

The Cabinet Departments

The 14 cabinet departments are a major part of the federal bureaucracy. One of President Washington's first acts in 1789 was to ask Congress to create the Departments of Treasury, State, and War, and the office of Attorney General. The Department of State was to handle foreign relations. The Department of the Treasury was to take care of money matters. The Department of War was to oversee military affairs. Today the Attorney General is the head of the Department of Justice. The Attorney General handles legal matters. Since 1789, 10 additional departments

have been created. These departments include the Department of Energy and the Department of Education among others.

A secretary who is a member of the President's cabinet heads each of the departments in the executive branch. Departments usually have a second in command called the deputy secretary or under secretary. In addition, departments have assistant secretaries. The President appoints all these officials.

The next level under these top officials includes the directors of the major units that make up the cabinet department, along with their assistants. These units have various names including bureau, agency,

Focus on Freedom

RONALD REAGAN'S FIRST INAUGURAL

Ronald Reagan became the fortieth President of the United States on January 20, 1981. In his inaugural address, Reagan reiterated certain points that he had made throughout his campaign—such as the dangerous economic condition of the country and the need to reduce the federal bureaucracy.

In this present crisis, government is not the solution to our problem; government is the problem. From time to time we've been tempted to believe that society has become too complex to be managed by self-rule, that government by an elite group is superior to government for, by, and of the people. Well, if no one among us is capable of governing himself, then who among us has the capacity to govern someone else? All of us together, in and out of government, must bear the burden. . . .

So, as we begin, let us take inventory. We are a nation that has a government—not the other way around. And this makes us special among the nations of the Earth. Our government has no power except that granted it by the people. It is time to check and reverse the growth of government, which shows signs of having grown beyond the consent of the governed.

It is my intention to curb the size and influence of the Federal establishment and to demand recognition of the distinction between the powers granted to the Federal Government and those reserved to the States or to the people. All of us need to be reminded that the Federal Government did not create the States; the States created the Federal Government.

Now, so there will be no misunderstanding, it's not my intention to do away with govern-

ment. It is rather to make it work—work with us, not over us; to stand by our side, not ride on our back. Government can and must provide opportunity, not smother it; foster productivity, not stifle it.

In the days ahead . . . steps will be taken aimed at restoring the balance between the various levels of government. Progress may be slow, measured in inches and feet, not miles, but we will progress. It is time to reawaken this industrial giant, to get government back within its means, and to lighten our punitive tax burden. And these will be our first priorities, and on these principles there will be no compromise.

—RONALD REAGAN, JANUARY 20, 1981

Examining the Document

Reviewing Facts

1. Point out how Reagan believes the United States is different from other nations.
2. Describe the role Reagan believes government should have.

Critical Thinking Skills

3. Identifying Central Issues What do you think the proper role of the federal government should be?

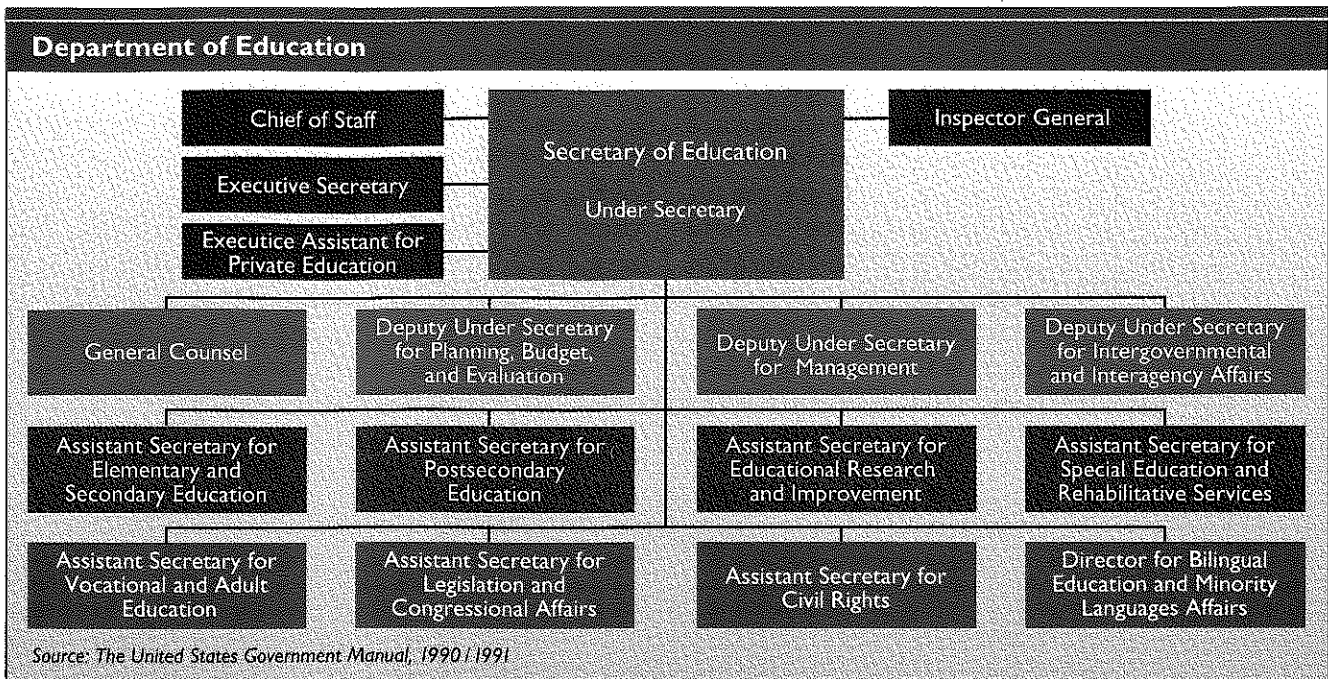


Chart Study

The Department of Education administers, coordinates, and establishes policy for federal assistance to education. The first secretary was sworn in on December 6, 1979. **Based on the chart, what is the under secretary's role?**

office, administration, or division. In the Department of Transportation, for example, one of the major units is the Federal Aviation Administration (FAA). The FAA promotes air traffic safety. Almost 50,000 people work for the FAA. One of the FAA's major jobs is training and supervising the thousands of air-traffic controllers who direct takeoffs and landings at airports across the country.

The top officials in each department—the secretaries, agency directors, deputy directors, and their assistants—set overall department policy. They make the key political decisions that interest Congress, the President, the mass media, and major interest groups. The secretary of transportation, for example, may make decisions about auto safety requirements such as air bags. The secretary of defense may make decisions about building new weapons systems. The di-

rector of the FAA may decide how strict the rules limiting aircraft noise should be.

These top leaders rely on ideas and information from career officials who are specialists and business managers in the department. These officials are responsible for the day-to-day operation of the department's many programs. Often, these career workers are the people who do the research to provide the alternatives from which the top leaders choose.

Independent Agencies

The federal bureaucracy also contains more than 100 independent agencies, boards, and commissions that are not part of any cabinet department. The President appoints the heads of these organizations.

STUDY GUIDE

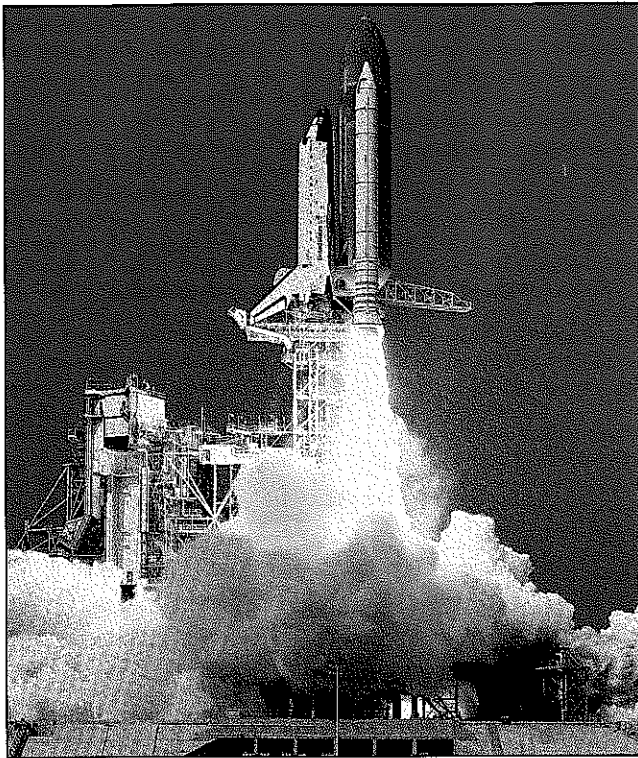
Themes in Government

Political Processes The cabinet departments are: State, Treasury, Defense, Justice, Interior, Agriculture, Commerce, Labor, Health and Human Services, Housing and Urban Development, Transportation, Energy, Education, Veterans Affairs.

Checks and Balances Why does the Federal Aviation Administration (FAA) report to the President?

Critical Thinking Skills Making Inferences What do you infer about the size and scope of

the cabinet department detailed on the chart above? Drawing Conclusions Based on what you read on page 502 and what you know about airline deregulation, do you think airlines have benefited from the government changes?



The Space Agency
 Established in 1958, the National Aeronautics and Space Administration conducts space exploration.
History To whom do federal agency heads report?

A few of these agencies are almost as large and well known as cabinet departments. Two examples are the Environmental Protection Agency (EPA) and the National Aeronautics and Space Administration (NASA). Other agencies such as the Civil Rights Commission and the Small Business Administration are much smaller. Most independent agencies have few employees, small budgets, and attract little public attention. Some examples of these include the American Battle Monuments Commission and the Migratory Bird Conservation Commission.

Assisting the Executive Branch Some independent agencies perform services for the executive branch. The General Services Administration (GSA) and the Central Intelligence Agency (CIA) are two examples. The General Services Administration is responsible for constructing and maintaining all government buildings. It also supplies equipment for federal offices. The National Archives and Record Administration maintains government records and publishes all rules applying to various federal agencies.

The Central Intelligence Agency provides a very different kind of service. The CIA gathers information about what is going on in other countries, evalu-

ates it, and passes it on to the President and other foreign-policy decision makers. The CIA uses its own secret agents, paid informers, foreign news sources, and friendly governments to collect such information.

Government Corporations Some independent agencies, such as the Small Business Administration, directly serve the public. Many of the most important of these agencies are **government corporations**, or businesses the federal government runs.

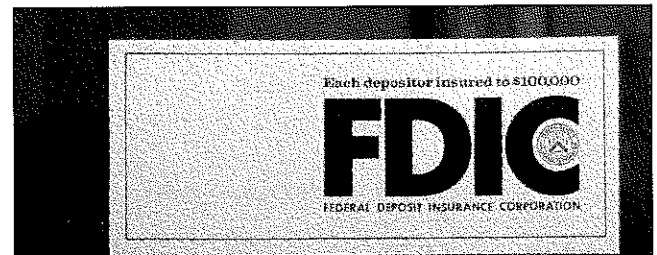
Today, the executive branch has at least 60 government corporations. The Postal Service is one of the largest, employing more than 830,000 people. The Tennessee Valley Authority (TVA) is another. The TVA has built dams and supplies electric power for an 8-state area in the South.

The Federal Deposit Insurance Corporation (FDIC) is also a government corporation. It insures bank accounts up to a certain amount. If a bank fails, the FDIC takes it over and pays the depositors. Recently there have been a number of bank failures.

Government corporations are organized somewhat like private businesses. Each has a board of directors and a general manager who directs the day-to-day operations. Most of the corporations earn money that is put back into the "business." Unlike private businesses, however, money from Congress, not funds from private investors, supports government corporations.

Regulatory Commissions

Regulatory commissions occupy a special place in the federal bureaucracy. They are independent of all three branches of the national government. Each commission has from 5 to 11 commissioners whom the President appoints with Senate consent. Unlike other bureaucrats, these commissioners do not report to the President, nor can the President fire them.



A Government-Run Business
 The Great Depression spurred creation of the FDIC.
Economics How is the FDIC funded?

Purpose of the Commissions The independent regulatory commissions were created to make rules for large industries and businesses that affect the interests of the public. Commissions also regulate the conduct of these businesses and industries. The regulatory agencies decide such questions as who will receive a license to operate a radio station or build a natural gas pipeline to serve a large city. The commissions may also act like courts. They may investigate a business for breaking one of the commission's rules. The commission may hold hearings, collect evidence, and set penalties for any business that violates the rules.

Some Problems Decisions of regulatory commissions can involve millions of dollars and greatly affect businesses. As a result, these agencies are often under intense pressure from lobbyists. Lawyers for industries that the commissions regulate have sometimes tried to go in the "back door" to argue their clients' cases in private with agency officials.

Critics of the commissions also charge that the commissions and the industries they are supposed to regulate sometimes have a revolving door relationship. Commissioners often are former executives in a regulated industry and sometimes leave the commission for high-paying jobs in the same industry. As a result, critics charge, some commissioners have seemed more interested in protecting regulated industries than in making sure that they serve the public interest.

Others point out that most agencies have had a good record of protecting the public interest. The Securities and Exchange Commission, for example, has protected investors in the stock market from fraud.

Deregulation Two recent Presidents, Carter and Reagan, have called for less government regulation. In a 1976 campaign speech, Jimmy Carter called for a reduction in the number of federal agencies. He cited the increasing difficulty of tracking the effectiveness of existing programs in an overregulated society. According to Carter:

We need increased program evaluation. Many programs fail to define with any specificity what they intend to accomplish. Without that specification, evaluation by objective is impossible. . . .

—JIMMY CARTER, 1976

In recent years Congress has responded to complaints of overregulation by taking steps to **deregulate**, or reduce, the powers of regulatory agencies. In 1978, for example, Congress ordered the Civil Aeronautics Board (CAB) to simplify its procedures and cut back on regulation of the airlines. Congress also specified that the CAB was to go out of business in 1985.

Deregulation of the airlines had both expected and unexpected results. As predicted, airline competition increased, and air fares were reduced. A few low-cost carriers entered the market. Then the major airlines fought back by providing special package rates and service. Soon they were able to buy out the upstarts. Dozens of mergers and nearly 150 bankruptcies in the first 10 years of deregulation reshaped the airline industry. Some fliers wondered whether airline cost-cutting measures threatened passengers' safety. Congress opened hearings on competitiveness in the airline industry.

SECTION REVIEW

Section Summary

The departments and agencies making up the large federal bureaucracy were established to carry on the work of the federal government.

Checking for Understanding

Recalling Facts

1. Define *civil servant*, *bureaucrat*, *government corporation*, *deregulate*.
2. Name three independent executive agencies.
3. Discuss why the powers of some regulatory agencies have been reduced in recent years.
4. Specify the document that provides for the federal bureaucracy.

Exploring Themes

5. Political Processes How are cabinet departments organized?
6. Checks and Balances Why were the independent regulatory commissions created?

Critical Thinking Skills

7. Making Inferences Why is it important that regulatory commissions be free from political pressures?
8. Drawing Conclusions Do you agree with Jimmy Carter that evaluating existing programs is important in a society with a large bureaucracy? Support your opinion.