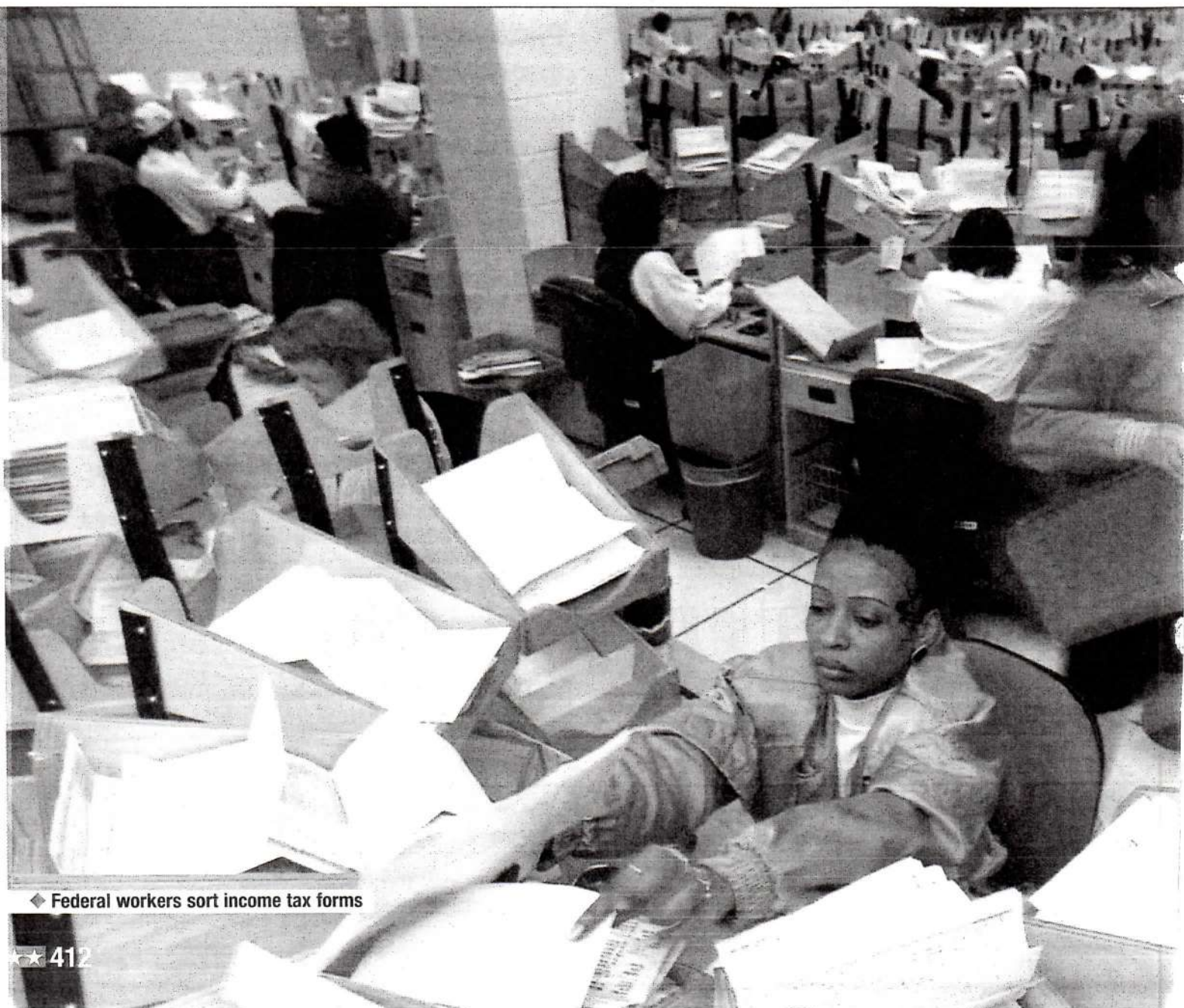


# Government at Work: The Bureaucracy

*“Bureaucracy is not an obstacle to democracy but an inevitable complement to it.”*

—Joseph A. Schumpeter (1942)

People often criticize and poke fun at the federal bureaucracy. Schumpeter, an economist, knew that it takes millions of bureaucrats to make democratic government work. Americans depend on the civil servants—from accountants to Webmasters—who work in federal agencies throughout the country.



◆ Federal workers sort income tax forms



## Critical Thinking Skills

30. **Applying the Chapter Skill** Using the information in the diagram on page 312, create a time line of either the Johnson or Clinton impeachment. How do the time line and the diagram differ in the way they present information?
31. **Drawing Conclusions** Why, do you think, have so many Presidents decided to make undeclared war?
32. **Predicting Consequences** (a) If the Supreme Court someday were to declare the War Powers Act unconstitutional, on what grounds might the law be struck down? (b) What might be the effect of such a ruling on presidential power?
33. **Drawing Inferences** Article II of the Constitution, which covers the powers of the executive, has been called the most loosely drawn chapter in the Constitution. Why might the Framers have created Article II in this way?

## Analyzing Political Cartoons

Using your knowledge of American government and this cartoon, answer the questions below.



34. In the cartoon above, what point is being suggested about how the President and Congress carry out foreign relations? (Note: NATO is the North Atlantic Treaty Organization, which coordinates military defense in Europe.)

## ★ You Can Make a Difference

Former President Jimmy Carter frequently rolls up his sleeves and goes to work with Habitat for Humanity, and his wife Rosalyn often does so, too. Habitat for Humanity probably operates in your area. Contact the local Habitat group and find out about their work. Would you be interested in joining the local group? Are there age or other requirements that must be fulfilled in order to join? Do you know of any other similar community action groups that you might want to join? Write a short summary of what you have learned about Habitat or another group.

## Participation Activities

35. **Current Events Watch** The President often meets with leaders from other countries. Find recent news reports of such a meeting and try to answer these questions: Why did the President meet with that particular dignitary? What topics did they discuss? Why does the President frequently hold such meetings? Can these meetings have any impact on this country's foreign relations? Can they have any impact on politics in this country?
36. **Chart Activity** Create a chart that lists the various powers of the President and the sources of each power. Then write a summary statement contrasting the power of the President today with the power that the Framers intended the President to have when they created the position in 1787.
37. **It's Your Turn** You have completed your first year as President. Write the opening paragraphs of a State of the Union address. Explain how you intend to lead the nation in the year ahead. Open with a statement in which you summarize your beliefs about the role of the President. Explain what you predict will be your greatest upcoming challenge and how you will attempt to address it, using your constitutional powers. (Writing a Speech)



## Take It to the Net

**Chapter 14 Self-Test** As a final review activity, take the Chapter 14 Self-Test in the Social Studies area at the Web site listed below, and receive immediate feedback on your answers.

[www.phschool.com](http://www.phschool.com)



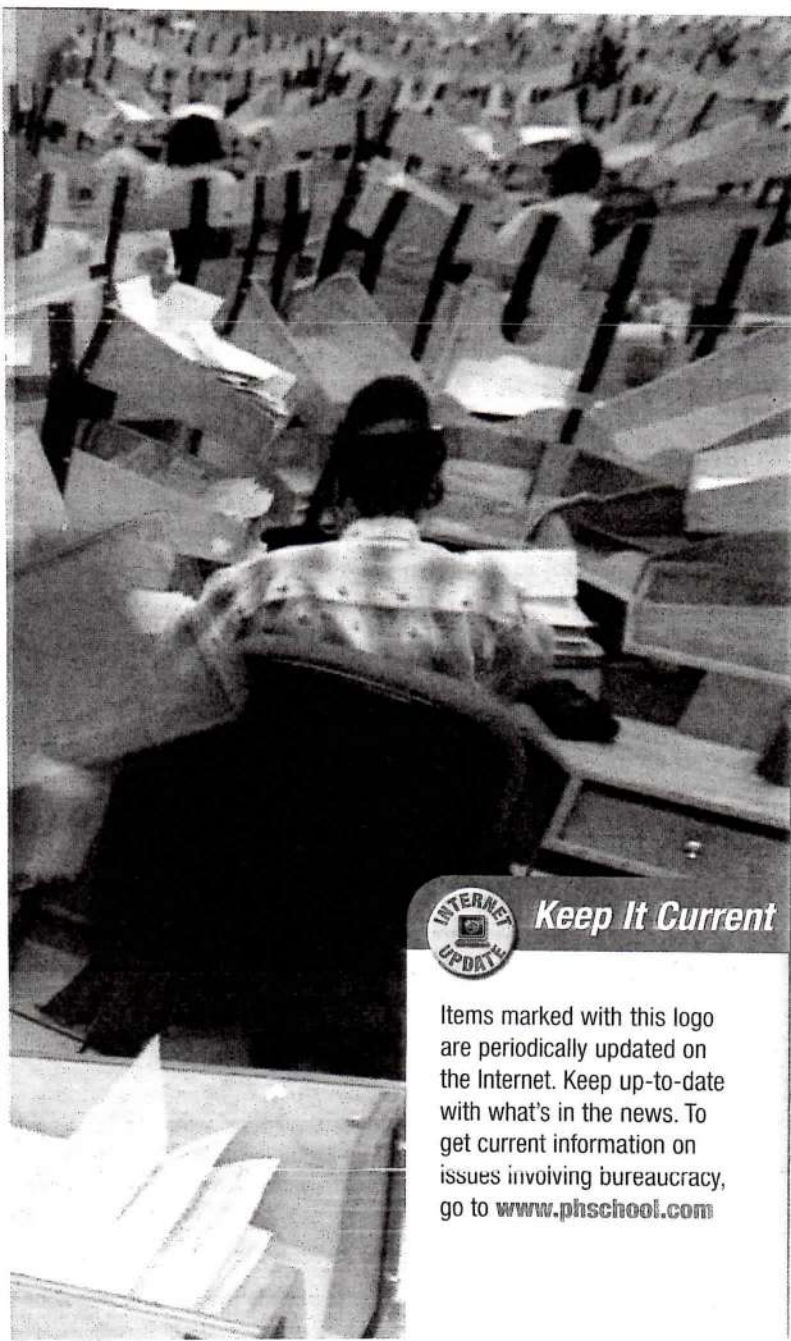
# Chapter 15 in Brief



## You Can Make a Difference

**"SOMETHING THAT'S IMPORTANT** to you—just fight for it."

With that attitude, Andrew Holleman became the youngest winner of a Regional Merit Award from the Environmental Protection Agency, the federal agency that guards the nation's air, land, and water. At age 12, Andrew began a campaign to save a local wetland in Chelmsford, Massachusetts, from a developer's bulldozer. He studied geology, collected neighbors' signatures on a petition, spoke at meetings, and wrote to State and local officials. At last, the Zoning Board turned down the development. Andrew carried his activism on into high school, with plans to study environmental science in college.



### Keep It Current

Items marked with this logo are periodically updated on the Internet. Keep up-to-date with what's in the news. To get current information on issues involving bureaucracy, go to [www.phschool.com](http://www.phschool.com)

## SECTION 1

### *The Federal Bureaucracy* (pp. 414–418)

- ★ The federal bureaucracy is a large, highly organized group that carries out the work of the Federal Government.
- ★ The names given to agencies, including *commission*, *administration*, and *corporation*, may indicate an agency's nature.
- ★ Agencies include line agencies, which operate programs, and staff agencies, which support the line agencies.

## SECTION 2

### *The Executive Office of the President*

(pp. 419–422)

- ★ The Executive Office of the President includes several important agencies staffed by the President's closest aides.
- ★ The White House Office is the "nerve center" of the Executive Office of the President.
- ★ Other units of the Executive Office advise the President on domestic affairs and foreign policy.

## SECTION 3

### *The Executive Departments* (pp. 424–429)

- ★ Each of the 15 executive departments manages federal policy in a broad field of activity, such as education, labor, or defense.
- ★ The heads of the departments meet with the President and other advisors in a group called the Cabinet.
- ★ The President chooses his nominees to lead the executive departments, subject to approval by the Senate.
- ★ The President decides how often the Cabinet meets.

## SECTION 4

### *Independent Agencies* (pp. 430–435)

- ★ Independent agencies are not part of any of the executive departments.
- ★ The independent agencies are of three types: independent executive agencies, independent regulatory commissions, and government corporations.
- ★ Independence gives these agencies some freedom from political pressure.

## SECTION 5

### *The Civil Service* (pp. 437–440)

- ★ The people who work in the federal bureaucracy make up the civil service.
- ★ Early on, the spoils system infected the civil service.
- ★ Corruption was a serious problem until reformers began to reshape the civil service in the 1880s.
- ★ Today, the vast majority of federal employees are hired and promoted on the basis of merit, not party membership.



## Section Preview

### OBJECTIVES

1. **Define** a bureaucracy.
2. **Identify** the major elements of the federal bureaucracy.
3. **Explain** how groups within the federal bureaucracy are named.
4. **Describe** the difference between a staff agency and a line agency.

### WHY IT MATTERS

The Federal Government is the nation's largest employer. Nearly 2.7 million men and women work in the federal bureaucracy, and they do nearly all of the day-to-day work of the government.

### POLITICAL DICTIONARY

- ★ **bureaucracy**
- ★ **bureaucrat**
- ★ **administration**
- ★ **staff agency**
- ★ **line agency**

**T**hink about this for a moment: It is impossible for you to live through a single day without somehow encountering the federal bureaucracy. A **bureaucracy** is a large, complex administrative structure that handles the everyday business of an organization.<sup>1</sup> The Federal Government is the largest organization in the country. Federal employees deliver the mail, regulate business practices, collect taxes, manage the national forests, conduct American foreign policy, administer Social Security programs—the list goes on and on.

## What Is a Bureaucracy?

To many Americans, the word *bureaucracy* suggests such things as waste, red tape, and delay. While that image is not altogether unfounded, it is quite lopsided. Basically, bureaucracy is an efficient and an effective way to organize people to do work.

Bureaucracies are found wherever there are large organizations. They are found in both the public sector and the private sector in this country. Thus, the United States Air Force, McDonald's, the Social Security Administration, MTV, your town or city government, and the Roman Catholic Church are all bureaucracies. Even your school is a bureaucracy.

## Three Features of a Bureaucracy

In dictionary terms, a bureaucracy is a system of organization built on these three principles: hierarchical authority, job specialization, and formalized rules.

1. *Hierarchical authority.* The word *hierarchical* describes any organization that is built as a pyramid, with a chain of command running from the top of the pyramid to the bottom. The few officials and units at the top of the organization have authority over those



▲ Bureaucrats once used red ribbon, called “red tape” in Britain, to hold their files together. Today, people use the phrase “red tape” to describe the delays and paperwork they face when working with a bureaucracy.

<sup>1</sup>The term *bureaucracy* is a combination of the French word *bureau*, which originally referred to a desk of a government official and later to the place where an official works, and the suffix *-cracy*, signifying a type of governmental structure.



officials and units at the larger middle level, who in turn direct the activities of the many at the bottom level.

2. *Job specialization.* Each **bureaucrat**, or person who works for the organization, has certain defined duties and responsibilities. There is a precise division of labor within the organization.

3. *Formalized rules.* The bureaucracy does its work according to a set of established regulations and procedures.

### The Benefits of a Bureaucracy

These three features—hierarchical authority, job specialization, and formalized rules—make bureaucracy the most effective way for people to work together on large and complex tasks. The hierarchy can speed action by reducing conflicts over who has the power to make decisions. The higher a person's rank in the organization, the greater the decision-making power he or she has.

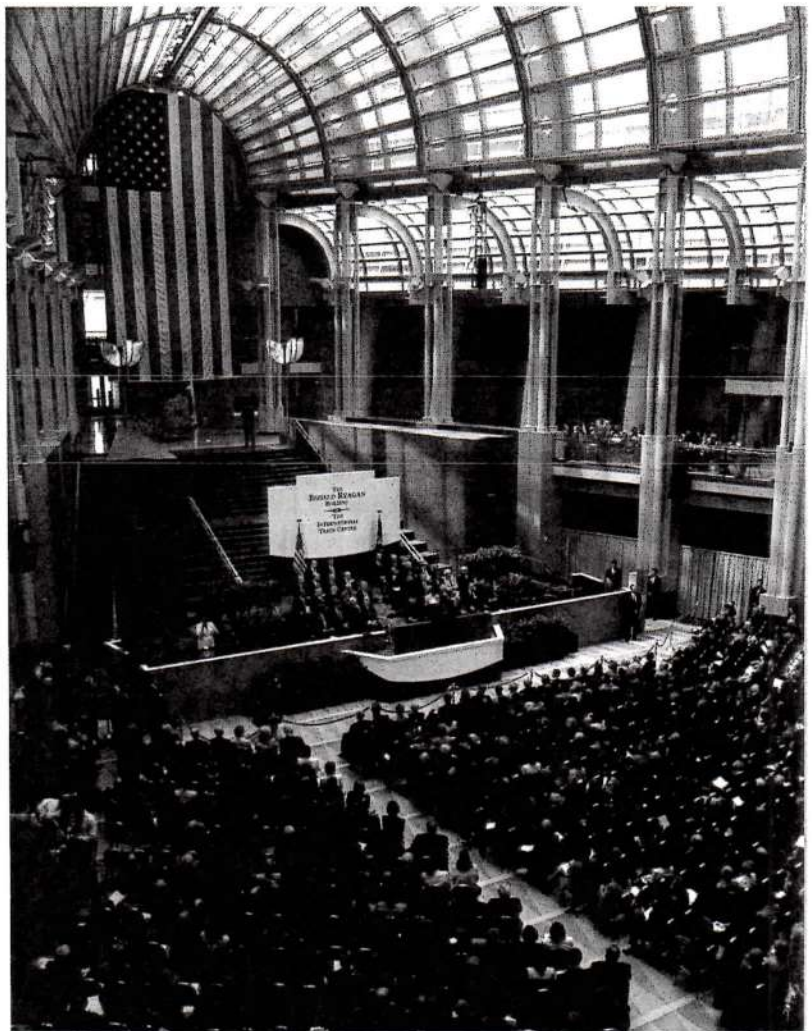
Job specialization promotes efficiency because each person in the organization is required to focus on one particular job. Each worker thus gains a set of specialized skills and knowledge. Formalized rules mean that workers can act with some speed and precision because decisions are based on a set of known standards, not on someone's likes, dislikes, or inclinations. These rules also enable work to continue even as some workers leave an organization and new workers are hired to replace them.

Recognize this very important point about public bureaucracies: their bureaucrats hold appointive offices. Bureaucrats are *unelected* public-policy makers. This is not to say that bureaucracies are undemocratic. However, in a democracy much depends on how effectively the bureaucracy is controlled by those whom the people *do* elect. Listen to James Madison on the point:

#### PRIMARY Sources

*"In framing a government which is to be administered by men over men, the great difficulty lies in this: you must first enable the government to control the governed; and in the next place oblige it to control itself."*

—The Federalist No. 51



▲ **The Reagan Building** Second only to the Pentagon in size, the Ronald Reagan Building and International Trade Center houses government offices in downtown Washington, D.C.

## Major Elements of the Federal Bureaucracy

The federal bureaucracy is all of the agencies, people, and procedures through which the Federal Government operates. It is the means by which the government makes and administers public policy—the sum of its decisions and actions. As the chart on page 417 shows, nearly all of the federal bureaucracy is located in the executive branch.

The Constitution makes the President the chief administrator of the Federal Government. Article II, Section 3 declares that “he shall take Care that the Laws be faithfully executed.” But the Constitution makes only the barest mention of the administrative machinery through which the President is to exercise that power.

Article II does suggest executive departments by giving to the President the power to “require





▲ A federal agency can be called a *commission*, *bureau*, *administration*, or one of several other names. **Critical Thinking** Why is *commission* an appropriate name for the SEC, which oversees stock markets?

the Opinion, in writing, of the principal Officer in each of the executive Departments.”<sup>2</sup>

Article II anticipates two departments in particular, one for military and one for foreign affairs. It does so by making the President the “Commander in Chief of the Army and Navy,” and by giving him the power to make treaties and to appoint “Ambassadors, other public Ministers, and Consuls.”<sup>3</sup>

Beyond those references, the Constitution is silent on the organization of the executive branch. The Framers certainly intended for administrative agencies to be created, however. They understood that no matter how wise the President and the Congress, their decisions still had to be acted upon to be effective. Without an **administration**—the government’s many administrators and agencies—even the best policies would amount to just so many words and phrases. The President and Congress need millions of men and women to put policies into action in Washington, D.C., and in offices all around the country.

The chief organizational feature of the federal bureaucracy is its division into areas of specialization. As you can see on page 417, the executive branch is composed of three broad groups of agencies: (1) the Executive Office of the President, (2) the 15 Cabinet departments, and (3) a large number of independent agencies.<sup>4</sup>

## The Name Game

The titles given to the many units that make up the executive branch vary a great deal. The name *department* is reserved for agencies of Cabinet rank. Beyond the title of *department*, however, there is little standardized use of titles.

Common titles used in the executive branch include *agency*, *administration*, *commission*, *corporation*, and *authority*.

The term *agency* is often used to refer to any governmental body. It is sometimes used to identify a major unit headed by a single administrator of near-cabinet status, such as the Environmental Protection Agency. But so, too, is the title *administration*; for example, the National Aeronautics and Space Administration and the General Services Administration.

The name *commission* is usually given to agencies charged with the regulation of business activities, such as the Federal Communications Commission and the Securities and Exchange Commission. Top-ranking officers called commissioners head these units. The same title, however, is given to some investigative, advisory, and reporting bodies, including the Civil Rights Commission and the Federal Election Commission.

Either *corporation* or *authority* is the title most often given to those agencies that conduct business-like activities. Corporations and authorities are headed by a board and a manager. Examples include the Federal Deposit Insurance Corporation and the Tennessee Valley Authority.

<sup>2</sup>Article II, Section 2, Clause 1. There is also a reference to “Heads of Departments” in Clause 2, and to “any Department or Officer” of the government in Article I, Section 8, Clause 18.

<sup>3</sup>Article II, Section 2, Clauses 1 and 2.

<sup>4</sup>The chart is adapted from the current edition of the *United States Government Manual*, published each year by the Office of the Federal Register in the National Archives and Records Administration. The *Manual* includes a brief description of every agency in each of the three branches of the Federal Government. More than 750 of its now nearly 900 pages are devoted to the executive branch.



# The Government of the United States

The Constitution  
creates three branches  
of government

## THE LEGISLATIVE BRANCH



### CONGRESS

#### Houses of Congress

Senate and House of Representatives

#### Legislative Offices and Departments

Architect of the Capitol  
General Accounting Office  
Government Printing Office  
Library of Congress  
United States Botanic Garden  
Office of Technology Assessment  
Congressional Budget Office  
Copyright Royalty Tribunal  
United States Tax Court

## THE EXECUTIVE BRANCH



### THE PRESIDENT

#### The Administration

- 1 Executive Office of the President
- 2 Executive Departments
- 3 Independent Agencies

## THE JUDICIAL BRANCH



### THE SUPREME COURT OF THE UNITED STATES

#### Other Courts

Courts of Appeals  
District Courts  
Federal Claims Court  
Court of Appeals for the Federal Circuit  
Court of International Trade  
Territorial Courts  
Court of Appeals for the Armed Forces  
Court of Appeals for Veterans Claims  
Administrative Office of the United States  
Federal Judicial Center

### 1 Executive Office of the President

White House Office  
Office of Management  
and Budget  
Council of Economic  
Advisers  
National Security Council  
Office of National Drug  
Control Policy  
Office of the United States  
Trade Representative  
Council on Environmental  
Quality  
Office of Science and  
Technology Policy  
Office of Administration  
Office of the Vice President  
Office of Faith-Based and  
Community Initiatives  
Office of Homeland Security

### 2 Executive Departments

Department of State  
Department of the Treasury  
Department of Defense  
Department of Justice  
Department of the Interior  
Department of Agriculture  
Department of Commerce  
Department of Labor  
Department of Health and  
Human Services  
Department of Housing and  
Urban Development  
Department of Transportation  
Department of Energy  
Department of Education  
Department of Veterans  
Affairs  
Department of Homeland  
Security

### 3 Independent Agencies\*

Central Intelligence Agency	Federal Reserve System
Commission on Civil Rights	Federal Trade Commission
Commodity Futures	General Services Administration
Trading Commission	Merit Systems Protection Board
Consumer Product Safety	National Aeronautics and Space
Commission	Administration
Corporation for National and	National Archives and Records
Community Service	Administration
Environmental Protection Agency	National Labor Relations Board
Equal Employment Opportunity	National Railroad Passenger
Commission	Corporation
Export-Import Bank of the U.S.	National Transportation Safety Board
Farm Credit Administration	Nuclear Regulatory Commission
Federal Communications	Office of Personnel Management
Commission	Peace Corps
Federal Deposit Insurance	Securities and Exchange Commission
Corporation	Selective Service System
Federal Election Commission	Small Business Administration
Federal Housing Finance Board	Social Security Administration
Federal Maritime Commission	Tennessee Valley Authority
Federal Mediation and Conciliation	U.S. Postal Service
Service	

\*Altogether, there are some 150 independent agencies in the executive branch.

**Interpreting Charts** Nearly 90 percent of all of the men and women who work for the Federal Government work outside the Washington, D.C., area. **According to this chart, which branch makes up the largest share of the federal bureaucracy?**



Within each major agency, the same confusing lack of uniformity in the use of names is common. *Bureau* is the name often given to the major elements in a department, but *service*, *administration*, *office*, *branch*, and *division* are often used for the same purpose. For example, the major units within the Department of Justice include the Federal Bureau of Investigation, the United States Marshals Service, the Drug Enforcement Administration, the Office of the Pardon Attorney, and the Criminal Division.

Many federal agencies are often referred to by their initials. The EPA, IRS, FBI, CIA, FCC, and TVA are but a few of the dozens of familiar examples.<sup>5</sup> A few are also known by nicknames. For example, the Government National Mortgage Association is often called "Ginnie Mae," and the National Railroad Passenger Corporation is better known as Amtrak.

## Staff and Line Agencies

The several units that make up any administrative organization can be classified as either staff or line agencies. **Staff agencies** serve in a support capacity. They aid the chief executive and other administrators by offering advice and other assistance in the management of the organization. **Line agencies**, on the other hand, actually

perform the tasks for which the organization exists. Congress and the President give the line agencies goals to meet, and the staff agencies help the line agencies meet these goals as effectively as possible through advising, budgeting, purchasing, management, and planning.

Two illustrations of this distinction are the several agencies that make up the Executive Office of the President and, in contrast, the Environmental Protection Agency. The agencies that make up the Executive Office of the President (the White House Office, the National Security Council, the Office of Management and Budget, and others, as you will read in the next section) each exist as staff support to the President. Their primary mission is to assist the President in the exercise of the executive power and in the overall management of the executive branch. They are not operating agencies. That is, they do not actually operate, or administer, public programs.

The Environmental Protection Agency (EPA), on the other hand, has a different mission. It is responsible for the day-to-day enforcement of the many federal antipollution laws. The EPA operates "on the line," where "the action" is.

This difference between staff agencies and line agencies can help you find your way through the complex federal bureaucracy. The distinction between the two can be oversimplified, however. For example, most line agencies do have staff units to aid them in their line operations. Thus, the EPA's Office of Civil Rights is a staff unit. Its job is to ensure that the agency's personnel practices do not violate the Federal Government's antidiscrimination policies.

<sup>5</sup>The use of acronyms can sometimes cause problems. When the old Bureau of the Budget was reorganized in 1970, it was also renamed. It is now the Office of Management and Budget (OMB). However, it was for a time slated to be known as the Bureau of Management and Budget (BOMB).

## Section 1 Assessment

### Key Terms and Main Ideas

1. Describe the three defining features of a **bureaucracy** in your own words.
2. Why does a government need an **administration**?
3. What is the role of a **staff agency**? A **line agency**?

### Critical Thinking

4. **Drawing Conclusions** How would you describe the system of naming federal agencies in one word? Explain your answer.
5. **Drawing Inferences** Explain how the three defining characteristics of a bureaucracy can lead to an effective government.

6. **Predicting Consequences** How might a strong, independent bureaucracy weaken the power of elected representatives?



### Take It to the Net

7. Read how different parts of the federal bureaucracy deal with environmental issues. Then choose two agencies and create a diagram or graphic organizer comparing the different roles that they play in United States environmental policy. Use the links provided in the Social Studies area at the following Web site for help in completing this activity.  
[www.phschool.com](http://www.phschool.com)



# The Executive Office of the President

## Section Preview

### OBJECTIVES

1. **Describe** the Executive Office of the President.
2. **Explain** the duties of the White House Office, the National Security Council, and the Office of Homeland Security.
3. **Identify** additional agencies in the Executive Office of the President.

### WHY IT MATTERS

The Executive Office of the President is composed of the President's closest advisors and several support agencies. They aid the chief executive in the formation and execution of the nation's public policies.

### POLITICAL DICTIONARY

- ★ **Executive Office of the President**
- ★ **federal budget**
- ★ **fiscal year**
- ★ **domestic affairs**

**T**homas Jefferson performed his presidential duties with the help of two aides, one a messenger and the other his secretary. Like other early Presidents, he paid their salaries out of his own pocket. Indeed, Congress did not provide any money for presidential staff until 1857, when it gave President James Buchanan \$2,500 for one clerk.

The situation is remarkably different today. President Jefferson presided over an executive branch that employed only some 2,100 people. Now, some 2.7 million men and women work in the Bush administration. Two institutions—the Executive Office of the President and the President's Cabinet—are at the center of today's huge executive branch.

## The Executive Office of the President

Every officer, every employee, and every agency in the executive branch of the Federal Government is legally subordinate to the President. They all exist to help the President—the chief executive—in the exercise of the executive power.

The President's right arm, however, is the **Executive Office of the President** (the EOP). The Executive Office of the President is, in fact, an umbrella agency. It is a complex organization of several separate agencies staffed by most of the President's closest advisors and assistants.

The EOP was established by Congress in 1939. It has been reorganized in every administration since then.

## The White House Office

The “nerve center” of the Executive Office—in fact, of the entire executive branch—is the White House Office. It houses the President's key personal and political staff.

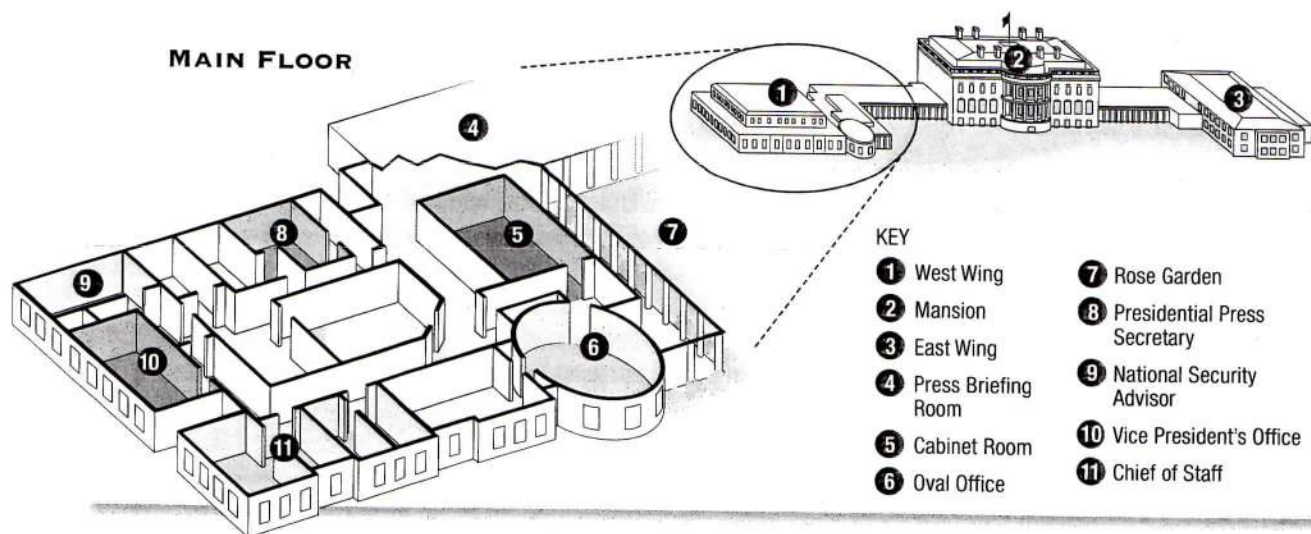
The two wings on either side of the White House hold the offices of most of the President's staff. These employees occupy most of the crowded West Wing, which the public seldom sees and where the legendary Oval Office and the Cabinet Room are located. Some staff members work in the East Wing, where public tours of the White House



▲ Federal workers in the West Wing



## The West Wing of the White House



**Interpreting Diagrams** The President's closest advisors work in the West Wing of the White House, near the Oval Office. **Why do you think the Cabinet Room is so close to the Oval Office?**

begin. Still others are housed in the historic Old Executive Office Building, across the street from the West Wing.

The chief of staff to the President directs all of the operations of the White House Office and is among the most influential of all the presidential aides. The counselor to the President and a number of senior advisors are also key members of the President's inner circle.

Several other top officials work in the White House Office. Assistants and deputy assistants to the President aid the chief executive in such vital areas as foreign policy, defense, the economy, political affairs, congressional relations, and contacts with the news media and the public.

The staff of the White House Office also includes such other major presidential aides as the press secretary, the counsel (legal advisor) to the President, and the President's physician. The first lady's very visible place in public life today is reflected by the fact that one of the assistants to the President serves as her chief of staff and one of the several deputy assistants is her press secretary. Altogether, the staff of the White House Office now numbers some 400 men and women who, in a very real sense, work for the President.

## The National Security Council

Most of the President's major steps in foreign affairs are taken in close consultation with the National Security Council (NSC). It meets at the President's call, often on short notice, to advise him in all domestic, foreign, and military matters that relate to the nation's security.

The President chairs the Council. Its other members are the Vice President and the secretaries of state and defense. The director of the Central Intelligence Agency (CIA) and the chairman of the Joint Chiefs of Staff also attend its meetings.

The NSC has a small staff of foreign and military policy experts. They work under the direction of the President's assistant for national security affairs, who is often called the President's national security advisor. The super-secret Central Intelligence Agency does much of its work at the direction of the NSC.

The National Security Council is a staff agency. That is, its job is to advise the President in all matters affecting the nation's security. However, during the Reagan administration in the 1980s, the NSC's staff actually conducted a number of secret operations. The most spectacular of these involved the sale of arms to Iran, and the use of some of the proceeds (money) from those sales to aid the Contra rebels in



Nicaragua. Congress had prohibited military aid to the Contras, and the disclosure of the NSC's role produced the Iran-Contra scandal of the mid-1980s.

## Office of Homeland Security

The Office of Homeland Security is the newest major agency in the EOP. It was created by President Bush immediately after terrorists struck the World Trade Center and the Pentagon on September 11, 2001.

The Office is headed by a director whose primary job is to keep the President fully aware of all ongoing efforts to protect this country against any and all acts of terrorism. The director and his staff work closely with the new Cabinet-level Department of Homeland Security.

## Other EOP Agencies

The EOP's umbrella covers several other—and important—agencies. Each of them provides essential staff help to the Chief Executive.

### Office of Management and Budget

The Office of Management and Budget (OMB) is the largest and, after the White House Office, the most influential unit in the Executive Office. The OMB is headed by a director who is appointed by the President and confirmed by the Senate. The OMB's major task is the preparation of the federal budget, which the President must submit to Congress in January or February each year.

The **federal budget** is a very detailed estimate of receipts and expenditures, an anticipation of federal income and outgo, during the next **fiscal year**. A fiscal year is the 12-month period used by government and business for record keeping, budgeting, and other financial management purposes. The Federal Government's fiscal year runs from October 1 through September 30.

The budget is more than just a financial document. It is a plan—a carefully drawn, closely detailed work plan for the conduct of government. It is an annual statement of the public policies of the United States, expressed in dollar terms.

The creation of each fiscal year's budget is a lengthy process that begins more than a year before the start of the fiscal year for which the budget is intended. In the first stages, each federal agency prepares detailed estimates of its spending needs for that 12-month period. The OMB reviews those proposals, usually in a series of budget hearings that give agency officials the opportunity to defend their dollar requests. Following that agency-by-agency review, the revised (and usually lowered) spending estimates are fitted into the President's overall program.

The OMB also monitors the spending of the funds Congress appropriates. That is, it oversees the execution of the budget. The President's close control over both the preparation and execution of the budget is a major factor in his ability to command the huge executive branch.

Beyond its budget chores, the OMB is a sort of presidential "handy-man" agency. It makes continuing studies of the organization and management of the executive branch and keeps the President up to date on the work of all its agencies. The OMB checks and clears agency stands on all legislative matters to make certain they agree with the President's policy positions. It also helps the President prepare the hundreds of executive orders he must issue each year and the veto messages he occasionally sends to Congress. In short, the OMB does much to live up to the word *management* in its title.

### Office of Faith-Based and Community Initiatives

The Office of Community and Faith-Based Initiatives was created by President Bush in 2001. Much of the best work being done today to combat drug abuse, homelessness, poverty, and similar problems is being done by private groups—by churches and church-related groups and other not-for-profit organizations. The Office of Faith-Based and Community Initiatives is charged with encouraging and expanding these private efforts.

### Office of National Drug Control Policy

The Office of National Drug Control Policy was established in 1989. Its existence dramatizes the nation's concern over drugs. The office is headed by a director who is appointed by the President, subject to the Senate's approval.



The news media regularly identify the director as “the nation’s drug czar.” To this point, the office has operated mostly as an advisory and planning agency, however.

### **Council of Economic Advisers**

Three of the country’s leading economists, chosen by the President with the consent of the Senate, make up the Council of Economic Advisers. It is the chief executive’s major source of information and advice on the nation’s economy. The Council also helps the President prepare his annual Economic Report to Congress, which, together with a presidential message, goes to Capitol Hill in late January or early February each year.

### **Other Units in the EOP**

A number of other agencies in the Executive Office house key presidential aides. These men and women make it possible for the President to meet his many-sided responsibilities.

The Office of Policy Development advises the Chief Executive on all matters relating to the nation’s **domestic affairs**—that is, all matters not directly connected to the realm of foreign affairs.

The Council on Environmental Quality aids the President in environmental policy matters and in the writing of the annual “state of the environment” report to Congress. It sees that federal agencies comply with the nation’s many environmental laws and with the President’s environmental policies.

The council’s three members are appointed by the President, with the Senate’s consent. They sometimes act as referees in disputes between or among executive branch agencies, such as a conflict between the Environmental Protection Agency and one or more agencies in the Departments of the Agriculture, Interior, or Energy.

The Office of the Vice President houses the Vice President’s staff. It now includes more than 50 men and women who make it possible for the Vice President to perform the duties of his office.

The Office of United States Trade Representative advises the chief executive in all matters of foreign trade. The trade representative, appointed by the President and confirmed by the Senate, carries the rank of ambassador and represents the President in foreign trade negotiations.

The Office of Science and Technology Policy is the President’s major advisor in all scientific, engineering, and other technological matters relating to national policies and programs. Its director is drawn from the nation’s scientific community.

The Office of Administration is the general housekeeping agency for all the other units in the Executive Office. It provides them with the many support services they must have in order to do their jobs, including clerical help, data processing, library services, transportation, and much more.

## **Section 2 Assessment**

### **Key Terms and Main Ideas**

1. List and explain three duties of the agencies that make up the **Executive Office of the President**.
2. Describe an EOP agency that directly relates to **domestic affairs**.
3. Outline the preparation of the **federal budget**.

### **Critical Thinking**

4. **Testing Conclusions** Cite evidence to show that the Executive Office of the President is an essential part of the executive branch.
5. **Determining Cause and Effect** What are the advantages of having an agency, such as the OMB, write the federal budget and monitor spending?

6. **Understanding Point of View** If you could choose one executive agency for which to work, which would you select? What would you like to accomplish in that agency?



### **Take It to the Net**

7. Look over statistics, graphs, and charts from the most recent federal budget. List five conclusions you can draw from looking at this data. Who will benefit from this budget? Use the links provided in the Social Studies area at the following Web site for help in completing this activity.  
**www.phschool.com**



## The Making of the Modern Presidency

*As he began his second term in 1937, President Franklin D. Roosevelt asked Congress to authorize a major reorganization of the executive branch. Congress responded by creating the Executive Office of the President (EOP), in 1939.*

**T**he time has come to set our house in order. . . . The executive structure of the Government is sadly out of date. I am not the first President to report to the Congress that antiquated machinery stands in the way of effective administration and of adequate control by the Congress. . . .

Over a year ago. . . . I appointed a Committee on Administrative Management to examine the whole problem. . . .

They say what has been common knowledge for 20 years, that the President cannot adequately handle his responsibilities; that he is overworked; that it is humanly impossible under the system which we have, for him to carry out his constitutional duty as Chief Executive, because he is overwhelmed with minor details and needless contacts arising directly from the bad organization and equipment of the Government. I can testify to this. . . .

The Committee includes these major recommendations:

1. Expand the White House staff so that the President may have a sufficient group of able assistants to keep him in closer and easier touch with the widespread affairs of administration. . . .
2. Strengthen and develop the managerial agencies of the Government, particularly those dealing with the budget and efficiency research, with personnel and with planning, as management-arms of the Chief Executive. . . .



President Franklin D. Roosevelt  
1882–1945

In placing this program before you I realize that it will be said that I am recommending the increase of the powers of the Presidency. This is not true. . . . What I am placing before you is not the request for more power, but for the tools of management and authority to distribute the work so that the President can effectively discharge those powers which the Constitution now places upon him. Unless we are prepared to abandon this important part of the Constitution, we must equip

the Presidency with authority commensurate with his responsibilities under the Constitution.

### Analyzing Primary Sources

1. Why has the executive structure of government become out-of-date, according to Roosevelt?
2. According to Roosevelt, what problem does the existing executive structure create for the President?
3. What does it imply about the Federal Government that Roosevelt had to speak to Congress to reorganize his office?
4. Roosevelt claimed his request would not increase presidential power. Do you agree or disagree? Explain.



# The Executive Departments

## Section Preview

### OBJECTIVES

1. **Describe** the origin and work of the executive departments.
2. **Explain** how the members of the Cabinet are chosen.
3. **Identify** the role of the Cabinet in the President's decisions.

### WHY IT MATTERS

Fifteen executive departments carry out much of the Federal Government's work. The heads of these departments frequently meet with the President and other officials as the Cabinet.

### POLITICAL DICTIONARY

- ★ **executive departments**
- ★ **secretary**
- ★ **attorney general**

In *The Federalist* No. 76, Alexander Hamilton declared that “the true test of a good government is its aptitude and tendency to produce a good administration.” Given that comment, it seems strange that Hamilton and the other Framers of the Constitution spent so little time on the organization of the executive branch of the government they were creating. Instead, the machinery of federal administration has been built over time to meet the changing needs of the country.

## Executive Departments

Much of the work of the Federal Government is done by the 15 **executive departments**. Often called the Cabinet departments, they are the

traditional units of federal administration, and each of them is built around some broad field of activity.

The First Congress created three of these departments in 1789: the Departments of State, Treasury, and War. As the size and the workload of the Federal Government grew, Congress added new departments. Some of the newer ones took over various duties originally assigned to older departments, and they gradually assumed new functions, as well. Over time, Congress has also created and later combined or abolished some departments.

### Chief Officers and Staff

Each department is headed by a **secretary**, except for the Department of Justice, whose work is directed by the **attorney general**. As you will see, these department heads serve in the President's Cabinet. Their duties as the chief officers of their own departments take up most of their time, however.

Each department head is the primary link between presidential policy and his or her own department. Just as importantly, each of them also strives to promote and protect his or her department with the White House, with Congress and its committees, with the rest of the federal bureaucracy, and with the media and the public.

An under secretary or deputy secretary and several assistant secretaries aid the secretary in his or her multidimensional role. These officials are also named by the President and confirmed by the Senate. Staff support for the secretary comes

► President George Washington's (right) first Cabinet included Secretary of State Thomas Jefferson (second left); and Secretary of the Treasury Alexander Hamilton (second right).





## Federal Workers Around the Country



**California**  
A physical therapist helps a patient at a Veterans Health Administration hospital.



**Iowa**  
A scientist with the Department of Agriculture conducts soil tests in Iowa.



**Maryland**  
A researcher reviews data at the National Institutes of Health.



**Interpreting Diagrams** Federal employees can be found wherever the Federal Government has work to do, including a Veterans Health Administration hospital in California, a farm in Iowa, or a federal office in Maryland. **Why do only ten percent of federal employees work in the Washington, D.C., area?**

from assistants and aides with a wide range of titles in such areas as personnel, planning, legal advice, budgeting, and public relations.

### Subunits

Each department is made up of a number of subunits, both staff and line. Each of these subunits, or agencies, is usually further divided into smaller working units. Thus, the Criminal Division in the Department of Justice is composed of many sections, including, for example, the Terrorism and Violent Crime Section and the Narcotics and Dangerous Drugs Section. Approximately 80 percent of the men and women who head the bureaus, divisions, and other major units within each of the executive departments are career people, not political appointees.

Many of the agencies in executive departments are structured geographically. Much of the work is done through regional and/or district offices, which, in turn, direct the activities of the agency's employees in the field. In fact, nearly 90 percent of all of the men and women who work as civilian employees of the Federal

Government are stationed somewhere outside the nation's capital.

Take the Veterans Health Administration, part of the Department of Veterans Affairs, to illustrate the point. It does nearly all of its work providing medical care to eligible veterans at 173 medical centers, 376 outpatient clinics, and a large number of other facilities located throughout the country.

### The Departments Today

Today, the executive departments vary a great deal in terms of visibility, size, and importance. The Department of State is the oldest and the most prestigious department; but it is also among the smallest, with only about 25,000 employees. The Department of Defense is the largest, with nearly 670,000 civilian workers, and another 1.4 million men and women in uniform.

The Department of Health and Human Services has the largest budget; it accounts for approximately a third of all federal spending each year. The Department of Homeland Security became the newest of the executive departments when Congress created it in 2002.



## The Fifteen Executive Departments

DEPARTMENT (YEAR ESTABLISHED)	PRINCIPAL FUNCTIONS	IMPORTANT AGENCIES
<b>State</b> (1789)	<ul style="list-style-type: none"> <li>• Advises President on foreign policy</li> <li>• Negotiates agreements with foreign countries</li> <li>• Represents the United States abroad and in international organizations</li> </ul>	<ul style="list-style-type: none"> <li>• Foreign Service</li> <li>• Regional Bureaus</li> <li>• Bureau of International Organization Affairs</li> <li>• Bureau of Consular Affairs (Office of Passport Services)</li> <li>• Bureau of Diplomatic Security</li> </ul>
<b>Treasury</b> (1789)	<ul style="list-style-type: none"> <li>• Produces coins and bills</li> <li>• Collects taxes</li> <li>• Borrows money and manages public debt</li> <li>• Enforces alcohol, tobacco, and firearms laws</li> </ul>	<ul style="list-style-type: none"> <li>• Internal Revenue Service</li> <li>• Bureau of the Public Debt</li> <li>• Bureau of Alcohol, Tobacco, and Firearms</li> <li>• United States Mint</li> <li>• Bureau of Engraving and Printing</li> </ul>
<b>Defense<sup>a</sup></b> (1789)	<ul style="list-style-type: none"> <li>• Provides military forces to deter war and protect the nation's security</li> </ul>	<ul style="list-style-type: none"> <li>• Joint Chiefs of Staff</li> <li>• Departments of the Army, the Navy, and the Air Force</li> </ul>
<b>Justice<sup>b</sup></b> (1870)	<ul style="list-style-type: none"> <li>• Prosecutes those accused of violating federal law</li> <li>• Enforces federal laws</li> <li>• Operates federal prisons</li> <li>• Provides legal advice to President</li> <li>• Represents United States in court</li> </ul>	<ul style="list-style-type: none"> <li>• Federal Bureau of Investigation</li> <li>• Drug Enforcement Administration</li> <li>• U.S. Marshals Service</li> <li>• Criminal Division</li> <li>• Civil Rights Division</li> <li>• Bureau of Prisons</li> </ul>
<b>Interior</b> (1849)	<ul style="list-style-type: none"> <li>• Manages public lands, wildlife refuges, and national parks</li> <li>• Operates hydroelectric power plants</li> <li>• Helps Native Americans manage their affairs</li> </ul>	<ul style="list-style-type: none"> <li>• U.S. Fish and Wildlife Service</li> <li>• Bureau of Land Management</li> <li>• Bureau of Indian Affairs</li> <li>• National Park Service</li> <li>• U.S. Geological Survey</li> <li>• Bureau of Reclamation</li> </ul>
<b>Agriculture</b> (1889)	<ul style="list-style-type: none"> <li>• Manages national forests</li> <li>• Inspects food</li> <li>• Assists farmers and ranchers</li> <li>• Administers food stamp and school lunch programs</li> </ul>	<ul style="list-style-type: none"> <li>• Agricultural Research Service</li> <li>• Food and Nutrition Service</li> <li>• Food Safety and Inspection Service</li> <li>• Farm Service Agency</li> <li>• Forest Service</li> <li>• Rural Utilities Service</li> </ul>
<b>Commerce<sup>c</sup></b> (1903)	<ul style="list-style-type: none"> <li>• Conducts census</li> <li>• Grants patents and registers trademarks</li> <li>• Promotes international trade, economic growth, and technological development</li> </ul>	<ul style="list-style-type: none"> <li>• Bureau of the Census</li> <li>• Patent and Trademark Office</li> <li>• International Trade Administration</li> <li>• Economic Development Administration</li> <li>• National Oceanic and Atmospheric Administration</li> <li>• Minority Business Development Agency</li> </ul>
<b>Labor</b> (1913)	<ul style="list-style-type: none"> <li>• Enforces federal laws on minimum wages, maximum hours, and safe working conditions</li> <li>• Operates job training programs</li> <li>• Administers unemployment insurance and workers' compensation programs</li> </ul>	<ul style="list-style-type: none"> <li>• Employment Standards Administration</li> <li>• Occupational Safety and Health Administration</li> <li>• Employment and Training Administration</li> <li>• Bureau of Labor Statistics</li> <li>• Pension and Welfare Benefits Administration</li> <li>• Women's Bureau</li> </ul>

**Interpreting Tables** Over the years, Congress created the 15 executive departments to handle the responsibilities of the Federal Government. **Which three Cabinet departments are the most important? Why?**

The 15 departments are profiled in the table on these two pages. The principal functions they perform and the titles of their major agencies provide a useful description of each of them.

### The Cabinet

The Cabinet is an informal advisory body brought together by the President to serve his needs. The Constitution makes no mention of it, nor did Congress create it.<sup>6</sup> Instead, the Cabinet is the product of custom and usage.

At its first session in 1789, Congress established four executive posts: secretary of state, secretary of the treasury, secretary of war, and

attorney general. By his second term, Washington was regularly seeking the advice of the four outstanding people he had named to those offices: Thomas Jefferson in the Department of State, Alexander Hamilton at the Treasury, Henry Knox in the War Department, and Edmund Randolph, the attorney general. So the Cabinet was born.

<sup>6</sup>The closest approach to it is in Article II, Section 2, Clause 1, where the President is given the power to "require the opinion, in writing, of the principal officer in each of the executive departments, upon any subject relating to the duties of their respective offices." The Cabinet was first mentioned in an act of Congress in 1907, well over a century after its birth.



DEPARTMENT (YEAR ESTABLISHED)	PRINCIPAL FUNCTIONS	IMPORTANT AGENCIES
<b>Health and Human Services<sup>d</sup></b> (1953)	<ul style="list-style-type: none"> <li>• Funds health care research programs</li> <li>• Conducts programs to prevent and control disease</li> <li>• Enforces pure food and drug laws</li> <li>• Administers Medicare and Medicaid</li> </ul>	<ul style="list-style-type: none"> <li>• Administration for Children and Families</li> <li>• Administration on Aging</li> <li>• Centers for Disease Control and Prevention</li> <li>• Food and Drug Administration</li> <li>• National Institutes of Health</li> </ul>
<b>Housing and Urban Development</b> (1965)	<ul style="list-style-type: none"> <li>• Operates home-financing and public housing programs</li> <li>• Enforces fair housing laws</li> </ul>	<ul style="list-style-type: none"> <li>• Office of Housing</li> <li>• Office of Fair Housing and Equal Opportunity</li> <li>• Government National Mortgage Association</li> </ul>
<b>Transportation</b> (1967)	<ul style="list-style-type: none"> <li>• Administers programs to promote and regulate highways, mass transit, railroads, waterways, air travel, and oil and gas pipelines</li> </ul>	<ul style="list-style-type: none"> <li>• Federal Highway Administration</li> <li>• Federal Aviation Administration</li> <li>• Maritime Administration</li> </ul>
<b>Energy</b> (1977)	<ul style="list-style-type: none"> <li>• Promotes production of renewable energy, fossil fuels, and nuclear energy</li> <li>• Transmits and sells hydroelectric power</li> <li>• Conducts nuclear weapons research and production</li> </ul>	<ul style="list-style-type: none"> <li>• Office of Energy Efficiency and Renewable Energy</li> <li>• Office of Nuclear Energy, Science and Technology</li> <li>• Regional Power Administration</li> <li>• Office of Civilian Radioactive Waste Management</li> </ul>
<b>Education</b> (1979)	<ul style="list-style-type: none"> <li>• Administers federal aid to schools</li> <li>• Conducts educational research</li> </ul>	<ul style="list-style-type: none"> <li>• Office of Elementary and Secondary Education</li> <li>• Office of Educational Research and Improvement</li> </ul>
<b>Veterans Affairs</b> (1988)	<ul style="list-style-type: none"> <li>• Administers benefits, pensions, and medical programs for veterans of the armed forces</li> <li>• Oversees military cemeteries</li> </ul>	<ul style="list-style-type: none"> <li>• Veterans Benefits Administration</li> <li>• Veterans Health Administration</li> <li>• National Cemetery Administration</li> </ul>
<b>Homeland Security</b> (2002)	<ul style="list-style-type: none"> <li>• Border and transportation security</li> <li>• Emergency preparedness and response</li> <li>• Chemical, biological, radiological, nuclear defense</li> <li>• Information analysis and infrastructure protection</li> </ul>	<ul style="list-style-type: none"> <li>• Several agencies transferred from other departments, including Customs Service, Secret Service (Treasury); Coast Guard (Transportation); Immigration and Naturalization Service (Justice); Federal Emergency Management Agency</li> </ul>
<p><sup>a</sup> Congress created the National Military Establishment as an executive department, headed by the Secretary of Defense, in 1947. It was renamed the Department of Defense, in 1949. Since 1947 the department has included the former cabinet-level Departments of War (1789) and the Navy (1798), and the Department of the Air Force.</p> <p><sup>b</sup> Congress created the office of Attorney General in 1789 but did not establish the Department of Justice until 1870.</p> <p><sup>c</sup> Congress created the Department of Commerce and Labor in 1903; it was replaced by the separate Departments of Commerce and of Labor in 1913.</p> <p><sup>d</sup> Congress created the Department of Health, Education, and Welfare in 1953. HEW's education functions were transferred to a new Department of Education in 1979, and HEW was renamed at that time.</p>		

By tradition, the heads of the now 15 executive departments form the Cabinet. Each of the last several Presidents has regularly added a number of other top officials to the group, including the director of the Office of Management and Budget and the President's chief domestic policy advisor. The Vice President is a regular participant, and several other major figures regularly attend Cabinet meetings in the Bush Administration—in particular the White House chief of staff, the United States trade representative, and the administrator of the Environmental Protection Agency.

## Choosing Cabinet Members

The President appoints the head of each of the 15 executive departments. Each of these appointments is subject to confirmation by the Senate, but rejections have been exceedingly rare. Of the more than 600 appointments made since 1789, only 12 have been rejected. The most recent rejection occurred in 1989, when the Senate refused to confirm President George H.W. Bush's selection of John Tower as secretary of defense.

President George W. Bush's nomination of John Ashcroft as Attorney General generated significant opposition in 2001; the Senate





▲ **Bush Cabinet Members** The Bush Cabinet includes Secretary of Labor Elaine Chao, the first Chinese American to hold a Cabinet office, and Hispanic Mel Martinez, Secretary of Housing and Urban Development.

confirmed the President's choice by a narrow vote, however.

Many factors influence the President's Cabinet choices. Party is almost always important. Republican Presidents do not often pick Democrats, and vice versa. One or more of a new President's appointees usually come from among those who played a major role in the recent presidential campaign.

Of course, professional qualifications and practical experience are also taken into account in the selection of Cabinet secretaries. Geography also plays a part. In broad terms, each President tries to give some regional balance to the Cabinet. Thus, the secretary of the interior regularly comes from the West, where most of the department's work is carried out.

Many interest groups care about Cabinet appointments, and they influence some of the choices. Thus, the secretary of agriculture usually has a background in agriculture. The secretary of the treasury often comes from the financial community, the secretary of commerce from the ranks of business, and so on.

Other considerations also guide the President's choices. Gender and race, management abilities and experience, and other personal characteristics—these and a host of other factors play a part in selecting Cabinet members.

## Women and Minorities

Women and minorities have only gradually become represented in the Cabinet. Franklin Roosevelt appointed the first woman, Frances T. Perkins, secretary of labor from 1933 to 1945. Lyndon Johnson named the first African American, Robert C. Weaver, as the first secretary of housing and urban development (HUD) in 1966.

The Ford Cabinet was the first to include both a woman (Carla Hills, secretary of HUD) and an African American (William T. Coleman, secretary of transportation); both were appointed in 1975. Jimmy Carter appointed the first African American woman to the Cabinet when he named Patricia Roberts Harris secretary of HUD in 1977 and then secretary of health and human services (HHS) in 1979. Ronald Reagan appointed the first Hispanic Cabinet member; Lauro F. Cavazos became secretary of education in 1988.

President Clinton picked more women, more African Americans, and more Hispanics than any of his predecessors. Over his eight years in office (1993–2001), the Cabinet included five women, six African Americans, four Hispanics, and its first Asian American, Norman Mineta, the Secretary of Commerce in the last year of the Clinton administration. Janet Reno became the first woman to serve as Attorney General and Madeleine Albright the first to be Secretary of State.

President George W. Bush's first Cabinet appointments included two African Americans: Secretary of State Colin Powell and Secretary of Education Rod Paige; three women: Secretary of Labor Elaine Chao, Secretary of the Interior Gale Norton, and Secretary of Agriculture Ann Veneman; and one Hispanic, Secretary of Housing and Urban Development Mel Martinez. Secretary Chao was born in China and is the first Chinese American to hold a Cabinet office. Norman Mineta, a Democrat, named Secretary of Transportation, also served in the Clinton Cabinet.

## The Cabinet's Role

Cabinet members have two major jobs. Individually, each is the administrative head of one of



A number of Presidents have given great weight to the Cabinet and to its advice; others have given it only a secondary role. George H. W. Bush's Cabinet (1989–1993) had more influence with the President than any Cabinet since the Eisenhower presidency in the 1950s. The Cabinet also played a prominent role in the Clinton administration (1993–2001). On the other hand, John Kennedy described his Cabinet meetings as “a waste of time.”

William Howard Taft put the role of the Cabinet in its proper light years ago:

**PRIMARY  
Sources** “The Constitution . . . contains no suggestion of a meeting of all the department heads, in consultation over general governmental matters. The Cabinet is a mere creation of the President’s will. . . . It exists only by custom. If the President desired to dispense with it, he could do so.”

**SIMON LEWIS**  
The Editor's Laugh

FOREIGN POLICY

ANYBODY SEEN MADEIRA?

No President has ever suggested eliminating the Cabinet. However, several Presidents have leaned on other, unofficial advisory groups, and sometimes more heavily than on the Cabinet. Andrew Jackson began the practice when he became President in 1829. Several of his close friends often met with him in the kitchen at the White House and, inevitably, came to be known as the Kitchen Cabinet. Franklin Roosevelt's Brain Trust of the 1930s and Harry Truman's Cronies in the late 1940s were in the same mold.

8. Select an executive department and follow a link to that department's Web site. Explore the Web site and write an essay explaining what the department is currently working on. Be sure to give examples of recent events. Use the links provided in the Social Studies area at the following Web site for help in completing this activity.  
**www.phschool.com**



## Section Preview

### OBJECTIVES

1. **Explain** why Congress has created independent agencies.
2. **Identify** the characteristics of independent executive agencies and independent regulatory commissions.
3. **Describe** the structure of government corporations.

### WHY IT MATTERS

Some 150 executive branch agencies are not located within any of the 14 executive departments. Some of them rival Cabinet departments in size of their budgets, their functions, and the number of their employees.

### POLITICAL DICTIONARY

- ★ **independent agencies**
- ★ **independent executive agencies**
- ★ **independent regulatory commissions**
- ★ **quasi-legislative**
- ★ **quasi-judicial**
- ★ **government corporation**

Until the 1880s, nearly all that the Federal Government did was done through its Cabinet departments. Since then, however, Congress has created a large number of additional agencies—the **independent agencies**—located outside the departments. Today, they number nearly 150. Most of the more important ones are included in the chart on page 417.

Several independent agencies administer programs similar to those of the Cabinet departments. The work of the National Aeronautics and Space Administration (NASA), for example, is similar to that of a number of agencies in the Department of Defense. NASA's responsibilities are also not very far removed from those of the Department of Transportation.

Neither the size of an independent agency's budget nor the number of its employees provides a good way to distinguish between many of these

agencies and the executive departments. The newest and largest of them, the Social Security Administration, became an independent agency in 1994. Since that time, its budget has been larger than that of any Cabinet department. The Administration now employs more than 64,000 people, and so by

itself has more workers and a larger payroll than several Cabinet departments.

## Why Independent Agencies?

The reasons these agencies exist outside the Cabinet departments are nearly as numerous as the agencies themselves. A few major reasons stand out, however. Some have been set up outside the regular departmental structure because they do not fit well within any department. The General Services Administration (GSA) is a leading example.

The GSA is the Federal Government's major housekeeping agency. Its main chores include the construction and operation of public buildings, purchase and distribution of supplies and equipment, management of real property, and a host of similar services to most other federal agencies. The Office of Personnel Management (OPM) is another example. It is the hiring agency for nearly all other federal agencies.

Congress has given some of these agencies an independent status to protect them from the influence of both partisan and pressure politics. Major examples include the OPM, the Social Security Administration, and the Federal Election Commission. The point can be turned on its head, too; some agencies are located outside any Cabinet department because that is exactly where certain pressure groups want them.



▲ **NASA** This special envelope celebrates NASA's *Apollo* missions to the moon.



# Voices on Government

Other federal agencies were born as independents largely by accident. No thought was given to future problems of administrative confusion when they were created. Finally, some agencies are independent because of the peculiar and sensitive nature of their functions. This is especially true of the independent regulatory commissions.

The label *independent agency* is a catchall. Most of these agencies are independent only in the sense that they are not located within any of the 14 Cabinet departments. They are not independent of the President and the executive branch. Some are independent in a much more concrete way, however. For most purposes, they do lie outside the executive branch and are largely free of presidential control.

Perhaps the best way to understand all of these independent agencies is to divide them into three main groups: (1) the independent executive agencies, (2) the independent regulatory commissions, and (3) the government corporations.

## The Independent Executive Agencies

The **independent executive agencies** include most of the independent agencies. Some are large, with thousands of employees, multimillion-dollar or even billion-dollar budgets, and extremely important public tasks to perform.

The GSA, NASA, and the EPA are three examples of larger independent executive agencies. They are organized much like the Cabinet departments; that is, they are headed by a single administrator with subunits operating on a regional basis, and so on. The most important difference between the independent executive agencies and the 14 executive departments is simply that they do not have Cabinet status.

Some of the agencies in this group are not administrative and policy giants. They do important work, however, and sometimes attract public notice. The Civil Rights Commission, the Peace Corps, the Federal Election Commission, and the National Transportation Safety Board all fall into this category.

Most independent executive agencies operate far from the limelight. They have few employees, small budgets, and rarely attract any attention. The American Battle Monuments Commission,

**Donna Shalala** served as secretary of health and human services from 1993 to 2001. Before that, she was president of the University of Wisconsin, the first woman to head a Big Ten university. She is now president of the University of Miami (Florida). Shalala found an earlier experience an important step in her career:



*“The Peace Corps is a voice for democracy and American values. . . . I know this from my own service as a Peace Corps volunteer in Iran in the 1960s, and from a trip I took to Thailand just last month where I met with Peace Corps volunteers doing AIDS prevention work. My Peace Corps service not only helped prepare me for my job as Secretary of Health and Human Services, it helped prepare me for life.”*

## Evaluating the Quotation

*What aspects of serving in the Peace Corps would provide useful background for a Cabinet post or other federal job?*

the Citizens' Stamp Advisory Committee, and the Migratory Bird Conservation Commission are typical of the dozens of these seldom seen or heard public bodies.

## Independent Regulatory Commissions

The **independent regulatory commissions** stand out among the independent agencies because they are largely beyond the reach of presidential direction and control. There are ten of these agencies today, each created to regulate, or police, important aspects of the nation's economy. Their vital statistics appear in the table on the next page.

### Structured for Independence

The independent regulatory commissions' large measure of independence from the White House comes mainly from the way in which Congress has structured them. Each is headed by a board or commission made up of five to



## The Independent Regulatory Commissions

Agency	Date Established	Number of Members	Term of Members	Major Functions
Board of Governors, Federal Reserve System (the Fed)	1913	7	14 years	Supervises banking system, practices; regulates money supply, use of credit in economy.
Federal Trade Commission (FTC)	1914	5	7 years	Enforces antitrust, other laws prohibiting unfair competition, price-fixing, false advertising, other unfair business practices.
Securities and Exchange Commission (SEC)	1934	5	5 years	Regulates securities, other financial markets, investment companies, brokers; enforces laws prohibiting fraud, other dishonest investment practices.
Federal Communications Commission (FCC)	1934	5	5 years	Regulates interstate and foreign communications by radio, television, wire, satellite, and cable.
National Labor Relations Board (NLRB)	1935	5	5 years	Administers federal labor-management relations laws; holds collective bargaining elections; prevents, remedies unfair labor practices.
Federal Maritime Commission (FMC)	1936	5	5 years	Regulates waterborne foreign, domestic off-shore commerce of the United States; supervises rates, services.
Consumer Product Safety Commission (CPSC)	1972	5	5 years	Sets, enforces safety standards for consumer products; directs recall of unsafe products; conducts safety research, information programs.
Nuclear Regulatory Commission (NRC)	1974	5	5 years	Licenses, regulates all civilian nuclear facilities and civilian uses of nuclear materials. <sup>a</sup>
Commodity Futures Trading Commission (CFTC)	1974	5	5 years	Regulates commodity exchanges, brokers, futures trading in agricultural, metal, other commodities.
Federal Energy Regulatory Commission (FERC)	1977	5	4 years	Regulates, sets rates for transmission, sale of natural gas, electricity, oil by pipeline; licenses hydroelectric power projects. <sup>b</sup>

<sup>a</sup>These functions performed by the Atomic Energy Commission from 1946 to 1974 (when the AEC was abolished); other AEC functions now performed by agencies in the Energy Department.

<sup>b</sup>These functions performed by the Federal Power Commission (created in 1930) until the FPC was abolished in 1977. The FERC is within the Energy Department, but only for administrative purposes; otherwise it is independent (except the Secretary of Energy may set reasonable deadlines for the FERC action in any matter before it). Under terms of National Energy Act of 1978, the FERC's authority to regulate natural gas prices ended in 1985.

**Interpreting Tables** Independent regulatory commissions are independent of all three branches of government, and are exceptions to the separation of powers rule. **How do the functions listed above show that these commissions have legislative and judicial powers?**

seven members appointed by the President with Senate consent. However, those officials have terms of such length that it is unlikely a President will gain control over any of these agencies through the appointment process, at least not in a single presidential term.

Several other features of these boards and commissions put them beyond the reach of presidential control. No more than a bare majority of the members of each board or commission may belong to the same political party. Thus, several of those officers must belong to the party out of power.

Moreover, the appointed terms of the members are staggered so that the term of only one member on each board or commission expires in any one year. Finally, most of these officers can be removed by the President only for those causes Congress has specified.<sup>7</sup>

As with the other independent agencies, the regulatory commissions are executive bodies. That is, Congress has given them the power to

<sup>7</sup>Recall this point from Chapter 14, on page 397. The members of five of these bodies (the SEC, FCC, CPSC, NRC, and CFTC) are exceptions. Congress has provided that any of them may be removed at the President's discretion.



administer the programs for which they were created. However, unlike those other independent agencies, the regulatory commissions are also **quasi-legislative** and **quasi-judicial** bodies.<sup>8</sup> That is, Congress has given them certain legislative-like and judicial-like powers.

These agencies exercise their quasi-legislative powers when they make rules and regulations. Those rules and regulations have the force of law. They implement, spell out the details of, the laws that Congress has directed these regulatory bodies to enforce.

To illustrate the point: Congress has said that those who want to borrow money by issuing stocks, bonds, or other securities must provide a "full and fair disclosure" of all pertinent information to prospective investors. The Securities and Exchange Commission (SEC) makes that requirement effective and indicates how those who offer securities are to meet it by issuing rules and regulations.

The regulatory commissions exercise their quasi-judicial powers when they decide disputes in those fields in which Congress has given them policing authority. For example, if an investor in Iowa thinks a local stockbroker has defrauded (cheated) him, he may file a complaint with the SEC's regional office in Chicago. SEC agents will investigate and report their findings, and the agency will judge the merits of the complaint much as a court would do. Decisions made by the SEC, and by the other independent regulatory bodies, can be appealed to the United States courts of appeals.

In a sense, Congress has created these agencies to act in its place. Congress could hold hearings and set interest rates, license radio and TV stations and nuclear reactors, check on business practices, and do the many other things it has directed the regulatory commissions to do. These activities are complex and time-consuming, however, and they demand constant and expert attention. If Congress did all of this work, it would have no time for its other and important legislative work.

Note that these regulatory bodies possess all three of the basic governmental powers: executive, legislative, and judicial. They are

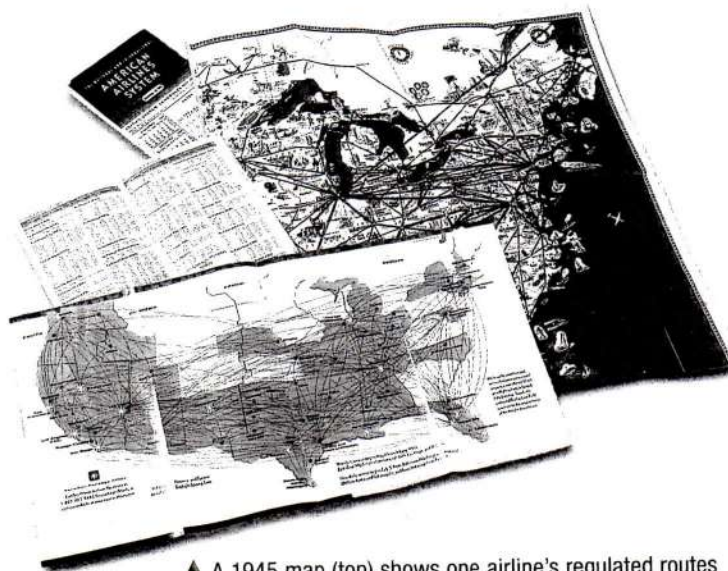
exceptions to the principle of separation of powers. Technically, they should not be grouped with the other independent agencies. Instead, they should somehow be located somewhere between the executive and legislative branches, and between the executive and judicial branches, too.

## Rethinking Regulation

Several authorities, and most recent Presidents, have urged that at least the administrative functions of the independent regulatory commissions be given to executive department agencies. Critics have raised other serious questions about these agencies and proposed to abolish or redesign them.

The most troubling questions are these: Have some of the independent regulatory commissions been captured by the special interests they are expected to regulate? Are all of the many and detailed rules created by these agencies really needed? Do some of these rules have the effect of stifling legitimate competition in the free enterprise system? Do some of them add unreasonably to the costs of doing business and therefore to the prices that consumers must pay?

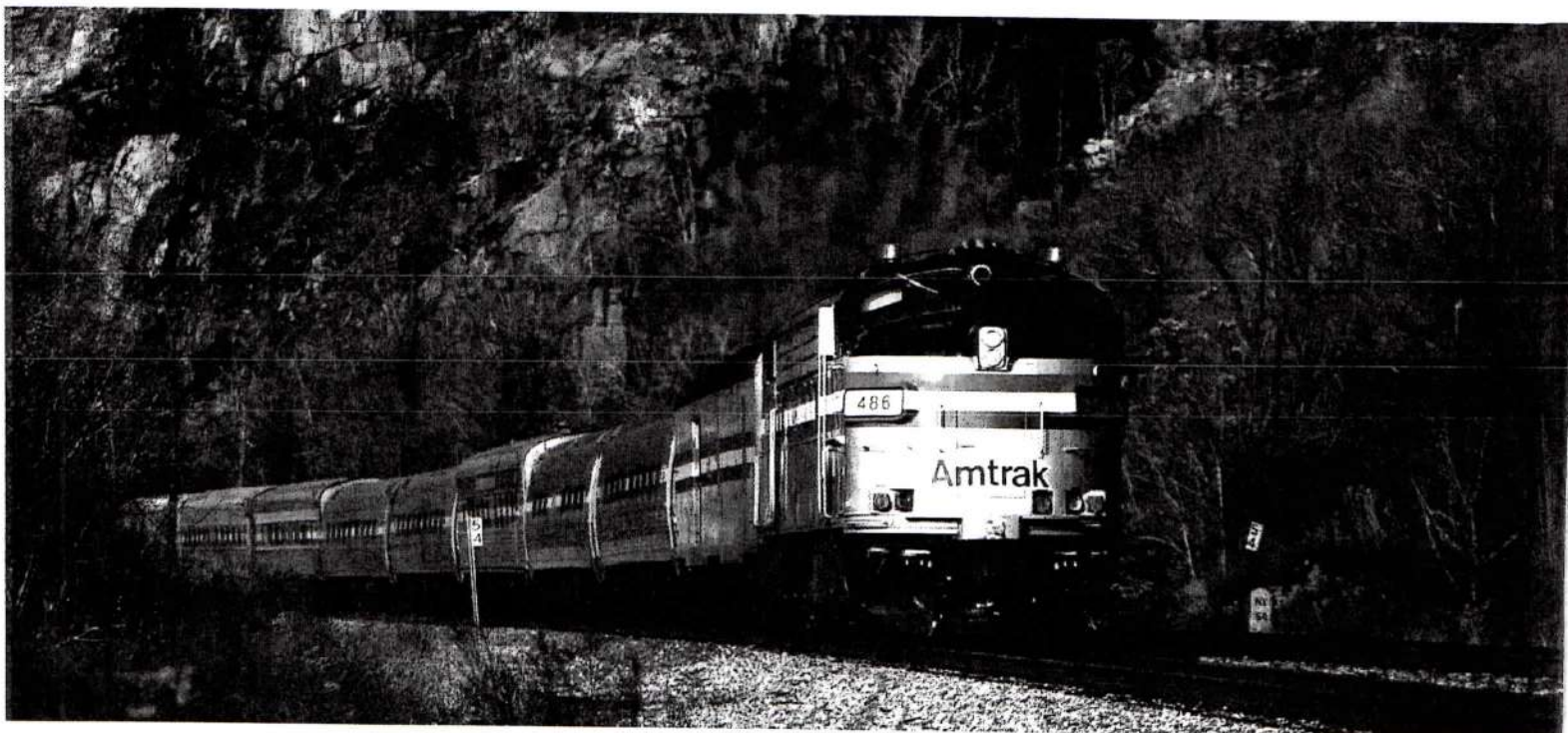
Congress sets the basic policies of the regulatory agencies, and so it has a major responsibility to answer these questions. It has responded to some questions in recent years, particularly by deregulating much of the nation's transportation



▲ A 1945 map (top) shows one airline's regulated routes in red, while a contemporary map (bottom) lists the routes freely chosen by a different airline. **Critical Thinking** Why might the government have decided, under regulation, to require airlines to serve certain cities?

<sup>8</sup>The prefix *quasi* is from the Latin, meaning "in a certain sense, resembling, seemingly."





▲ The government created Amtrak as a corporation to provide passenger train service. After years of losing money and relying on federal subsidies to stay afloat, Amtrak was told that Congress would not cover its losses after 2002. *Critical Thinking What advantages might Amtrak enjoy as a government corporation?*

industry. Airlines, bus companies, truckers, and railroads have greater freedom to operate today than they did only a few years ago. The same trend can be seen in the field of communications, notably with regard to cable television.

Two major regulatory bodies have actually disappeared in recent years. The Civil Aeronautics Board was created in 1938 to oversee commercial air traffic in the United States. For decades it assigned the routes to be flown and the rates charged by airlines and other commercial air carriers, until it was abolished by Congress in 1985.

The Interstate Commerce Commission was the very first of the regulatory commissions to be established by Congress, in 1887. For a century it issued licenses and regulated the rates and routes and most other aspects of commercial transportation by rail, highway, and water. It, too, was abolished by Congress, in 1996.

## The Government Corporations

Several of the independent agencies are **government corporations**. Like most of the other independent agencies, government corporations are within the executive branch and subject to the President's direction and control. Unlike the other agencies,

however, they were set up by Congress to carry out certain business-like activities.

Congress established the first government corporation when it chartered the Bank of the United States in 1791. Yet government corporations were little used until World War I and the Depression. In both periods Congress set up dozens of corporations to carry out emergency programs. Several still exist—among them, the Federal Deposit Insurance Corporation (FDIC), which insures bank deposits, and the Export-Import Bank of the United States (Eximbank), which makes loans to help the export and sale of American goods abroad.

There are now more than 50 of these corporations. They deliver the mail (the U.S. Postal Service); insure bank deposits (the FDIC); provide intercity rail passenger service (the National Railroad Passenger Corporation, Amtrak); protect pension benefits (the Pension Benefit Guaranty Corporation); and generate, sell, and distribute electric power (the Tennessee Valley Authority).<sup>9</sup>

<sup>9</sup>State and local governments maintain their own government corporations, most often called authorities, to operate airports, turnpikes, seaports, power plants, liquor stores, and housing developments, and to conduct many other corporate activities. The Port Authority of New York and New Jersey is one of the best known.



## Government v. Private Corporations

The typical government corporation is set up much like a corporation in the private sector. It is run by a board of directors, with a general manager who directs the corporation's operations according to the policies established by that board. Most government corporations produce income that is plowed back into the business.

There are several striking differences between government and private corporations, however. Congress decides the purpose for which the public agencies exist and the functions they can perform. Their officers are public officers; in fact, all who work for these corporations are public employees. The President selects most of the top officers of government corporations with Senate confirmation.

In addition, these public agencies are financed by public funds appropriated by Congress, not private investors. The Federal Government, representing the American people, owns the stock.

The advantage most often claimed for these agencies is their flexibility. It is said that the government corporation, freed from the controls of regular departmental organization, can carry on its activities with the incentive, efficiency, and ability to experiment that make many private concerns successful. Whether that claim is valid is open to question. At the very least, it raises this complex issue: Is a public corporation's need for flexibility compatible with the democratic requirement that all public agencies be held responsible and accountable to the people?

## Degrees of Independence

The degree of independence and flexibility government corporations have varies considerably. In fact, some corporations are not independent at all. They are attached to an executive department.

The Commodity Credit Corporation, for example, is the government's major crop-loan and farm-subsidy agency. It is located within the Department of Agriculture, and the secretary of agriculture chairs its seven-member board. The Commodity Credit Corporation carries out most of its functions through a line agency in the Department of Agriculture—the Farm Service Agency—which is also subject to the direct control of the secretary.

Some corporations do have considerable independence, however. The Tennessee Valley Authority (TVA) is a case in point. It operates under a statute that gives it considerable discretion over its own programs. Although its budget is subject to review by the OMB, the President, and Congress, the TVA has a large say in the uses of the income its several operations produce.<sup>10</sup>

<sup>10</sup>The TVA is a major example of government in business. Congress established the TVA in the Tennessee Valley Authority Act of 1933. The act called for the coordinated development and use of the natural resources of parts of seven southern States. The TVA has had an extraordinary impact on the Tennessee River Valley and its approximately eight million residents. Its operations include electric power, flood control, reforestation, soil conservation, agricultural research, recreational facilities, and the promotion of industrial growth. The TVA's power program is self-supporting. Much of its other activities are supported by Congress. Still, it generates considerable revenues from sales of electricity and fertilizer and from its ability to issue bonds.

## Section 4 Assessment

### Key Terms and Main Ideas

1. How do **independent agencies** differ from the other agencies in the executive branch?
2. What is the main purpose of the **independent regulatory commissions**?
3. What is the difference between a legislative body and a **quasi-legislative** body?

### Critical Thinking

4. **Drawing Inferences** Name three reasons why independent agencies operate outside the executive departments.
5. **Making Decisions** Economist Milton Friedman called bureaucracy "both a vehicle whereby special interests can

achieve their objectives and an important special interest in its own right." What can the government do to minimize the situation Friedman describes?

### Take It to the Net

6. Read an article about bureaucracy and compose a list of ten facts you learned from the article. Using these facts, write a short essay in which you explore both the positive and negative aspects of a bureaucracy. Use the links provided in the Social Studies area at the following Web site for help in completing this activity. [www.phschool.com](http://www.phschool.com)



## Gathering Information from Government Sources

**Y**ou might not know it, but if you're a U.S. citizen, you're a co-owner of a treasure-trove of information. The government uses a portion of the tax dollars it collects from its citizens to generate massive amounts of transcripts, research papers, legal records, maps, statistics, studies, videos, facsimiles, manuscripts, and music.

By far the best way to access federal information today is on the Internet. The growth of public and private Web sites containing government information has revolutionized the research process. If you don't have Internet access, however, many of the sources listed at right are available in print at large libraries. To seek out government information, try these steps:

- 1. Define what information you're seeking.** Knowing what you need will help narrow your search. Do you need federal, regional, State, or local information? Are you looking for records, statistics, primary sources, or other media? Decide on a research objective, and write a question that summarizes it.
- 2. Determine where to search.** What agency of the government is responsible for the topic you're researching? Information on water pollution, for example, might come from the Environmental Protection Agency, the Interior Department, the *Congressional Record*, and State and local sites. Using your question from Step 1, identify agencies that might provide relevant information.
- 3. Gather information.** As you collect material, make note of the source: Is it public or private? Is it reliable? Steer clear of anonymous Web sites.



### Searching Uncle Sam



**First Gov** is a government Web site that provides the public with easily accessible online U.S. government resources.  
<http://www.firstgov.gov>

**The National Archives and Records Administration (NARA)** manages and provides access to all federal records dating back to the Declaration of Independence—more than 4 billion pieces of paper and 6 million photographs. <http://www.nara.gov>

**The World Factbook** is the authoritative source for country-by-country information from the U.S. Central Intelligence Agency (CIA), published annually.  
<http://www.odci.gov/cia/publications/factbook>

**The Census Bureau** tracks where we live, where we work, what we earn, what we eat—you name it.  
<http://www.census.gov>

**The FedWorld Information Network** is a searchable database with links to government agencies.  
<http://www.fedworld.gov>

**FedStats** is a searchable database created by the Federal Interagency Council on Statistical Policy. Get federal, regional, State, and county statistics presented in tables, graphs, and maps. Contains the indispensable Statistical Abstracts.  
<http://www.fedstats.gov>

**The Library of Congress (LOC)**, created in 1800, is the world's largest library, the government's official storehouse of more than 115 million multimedia items. Any item ever copyrighted is here. <http://www.loc.gov>

**Thomas**, named after President Thomas Jefferson, is the official record of everything that happens in Congress. Thomas contains the *Congressional Record* as well as information on committee hearings and schedules.  
<http://thomas.loc.gov>

**FindLaw** is an online, private source of legal information: Supreme Court decisions, legal issues, news, and other resources. <http://www.findlaw.com>

### Test for Success

Choose a government-related topic that interests you. Compile a list of at least five good places to search for the information.



# 5 The Civil Service

## Section Preview

### OBJECTIVES

1. **Describe** the development of the civil service.
2. **Identify** characteristics of the civil service as it exists today.
3. **Analyze** the restrictions on the political activities of members of the civil service.

### WHY IT MATTERS

Most people who work for the Federal Government are members of the civil service. Over time, civil service reformers have worked to reduce corruption and political influence and promote merit in federal employment.

### POLITICAL DICTIONARY

- ★ **civil service**
- ★ **spoils system**
- ★ **patronage**
- ★ **register**
- ★ **bipartisan**

The **civil service** is composed of those civilian employees who perform the administrative work of government. Some 2.7 million men and women work for the Federal Government today.<sup>11</sup> Only about 300,000 of those work in the Washington area. The rest have jobs in regional, field, and local offices scattered throughout the country and around the world.

The President appoints the people who hold the highest ranking jobs in the executive branch. There are only about 2,500 of those positions—at the top levels of the Executive Office, the Cabinet departments, the independent agencies, and in American embassies and other diplomatic stations. All of the other jobs in the federal bureaucracy are covered by some aspect of the civil service system.

## Development of the Civil Service

The Constitution says very little about the staffing of the federal bureaucracy. The only direct reference is in Article II, which says that the President

**FROM THE Constitution** “shall nominate, and by and with the Advice and Consent of the Senate, shall appoint Ambassadors, other

*public Ministers and Consuls, Judges of the supreme Court, and all other Officers of the United States, whose appointments are not herein otherwise provided for, and which shall be established by law: but the Congress may by law vest the appointment of such inferior officers, as they think proper, in the President alone, in the Courts of Law, or in the Heads of Departments.”*

—Article II, Section 2, Clause 2



◀ The civil service includes people like this ranger who works at Grand Canyon National Park in Arizona.

<sup>11</sup>Another 1.5 million men and women serve in the armed forces; see Chapter 17. Altogether, there are now some 17.5 million civilian public employees in this country. More than 4 million work for the States, and another 11 million work for local governments (including 6.5 million persons employed by school districts). About 2.5 million of those who work for State and local governments are employed on a part-time basis.





**A NICE FAMILY PARTY.**

**Interpreting Political Cartoons** This cartoon comments on the spoils system expanded under Andrew Jackson. **What metaphor does this cartoon use for the spoils system?**

## The Beginnings

When he became President in 1789, George Washington knew that the success of the new government would depend in large part on those whom he appointed to office. Those to be chosen, he said, would be “such persons alone . . . as shall be the best qualified.” Still, he favored members of his own party, the Federalists. So did his successor, John Adams.

In 1801 Thomas Jefferson found most federal posts filled by men politically and personally opposed to him. He agreed with Washington’s standard of fitness for office, but he combined it with another: political acceptability. Jefferson dismissed several hundred Federalists and replaced them with members of his own party, the Democratic-Republicans.

## The Spoils System

By the late 1820s, the number of federal employees had risen above 10,000. When Andrew Jackson became President in 1829, he dismissed over 200 presidential appointees and nearly 2,000 other officeholders. Jacksonian Democrats replaced them.

Ever since, Andrew Jackson has been called the “father” of the **spoils system**—the practice of giving offices and other favors of government to political supporters and friends. The phrase comes from a statement made on the floor of the Senate in 1832. Senator William Learned Marcy of New York, defending Jackson’s appointment of an ambassador, declared: “To the victor belongs the spoils of the enemy.”

To call Jackson the father of the spoils system is not altogether fair. Jefferson had laid its foundations at the federal level in 1801. The practice of giving jobs to supporters and friends—also known as **patronage**—was in wide use at the State and local levels long before Jackson’s presidency.

Jackson saw his appointing policy as democratic. In his first message to Congress, he explained and defended it on four grounds: (1) Since the duties of public office are simple, any normally intelligent person can fill such office. (2) There should be a “rotation in office” so that a large number of people can have the privilege of serving in government. (3) Long service in office by any person can lead to both tyranny and inefficiency. (4) The people are entitled to have the party they have placed in power in control of all offices of government, top to bottom.

Whatever Jackson’s view, many saw the spoils system as a way to build and hold power. For the next half-century, every change of administration brought a new round of rewards and punishments. As the government’s activities, agencies, and payrolls grew, so did the spoils. Many posts were filled by political hacks who were ill-equipped for their jobs. Inefficiency and even corruption became the order of the day.

## The Movement to Reform

Able people, in and out of government, pressed for reforms, but little came of their efforts. Congress did create a Civil Service Commission in 1871, but it soon died away because Congress failed to provide it with enough money.

A tragedy at last brought about fundamental changes in the hiring and other staffing practices of the Federal Government. In 1881, President James Garfield was fatally shot by a disappointed office-seeker, Charles J. Guiteau. Garfield had rejected the mentally unstable Guiteau’s request that he be appointed to a high diplomatic post.

The nation was horrified and outraged. Congress, pushed hard by Garfield’s successor, Chester Arthur, passed the Pendleton Act—the Civil Service Act of 1883.<sup>12</sup>

<sup>12</sup>The Republican convention in 1880 was sharply divided by the civil service question. Its nominee, Garfield, was a strong supporter of reform. To balance the ticket, the convention chose Arthur, a leader of the anti-reform faction, as his running mate. Garfield’s assassination brought a dramatic change in Arthur’s stance; as President he became a leading champion of reform.



## The Pendleton Act

The Pendleton Act laid the foundation of the present federal civil service system. Its main purpose was to make merit—the quality of one's work—the basis for hiring, promotion, and other personnel actions in the federal work force.

The law set up two categories of employment in the executive branch: the classified and the unclassified services. All hiring for positions in the classified service was to be based on merit. That quality was to be measured by "practical" examinations given by an independent agency, the Civil Service Commission.

The Pendleton Act placed only about 10 percent of the Federal Government's then 130,000 employees in the classified service; it did give the President the power to extend that coverage, however. Theodore Roosevelt championed the merit system, and by the end of his term in 1909 the classified umbrella covered two thirds of the 365,000 members of the federal work force. Today, nearly 90 percent of all of the men and women who work for executive branch agencies are covered by the merit system.<sup>13</sup>

## The Civil Service Today

The first goal of civil service reform—the elimination of the spoils system—was largely achieved in the early years of the last century. Gradually, a new purpose emerged: recruiting and keeping the best available people in the federal work force.

On the whole, efforts to reach that newer goal have succeeded. Today most federal employees are hired through a competitive process. They are paid and promoted on the basis of written evaluations by their superiors. They are generally protected from disciplinary actions or dismissal for partisan reasons.

Still, the federal civil service is not perfect. Critics often claim that not enough attention is paid to merit in the merit system.

## The Office of Personnel Management

The Office of Personnel Management, created in 1978, is now the Federal Government's central personnel agency. Like its predecessor, the old Civil Service Commission, it is an independent agency in the executive branch.

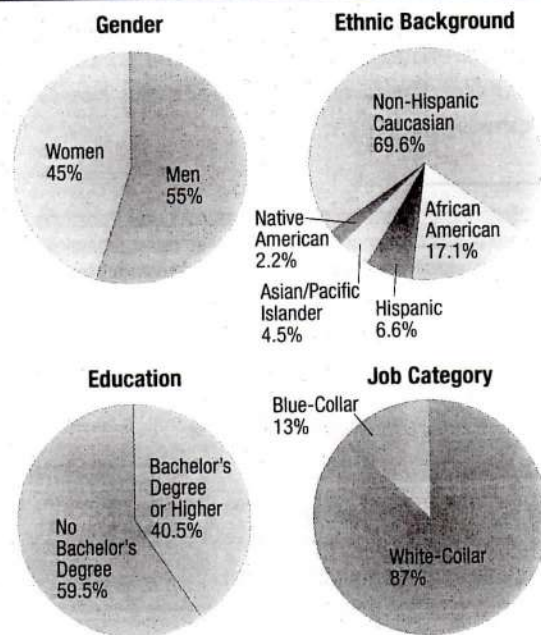
The OPM is headed by a single director appointed by the President and Senate. The

agency can best be described as the central clearinghouse in the federal recruiting, examining, and hiring process. It advertises for employees, examines those who apply, and keeps **registers**, lists of those applicants who pass its tests and are qualified for employment. When there is a job opening in an agency, the OPM usually sends that agency the names of the top three persons on its register for that particular type of position.<sup>14</sup>

<sup>13</sup>This number does not take into account employees of the United States Postal Service and a few other federal agencies. The Postal Service, with more than 700,000 full-time employees, is the largest agency not covered by the civil service system. It is the only federal agency in which employment policies are set by collective bargaining and labor union contracts. The other major agencies not counted in fixing that 90 percent figure are the FBI, CIA, and TVA; each of those agencies has its own merit system.

<sup>14</sup>Each applicant's place on a register is fixed by three factors: (1) date of application, (2) OPM test scores, and (3) veterans' preference points, if any. Some 40 percent of all federal jobs are currently held by veterans, wives of disabled veterans, and unmarried widows of veterans. Some jobs, such as guards and messengers, are reserved especially for veterans.

### Profile of Civil Service Employees



SOURCE: Office of Personnel Management. Numbers represent the executive branch agencies, both white and blue collar as of 9/00. Postal work force excluded.

**Interpreting Charts** In 2000 the average civil servant was a 46-year-old man who earned \$49,954 a year and had worked for the government for more than 17 years. *Why might the civil service have a higher proportion of college graduates than the country as a whole?*



Another independent agency, the Merit Systems Protection Board, enforces the merit principle in the federal bureaucracy. The Board is **bipartisan**, which means it includes members from both parties. It is a three-member panel picked by the President and Senate. It hears appeals from those federal workers who have complaints about personnel actions—for example, denials of pay increases, demotions, or firings.<sup>15</sup>

### Pay and Benefits

Equal opportunities for career advancement remain a problem in the federal bureaucracy. Although minority groups and women are well represented in most agencies, they tend to be concentrated in lower-level positions. Women, for example, now hold more than half of all white-collar federal jobs; but they hold only a little more than 10 percent of the highest paid positions.

Congress sets the pay and other job conditions for everyone who works for the Federal Government, except for employees of the United States Postal Service. At the lower and middle levels, civil service pay compares fairly well with salaries paid in the private sector. However, government can never hope to compete dollar for dollar with the upper reaches of private employment.

<sup>15</sup>Yet another independent agency, the Federal Labor Relations Authority, handles labor-management relations in federal employment. It, too, is a bipartisan three-member body appointed by the President and Senate.

## Political Activities

Several laws and a number of OPM regulations place restrictions on the political activities of federal civil servants. The first of two major laws is the Hatch Act of 1939—the Act to Prevent Pernicious Political Activities. *Pernicious* means “exceedingly harmful.” In essence, that law allowed federal workers to vote in elections, but it forbade them to take part in partisan political activities.

Critics of the Hatch Act said it placed unnecessary and unjustifiable limits on the political and civil rights of federal workers. Supporters saw those limits as legitimate ways to prevent the use of civil servants to influence presidential and congressional elections. The Supreme Court has rejected several 1st Amendment challenges to the law; the leading case is *National Association of Letter Carriers v. Civil Service Commission*, 1973.

The second major statute is the Federal Employees Political Activities Act of 1993, often called the new Hatch Act, which relaxed many of the older restrictions. Today, a federal worker has the right to vote, help register new voters, contribute money to candidates and parties, participate in campaigns, and even hold office in a political party. The worker may *not* run in partisan elections, engage in party work on government property or while on the job, collect political contributions from subordinates (workers in lower positions) or the general public, or use a government position to influence an election.

## Section 5 Assessment

### Key Terms and Main Ideas

1. What is the purpose of the **civil service**?
2. How did the **spoils system** develop?
3. What is recorded in the **registers** of the OPM?
4. What is the defining characteristic of a **bipartisan** group?

### Critical Thinking

5. **Making Decisions** Why does the government limit the political activities of members of the civil service? Explain whether you would change any of these limits, and why.

6. **Determining Cause and Effect** Explain how the spoils system was a reflection of corruption in government.



### Take It to the Net

7. Consider the spoils system and the merit system for hiring civil servants. Suppose that you are a journalist in 1890, and write an editorial describing which system is better for successful government and explaining what traits define a successful government. Use the links provided in the Social Studies area at the following Web site for help in completing this activity. [www.phschool.com](http://www.phschool.com)



## Can States Regulate HMO Claims Reviews?

*When Congress legislates in an area, does it intend to exclude State regulation or can there be shared authority? Many Congressional enactments contain "preemption" provisions, which prevent the States from legislating in the same area. The U.S. Supreme Court has struggled to determine the scope and intent of these preemption clauses.*

### **Rush Prudential HMO v. Moran (2002)**

In 1996, Debra Moran began having numbness in her right shoulder. Moran belonged to the Rush Prudential HMO (Health Maintenance Organization) through health insurance benefits provided by her husband's employer. Her doctor at Rush tried conventional treatments, but when those did not work he recommended that she go to an outside specialist who had developed an unconventional treatment for her condition. Rush concluded that the special care was not "medically necessary," and instead authorized standard surgery by a Rush doctor.

Moran lived in Illinois, and Illinois law said that HMO members had the right to an independent review when a claim for services was denied. Moran requested an independent medical review, but Rush did not allow her one. She then sued Rush, claiming she was entitled to an independent review under State law and to payment of her claim as medically necessary.

In its defense, Rush argued that the Illinois law was in conflict with the Employee Retirement Income Security Act of 1974 (ERISA). ERISA's preemption provision stipulates that the federal rules "shall supersede any and all State laws insofar as they may now or hereafter relate to any employee benefit plan" except for State laws that regulate "insurance, banking, or securities."

The trial court found that ERISA preempted (superseded) the Illinois law, but the Court of Appeals for the Seventh Circuit reversed on the grounds that the Illinois law regulated insurance. Rush appealed to the U.S. Supreme Court.

### **Arguments for Rush Prudential HMO**

1. ERISA does not allow States to create extra rules for HMOs' workplace health insurance benefits.
2. As an HMO, Rush is a health care provider rather than an insurance company, so the "insurance" exception to preemption does not apply.
3. Subjecting HMOs to varying rules from State to State would violate the national regulatory system that Congress sought to create in ERISA.

### **Arguments for Moran**

1. Rush acts as both an insurance company and a health care provider, so the "insurance" exception to preemption applies.
2. The Illinois "independent opinion" rule does not conflict with any provision of ERISA.
3. ERISA does not prevent States from giving extra rights to HMO-insured employees.

### **Decide for Yourself**

1. Review the constitutional grounds upon which each side based its arguments and the specific arguments each side presented.
2. Debate the opposing viewpoints presented in this case. Which viewpoint did you favor?
3. Predict the impact of the Court's decision on the State supervision of health care services. (To read a summary of the Court's decision, turn to the Supreme Court Glossary on page 799.)



# CHAPTER 15 Assessment

## Political Dictionary

bureaucracy (p. 414)	domestic affairs (p. 422)	quasi-legislative (p. 433)
bureaucrat (p. 415)	executive departments (p. 424)	quasi-judicial (p. 433)
administration (p. 416)	secretary (p. 424)	government corporation (p. 434)
staff agency (p. 418)	attorney general (p. 424)	civil service (p. 437)
line agency (p. 418)	independent agencies (p. 430)	spoils system (p. 438)
Executive Office of the President (p. 419)	independent executive agencies (p. 431)	patronage (p. 438)
federal budget (p. 421)	independent regulatory	register (p. 439)
fiscal year (p. 421)	commissions (p. 431)	bipartisan (p. 440)

## Practicing the Vocabulary

**Matching** Choose a term from the list above that best matches each description.

1. A large, hierarchical organization with job specialization and complex rules
2. A detailed estimate of federal income and spending for a twelve-month period
3. The director of the Department of Justice
4. Describes a group with the power to judge cases outside the court system
5. One of ten federal agencies created to watch over important aspects of the nation's economy

**Word Relationships** Distinguish between words or phrases in each pair.

6. staff agency/line agency
7. secretary/bureaucrat
8. Executive Office of the President/Cabinet
9. executive departments/independent agencies
10. administration/patronage

## Reviewing Main Ideas

### Section 1

11. How did the different components of the bureaucracy in the Federal Government's executive branch develop?
12. What is the "name game" in the context of the federal bureaucracy?
13. In what ways is a bureaucracy undemocratic?

### Section 2

14. What agencies work most directly with the President, providing assistance and advice?
15. Describe the organization of the Executive Office of the President.
16. (a) What are the duties of the National Security Council?  
(b) What are the duties of the Office of National Drug Control Policy?

### Section 3

17. How was the Cabinet born?
18. In what sense are the executive departments the traditional units of federal administration?

19. What responsibilities do members of the Cabinet have that are not among the duties of the major figures in the Executive Office of the President?

### Section 4

20. Explain the major reasons why the independent agencies exist apart from the Cabinet-level departments.
21. (a) What are the three types of independent agencies?  
(b) Describe the basic role of each type of agency.
22. What are the major differences between a government corporation and a private corporation?

### Section 5

23. Describe the standards for staffing the federal bureaucracy held by Presidents George Washington and Thomas Jefferson.
24. (a) What was the spoils system? (b) How did the spoils system affect the quality of the public work force?
25. What was the primary objective of the efforts to reform the country's civil service in the late 1800s?