.84									
Developed Country Entities <sup>e</sup>	.59	.54	.53								
Developing Country Entities <sup>f</sup>	.49	.56	.53	.82							
Foreign Deposit Dependence <sup>g</sup>	.48	.57	.64	.57	.44						
Global Market Share <sup>h</sup>	.93	.71	.82	.66	.58	.70					
New York Base	.41	.41	.58	.34	.25	.48	.61				
Share- holding in Banks <sup>i</sup>	.41	.60	.63	.28	.28	.61	.58	.39			
Banks' Shareholding in Bank <sup>j</sup>	.26	.48	.42	.24	.24	.37	.36	.27	.33		
Banks' Shareholding in Corp's <sup>k</sup>	.38	.60	.67	.29	.29	.60	.73	.47	.83	.40	
Interlocks <sup>l</sup>	.61	.60	.59	.62	.62	.57	.60	.70	.30	.49	.58

**APPENDIX 1 (cont'd)**

<sup>a</sup> The sample of the top 100 banks in 1977 is taken from Corporate Data Exchange (1980a). For all variables in this and following tables, all outlier scores (those above or below the mean +/- three times the standard deviation) have been Winsorized, i.e., set equal to the next highest/lowest score (see Tufte, 1974, p. 103).

<sup>b</sup> Total assets in \$100 millions in 1978, including contra accounts (United Nations Centre on Transnational Corporations, 1981, pp. 124-126).

<sup>c</sup> Net income in \$ millions in 1976 after securities transactions and extraordinary items (*Fortune Magazine*, 1977, pp. 162-163).

<sup>d</sup> Stockholders' equity in \$ millions in 1976, equal to the sum of capital stock, surplus, and retained earnings (*Fortune Magazine*, 1977, pp. 162-163).

<sup>e</sup> Number of entities in foreign developed market economies in 1978, including branches, subsidiaries, affiliates, and representative offices (United Nations Centre on Transnational Corporations, 1981, pp. 124-126).

<sup>f</sup> Same as (e) except for foreign developing market economies.

<sup>g</sup> Percent of deposits in foreign countries in 1977 (Corporate Data Exchange, 1980a).

<sup>h</sup> Percent of total assets excluding contra accounts held by the top 300 banks in the world in 1976. Calculated from *The Banker*. (1976).

<sup>i</sup> Number of other banks and finance companies among the top 240 banks and finance companies in the U.S. in which the bank ranks among the top five stockholders in 1980 (Corporate Data Exchange, 1980b).

<sup>j</sup> Number of other banks among the top ten stockholders of the bank in 1980 (Corporate Data Exchange, 1980b).

<sup>k</sup> Number of *Fortune* 500 corporations in 1980 of which the bank is among the top five stockholders (Albrecht and Locker, 1981).

<sup>l</sup> Number of direct interlocks with corporations and banks excluding those with its own entities in 1980 (Committee on Governmental Affairs, 1980).

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## APPENDIX 2

### Establishmentism and Political Involvement<sup>a</sup>

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Campaign Contributions<sup>b</sup>

Incumbency-Orientation<sup>a</sup>

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	Incumbent Percent of Congress Candidates <sup>c</sup>	Incumbent Percent of Congress Dollars <sup>d</sup>
Assets	.43(12)	.53(12)
Income	.49(21)	.44(21)
Equity	.62(21)	.50(21)
Developed Country Entities	.49(12)	.53(12)
Developing Country Entities	.46(12)	.50(12)
Foreign Deposit Dependence	.49(29)	.33(29)
Global Market Share	.50(27)	.37(27)
New York Base	.43(29)	.40(29)
Shareholding in Banks	.27(29)	.19(29)
Banks' Shareholding in Bank	.25(29)	.27(29)
Shareholding in Corporations	.30(29)	.21(29)
Interlocks	.65(12)	.69(12)

## Campaign Contributions

Spread: Number of Recipients of Bank PAC Funds<sup>j</sup>

	House Candidates <sup>f</sup>	Senate Candidates <sup>f</sup>	Presidential Candidates <sup>g</sup>	Total Congressional Candidates <sup>h</sup>	Total National Candidates <sup>i</sup>
Assets	.52(12)	.58(12)	--	.58(12)	--
Income	.45(21)	.38(21)	.68(12)	.48(21)	.76(12)
Equity	.44(21)	.34(21)	.65(12)	.45(21)	.75(12)
Developed Country Entities	.42(12)	.52(12)	--	.18(12)	--
Developing Country Entities	.34(12)	.46(12)	--	.40(12)	--
Foreign Deposit Dependence	.22(29)	.13(29)	.29(17)	.21(29)	.37(16)
Global Market Share	.49(27)	.29(27)	.52(16)	.47(27)	.77(16)
New York Base	.40(29)	.32(29)	.61(17)	.41(29)	.60(16)
Shareholding in Banks	.36(29)	.31(29)	.67(17)	.38(29)	.60(16)
Banks' Shareholding in Bank	.30(29)	.35(29)	.21(17)	.36(29)	.41(16)
Shareholding in Corporations	.45(29)	.41(29)	.56(17)	.48(29)	.69(16)
Interlocks	.13(12)	.05(12)	--	.12(12)	--

	Campaign Contributions			Revolving Doors <sup>o</sup>		
	Intensity <sup>n</sup>			Total <sup>r</sup>	Domestic <sup>p</sup>	Foreign <sup>q</sup>
	Congress Dollars <sup>k</sup>	Presidential Dollars <sup>l</sup>	Total Dollars <sup>m</sup>			
Assets	.03(12)	--	--	.75(22)	.76(22)	.58(22)
Income	-.07(21)	.29(12)	.14(12)	.63(48)	.50(48)	.56(48)
Equity	-.15(21)	.14(12)	.02(12)	.64(48)	.59(48)	.52(48)
Developed Country Entities	.09(12)	--	--	.74(22)	.79(22)	.54(22)
Developing Country Entities	.02(12)	--	--	.82(22)	.85(22)	.63(22)
Foreign Deposit Dependence	-.12(29)	.07(17)	.09(16)	-.39(93)	.34(93)	.33(93)
Global Market Share	-.16(27)	.11(16)	.06(16)	.64(75)	.60(75)	.51(75)
New York Base	-.18(29)	.16(17)	-.15(16)	.27(93)	.21(93)	.25(93)
Shareholding In Banks	-.16(29)	.16(17)	-.19(16)	.31(91)	.24(91)	.29(91)
Banks' Shareholding in Bank	-.04(29)	-.02(17)	-.16(16)	.20(87)	.15(87)	.19(87)
Shareholding in Corporations	-.11(29)	.08(17)	-.14(16)	.28(93)	.20(93)	.27(93)
Interlocks	-.28(12)	--	--	.56(17)	.31(17)	.60(17)

**APPENDIX 2 (cont'd)**

<sup>a</sup> Figures in parentheses refer to number of cases. Double hyphens refer to correlations for which cases number 10 or less.

<sup>b</sup> Data for all variables are derived from Weinberger and Greevy (1983). Congressional data are for 1977-1978; presidential, for 1979-1980.

<sup>c</sup> Percent of candidate-recipients who are incumbents rather than challengers or open seat candidates in congressional elections.

<sup>d</sup> Percent of total contributions and total independent expenditures to incumbents in congressional elections.

<sup>e</sup> Correlation between the two measures is .86.

<sup>f</sup> Number of candidate-recipients for House and Senate elections.

<sup>g</sup> Number of candidate recipients for presidential election.

<sup>h</sup> Sum of House and Senate candidate-recipients.

<sup>i</sup> Sum of congressional and presidential candidate-recipients.

<sup>j</sup> Correlations among the five measures range from .26 to .99.

<sup>k</sup> Total contributions and total independent expenditures to all congressional candidate-recipients.

<sup>l</sup> Same as (k) except for all presidential candidate-recipients.

<sup>m</sup> Sum of (k) and (l).

<sup>n</sup> Correlations among the three variables are .42, .68, and .95.

<sup>o</sup> Data for all variables are derived from Moody's Investors' Service (1977) and Marquis Who's Who (1977-1978). Correlations among the three variables are .45, .78, and .91.

<sup>p</sup> Number of national-level governmental agencies and affiliated institutions concerned primarily with domestic policy. Includes Treasury, Bureau of the Budget, Federal Reserve Board, National Aeronautics and Space Administration, Federal Advisory Council of the Federal Reserve System, and the like.

<sup>q</sup> Same as (p) except concerns primarily foreign policy agencies and institutions. Includes Department of State, Council on Foreign Relations, and the like.

<sup>r</sup> Sum of (p) and (q).



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APPENDIX 3

Establishmentism and PAC Dollars Per Candidate-Recipient

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	<u>PAC Dollars per Candidate-Recipient</u>
Assets	--
Income	-.36(12)
Equity	-.50(12)
Developed Country Entities	--
Developing Country Entities	--
Foreign Deposit Dependence	-.28(16)
Global Market Share	-.60(16)
New York Base	-.57(16)
Shareholding in Banks	-.50(16)
Banks' Shareholding in Bank	-.36(16)
Shareholding in Corporations	-.56(16)
Interlocks	--

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NOTES

1. Note that our unit of measurement is the number of governmental institutions with which all the officers of the bank were affiliated rather than number of bank officers who had affiliations with governmental institutions. Since many banks have only one "political officer" (Hui, 1981, p. 69), to use as a measure the number of officials having any governmental affiliation may fail to distinguish sufficiently between established and non-established banks. Established banks should be more able to recruit former governmental officials with many institutional experiences, and have their officers invited to more governmental commissions--and thus have officers with wider governmental involvement--than non-established ones. Hence the number of governmental institutions with which all officers have been affiliated seems best to tap the array of governmental "access points" available to the bank. Note our measure ignores governmental positions held after 1976. We could have distinguished and measured position after 1976 as well, yet the short time period involved in the "after" period may have produced somewhat misleading findings in comparison to the longer pre-1976 period. More importantly, past research (Freitag, 1975, p. 149) found little difference between "entry" and "exit" revolving door phenomena.
2. An attempt was made to measure the banks on their congressional lobbying efforts. Since lobbying activities are usually reported by large enterprises as required by law (Cherington and Gillen, 1962; Milbrath, 1963), we surveyed *Congressional Record* for 1976-77 but found only a handful of banks engaged in such activity. Most lobbying efforts were channeled through the American Bankers Association. Hence a highly skewed distribution resulted which made the measure unworkable. Worth noting, however, is that those few banks which did lobby were also the largest New York banks (e.g., Chase, Morgan).

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