

**Patronage to Merit and Control of the  
Federal Government Labor Force**

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## I. Introduction

There has been a long-standing interest in the control and performance of the federal civilian bureaucracy (Kaufman, 1965; Tullock, 1965; Downs, 1967; Borcharding, 1977). While the focus has often been on the incentives for productivity offered federal workers, the more recent debates center on the extent of their discretionary authority and motivation to alter congressional policies (Weingast and Moran, 1983; McCubbins, Noll, and Weingast, 1987, 1989; Wilson, 1989). A key factor underlying the debates is the relative political autonomy of the civil service system and the unusual protections it provides to federal employees. Federal civilian white-collar employees are hired on the basis of merit; promoted within the framework of civil service rules; and are not to be explicitly involved in political campaigns. Importantly, once beyond a probationary period, federal employees essentially have job tenure and it is extremely costly to dismiss them (Johnson and Libecap, 1989a,b). It is not surprising that this civil service system has created a bureaucratic environment that fosters debates over productivity, shirking, and the extent of discretionary behavior on the part of federal employees.

The federal civilian labor force contract, however, was not always this way. Until the early part of the twentieth century most federal employees were hired on the basis of patronage and political considerations played a major role in the selection of even low level clerks. Patronage workers were expected to be politically active on the behalf of their benefactors, engage in campaign work, and contribute part of their salaries in the form of political assessments. They certainly did not have job tenure and were removed routinely after elections whenever their political benefactors were defeated (Fish, 1905 and Fowler, 1943). The shift away from patronage began with passage of the Pendleton Act in 1883, which required that applicants for certain federal jobs be ranked on the basis of examination results and not on their party membership or service.<sup>1</sup> The shift from

patronage was, however, by no means uniform or rapid. The Pendleton Act targeted certain positions in specific federal units, and they amounted to only 10 percent of the federal labor force in 1883. It was not until 21 years later that over 50 percent of the total federal civilian labor force was under merit provisions (U.S. House, 1976, p. 305). Today, well over 90 percent of federal employees are subject to merit personnel rules (Stahl, 1983, p. 42).

Clearly, there has been a major institutional change over the last one hundred years from a patronage system for federal employees to the current civil service system. This change has often been attributed to the work of civic minded reform groups who objected to the inefficiencies and corruption alleged to be inherent in a system of patronage.<sup>2</sup> Supposedly, the effort exerted by these groups to deny the re-election of members of the Congress who were supporters of the system of "spoils" and replace them with members sympathetic to reform yielded the demise of patronage. Federal civil service reform associations, however, had largely withered away by the end of the nineteenth century (Hoogenboom, 1968, pp. 253-67). Nevertheless, both the absolute number and the proportion of federal employees covered under the merit system continued to expand rapidly between 1900 and 1930. Moreover, the notion that reform groups somehow carried the day against reluctant elected officials ignores the incentives for politicians to replace a system that was no longer capable of winning electoral support.

The view that reform arose externally and was imposed upon reluctant elected officials has not gone unchallenged.<sup>3</sup> Reid and Kurth (1988 and 1989), for example, assume vote maximizing politicians and argue that the shift away from patronage took place because the demand for the types of services provided to the electorate by patronage employees in exchange for votes fell relative to the provision of more general exchanges of government services. That is, voters became more homogeneous, better educated, and wealthier and that reduced the pay-off to politicians to providing direct services, such as locating jobs or help with legal problems, relative to general exchanges, such

as public schools and highways. In contrast, Horn (1988) argues that shifting demands for federal services had little to do with the adoption of a merit system. He argues that politicians sought to reduce the threat of nullification of existing legislation by future legislators and that a merit system provided bureaucrats who would defend the legislation. While changing demands and a desire to reduce legislative opportunism may well have contributed to the relative decline of patronage, this paper offers a different explanation for the decline. In particular, we argue that in the late nineteenth century it became increasingly costly to both the President and members of Congress to effectively control and benefit from an ever increasing number of patronage workers.

The notion that there is loss of control as organizational size increases is an integral part of the theory of the firm (Williamson, 1985), and is also evident in the literature on governmental bureaucracy (Tullock, 1965 and Downs, 1967). Importantly, the circumstances surrounding the shift to merit appear to be closely related to organizational size. Prior to the Civil War the federal work force was relatively small, approximately 33,300 in 1851.<sup>4</sup> To be sure, there were conflicts over the control and disposition of patronage. But collectively, neither the politicians nor the voters seemed to think the system of patronage exploitive or needful of change. Indeed, if anything, patronage was seen as promoting the ideals of equality and social mobility because it allowed the common person to fill public offices (Van Riper, 1985, pp. 30-60). After the Civil War, however, the federal work force was greater and increasing, approximately 53,900 in 1871 and 131,000 in 1884, and patronage was increasingly viewed as supplying an inefficient and corrupt labor force. In this paper, it is argued that a major catalyst for the shift to merit reflected problems inherent in the disposition of patronage appointments and control of patronage workers resulting from the increase in the size of the federal work force. Focusing on the issue of control provides a rationale for the timing of the Pendleton Act, specific features of the Act, and why the ratio of merit to total federal employees has increased over time.

This paper also offers an explanation for why federal employees under the merit system were extended unusual protections from removal. The Pendleton Act emphasized the use of competitive examinations to improve the quality of the federal work force, but was not written with the intent of establishing a highly protected class of employees. The early civil service reform groups, and most members of Congress at that time, were against the imposition of absolute tenure, considering it undesirable and unnecessary for civil service reform (Van Riper, 1958, p. 101). While the use of examinations could increase the quality of the federal work force, the problem of who would control the bureaucracy remained. Constant conflict and efforts to control the allocation of patronage had been costly to both the President and members of the Congress, yet the system invoked penalties on any politician who unilaterally withdrew from the competition for control of the federal work force. Although the Pendleton Act afforded some relief from this conflict, efforts to manipulate and control staffing decisions continued. As such, this paper is about bargaining in the political arena to alter a system that had become more costly in the aggregate than the benefits it provided. The analysis offered in Section VI suggests that the subsequent establishment of civil service rules providing for a highly protected work force reflected, in part, a desire on the part of the Congress and the President to reduce a costly conflict over control of the federal bureaucracy. But in establishing a merit system, elected officials also created a new interest group — federal workers. The evidence indicates that federal employees were active in the decisions pertaining to removal powers. We start by considering a general approach to the analysis of patronage.

## **II. Votes, Patronage and Control**

In fostering the development of the postulate that elected officials seek to maximize the probability of winning office, Downs (1957) not only argued that individual politicians behaved as if they were vote maximizers, but party leaders and the party itself were all viewed as being similarly motivated to winning and retaining office. In that context, political parties or machines can be

viewed as organizations formed for the benefit of their members where winning elections **is** critical to obtaining access to the benefits. Like other organizations, political parties need to be able to discipline members, and that entails an incentive structure. The availability and distribution of patronage (**Gobs**) by party leaders can help a party achieve election victories as it provides a system of rewards that can be selectively given to various members of the party in exchange for their support.

Consider, for example, Wilson's (1961) description of a patronage economy. There, a "boss" **is** vested by the collective membership of the incumbent political organization with the authority to dispense patronage.<sup>5</sup> The boss allocates patronage to other officials of the organization in exchange for support in matters of public policy. In turn, these officials decide who is to get the jobs. In return for an appointment to a position, patronage workers are expected to help build political support by participating in party activities, canvassing of voters and contributing to campaign funds. In addition, patronage workers also provide services directly to voters in order to develop a personal relationship that obligates the voter to support the patronage employee's benefactor on election day. Services provided by patronage workers include helping voters find housing, jobs in the private sector, help in dealing with legal difficulties, and offering condolences at funerals and wakes (Knott and Miller, 1987, p. 20). Supposedly, the distribution of patronage can be accomplished to maximize the overall support won by the party.

Wilson, however, goes on to note that the objectives of many of these lower level officials need not match those of the boss.<sup>6</sup> Both competition among these officials for patronage and conflicts with the objectives espoused by the boss can lead to internecine warfare, reducing the ability of the machine to defeat the opposition party. In retrospect, Wilson's description of patronage and machine politics suggests a similarity between the modern theory of the firm and a political party's management of patronage. Although the ability to dispense patronage can benefit a political

organization, there are also costs. As with employees of a firm, members of political organizations are likely to have conflicting objectives, raising the specter of agency costs (Ross, 1973; Jensen and Meckling, 1976; Williamson, 1985). The potential for agency problems in the use of patronage workers arises, in part, because of the personal nature of the services that patronage workers offer directly to voters. The voters who receive these benefits are likely to attribute receipt of them to the elected official or local group with whom they had actual contact. As a consequence, the power of local officials can be high and that can encourage them to act more independently. Once the boss relinquishes patronage positions to other officials, there is a loss of control and a potential for local party officials and patronage workers to act opportunistically. Furthermore, these problems are likely to increase with the size of the population served by the political organization.

To explain this argument, consider a political organization whose objective is to maximize the overall support it receives from voters within a given jurisdiction; a city, state or nation. In pursuing this objective, the organization will consider both the benefits and costs of patronage. To simplify, let there be two types of government employees, patronage workers and those hired under a merit system. In order to attract voters, the organization agrees to deliver a certain level and quality of general services, such as highways and fire protection. The voters compare the value of these services to the taxes they expect will be levied on them. The use of patronage workers in the provision of general services, however, increases the cost of providing these services. Under a patronage system, both types of employees hold regular positions within governmental bureaus which are responsible for the delivery of general services. In contrast to employees hired on the basis of merit examinations, however, patronage workers are selected on the basis of their perceived party loyalty and their ability to provide political services. Moreover, since patronage workers are also required to provide political services, they will spend less time at their regular job assignments. Given the multiple criteria for selecting patronage employees, and assuming the same wage rate for

both types of employees, the typical patronage worker will be less productive in the provision of general services than the typical merit employee.<sup>7</sup>

Of course, with voters acting as a check on the actions of the political organization, the ability of patronage workers to handle the requirements of their regular governmental assignments matters. Hence, party officials have an incentive to police the performance of patronage workers in providing both political and general services and require that patronage workers optimally balance the allocation of their time between the two activities. Consider, however, the following two cases. First, a situation wherein a local official has control of patronage within a given area, but the general services provided by these workers are earmarked for voters throughout the political organization's jurisdiction. Second, a situation where patronage within a given governmental bureau or division is divided among various party officials. In both of these cases, the incentives for any one of these party officials to police the performance of his or her patronage workers' production of general services is reduced since only part of the benefits of such actions accrue directly to the official. Accordingly, actual enforcement can be less than that which is optimal for the party as a whole.

Under most forms of representative democracy, the number of elected representatives will expand with an increase in the population. An increasing population will also likely increase the aggregate demand for governmental services, shifting out the derived demand for government workers. With a hierarchical structure, the increasing size of the political organization leads to a distancing between the party leaders and local party officials and increases the likelihood of the two cases mentioned above. The result is that the accountability for the behavior of patronage workers is reduced, implying that with growth of the government work force, the productivity of patronage workers in the provision of general services is likely to be reduced even further. With this decline in productivity, the full price of a patronage worker will increase relative to a worker hired under the merit system. Party leaders can, and may, respond by increasing the amount of time devoted

to monitoring the output of patronage workers. But, there is another margin for adjustment. In response to this implicit change in relative factor prices, the organization can refuse to allow the number of patronage positions to expand at the same rate as government jobs.

We have, of course, ignored numerous details of party politics. Nevertheless, because of the way patronage is commonly allocated, which allows lower ranking officials in the organization to direct the actions of patronage workers, there is a potential for agency costs. As the number of patronage workers increase, those costs are also likely to increase. An incumbent political organization, however, is in a position to vary the proportion of patronage to merit employees in response to changes in their relative productivities. If the issue of control is important, then the analysis offered in this section suggests two related implications. First, as the size of the government work force increases, the proportion of that work force that is under a merit system should increase. This also implies a gradual shift toward merit over time if the government work force increases gradually. Second, the proportion of merit to patronage employees should be higher in larger governmental units than in smaller ones, and implementation should vary across units of different size.

In the following sections, the basic arguments about organizational size and problems of control are used to examine the shift to a merit system at the federal level. It is worth noting, however, that the above analysis does not yield the implication that the total number of patronage workers will decline as the size of the federal work force increases. The analysis indicates only a relative decline in the use of patronage, not a complete wipe out. As long as direct constituency service matters to re-election efforts, patronage, in one form or another, will likely be present. In 1883, it may have been a postal worker who maintained direct contact with the voters, provided services and relayed information to the district's elected representative. Today, Congressmen have another solution, their staffs do much of the casework for constituents (Fiorina, 1989). However, political appointments

to positions within various agencies or bureaus remain part of the system. Those who receive **such** appointments are not only expected to carry out their usual administrative duties, but are often expected to actively campaign for their benefactor and to provide constituency service.

### **III. Patronage at the Federal Level**

By the early nineteenth century, political patronage was the principal means by which federal government positions were filled. Under the United States Constitution and through legislation passed in the early nineteenth century, appointment power rested mainly with the President, subject to the consent of the Senate. In practice, the process involved substantial logrolling and compromise. As Theodore Roosevelt (1927, p. 358) described . . . the Senator could of course do nothing for any man unless I chose to nominate him. In consequence, the Constitution itself forced the President and Senators from each state to come to a working agreement on the appointments in and from that state." The power to nominate allowed the President to trade patronage appointments in exchange for favorable votes from members of Congress on various bills. Most trades, however, were kept within the President's own party.

Appointments to more numerous lower-level positions such as postal, customs, and departmental clerks, however, did not require the consent of the Senate, and prior to passage of the Pendleton Act, there were few restrictions on whom could be hired. Among the chief patronage positions were postmasters. The provision of postal services was the major activity of the Federal Government in the late nineteenth century. Fifty-nine percent of all federal employees were in the postal service in 1881 and 61 percent in 1891 (U.S. Civil Service Commission, 1893, pp. 9, 230). Assigning postmasters, clerks, and carriers was **one** of the greatest sources of patronage, and it involved considerable negotiations between relevant members of Congress, the President, and the Postmaster General (Fowler, 1943, pp. 140-45). In 1890 there were an average of approximately 250 postmasters per congressional district, and some 1,700 applications for those positions (Fowler,

1943, p. 215). With changes in administrations and new political debts to pay, postmasters were routinely fired to make room for new political appointees. For example, during the Cleveland Administration, some 43,087 postmasters either were removed, suspended or asked to resign (Fowler, 1943, p. 306).

The benefits of controlling federal patronage were similar to those found at the state and local level. Federal employees were an integral part of the party machinery, engaging in campaign work and contributing part of their salaries in the form of political assessments. The assessments often amounted to two percent or more of an individual's salary, depending on the position held. Control of these funds rested mainly within the local party apparatus, and members of Congress had to compete with local and state officials for a share of them.<sup>8</sup> Having a say in who obtained patronage positions provided benefits to members of Congress. Patronage power enhanced their position within the party and among some voters, and it created a form of political indenture.

But there also were costs. Patronage, even for lower-level positions, was not allocated on a well-defined basis. While it was customary for the President to consult members of the House on appointments to postmasters in their districts, this 'Congressional Courtesy' implied no guarantee (Van Riper, 1958, p. 67). Members of Congress, local party officials, and cabinet officers competed with one another for patronage positions and the amount of time and effort involved in promoting their interests was extensive (Fish, 1905, pp. 173-80). Moreover, members of Congress and the President had to meet with job seekers to evaluate their political merits and fitness for their regular assignment. As the federal labor force and the number of competing claimants grew, these time costs expanded. For the President, the allocation of patronage was a tremendous burden on his time. Van Riper (1958, p. 132) comments that, "[t]he presidents themselves . . . appreciated the merit system for the relief it gave them from the perpetual importunities of office-seekers." In 1870, James Garfield claimed that "One-third of the working hours of Senators and Representatives is

hardly sufficient to meet the demands made upon them in reference to appointments of office . . . " (U.S. House, 1976, p. 156). In the case of James Garfield, the costs to allocating patronage were " especially high. On the morning of July 2, 1881, shortly after having assumed the office of President, James Garfield was assassinated by a disappointed office-seeker.

Patronage practices also extracted a toll in terms of the provision of federal services. Following the Civil War, the press, Congress, and federal agencies reported substantial amounts of fraud and incompetence in the Federal Government.<sup>9</sup> Most accounts of fraud, and particularly ineptness, involved the customs and postal services. Administration of customs was important because tariff duties accounted for by far the largest share of Federal Government receipts in the nineteenth century. Further, the accurate and timely processing of customs regulations was critical for merchants and others whose businesses in some way involved international trade. Three-fourths of all customs duties were collected in the port of New York, and the New York Customs Collector was one of the most powerful federal offices. The New York Times (March 24, 1873) discussed efforts to improve the efficiency of the New York customshouse. It reported, "[a]t no point had the defects of the previous method of appointment [patronage] seemed more obvious. . . . The customs service at the Port of New York had been properly considered as the climax of inefficiency and corruption." The Chicago Tribune (November 18, 1882) reported that the problem of patronage was, "[t]he appointees of congressmen and private individuals are expected to render a dual service, a service to the government and a service to their patrons." The Jay Commission (U.S. House, 1877), appointed by the Secretary of the Treasury to investigate five large customshouses, argued that patronage employees were often absent from their posts and the quality of service provided was considered poor at best. Similarly, complaints were made against the New York and other large post offices for incompetence in mail delivery (U.S. House, 46th Congress, 3rd Session).

The basic services provided by the customshouses and post offices were vital to the members of trade and banking groups, which were expanding with the growing commercialization and urbanization of the economy in the late nineteenth century. These groups developed a keen sense of the limitations of the spoils system in providing dependable federal services. They argued that "the primary needs of the merchants and the great interests of national commerce [have] been constantly surrendered to the demands of the party." (Skowronek, 1982, p. 51).

Because of problems with the New York customhouse between 1872 and 1875, President Grant attempted to assign merit hiring to the agency under the newly-established Civil Service Commission. Appropriations for the commission, however, were denied by Congress after 1875, and it was not until passage of the Pendleton Act that the Commission again became active (U.S. Civil Service Commission, 1884, p. 13; Sagaser, 1935, pp. 24-30). As with the New York customhouse in 1882, Grant attempted to place the New York Post Office under merit rules (Sagaser, 1935, pp. 27-30), but met with only limited success. Efficiency in government became a rallying point for reformers, who along with certain business interests, advocated civil service reform through the organization of lobby groups such as the National Civil Service Reform League. For each member of Congress, however, the willingness to support the continuation of an extensive system of patronage involved a calculated trade-off which depended on expected costs and benefits in terms of votes.

The calculation of these trade-offs by members of Congress took place within the context of a party structure, one which was undergoing important changes in the late nineteenth century (Kolbe, 1985; Chambers, 1975; Stokes, 1975). Prior to the Civil War, American political parties developed largely as loose confederations of local institutions. In the post Civil War period, population grew and the economy became increasingly integrated through lower transportation and information costs - linking labor, product, and capital markets. National concerns and associated interest groups

developed, and these groups lobbied the Federal Government for the provision of traditional services such as postal, as well as for new activities such as antitrust and regulation of business.<sup>10</sup> To successfully respond to these demands, political parties and federal offices became more national in scope. This led to tension between local and national party officials, and support for patronage became a central element in this division. Although the local party depended upon patronage for campaign funds and workers, the emerging national parties, many members of Congress, **and** the President were finding that patronage had high costs. Corruption flourished in the post Civil War period as numerous political appointees took advantage of their positions to benefit themselves **and** close friends (Van Riper, 1958, pp. 74-75). Because the number of appointees was increasing **and** it was difficult to control the actions of many of these employees, the system of patronage was increasingly viewed as the source of these scandals. Moreover, political assessments were insufficient to fund the growing costs of national, state, and congressional district campaigns. National interest groups were becoming an important alternative for campaign funds (Alexander, 1971; Overacker, 1932; Thayer, 1973). The demand for the more efficient provision of federal services, then, coincided with a growing desire to strengthen the national party and to weaken the local machine.

The foregoing description of patronage practices at the federal level is consistent with that offered in Section II. Accompanying the growth of the federal labor force was both rising protest over ineptness in the provision of general services, and a considerable amount of effort on the part of the President and other elected officials devoted to monitoring and selecting patronage employees. In allocating patronage, the President had a clear incentive to see that those appointed were fit for office. As President, he was more likely judged by voters on the performance of the government as a whole. While efficiency in the provision of federal services was also important to members of the Congress, they were in a better position than the President to direct patronage workers in their

home districts and to benefit directly from the campaign services of the patronage workers under their tutelage. Nevertheless, they too had problems controlling patronage workers, and it **was** the local party machinery that claimed much of the collected assessments from federal employees (Reeves, 1969). It is not surprising then that much of the opposition to federal merit employment came from low-level party officials (U.S. Civil Service Commission, 1886, pp. 20, 60-1). Thus, it would seem that both the President and the members of the Congress who were most affected **by** the negative aspects of patronage would take the lead in altering the system.

#### **IV. The Pendleton Act**

Civil service reform had become a recurring theme in the post Civil War period. In 1864, Senator Charles Sumner, a Republican from Massachusetts, introduced a bill providing for competitive examinations to be administered by a civil service commission (Hoogenboom, 1968, p. 10). His unsuccessful effort was followed in 1867 by that of Congressman Thomas A. Jenckes, a Republican from Rhode Island. The Jenckes bill, which was a prototype for the Pendleton Act, called for the use of competitive examination for entry into the federal civil service for all positions, except for those named by the President and confirmed by the Senate. In support of his bill, Jenckes argued that introducing a merit system would cut taxes, increase efficiency, and "save congressmen and executive officers countless hours wasted listening to office seekers," (Hoogenboom, 1968, p. 28). The bill's broad coverage, however, was too much for most representatives and the House voted to table the measure by a margin of 71 to 67 (Congressional Globe. 39th Congress, 2nd Session, pp. 1034-36).

In contrast to the Jenckes bill, the Pendleton Act denoted specific positions for inclusion into a merit system called the classified service. Under this system, the civil service was separated into two components: classified (merit) and unclassified (patronage) employees. For the former, competitive examinations were to be used in determining who obtained those positions and the Civil

Service Commission was authorized to oversee methods used to fill vacancies. The second group of positions, unclassified, remained to be filled via traditional patronage appointments. The screening and testing of applicants had been introduced in the New York post office on a trial basis in 1879 and were credited with having greatly reduced the cost of providing mail service." Passage of the Pendleton Act was expected to reinforce the system in effect in New York. Explicitly mentioned in the Act for inclusion into the classified service were customshouses and post offices where employment was at least 50, and clerical positions in Washington, D.C. The number of positions involved were 2,573 positions in the customs service, 5,699 positions in the postal service, and 5,652 positions in the departmental service (U.S. Civil Service Commission, 1889, p. 15). Top level officers, appointed by the President and with the advice and consent of the Senate, were not covered by the Act, nor were other positions not specifically designated by the law.

The new classified customs service included positions in the largest customshouses: New York, New York; Boston, Massachusetts; Philadelphia, Pennsylvania; San Francisco, California; New Orleans, Louisiana; Baltimore, Maryland; Detroit, Michigan; Chicago, Illinois; Portland, Maine; Burlington, Vermont; and Port Huron, Michigan. The classified postal service was the largest single group under the new merit system, and the Pendleton Act covered 23 cities where postal employment was at least 50: Albany, New York; Baltimore, Maryland; Boston, Massachusetts; Brooklyn, New York; Buffalo, New York; Chicago, Illinois; Cincinnati, Ohio; Cleveland, Ohio; Detroit, Michigan; Indianapolis, Indiana; Kansas City, Missouri; Louisville, Kentucky; Milwaukee, Wisconsin; Newark, New Jersey; New Orleans, Louisiana; New York, New York; Philadelphia, Pennsylvania; Pittsburgh, Pennsylvania; Providence, Rhode Island; Rochester, New York; St. Louis, Missouri; San Francisco, California; and Washington, D.C. Besides the administration of customs duties, the most important federal activity in the nineteenth century was the provision of postal services.

Both the customs and the postal services had been the subject of repeated complaints of general incompetence, inefficiency, and fraud. As with their counterparts in the customshouses, postal workers (appointed under patronage) had to devote much of their time to party work, rather than to postal activities (Fowler, 1943, p. 146). As urban areas were growing and manufacturing and commercial activities were increasing, the efficient administration of customs duties and provision of postal services became increasingly critical. Consistent with our arguments about bureau or agency size, it was the largest customshouses and post offices in the country that the Pendleton Act targeted. As noted in the Senate Report on the Pendleton Act (U.S. Senate, 1882b, p. 11), "The necessity of the application of the system in smaller offices is not so great. The heads of such offices have more leisure, more immediate supervision of each subordinate; and the temptation to use their position for more political purposes is not so great. The system can be readily extended at any time." By focusing on the largest post offices and customshouses in the major urban centers, the Pendleton Act addressed the greatest problem areas and the political jurisdictions where control of patronage workers in the provision of federal services was most tenuous.

Although there were broad pressures for civil service reform in the post Civil War period, the exact timing of the Pendleton Act was due largely to the pending 1884 presidential election. The President was the key figure in the allocation of patronage, and the party that controlled the White House essentially controlled the allocation of patronage. From the Presidency of Lincoln to the election of Cleveland in 1884, a Republican had occupied the White House. While the political fortunes of the Democrats were on the mend long before 1884, it was the mid-term election of 1882 that provided the worst Republican defeat since before the Civil War. Amongst Republicans, there was concern that the next President might be a Democrat (Hoogenboom, 1968, pp. 236-38). Many Democrats, however, were caught in a dilemma. Failure to vote for reform would cast them as being in favor of maintaining the system of spoils and allow Republicans the benefits of political

assessments for the upcoming 1884 elections. Assessments had been a particular concern of the Democrats, and they wanted to curtail this Republican source of campaign revenues (Hoogenboom, 1968, p. 246). Nevertheless, they also sensed that victory and control of patronage were close at hand.

In 1882, it was apparent that for many members of Congress, availability of some patronage still offered sufficient benefits relative to the costs, and they did not wish to dispense with it entirely. Accordingly, the Pendleton Act did not call for the classification of all, or even a majority, of federal civil service employees. Instead, as described above, the bill explicitly dealt with the imposition of competitive examinations for new applicants and promotions at the larger post offices and customshouses, as well as certain departmental clerical and technical positions in Washington, D.C. In total, the immediate impact of the Act was to place only slightly over 10 percent of federal positions within the classified civil service. The Act did, however, authorize the President to include additional positions via Executive Order at his discretion.

The Pendleton Act was voted on during the lame-duck second session of the 47th Congress, which was controlled by the Republicans. The bill provoked considerable debate in the Senate, much of which focused on the payment of political assessments by federal workers, and on the trade-off between efficiency in government and the value of patronage to legislators. For example, in support of the Pendleton Act, Senator Warner Miller of New York argued,

"Instead of patronage being necessary for the existence of a party, I do not hesitate to say that patronage will sooner or later destroy any and every party which may have control of patronage. Go over the political history of the state of New York; note how parties have come and gone, and note the cause of their defeats."<sup>12</sup>

Senator Miller went on to state that,

"No party can hope to manage the patronage of this government in its present magnitude and maintain itself before the people. The people demand efficiency in the officers. They only ask of the Post-Office Department that it shall take their mails and that it shall deliver them in the least possible time with the fewest possible mistakes . . ."<sup>13</sup>

The arguments presented by Senator Miller and others appear to have had the desired effect, and the bill passed the Senate by a vote of 38 to 5, with 33 absent.<sup>14</sup> The "yea" votes were provided by 23 Republicans, 14 Democrats, and 1 Independent. All 5 of the "nays" came from Democrats, 4 of whom were from the South. In the House, the bill was approved with a vote of 155 to 47, with 87 not voting.<sup>15</sup> The votes in favor were cast by 102 Republicans, 49 Democrats, and 4 Independents. Negative votes were cast by 7 Republicans, 39 Democrats, and 1 Independent.

The vote on the Pendleton Act does reveal a break along party lines, and seems consistent with Hoogenboom's (1968, p. 243) analysis that, "[t]o placate public opinion, Republican politicians were willing to sacrifice the Washington offices and even the very useful large customshouses and post offices, but nothing else." But, there is more to the story than partisan politics. After all, Senator George Pendleton was a Democrat from Ohio and a majority of the Democrats who voted on the **bill** supported it. Moreover, the willingness to support reform was particularly strong among members who represented a locality with either a large post office or customhouse in the vicinity. Indeed, of the 36 members of the House who had such a federal establishment in their vicinity, and who voted on the bill, 35 voted in favor. Of the 36, 21 were Republicans and 15 were Democrats. The one negative vote in that group, however, was cast by a Democrat.

Table 1 offers various results obtained by applying a logit model to the votes registered in the House on the Pendleton Act. Affirmative votes were set equal to unity and negative votes equal to zero. The explanatory variables are all qualitative. The first variable accounts for the presence of a post office or customhouse explicitly targeted by the Pendleton Act in the legislator's district or

**Table 1**  
**House Votes on Civil Service Reform:**  
**The Pendleton Act**

Variable	Eq. 1	Eq. 2	Eq. 3
Large post office/customshouse	2.84 (2.72)	2.16 (2.02)	2.15 (2.01)
Democrat	-2.55 (-5.60)	-1.49 (-2.69)	-1.61 (-2.83)
Independent	-1.08 (-0.91)	-1.09 (-0.92)	-.099 (-0.83)
Southern Democrat	--	-1.88 (-3.63)	-1.94 (-3.69)
Lame-duck	--	--	-0.51 (-1.11)
Constant term	2.46 (6.26)	2.48 (6.29)	2.80 (5.59)
Log-likelihood function	-81.26	-73.97	-73.34
Percent right predictions	78.2	85.6	85.6

Notes: Summary statistics are provided in the text. Asymptotic t-ratios in parenthesis.

immediate vicinity. The next two variables identify the representative's party, and the excluded category is Republican. The fourth variable is an interaction term and equals unity if the representative is both a Democrat and from the South. Our rationale here is that the South was largely rural at the time and the provision of federal services came mainly from relatively small installations.<sup>16</sup> A fifth variable, set equal to unity if the representative had either lost or did not run for re-election in 1882, is also included to test for any inordinate influence that may have been exerted by lame-duck representatives.

In accordance with the foregoing general description of the vote, the presence of a large post office or customhouse significantly (at the 5 percent level) increased the probability of voting in favor of the bill. Since most complaints pertained to the larger installations, this result reinforces our argument that politicians most negatively impacted by patronage practices would have the greater incentive to alter the system. It is also apparent that the votes of lame-duck representatives were not systematically different from those who had been successfully re-elected to office. Thus, our results do not support the argument that reform came about as those who favored spoils were driven from office. The votes of those representatives who were "in" and were now on their way "out," were not significantly different from those who had their terms extended.

In summary, while the vote on the Pendleton Act does reflect partisan politics to a degree, the results offered in Table 1 are consistent with the implications offered in Section II. The Act explicitly targeted the larger post offices and customhouses, and the elected representatives from those districts supported the bill. In addition, certain positions in Washington, D.C., were included in the Act and it was in that locality where the more technical functions of government were carried out. Because of the relative importance of those positions to the functioning of government as a whole, and because those employees were located in Washington, D.C. (generally making them of

limited use in the home state for campaigning), they were a likely target for inclusion in the classified service.

#### V. Extension of **the Merit System**

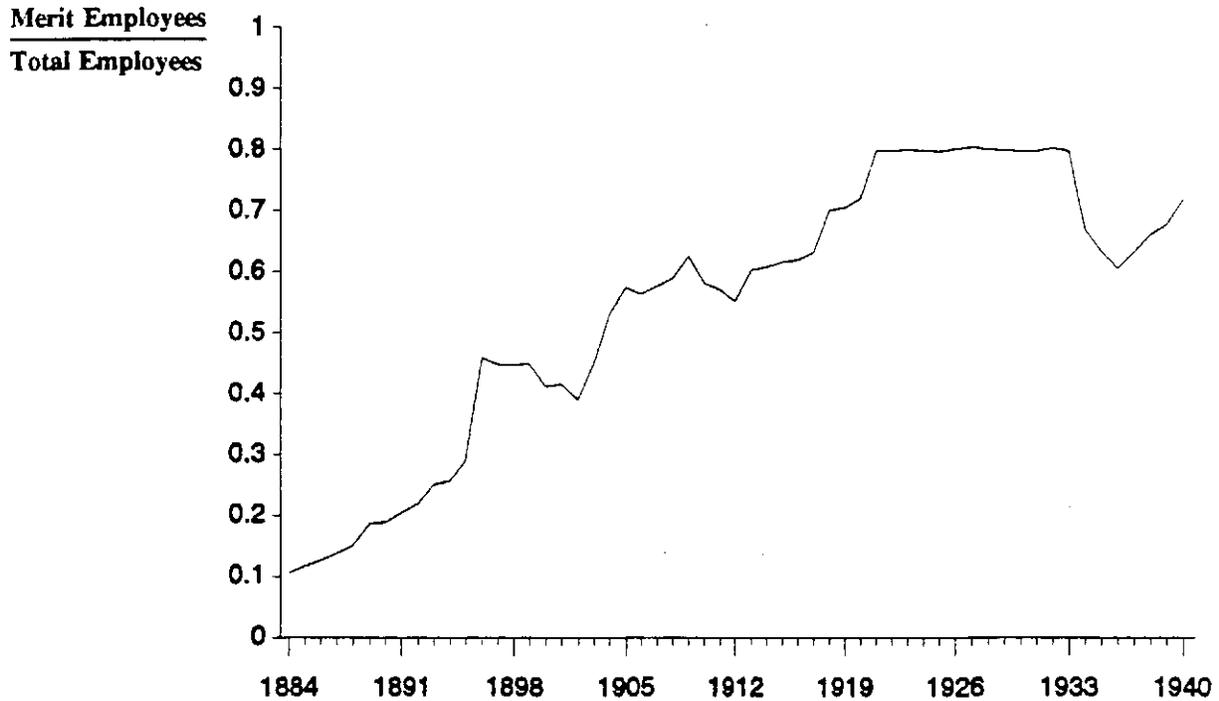
Had the Pendleton Act been merely an attempt by Republicans to placate reformists and to deny Democrats a full measure of the spoils, it is unlikely that much would have come of it. Indeed, if expansion of patronage were of significant value to the President, or a substantial majority of legislators, repeal of the Pendleton Act or a substantial declassification of federal positions would have been likely whenever either party dominated both the White House and the Congress.<sup>17</sup> But this did not happen. While after the strong Republican victory of 1896 McKinley did remove some 6,000 positions from the classified service (Van Riper, 1958, p. 173), the total number of classified positions actually expanded by 1,848 under his administration (U.S. Civil Service Commission, 1901, p. 202). Clear party domination of the Presidency and of Congress also occurred under the administrations of Roosevelt, Taft, Wilson, and others. Yet, the Pendleton Act remained in place and it became the basis for the extension of the classified civil service and the demise, at least in relative terms, of patronage.

In addition to the growth of governmental units explicitly denoted in the Act, expansion of the merit system occurred because of actions taken by various presidents to place additional positions within the classified service. Under the Pendleton Act, the President had authority to designate departments for inclusion into the service by Executive Order. By 1919, most federal departments and 70 percent of the total federal civilian employment were under the merit system. The leadership exercised by the President in changing the composition of the federal work force is evidenced by the fact that it was not until 1920 that Congress passed any bills to explicitly increase the proportion of federal workers within the classified service (U.S. House, 1976, p. 310).

The actions of these various presidents to expand the merit system is consistent with our arguments that it is the party leadership that had the greater incentive to control the use of patronage. The arguments offered in Section II also indicate that the expansion of the merit system should be positively related to the growth of the federal work force. The results offered in Figure 1 and Table 2 support that prediction.

In Figure 1, the vertical axis measures the ratio of the number of merit (classified) employees to the total number of federal civilian employees for each year from 1884 through 1940. We truncated the data at 1940 because the Hatch Acts of 1939 and 1940 applied restrictions on political activity effective for classified employees to unclassified employees as well, thus blurring the distinction between the two groups.<sup>18</sup> Figure 1 clearly shows that the shift to a merit system took a long time, and patronage was not instantaneously stamped out by passage of the Pendleton Act, or the actions of the reform groups of the late nineteenth century. In support of our argument about organizational size, Table 2 reports results using the ratio of classified to total employees as the dependent variable, and total federal civilian employment as the independent variable. Since we would expect this ratio to approach unity as the federal labor force expands, the specification should be nonlinear. Thus, we allow for a flexible functional form by including total employment, total employment squared, and total employment raised to the third power. The results reported in column 1 reveal a close fit between the proportion of merit to total employees and the total employment variables with the proportion rising with increases in total employment.

That increases in the size of the federal work force induced the shift to a merit system is not, of course, the conventional explanation. In addition to attributing this shift almost exclusively to the work of reform groups, it has been argued that the expansion of the classified service was often accomplished by a procedure known as "blanketing in" (U.S. House, 1976, pp. 181-3). The Pendleton Act had given the President a new power. By Executive Order, the President could



**Figure 1. Proportion of Merit to Total Federal Civilian Employees, 1884-1940.**

Notes: The data on total federal civilian employment and the number of federal employees in the competitive service (classified) are from U.S. House (1976, p. 305). However, data on total federal civilian employees for the years 1885 through 1890, 1896, 1898, 1900, and 1902 were not reported. Estimates for these years were obtained using the Annual Reports of the U.S. Civil Service Commission.

Table 2

## Labor Force Size and the Shift to Merit

Variable	Eq. 1	Eq. 2
Total Employment	0.395 E-05 (7.05)	0.359 E-05 (6.00)
(Total Employment) <sup>2</sup>	-0.434 E-11 (-5.50)	-0.382 E-11 (-4.51)
(Total Employment) <sup>3</sup>	0.144 E-23 (4.03)	0.122 E-23 (3.18)
First Year of Presidential Term	--	0.002 (0.19)
Second Year of Presidential Term	--	-0.014 (-1.14)
Third Year of Presidential Term	--	-0.008 (-0.88)
Party Dominance	--	0.014 (0.92)
Constant	-.286 (-2.85)	-.239 (-2.26)
$\bar{R}^2$	.9716	.9718
Log Likelihood Function	107.94	110.34

Notes: The above two equations were estimated using a second order autocorrelation error model and an iterative Cochrane-Orcutt procedure. Minus 2 times the log of the likelihood ratio for the restricted equation (1) and the unrestricted (2) is 4.79. With four restrictions, the critical value of the  $X^2$ -distribution at the 90 percent level is 7.78. t-ratios in parenthesis.

designate entire departments or classes of employees for inclusion into the classified service. By issuing such an order, selected employees could be protected from threats of dismissal should there be a change in the party controlling the White House. Supposedly, this would be a reward given to these employees for their previous political service. It would also reduce the ability of the incoming party to use these positions to generate political assessments. For sure, certain Presidents in the last year of their term in office did blanket in some positions. President Cleveland, for example, following failure at re-election in his first term in office, proceeded to blanket in some 5,000 positions (Van Riper, 1958, p. 122). To test whether this was a widespread and significant practice, we included three dummy variables that correspond to the first, second, and third years of each presidential cycle. The fourth year is the excluded category and if "blanketing-in frequently occurred near the end of an Administration . . . (U.S. House, 1976, p. 183), the three dummy variables should be significantly negative. The results reported in Column 2, however, do not reveal any evidence of a cycle. We also included a dummy variable to account for those situations when the majority party in the Senate and the majority party in the House were the same as that of the President. If the shift to merit were strictly a partisan issue, as opposed to the scale effects and problems of control emphasized in this paper, then whenever a party had complete dominance of both branches of the government, it should be less inclined to give up patronage. The coefficient on that dummy variable is not, however, significantly different from zero. A likelihood ratio test, reported in Table 2, leads to a strong rejection of the hypothesis that these political variables are jointly significant and can explain the long-term shift to a merit system.

As previously mentioned, Reid and Kurth's (1988 and 1989) explanation for the decline of patronage is that increases in per capita income and a population that was becoming more homogenous led to a decline in the demand for the services of patronage workers. But, while economic welfare was rising, it is not clear that the population of the United States around the turn

of the century was becoming more homogeneous, and this was the period when the merit system **was** rapidly expanding. Moreover, patronage has not disappeared. In 1884, the number of federal employees who were not in the classified service and were exempt from competitive civil service rules stood at 117,000. In 1940, the number of federal employees excluded from the classified service was 287,000. Despite popular belief, patronage did not disappear in 1883. Moreover, Wolfinger (1972) convincingly argues that political machines and patronage have not withered **away** at the state or local level either.

Patronage does, however, seem less prominent than it was in the past. But that is, in part, because it has declined in relative terms. Importantly, this decline came to the larger political jurisdictions first. In 1883, New York enacted the first state civil service law calling for the adoption of merit hiring with an independent civil service commission to monitor the new system (Council of Stat. Gov., 1942, p. 224). Massachusetts followed in 1884, and Illinois in 1905. At the city level, Boston adopted a civil service system in 1885, New York in 1888, and Chicago in 1895 (Ridley and Nolting, 1941, p. 131). In contrast, rural jurisdictions were very slow to adopt merit systems, and even to this day many retain vestiges of the traditional patronage systems (Stahl, 1983, pp. 36-43). Wolfinger and Field (1966), in an examination of the characteristics of cities that adopted civil service coverage for at least some of their employees, find little support for a relationship between ethnicity and civil service reform. But, they find a strong positive relationship between a city's size and the likelihood that its employees will be under a civil service system.<sup>19</sup> These results support our contention that organizational size matters, and that the expansion of the federal work force was instrumental in the timing of civil service reform.

## **VI. Protection from Removals and the Rise of an Interest Group**

The relationship between the President and the Congress over the control of appointments and the power to remove employees was often a stormy one. While members of Congress attempted to

claim property rights over patronage positions, the President sought to maintain his control over these positions and the range of possible trades with other politicians. During the battles over reconstruction policies between President Andrew Johnson and the Congress, for example, Johnson used patronage as a carrot and stick to build a coalition of support. To curb the President's power to remove patronage officials and offer new trades, Congress passed the Tenure in Office Act of 1867, requiring Senate approval for the removal of any officer confirmed by the Senate (Van Riper, 1958, p. 66). Other conflicts over control of the federal labor force involved the vital New York customshouse. In the 1870s, New York Senators Fenton and Conkling battled for customshouse patronage. As Conkling emerged victorious, he challenged President Grant's, and later, President Hayes', authority over patronage assignments at the customshouse. These and other battles over patronage, both within the Congress and between the President and Congress, continued through the 1870s and early 1880s (Hoogenboom, 1968, pp. 155-204).

These conflicts illustrate some of the costs of a patronage system and support our contention that the control of patronage extracted a toll on both the President and Congress. To reduce these costs, politicians would have to collectively agree to place a previously valuable political asset — federal workers — off limits. While it may be tempting to argue that any one legislator could lower his or her own costs by simply refusing to take part in the conflict, leaving the spoils to others, the situation was more complex than that. As long as party affiliation mattered in deciding who would fill a position, legislators would be pressured by local party officials to deliver jobs to their districts. Failure to do so could mean the loss of local party support. Moreover, failure to control patronage would mean that others would be in charge of these workers, raising the potential for opportunism in the actual implementation of policy.

To afford relief from these costly conflicts, the Pendleton Act required competitive exams and mandated that no employee be discharged or demoted for refusing to make political contributions.

Competitive exams largely eliminated legislative discretion in determining which individuals were to be hired, thus reducing pressure on legislators to sponsor job seekers, as well as increasing the quality of those appointed to classified positions.<sup>20</sup> In protecting federal employees from discharge for refusing to pay political assessments, the Pendleton Act also reduced the value of these employees to the incumbent party and legislators, thus lowering the incentives of legislators to compete for the control of these workers.

But once having established a merit system for classified employees, there remained the problem of whether the President or the Congress was to have direct control over these employees, and for the task of specifying the conditions under which classified employees could be removed from office. Although dismissals were not to be for partisan reasons, tenure was not granted by the Pendleton Act (Van Riper, 1958, pp. 101-2). The Act only noted that persons who habitually used intoxicating beverages were not to be retained in office. Despite provisions against dismissal for partisan reasons, there were pressures to remove classified employees. Upon the Republicans regaining control of the White House in 1897, considerable pressure was exerted by certain members of Congress and Republican party officials to declassify positions that had recently been covered-in by President Cleveland in his last months in office (Van Riper, 1958, pp. 169-72). While President McKinley did acquiesce and declassified a number of positions, he also attempted to forestall pressures for removals by issuing an executive order requiring that removals from the classified service be made solely for cause (U.S. Civil Service Commission, 1899, p. 19).

Conflict, however, between the President and the Congress over the control of classified positions continued. Beginning in 1902 President Roosevelt, and later Taft, issued so-called gag orders which forbade federal employees to, "Either directly or indirectly, individually or through association, to solicit an increase of pay or to influence in their own interest any other legislation whatever, either before Congress or its committees, or in any way save through the heads of the

Departments in or under which they serve, on penalty of dismissal from the Government service." (Spero, 1927, p. 96). Congress, in part, saw the gag orders as an assertion of presidential control over federal employees for political purposes, and in 1912 passed the Lloyd-LaFollette Act which allowed federal employees to petition individually or collectively to join labor organizations that did not authorize the use of strikes. The Act also strengthened McKinley's executive order as it was designed to prevent dismissal of employees for any reason, except efficiency, with requirements for written notices and opportunities to respond (Spero, 1927, p. 168).

The potential to use federal employees for political purposes, in particular to affect policy, has led Horn (1988, pp. 256-69) to argue that the development of the merit system was aimed at constraining legislative opportunism. The protection granted federal employees from removals and the rigid salary structure bureaucrats are subject to are seen by Horn as having been instituted to increase the durability of legislative deals. That is, merit controls would raise the costs of manipulating the bureaucracy in order to direct legislation to favored constituents. For sure, if an agency were staffed via a patronage system, those employees would owe their positions to a particular member of Congress, party official, or the President, and be relatively susceptible to pressure. A merit system would reduce the ability of individual legislators to use threats of dismissal or reductions in salary to induce civil servants to modify previously-passed legislation. While Horn's explanation is plausible enough, to argue that the prime reason the President and the Congress granted substantial protection from removals to federal employees was to protect legislative trades ignores that a new interest group appeared on the scene that influenced the move toward the establishment of tenure.

By requiring competitive exams and protecting workers from dismissal for refusing to pay political assessments, the Pendleton Act created a new and independent group of federal employees. Classified employees did not owe allegiance to the incumbent party or a particular legislator.

Although these employees were not organized in 1883, or in 1897, by 1909 the American Federation of Labor was actively engaged in supporting the interests of federal employees (Van Riper, 1958, p. 217). Indeed, rather than solely reflecting the culmination of a turf battle between the President and the Congress, passage of the Lloyd-LaFollette Act also represents the power of organized labor as the Act recognized the right of federal employees to affiliate with national unions (Spero, 1948, pp. 151-80). Later, federal unions were active in the enactment of the Classification Act of 1923 and its amendments in the Ramspect Act of 1940 to establish uniform job descriptions and pay classifications to define job ladders for promotion. Favoritism in promotions and pay had been viewed as a problem by federal employees and labor organizations (Spero, 1948, pp. 50-4; 354-6; 422-5). Finally, the Hatch Acts of 1939 and 1940 further removed federal employees from political influence by prohibiting their involvement in political campaigns. The observation that rules protecting federal workers were introduced gradually as their numbers grew is consistent with most notions of interest group behavior (Olson, 1965). On the other hand, if the underlying forces were those described by Horn (1988), then it is not clear why the implementation of civil service rules took so long. The problem of legislative opportunism likely had been around for a much longer time.

## **VII. Concluding Remarks**

Standard explanations for the adoption of a merit system at the federal level emphasize either moral outrage among progressives or the desire to provide tenure to party faithful. More recent examinations of the shift to merit have considered alternative explanations such as changing demands for government services and the desire on the part of elected officials to reduce the potential for legislative opportunism. None of these explanations, however, satisfactorily describes the timing or pattern of the shift from patronage or why patronage was retained for certain government activities. To explain these events, the arguments and evidence presented in this paper draw upon the theory

of the firm. As the size of the federal work force increased, the costs of effectively controlling patronage workers and local party officials also increased. Consequently, survival in the political marketplace required that the President and particular members of the Congress respond by controlling the proportion of federal positions that were filled via patronage. The shift to a merit system placed affected positions off limits to political influence, creating a relatively neutral federal work force. While strict neutrality is a fiction (Knott and Miller, 1987), willingness on the part of the President and Congress to opt for the merit system suggests that, at the margin, the benefits of having more patronage to distribute was less than the costs. The resulting changes, however, appear to have had some side effects.

Herbert Kaufman summarized the history of civil service reform by noting, "... the Civil Service Act sought to keep political workers out of the government service, the Hatch Act operated to keep government workers out of parties. Neutralization of the public service was thereby made more complete." (1965, p. 55). Ironically, it appears that the very depoliticization of the federal labor force desired by the President and Congress, as reflected in the move from patronage, created a new set of problems. Although the Pendleton Act, in part, was designed to improve the efficiency of the delivery of federal services, the cumulative effect of this institutional change was to limit the leverage available to politicians over the federal bureaucracy. The shift to a merit system facilitated the development of a new interest group with an important stake in the nature of the civil service system — federal workers. Union activity increased, and federal employees became influential in obtaining further legislation regarding salaries and work rules. After some fluctuations, by the 1960s federal salaries generally were considered to be substantially above those in the private sector (Freeman, 1987), and motivation of the rank and file employee was an increasing problem (Johnson and Libecap, 1989b). As the merit system was pushed toward its upper limits, the old issues of

political control of the federal labor force were largely displaced by new questions about whether the President and the Congress had any real control.

## Footnotes

1. U.S. Statutes at large, Forty-Seventh Congress, Session II, Chapter 27, pp. 403-7.
2. The background of the Pendleton Act has attracted considerable attention, particularly among historians and political scientists. The older literature, Fish (1904), Sagaser (1935), Fowler (1943), Van Riper (1958), and Hoogenboom (1968), emphasizes the role of reformers in the adoption of a merit system, which was termed civil service reform.
3. The more limited, but new literature focuses more attention on politicians and their motives for replacing patronage. In addition to Reid and Kurth (1988 and 1989) and Horn (1988), see Knott and Miller (1987). These authors do not, however, emphasize what we believe to be the primary driving force for civil service reform, the high costs associated with the control of patronage and the desire to improve efficiency in the delivery of federal services.
4. Federal civil service employment statistics were taken from the Historical Statistics of the United States and U.S. House (1976, p. 305). A description of some of the problems with these numbers for the period prior to 1883 is contained in Van Riper (1958, pp. 56-9). While not precise, the employment figures appearing in the text do reflect a general trend.
5. In Wilson's (1961) characterization of machine politics, the boss may or may not be an elected official. At the federal level, however, it is the President who largely controls the allocation of patronage.
6. Wilson (1961) argues that use of the vote maximizing hypothesis to describe the behavior of the boss, who is likely to have numerous objectives, is too restrictive if not actually incorrect. In a strict sense that is correct. But in view of the modern treatment of the agency problem, Wilson's objection to the use of the vote maximization hypothesis seems less potent today. The postulate of vote maximizing behavior is now frequently employed in the public choice literature (Mueller, 1989, p. 179).

7. The Pendleton Act did not call for any change in the federal salary structure. No provision was made in the Act to pay merit system (classified) employees differently from patronage (unclassified) employees. But even if patronage workers were paid more because they **were** also required to pay political assessments, our basic argument is unaffected as it is the relative wage rate and related productivities that matter.
8. Assessments were a major contention of reformers and the literature contains numerous accounts describing how monies were collected and for whom. See, for example, Fish (1905, p. 180), Sagaser (1935, p. 26), Fowler (1943, p. 140), Van Riper (1958, p. 47) and Reeves (1969).
9. See, for example, U.S. House (1867) and (1877).
10. The growing pressure by interest groups on the Federal Government to provide services of various kinds is described by Becker (1982) and Kolko (1962).
11. In testimony before the Senate Committee on Civil Service, the Postmaster of New York credited the screening and testing of applicants with having resulted in an increase in costs of only 2 percent while the volume of mail handled had increased between 150 to 300 percent over a three year period (U.S. Senate, 1882a, p. 41). Much of the testimony presented to the Senate focused on the merits of screening and testing and it was generally agreed that these procedures would increase productivity.
12. Congressional Record. 47th Congress, 2nd Session, p. 283.
13. Ibid, p. 284.
14. The final vote appears in the Congressional Record. 47th Congress, 2nd Session, p. 661. Party affiliations were obtained by using The Congressional Quarterly's Guide to U.S. Elections. (1985) and The Biographical Directory of the U.S. Congress: 1774-1989. (1989). A check of voting behavior on other bills suggests that absenteeism was widespread during this period.

15. Congressional Record. 47th Congress, 2nd Session, p. 867.
16. In 1881, 56 percent of all federal employees were in the postal service (U.S. Dept. of Commerce. 1975, p. 1103). The 23 cities covered by the Pendleton Act were the largest in the United States, and they received much of the country's postal services. Since postal activities were labor intensive, the distribution of postal services can be indicated by the distribution of the labor force. The 23 cities had 2,746 postal carriers, 71 percent of all postal carriers in the employment of the postal service (U.S. Post Office Department, 1884, p. 86). Per capita postal expenditures, which are available by state in 1900, also tended to be highest in the most populated states. In New York, for example, per capita expenditures were \$2.40, almost six times that for South Carolina. In addition, the nine populous North Atlantic states had per capita expenditures of at least \$1.40, while no rural South Central state had expenditures greater than \$.73 (U.S. Post Office Department, 1900, p. 810).
17. Efforts to repeal the act, especially in 1886, met with bipartisan resistance, and the merit reforms instituted by the Pendleton Act were retained and expanded. See Congressional Record. 49th Congress, 1st Session, pp. 401, 2287, 2945-52 for debate on repeal and page 5852 for the vote on S. 839 which called for a repeal of the Pendleton Act. The bill was tabled by a vote in the Senate of 33 to 6 with 37 abstentions. Thirty-one percent of the Democrats voted to table the bill; 14 percent to support it; and 55 percent abstain. Republicans are more favorable to the Pendleton Act with 59 percent voting to table the repeal law and 38 percent abstaining with one vote against tabling.
18. The Hatch Acts prohibited federal employees from using their office to influence or interfere with an election. See the discussion by Van Riper (1958, pp. 339-43).

19. Based on the Council of State Governments' data (1942, p. 224) and 1940 population statistics from the U.S. Census, the link between government size and merit is clear. By 1940, seven of the ten most populous states (with, generally, the largest government labor forces) had merit systems. In contrast, only two of the ten smallest (least populous) states had merit systems (New Mexico and Maine). Similarly, at the city level, data from the International City Managers' Association (Ridley and Nolting, 1941, p. 129) reveals that as of 1941 the 14 largest cities had some form of merit system for their employees. Less than 40 percent of the country's smallest cities (10,000 - 25,000 population) had merit systems. Large cities also adopted merit systems much earlier (Ridley and Nolting, 1941, pp. 131-52).
20. Selecting a work force on the basis of competitive exams would also lend an aura of impartiality to the administrative functions of the government. By the late nineteenth century, the voting public and elected officials at the federal level appear to have developed a growing preference for the use of independent commissions (Knott and Miller, 1987). This is consistent with our arguments about organizational size and control and suggests that the use of independent commissions should be greater in larger political jurisdictions than in smaller ones.

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