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Volume Author/Editor: Ronald N. Johnson and Gary D. Libecap

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Chapter Author: Ronald N. Johnson, Gary D. Libecap

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## 2 Replacing Political Patronage with Merit: The Roles of the President and the Congress in the Origins of the Federal Civil Service System

### 2.1 Introduction

Throughout much of the nineteenth century, federal workers were a valuable political asset. Patronage was the currency of political exchange. The right to place the local party faithful into relatively high-paying federal jobs, making them postmasters or customs officers, was coveted by members of the House of Representatives, senators, cabinet members, and local political bosses. The president, who had the constitutional power to staff executive branch positions, traded these positions to members of Congress, local bosses, and other politicians in exchange for their support on legislation and in reelection.<sup>1</sup> Patronage jobs were known to be temporary, subject to the political fortunes of each worker's benefactor and political party. Not only was patronage an integral part of party politics in the United States, but it was viewed as a means of democratizing the government. Anyone with the right political connections could obtain a government job, at least for a short while.

Nevertheless, in the late nineteenth century, with the enthusiastic support of the president Congress voted to restrict the number of patronage positions that were available. With the enactment of the Pendleton Act (22 Stat. 403) on 16 January 1883, the process was established by which patronage was to give way gradually to merit-based employment. By 1904, only twenty-one years after the Pendleton Act was passed, over 50 percent of the total federal civilian labor force was under merit provisions (U.S. House of Representatives 1976). No longer were federal employees to direct their attention primarily to the political needs of their patrons and party. Instead, they were to provide government services competently and efficiently. Merit, not political influence, was to determine employment. Moreover, after the Pendleton Act, federal workers were gradually extended protection from removal through actions of the president and the Congress. By the mid-twentieth century, they effectively had tenure in

their federal positions but were required to be politically neutral.<sup>2</sup> With these changes, most vestiges of patronage that had characterized the organization of the federal labor force since the founding of the Republic were replaced by bureaucratic civil service rules.

From this summary of events, it is clear that the shift from patronage to merit in the federal government represented a major institutional change in the hiring and administration of the federal labor force. This shift to merit is commonly portrayed as a victory by reform groups over an unwilling Congress.<sup>3</sup> According to this view, civic-minded reformers objected to the inefficiencies and corruption alleged to be inherent in a system of patronage, and they worked to deny the reelection of members of Congress who were supporters of the spoils system and to replace them with members sympathetic to reform. Although reform groups played a role in mobilizing opposition to patronage, we find an explanation that solely emphasizes exogenous pressures for institutional change in the organization of the federal labor force incomplete. For example, the federal civil service reform associations generally cited as major proponents of the shift to merit employment had largely withered away by the end of the nineteenth century (Hoogenboom 1968, 256–67). Even in their absence, however, 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 hesitant, elected officials ignores more fundamental forces underlying the shift from patronage—the incentives of politicians to replace a system that was no longer capable of winning electoral support. In our examination of the adoption of the merit system, federal politicians play a central, leading role, rather than a peripheral or reluctant one.

In this chapter, we reconsider the move from patronage to merit in federal employment and demonstrate why the president and the Congress would find it in their interests to restrict the number of patronage positions and to install bureaucratic rules for the hiring and management of federal employees. The analysis, together with the analytic framework presented in appendix A, explicitly links the growth of the federal labor force in the post–Civil War period to civil service reform. It makes it clear why the president would take the lead in reducing the number of patronage positions, even though historically the exchange of patronage had been key in obtaining congressional support for legislation and other policy initiatives. In addition, implications are drawn as to which members of Congress would be most affected by the growing costs of patronage and, hence, would join the president in supporting institutional change. These implications are examined empirically, using congressional votes on major civil service reform legislation.

The overriding factor that changed the way in which federal politicians viewed patronage was the growth in the size of the federal labor force. Commensurate increases in the number of patronage positions raised the costs of negotiating and administering the distribution of the spoils and of monitoring

the performance of patronage employees. We describe, and show formally in appendix A, how the president was forced to devote more and more time to the allocation and monitoring of patronage appointments, diverting attention from other executive duties. Similarly, members of Congress were also required to spend more time on patronage issues, including bargaining with the president for positions and seeing that they were filled by individuals who would be obliged to them and who would also advance their political goals. In addition to these costs, federal politicians faced growing complaints from voters that the expanding patronage labor force was not providing them with the services they desired from the federal government. The monitoring problem was made worse by the physical separation of politicians in Washington, D.C., from those at the state and local level, who worked directly with patronage employees. These two groups of politicians had different constituents and conflicting aims regarding the use of federal workers. Scandals, inefficiencies, and corruption associated with patronage employment damaged national politicians in the eyes of business and commercial groups and many voters, while the net benefits of patronage generally remained large for the local party machine.

The shift from patronage, then, reflected a growing dissatisfaction with the spoils system among the president and many members of Congress. These concerns generally have not been addressed by those who previously have studied civil service reform; hence, much that is important to the story has been left out. We argue that federal politicians needed a new means for organizing federal workers and for more efficiently delivering federal services. The personnel rules adopted through passage of the Pendleton Act reflected the desires of the president and the Congress both to reduce the costs of patronage by improving the quality of federal workers and to constrain competition among politicians over the control of federal positions. In the end, the last objective required political neutrality for most of the federal workforce. Our analysis incorporates arguments in the historical literature regarding civil service reform with the economics of organization. We also draw on concepts from the public choice literature in examining the incentives of politicians to move from patronage to merit. This approach provides a more comprehensive explanation for the timing of the shift to merit, the identity of the interest groups involved, and why particular politicians would be responsive to those groups' demands.

## 2.2 Patronage

Since the early days of the Republic, patronage was viewed as a necessary and useful method for staffing federal offices. The number of positions to be filled was initially relatively small, perhaps 5,000 in 1816, with 500 positions in Washington, D.C. (U.S. Department of Commerce 1975, 1101). The Constitution granted the president the right to fill executive branch offices, and the notion, especially under the Jackson administration, was that these positions should go to the average citizen. There was to be no long-term holding of

federal offices, a practice that could lead to the development of an entrenched civil service elite and would be counter to the democratic goals of the new government. The positions were relatively simple ones—postmasters, postal clerks, land office clerks, surveyors, and customhouse employees. The assignment of these jobs became a central element of the early political party structure, which was largely locally based. In his study of the Jacksonian era, Leonard White emphasizes that the connection between national politicians and local party organizations was patronage: “The success of . . . local organizations seemed to depend much more on securing office, contracts, and favors for their members than on campaigning over disputed issues of statesmanship” (1954, 84).

Patronage positions were awarded to the party faithful, who engaged in campaign work and contributed part of their salaries in the form of political assessments. These assessments on the salaries of patronage workers were a means of transferring federal tax revenues to political parties. The payments ranged from 2 to 10 percent of an individual patronage worker’s salary, depending on the position held. Solicitation letters were sent by the party to each worker, return envelopes were provided to ensure that payments were made, and compliance was carefully monitored. Those who did not contribute the requested amount lost their positions (Fowler 1943, 157–60). Federal patronage jobs appear to have paid more than the market wage for comparable private positions in order to cover the payment of assessments.<sup>4</sup>

These funds were an important source of campaign financing in the nineteenth century. For example, Louise Overacker (1932, 103–9) states that, in 1878, the Republican Congressional Committee alone raised \$106,000 for political campaigns, of which \$80,000 came from federal employees. The control of assessment funds rested mainly within the local party apparatus.<sup>5</sup> Thomas Reeves provides an illuminating account of the assessment collection activities carried out by Chester A. Arthur, illustrating the potential for conflict between national and local party officials, as federal employees were often “required to contribute simultaneously to the national, county, local, and now state committees” (1969, 581). Nevertheless, the critical support of local party machines for congressional candidates depended on the latter’s ability to obtain patronage positions from the president. The president, in turn, exchanged patronage for promises of support on various bills and policies and for reelection. Those who held patronage positions did not have tenure, and they expected to be (and were) removed routinely after elections, whenever their patrons were defeated. For example, during the Cleveland administration, 43,087 fourth-class postmasters were either removed, suspended, or asked to resign to make room for Democratic party stalwarts (Fowler 1943, 306). These were the rules of the game, and they provided for a partisan federal bureaucracy. When the government was small, patronage provided for close allegiance between appointees and their political benefactors, and as a result the behavior of the employee could be monitored at a relatively low cost. As such, patronage was a standard

and generally respected practice for promoting the ideals of equality and social mobility and was the cornerstone for the development and maintenance of the political parties.<sup>6</sup>

So long as the interests of federal politicians and the local party machine coincided, the spoils system was mutually beneficial. To obtain the party's nomination and support in the campaign, candidates for federal political offices were required to permit the machine to play a role in the dispensation of the jobs and favors that they acquired on election and to be responsive to the demands of local party leaders.<sup>7</sup> In return, assessment money was made available for campaign expenses, and the local party boss used the promise of patronage to motivate campaign workers to get out the vote. Jobs were given to those who worked for the organization and voted for the party's candidates. Hence, having a say in who obtained patronage positions provided benefits to members of Congress. Patronage power enhanced their positions within the party and among some voters, and it created a form of political indenture.

Because of the value of patronage employees, a major prize for a party on winning the presidency was access to the spoils. Among the chief patronage positions were those of postmaster, postal clerk, and mail carrier. The provision of postal services was the major activity of the federal government in the nineteenth century. In 1881, for example, 59 percent of all federal employees were in the postal service (U.S. Civil Service Commission, *Annual Report*, 1893, 9, 230). The allocation of these positions among the various competing claimants involved considerable negotiation among relevant members of Congress, the president, and the postmaster general (Fowler 1943, 140–45). The postmaster general was one of the president's chief advisers in political negotiations with members of Congress, providing information on those who had received postal positions, who had requested more, what positions were available, and whose requests were inconsistent with their votes on the president's program. In 1890, there was an average of 250 postal workers per congressional district and some 1,700 applications for those positions (Fowler 1943, 215).

The exchange of valuable patronage privileges was a means by which the president and members of Congress reached agreement on legislative policies. The power to nominate allowed the president to exchange patronage appointments for favorable votes in Congress on various bills, and there was considerable logrolling and compromise. As Theodore Roosevelt noted regarding upcoming bargaining with Congress, "If they'll vote for my measures I'll appoint their nominees to Federal jobs. And I'm going to tell them so" (Van Riper 1958, 185).<sup>8</sup> Although senior office selections required Senate approval, appointments to the more numerous lower-level positions could be made without the consent of the Senate, and there were few restrictions on who could be hired. While it was customary for the president to consult members of the House on appointments to postmasterships in their districts, this "congressional courtesy" implied no guarantee of an appointment.<sup>9</sup> Members of Congress, local party officials, and cabinet officers all sought rights to patronage

positions, and considerable time and effort were required to promote their interests (Fish 1905, 173–80).

When Congress and the president disagreed, the president could use the control of patronage to discipline recalcitrant members of Congress. For example, President Andrew Johnson used patronage in an unsuccessful attempt to promote his reconstruction policies at the end of the Civil War. A political ally wrote Johnson, “Our three most important officers as far as patronage and influence are concerned are Collector of Customs, Postmaster, and Assessor of the Third District (Stewart). Each of these offices has a large number of men under him filling responsible positions and daily coming in contact with the people of the city. If all of these officers were sincere and earnest friends of the President, acting in concert in political matters, there would be no difficulty in controlling the city and state. . . . With proper management we will send a full delegation to the next House to support the President, and also a Senator in place of Creswell” (Fowler 1943, 132).

## 2.3 Changes in the Benefits and Costs of Patronage

### 2.3.1 Growth of the Federal Labor Force and the Increased Costs of Patronage

The historical circumstances surrounding the shift from patronage to merit are closely related to the size of the federal labor force. In the post–Civil War period, as the economy expanded, becoming more urban and industrialized, demands were made on the federal government to increase the services that it provided. In response, the size of government grew dramatically. Table 2.1 lists federal civilian employment between 1816 and 1911. Although by the end of the Civil War the federal government was the largest employer in the country with 51,020 civilian employees in 1871, within thirty years the civilian labor force was nearly five times larger at over 239,000 employees (U.S. Department of Commerce 1975, 1102–3). Government income and expenditures grew correspondingly. For example, federal receipts, most of which came from customs

**Table 2.1** Federal Government Civilian Employment

Year	Employment	Year	Employment
1816	4,837	1871	51,020
1821	6,914	1881	100,020
1831	11,491	1891	157,442
1841	18,038	1901	239,476
1851	26,274	1911	395,905
1861	36,672		

Source: U.S. Department of Commerce (1975, 1102–3).

duties, rose from \$42,000,000 in 1861 to \$393,000,000 in 1891, an increase of over eight-fold (U.S. Department of Commerce 1975, 1106).<sup>10</sup>

With the growth in the size of the labor force, the costs of negotiating, screening, and monitoring patronage positions increased. This new condition strained the personal nature of the patronage staffing process and the political exchanges built around it. Members of Congress and the president often had to meet with job seekers to evaluate their political merits and fitness for their regular assignment. For the president and members of Congress, the allocation of patronage increasingly became a tremendous burden on their time. 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.”<sup>11</sup> As the demands of the system grew, the president’s role was being reduced to that of a position broker, dispensing hundreds of jobs under great pressure. These duties diverted attention from other, presumably more presidential, responsibilities. In the case of James Garfield, the costs to allocating patronage were especially high. On the morning of 2 July 1881, shortly after having assumed the office of president, he was assassinated by a disappointed office seeker.

Since the president had control over the allocation of patronage, there was more than occasional conflict between the president and members of Congress over appointments and removal. Such conflict, too, became more intense in the post-Civil War period. While members of Congress attempted to claim property rights over patronage positions, the president sought to maintain control over those positions and the range of possible trades with other politicians.

One of the most notorious conflicts over control of the federal labor force involved a battle in 1871 for control of patronage in the New York customhouse between New York senators Fenton and Conkling. Following embarrassing public exposés of corruption associated with the conflict, President Grant attempted to obtain greater authority in patronage appointments at the New York customhouse but met with only limited success. Senator Conkling and the local party machine aligned with him then gradually assumed control of patronage. President Hayes, who followed Grant, continued to try to assert presidential authority over New York customhouse officials. In 1877, Hayes named replacements for a number of key senior positions, but they were rejected by the Senate, and Conkling retained control over the New York spoils. Competition among local machines, the Senate, and the president over the New York customs and postal positions continued unabated through the Hayes administration.<sup>12</sup>

The president’s concern about scandals in the operation of federal government facilities reflected more than a desire to maintain control over patronage. It also reflected a growing concern about the image of the president and the effectiveness of the administration in providing government services to voters throughout the country. With narrow constituencies, the local party machine and, indeed, some members of Congress could benefit from an increase in the



number of patronage jobs, even if there were complaints from other groups about the efficiency and corruption of local patronage employees. On the other hand, as a national political figure with a much broader constituency, the president was in the position of bearing the brunt of voter anger over poorly run facilities and the fallout over patronage battles. Moreover, lacking effective control over the staffing of particular facilities, the president garnered fewer benefits from the patronage retained for presidential appointments (see Hooenboom 1968, 155–204; Van Riper 1958, 182–89; and Kaufman 1965, 23–26). Given limitations on the president's time, more appointment decisions were delegated to others, increasing the risk that the political tribute and allegiance paid by patronage workers would be to those who actually distributed the spoils, not the president. To a somewhat lesser degree, members of Congress faced a similar problem in the management of patronage appointments.

The agency problem that the president and members of Congress confronted in the use of patronage workers arose in part because of the personal nature of the services that patronage workers offered local constituents.<sup>13</sup> Those who received benefits from federal patronage workers attributed them to the local party machine with whom they had contact rather than to the federal politicians who provided patronage. As a consequence, local political officials generally were held in high esteem, and this situation encouraged those officials to act independently of Washington. Once federal politicians relinquished patronage positions to lower party officials, they faced a loss of control over their appointments as local officials and the patronage workers, who owed their allegiance to them, acted opportunistically. These problems were aggravated by the fact that the constituents of many national politicians had interests that were different from the narrow, parochial interests of most concern to local party officials.

The agency problem associated with different constituencies and control of the labor force was also compounded by the growing number of federal patronage employees. As the number of workers grew, careful supervision of patronage appointees to ensure that their actions were in the interests of the president and Congress became more difficult. Indeed, by the early 1870s, patronage was seen by a growing number of federal politicians as a major problem for them among voters. High turnover was inherent in the system, and patronage workers had other obligations than the provision of federal services. They arranged political meetings, escorted voters to the polls, and attended party caucuses. For many postal workers, there was little time for post office business.<sup>14</sup> Many workers appear to have been hired just for their ability to pay assessments or to satisfy local political debts.

Business organizations were especially critical of the patronage system since the growing commercialization of the economy in the post-Civil War period depended on the smooth functioning of the postal system for shipments and billing receipts and of the customhouses for the import of intermediate and final goods. Over half the membership of civil service reform associations came from business groups. These groups developed a keen sense of the limi-

tations of the spoils system in providing dependable 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, 51).

Scandals and charges of fraud and inefficiency were linked to the country’s largest post offices and customhouses. Patronage was blamed, and the president and members of Congress with major federal facilities in their districts were increasingly pressured to reform the system. Administration of customs was also important because tariff duties accounted for by far the largest share of federal government receipts in the nineteenth century. 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 officeholders. The *New York Times* discussed efforts to improve the performance of the New York customhouse, reporting: “At 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” (24 March 1873). The *Chicago Tribune* reported that the problem of patronage was that “the appointees of congressmen and private individuals are expected to render a dual service, a service to the government and a service to their patrons” (18 November 1882).

The Jay Commission (U.S. House of Representatives 1877), appointed by the secretary of the Treasury to investigate five large customhouses in New York, Baltimore, Philadelphia, New Orleans, and San Francisco, argued that the New York customhouse had a labor force, appointed through patronage, that was at least 20 percent too large. The commission compared the costs and functioning of U.S. customhouses with those in Great Britain, which were staffed by merit service employees and, according to the commission, much more effectively run.

Similarly, complaints were made by business groups against the New York and other large post offices for incompetence in mail delivery (U.S. House of Representatives 1881). They pointed to claims that bags of undelivered mail lay forgotten in locked rooms and that the customhouses in Prussia and Britain were four to five times more cost efficient per volume of work done (Skowronek 1982, 51–55). A merit-based labor force “promised merchants and bankers an administrative system that would ‘protect their interests and secure efficient services in the departments in which they were most directly affected’” (*New York Times*, 9 September 1881, quoted in Skowronek 1982, 52).

Because of repeated charges of corruption and inefficiencies in the New York customhouse and post office between 1872 and 1875, President Grant attempted to implement merit hiring at the facilities under a Civil Service Commission that was created in 1871. Appropriations for the commission, however, lapsed after 1875, and it was not until passage of the Pendleton Act that the commission again became active.<sup>15</sup> In both cases, the president met with the entrenched opposition of the New York party machine.

Management problems associated with the growth in the size of the federal labor force appear to have been the major factor behind the increasing dissatisfaction of the president and members of Congress with federal patronage in the post-Civil War period. The notion that control is lost as an organization increases in size is an integral part of the theory of the firm. For example, Oliver Williamson (1975, 117–26) argues that the distinctive advantages of internal organization are impaired and transactional diseconomies incurred as firm size increases. Bounded rationality and specialized communication and decision-making arrangements require new hierarchical layers and costly coordination mechanisms in order to accommodate larger firms.<sup>16</sup>

The linkage between organization size and labor control problems is also made in the literature on government bureaucracy by Gordon Tullock (1965, 142–92), who argues that authority deteriorates within the bureaucracy with increases in the size of the agency. Anthony Downs (1967, 143) points out that, the larger any organization becomes, the weaker is the control over the actions exercised by those at the top. Downs and Tullock emphasize opportunities for deliberate distortion by those at the bottom of the hierarchy.

The argument that control problems associated with the size of the labor force were the major factor in explaining the rise in the costs of patronage and the associated adoption of merit-based hiring is supported by evidence from state and local governments. Civil service reform at the state and city level also began in the late nineteenth century, and the pattern of adoption across jurisdictions appears similar to that observed at the federal level. The most populous states and cities with the correspondingly largest government labor forces tended to be the earliest adopters of civil service reform. According to the Council of State Governments, seven of the ten most populous states by population had adopted statewide merit systems by 1941: New York, 1883; Illinois, 1905; Ohio, 1913; California, 1913; Michigan, 1937; Massachusetts, 1885; and New Jersey, 1908.<sup>17</sup> Of the remaining less populous thirty-eight states, twenty-five, or 66 percent, had no statewide civil service system by 1941.<sup>18</sup>

Records compiled by the International City Managers' Association reveal a similar pattern: municipal merit systems were in operation in all the thirteen largest U.S. cities by 1920, and six of those had merit service rules as early as 1900.<sup>19</sup> Calls for civil service reform in the larger cities followed the decline in the quality of government services under patronage and associated demands by reformers for more efficient government.<sup>20</sup>

### 2.3.2 The Costs of Patronage and the Changing Economic and Political Environment in the Post-Civil War Period

The rising costs of negotiating, screening, and monitoring patronage workers facing the president and members of Congress owing to the growth of the labor force were intensified by important changes in the structure of the party in the late nineteenth century. Prior to the Civil War, American political parties

developed largely as loose confederations of local institutions (see Kolbe 1985; Skowronek 1982; Chambers 1975; Stokes 1975). Indeed, Richard Kolbe (1985, 33) describes early American parties as factions, not well-organized national groups. In this way, the parties mirrored the national economy, which, because of high transportation costs, tended to be a collection of regional economies.<sup>21</sup> Parties focused on parochial concerns to win elections for their candidates, and patronage was used to organize campaigns and to fill appointive offices. Assessments from patronage workers provided local party machines with election and administrative funds from federal tax revenues.<sup>22</sup> Charles Stewart (1989, 26) argues that patronage kept local interests loosely bound in national political parties in the nineteenth century.

In the post-Civil War period, the rural, relatively isolated nature of the American economy began to change rapidly. The economy became increasingly urbanized, industrial, and integrated through lower transportation and information costs, linking labor, product, and capital markets. Per capita income rose. Expansion in the size of markets and technological change brought increases in the size, scope, and complexity of production.<sup>23</sup>

In part, because of the Union success in the Civil War, which established the domination of the federal government over regional interests (the South), and because of the growth of a truly national economy after 1865, politics and political parties began to take on a more national identity. Stephen Skowronek (1982, 39–40) discusses the change in the structure of American political parties in the late nineteenth century. While the earlier role of parties had been to direct the dispersion of particularistic benefits from the federal government downward to the localities, as the century progressed the parties were called on to take a more national role. Social interactions and economic contacts were becoming increasingly national in scope, with a corresponding rise in private interest groups demanding new and more complex services from the federal government that transcended local boundaries. These conditions brought about the gradual and at least relative replacement of the locally oriented party democracy.

Interstate coalitions, such as the Grangers, the National Association of Manufacturers, and the National Civil Service Reform League, lobbied Congress for legislation that they desired. There were demands for the setting and regulation of railroad rates and tariffs to promote domestic businesses and for establishment and enforcement of a sound money supply policy, antitrust law, and meat inspection procedures (to promote exports).<sup>24</sup> Such legislation as the Pendleton Act of 1883, the Interstate Commerce Act of 1887 (24 Stat. 379), the Sherman Antitrust Act of 1890 (26 Stat. 209), the McKinley Tariff Act of 1890 (26 Stat. 567), and the Meat Inspection Acts of 1890 (26 Stat. 414), and 1891 (26 Stat. 1089) was enacted, representing new and unprecedented intervention by the federal government into the American economy. Not only did these groups call for the provision of new services, but they also demanded that such traditional services as those provided by the post office and customhouse be

improved. In order to be responsive to these interest group demands and to organize institutional reactions to them, such as the creation of the Interstate Commerce Commission, political parties became more national in scope. This new direction tended to reduce the relative importance of the locally based party and machines, although machines kept a place in local politics.<sup>25</sup>

Tension between local and national party officials increased, as their interests and constituents began to diverge. As Skowronek notes, “[Local] Parties in this context were the cornerstone of an old order, an order that presumed the absence of strong national controls. The hold that the party machines had gained over American institutions would have to be broken before new centers of national institutional authority could be built. The expansion of national administrative capacities thus threatened to undermine party government in the nation that first gave it full expression” (1982, 40).<sup>26</sup>

Support for patronage became a central element in this division. While the local party depended almost exclusively on patronage for campaign funds and workers, the emerging national parties, many members of Congress, and the president were finding that patronage was losing its appeal as a source of votes. Not only did patronage provide an inept and corrupt labor force and prove to be a source of increasing scandal and embarrassment, as congressional hearings in the 1870s indicate, but assessments were also becoming insufficient to fund the growing costs of national, state, and congressional district political campaigns.

Table 2.2 outlines the pattern of presidential campaign expenses for the Democratic and Republican parties between 1860 and 1904. Much early campaigning for political office took place in newspaper columns, with the candidates traveling little. Editors’ fortunes rose and fell with the political success of their patrons. Pamphlets about and biographies of candidates were handed out at campaign rallies, organized by local party officials. Candidates for federal offices generally were not in attendance. Widespread barnstorming by federal candidates was introduced by Stephen Douglas in 1860 and became more central to election campaigns as the nineteenth century progressed. As more

**Table 2.2** Expenses for Presidential Campaigns

Year	Expenses (\$) <sup>a</sup>	Year	Expenses (\$) <sup>a</sup>
1860	150,000	1884	2,700,000
1864	175,000	1888	2,205,000
1868	225,000	1892	4,050,000
1872	300,000	1896	4,025,000
1876	1,850,000	1900	3,425,000
1880	1,455,000	1904	2,796,000

Source: Compiled from *Congressional Record*, 61st Cong., 2d sess., 18 April 1910, 45:4931, as reported in Overacker (1932, 71) and adjusted by Alexander (1971, 3878).

<sup>a</sup>Current dollars.

and more people had to be reached and greater efforts were made to reach them, costs rose. The table reveals that presidential campaign expenses in 1900 were over twenty times those in 1860, and the latter part of the nineteenth century is generally conceded to have been a period of deflation. As political campaigns became broader and more costly, political parties that had relied previously on patronage assessments turned to contributions from national interest groups and wealthy individuals to fund campaigns for state and federal offices.<sup>27</sup>

Constituent demand for the more effective provision of services by the growing federal labor force, then, coincided with the desire of the president and members of Congress to strengthen the national party and to weaken the local machine. A merit system for federal employment was seen as breaking the hold of the party bosses over political institutions and the patronage labor force and as facilitating the creation of a "responsible" national party system (see Skowronek 1982, 54). George Curtis, a founder of the National Civil Service Reform League and one of the leading critics of patronage, explained that "the goal of civil service reform was not 'merely a system of examinations' for administrative appointments but 'the restoration of political parties to their true function,' which is the maintenance and enforcement of national policies" (Curtis 1887, 358, quoted in Skowronek 1982, 54).

On this same issue, Donald Stokes (1975, 192–96) dates the rise of the modern U.S. party structure from the 1870s, with the concomitant rise of a national party administrative apparatus and institutional changes that weakened the power of the local political machine: direct political party primary elections, civil service reform, the adoption of the secret ballot, and the direct election of senators.<sup>28</sup> The local party had maintained itself through the control of patronage, the collection of assessments, the monitoring of voters through the open ballot, loose registration requirements, and the legislative selection of senators, which increased the role of the local machine in brokering the assignment of Senate offices.

Within this context, the president and certain members of Congress reassessed their position on patronage and civil service reform.<sup>29</sup> Civil service reform was an essential ingredient in, indeed a prerequisite for, this process of change. If the federal government were to respond to new demands or calls for the improved provision of existing services, it had to wrest control of the labor force from the local party apparatus. With the federal government doing more, the organization and performance of federal workers became an election issue for the president and members of Congress, beginning in the early 1870s. The Republican party adopted merit reform as a political plank in 1872, and the Democratic party followed in 1876. Rutherford Hayes was elected president in 1876, after a campaign in which he promised to change the patronage system. Although Hayes did not follow through as completely as reformers had hoped, the New York Civil Service Reform Association was formed in May 1877 to

organize political pressure, and the National Civil Service Reform League was organized in August 1881. With the assassination of President Garfield in 1881 and continued controversies over the collection of assessments from patronage workers and those workers' overall performance, civil service reform became one of the principal election issues in 1882.<sup>30</sup>

## 2.4 The Design of a New Institution: An Analytic Framework

The historical literature on civil service reform portrays the movement either as one of dedicated reformers battling a Congress reluctant to adopt a merit system or as one of skillful incumbent politicians seeking to deny their competitors access to patronage should they lose office. We address these issues in this and the following chapter, and we argue that the president and the Congress had other important reasons to support reform. Influential constituents were demanding alterations in the organization of the federal labor force, reducing the incentives of the president and certain members of Congress to maintain an all-patronage workforce. If these politicians were responsive to constituent demands, the growing public dissatisfaction with patronage in the late nineteenth century should have led to directed efforts for institutional change.

Contemporary analyses indicate that roll-call voting by members of Congress closely reflects constituent interests.<sup>31</sup> This finding is consistent with the postulate that politicians behave as if they were attempting to maximize the votes that they expect to receive in the next election.<sup>32</sup> Although reelection is considered a standard motive for twentieth-century politicians, it appears to have been on the minds of most federal politicians in the late nineteenth century as well.<sup>33</sup> For example, in the 1880 election, 74 percent of the members of the Forty-sixth House of Representatives sought reelection. Of those, nearly 87 percent were successful. Similarly, in the 1882 election, 61 percent of the members of the Forty-seventh House sought reelection, of whom 75 percent were successful.<sup>34</sup>

In this section, the reelection postulate is used to develop implications about which politicians were most likely to favor civil service reform and to explain the choices made in adopting the initial rules for the merit system. As part of the argument, we describe why the president would take the lead in controlling the growth of patronage. Unlike the earlier historical literature, our approach places federal politicians at the center of the civil service reform movement.

For the president and each member of Congress, a decision to alter the long-standing federal patronage system involved a calculated trade-off (in terms of votes) in expected costs and benefits. In the late nineteenth century, members of the House, senators, and the president were subject to voter scrutiny. House members were directly elected in their districts, and voter support for reelection depended, in part, on the popularity of the patronage institution and on

how well patronage employees provided federal services. Even though senators were not directly elected at the time civil service reform was being considered, their appointment by state legislatures also depended on the success of their party in elections. Indeed, senators were often state party leaders.<sup>35</sup> Similarly, the president's reelection chances were affected by voter evaluation of the effectiveness of the administration. High-ranking party officials, particularly the president and members of the Senate, bore the brunt of public discontent with the effectiveness of patronage workers.

Despite the increased unpopularity of patronage among many voters in the late nineteenth century, neither the president nor members of Congress could distance themselves from its problems by unilaterally withdrawing from the spoils system. Collective action among politicians was required. If a member of Congress unilaterally withdrew from patronage competition, other politicians would obtain control of the appointments, and the problems of monitoring the provision of constituent services and the blame for the poor performance of patronage workers would remain. Hence, federal politicians had to decide, as a group, whether to maintain patronage or to adopt a more politically neutral method of selecting and administering the federal labor force. Obtaining a group consensus took time. Civil service reform legislation was introduced into Congress and promoted by the president as early as 1864, but no legislative agreement was reached until 1883 with the Pendleton Act.

Public dissatisfaction with patronage, especially in the large postal and customs facilities, would have reduced the popular support received by both the president and members of Congress. But the growth of the all-patronage labor force presented the president with an especially difficult management problem. He had both to improve the performance of federal workers and to control the size of the pool of patronage employees. The ultimate solution to this problem was the adoption of the merit system. While the formal arguments illustrating this management problem are presented in appendix A, the essence of the argument is outlined here.

Under the authority granted by the Constitution for filling executive branch positions, the president held the property rights to patronage. Appointments were traded with members of Congress for support on various policy initiatives. In effect, the president was a monopoly seller of patronage, who sought to maximize the returns from these exchanges. However, the implicit "price," or what each member of Congress was willing to pledge in exchange for patronage, depended on the total number and productivity of patronage workers.

The size of the patronage pool affected what each member of Congress was willing to give up in exchange for appointees because monitoring costs grew with the number of positions. With additional appointees, more effort was required to ensure that they worked on the behalf of their benefactor. Hence, the amount of time that any member of Congress could devote to monitoring limited the number of patronage positions that could be effectively utilized. As a consequence of rising monitoring costs, members of Congress would be will-



ing to give up less to the president for an additional patronage position, yielding a negatively sloped demand curve for patronage. The president could potentially act as a price setter, but, in order to maximize the returns from patronage, a mechanism was needed for restricting the quantity of patronage offered to members of Congress.<sup>36</sup> Prior to civil service reform, the only available option was for the president to increase or decrease the number of direct presidential appointments (appointments therefore beyond congressional control). As with members of Congress, however, there were limits on the number of appointments that the president could use beneficially. With more individuals to interview and positions to administer, the president would have either to invest more time in the process or to delegate responsibility to others.<sup>37</sup> Such delegation of duties would weaken the president's control over patronage appointees and increase the influence of the local party machine.

The president could not unilaterally adjust the total number of patronage workers. The size of the federal labor force was determined by programmatic legislation passed by Congress and the associated staffing of federal agencies. Further, Congress would not support mere reductions in the size of the patronage pool because that would increase the implicit price for patronage paid by each member of the Congress. Hence, to obtain congressional support for limits on the number of patronage workers, Congress had to be offered some form of compensation. Improvements in worker productivity offered a potential basis for exchange. The president, too, was interested in obtaining a more efficient workforce and would be a strong supporter of reform efforts *both* to place restrictions on the amount of patronage and to raise productivity.

One possible solution to the performance problem facing the president and members of Congress was to increase the quality of patronage workers by requiring examinations for those entering federal employment. The allocation of jobs through the political spoils system could have remained in place. Civil service testing had been adopted earlier in parts of Europe, and there had been a number of efforts to implement entrance exams into the federal workforce after the Civil War. Moreover, there is evidence, drawn from evaluations of the effects of the Pendleton Act, that testing to screen patronage applicants would have improved quality and performance. Accordingly, testing *within the patronage system* could have been a means for improving the quality of government employees and potentially increasing their benefit to members of Congress and the president. Testing alone, however, would not have solved the monitoring problem of how patronage workers' time was to be distributed between providing regular government services and partisan activities. By continuing the practice of hiring the party faithful (even those screened by tests), the opportunity remained for the local party machine to divert patronage employees from providing the constituent services desired by Congress and the president to the parochial activities desired by local politicians.

When the labor force was small, the costs for federal politicians of managing the allocation of federal workers' time and effort would have been relatively

low. Moreover, voters could have more easily identified patronage workers with a particular federal politician. As a consequence, a vote-maximizing federal politician would have had the incentive to assign jobs to those who would deliver the most votes by weighing the applicant's potential as a local campaign worker, source of assessment funds, and provider of government services.

As the labor force grew, the time costs of monitoring each employee would have risen. Further, while members of Congress had incentives to police the provision of local partisan services, their motivation for monitoring the provision of general government services would have fallen as government became more national in scope and as the size of the patronage pool expanded. The actions of federal workers in one section of the country were more likely to have an effect elsewhere. In addition, a growing federal labor force was more anonymous in the eyes of voters and more difficult to link to any particular national politician, except the president. These factors presented an accountability problem between some members of Congress and voters. As we argue below, however, voter ire would have been directed toward the president and members of Congress from predictable districts.

In the face of these growing management difficulties, the mere testing of job applicants within the prevailing patronage system was unlikely to have seriously improved productivity, although the effect would have depended on the standards adopted. Moreover, with a growing demand for federal services, there were few means of limiting the growth of the labor force. Hence, the monitoring problem would have intensified, despite the adoption of merit testing within patronage. Further, as the numbers of patronage jobs grew, the president would have been under pressure to delegate more of the actual dispensation of patronage to the very department heads who were charged with administering exams and selecting new employees. The department heads, in turn, would have been subject to the political demands of members of Congress and local party officials. This may explain why some of the early attempts to use testing within the patronage labor force that predated the Pendleton Act did not fare well.<sup>38</sup> As a result, merit testing alone was an incomplete solution to the problems of allocation, control, and performance of the patronage labor force faced by the president and members of Congress in the post-Civil War period.

The resolution lay in a new arrangement that involved both testing and removing targeted positions from patronage. Once dislodged from the spoils system, federal employees would no longer be required to fulfill local party duties. Accordingly, the allocation of federal jobs on the basis of test scores instead of patronage considerations would reduce the influence of local party officials among federal workers, lower monitoring costs, and increase output as workers were able to devote their full attention to the provision of government services. If the problems associated with patronage were to be resolved effectively, legislators had collectively to institute a politically neutral system for hiring and administering federal workers.

A decision to support civil service reform involved a trade-off in benefits and costs for each politician, and legislators were subjected to different political pressures in this calculation. Certain politicians could secure greater support from voters by reducing the number of patronage positions. In particular, those politicians most negatively affected by patronage practices would be the ones with the greatest incentive to alter the system. Large post offices and customhouses were considered to be especially troublesome and were the focus of considerable concern in subsequent congressional debate over the Pendleton Act: "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 mere political purposes is not so great. The system can readily be extended at any time" (U.S. Senate, "Report," 1882).<sup>39</sup> Accordingly, we expect that legislators from districts with large federal installations would be the most likely to support the adoption of a merit system in place of patronage.

Once a politician decided to support civil service reform, there was still the problem of which positions to remove from patronage. Not all patronage jobs posed the same costs or offered the same benefits. If they acted judiciously to maximize votes, federal politicians would be expected to compare the costs and benefits of placing various patronage positions into the new merit system. In particular, we expect that rank-and-file positions in those large federal facilities subject to voter complaints would be the most likely candidates for placement under a merit system. The performance of these positions critically affected the delivery of federal services, and, because many of the appointments were to relatively low-level positions, they provided few political benefits to federal politicians as patronage assignments. In contrast, the more limited number of high-level supervisory and executive positions, such as first-class postmasters at the largest post offices, were less directly linked to the local party and were patronage plums with high political returns. Hence, we expect that these positions would not be given up in the conversion to a merit system.

In sum, the arguments developed in this section suggest the following implications for the initial design of the new federal labor institution:

1. The new federal labor arrangement would include both testing and removal from patronage.
2. Not all federal positions would be affected by the civil service reform, and the shift to merit would be gradual. The most likely to be included are rank-and-file appointees at large urban post offices and customhouses. High-level appointees would remain within the patronage system.
3. The president would take the lead in promoting civil service reform.
4. Members of Congress from districts with large customhouses and post offices would join the president in promoting adoption of the merit system. These implications regarding the nature of civil service reform legislation and the identity of the politicians who supported it are examined in the following section.

## 2.5 Legislation for Merit

### 2.5.1 Early Efforts to Adopt Merit: The Jenckes Bill

The most serious early effort in Congress to adopt a merit system for the hiring of federal employees was made by Congressman Thomas Jenckes of Rhode Island.<sup>40</sup> The Jenckes bill, which was a prototype for the Pendleton Act, called for the use of competitive examinations for entry into the federal civil service for *all* positions, except those top-level offices named by the president and confirmed by the Senate. The Civil Service Commission was to monitor the selection process. In support of his bill, Jenckes argued that introducing a merit system would “save congressmen and executive officers countless hours wasted listening to office seekers” (Hoogenboom 1968, 28).

Jenckes was a member of the Joint Select Committee on Retrenchment after the Civil War and also believed that a merit system improving government efficiency would allow for a reduction in taxes: “Let us seek to obtain skill, ability, fidelity, zeal, and integrity in the public service, and we shall not be called upon to increase salaries or the number of offices. It is safe to assert that the number of offices may be diminished by one-third, and the efficiency of the whole force of the civil service increased by one-half, with a corresponding reduction of salaries for discontinued offices, if a healthy system of appointment and discipline be established for its government” (*Congressional Globe*, 39th Cong., 2d sess., pp. 838–39).

Jenckes and other civil service reformers looked to Great Britain, where merit-based reforms were being implemented at the time.<sup>41</sup> Indeed, later in 1879, as the campaign for civil service reform continued, Dorman Eaton of the National Civil Service Reform League, the chief architect of the Pendleton Act, wrote *The Civil Service in Great Britain* (1880) to extol the rewards of civil service reforms in Britain and their likely beneficial effects in the United States. The book set a British standard for American legislation and linked the merit system to progress and patronage to provincialism and incompetence.<sup>42</sup>

Despite growing support for some type of merit system for federal workers, the Jenckes bill would have resulted in massive cuts in the number of patronage positions. As the analytic framework in section 2.4 above suggested would be the case, the bill’s broad scope was too much for most representatives, and the House voted to table the measure in 1867 by a margin of 72 to 66 (*Congressional Globe*, 39th Cong., 2d sess., pp. 1034–36). The vote to table the Jenckes bill is instructive because of the patterns of support and opposition for civil service reform that are revealed. As Ari Hoogenboom noted, “This vote . . . was surprisingly close and cut across party lines. Although the bipartisan vote reveals no sharp cleavage between political ‘outs’ and ‘ins,’ it does outline an urban versus rural pattern. There is an indication of correlation between distance from centers of commerce and decrease of interest in civil service reform” (1968, 31). Hoogenboom’s description indicates that, in voting for the

Jenckes bill, those House members with the large postal and customs facilities that were critical for commercial activities would be the most likely to support civil service reform. We examine congressional voting behavior and this hypothesis in our analysis of the Pendleton Act.

### 2.5.2 The Pendleton Act of 1883

After the failure of the Jenckes bill in 1867, there were various attempts to create a merit-based system for hiring federal workers. The Jenckes bill was reintroduced in 1868, 1870, and 1871, but it did not pass (see Titlow 1979; Van Riper 1958, 68–78). Between 1871 and 1874, there was a short-lived Civil Service Commission authorized by a rider to an appropriations bill (16 Stat. 514 [1871]) and supported by President Grant.<sup>43</sup> The statute authorized the president to establish rules and regulations for the hiring of federal workers to best promote the efficiency of government through the use of criteria that stressed knowledge and ability rather than political ties. It also authorized the establishment of a commission to prescribe the functions of the civil service. Grant appointed seven members to the committee to initiate merit hiring. They drew on the British civil service model to draft rules for competitive examinations for hiring and promotion. These efforts, however, did not lead to a permanent federal merit system because Congress refused to continue the appropriations for the commission's actions in 1874.

A permanent institutional structure for merit hiring did not come until the Pendleton Act was passed in 1883. The original Pendleton bill was submitted to Congress by Senator George Pendleton of Ohio in December 1880. It followed the earlier Jenckes bill, creating a strong Civil Service Commission to administer a merit system. Some constitutional issues were raised, and the bill was withdrawn and replaced by one carrying provisions drafted by members of the New York Civil Service Reform Association and the National Civil Service Reform League (Sageser 1935, 37–40; Skowronek 1982, 64–66). The new bill was reintroduced by Pendleton on 10 January 1881, and hearings were held by the Committee to Examine the Several Branches of the Civil Service. Although the committee recommended passage, no action was taken by the Congress during that session. Action awaited the new president (Sageser 1935, 40–41; Titlow 1979).

The assassination of President Garfield in July 1881 reignited the spoils system as an explosive campaign issue. The New York Civil Service Reform Association took advantage of public revulsion over the assassination to campaign for passage of the Pendleton Act, and the legislation was reintroduced by Pendleton on 6 December 1881 (Sageser 1935, 42–44; Titlow 1979). Congressional debate emphasized the efficiency and economy that would come about with a merit system and broad public demand for civil service reform. Even so, no action was taken on the bill. During the summer of 1882, reform groups continued to lobby Congress and generate voter support for enacting the Pendleton bill (Sageser 1935, 47–52).

Although political pressure was building for the adoption of some type of merit reform legislation, shifts in the political fortunes of the two parties help explain the exact timing of the passage of the Pendleton Act in 1883. Democrats took control of the House in March 1883, and Republicans began to fear that they would lose the 1884 presidential election and therefore lose control of the White House for the first time since the election of Lincoln. Federal patronage and assessments, especially by the Republican Congressional Committee, were central campaign issues in the fall 1882 congressional elections, and politicians were looking to introduce the kinds of reforms outlined in the Pendleton bill.<sup>44</sup> There was considerable political posturing occasioned by the bill. For Republicans, who stood to lose the 1884 presidential election, enactment of the law would mean that the Democrats would have fewer patronage positions from which to obtain political assessments.

The Pendleton bill also allowed for existing employees to be placed within the classified service. This facet of the bill did not go unnoticed by some Democrats. Senator Joseph Brown of Georgia suggested that the preamble of the bill state “a bill to perpetuate in office the Republicans who now control the patronage of the government” (*Congressional Record*, 47th Cong., 2d sess., p. 661). Many Democrats, however, were caught in a dilemma. Failure to vote for merit 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. Although assessments were becoming less important as a source of campaign revenues, Democrats also wanted to curtail Republican access to them. Nevertheless, they also sensed that victory and control of patronage were close at hand. These issues weighed in the voting decision faced by each member of Congress.

The debate in the Senate over the Pendleton Act occurred over the period from 12 December to 27 December 1882, when it was passed by the Senate; the House vote took place on 4 January 1883.<sup>45</sup> The bill was voted on during the lame-duck second session of the Forty-seventh Congress, which was controlled by the Republicans. It provoked considerable debate in the Senate. For example, Senator Warner Miller of New York argued, “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” (*Congressional Record*, 47th Cong., 2d sess., p. 284).

One of the major objectives of the Pendleton bill was the separation of federal employees into two groups: classified (merit) and unclassified (patronage). As predicted, not all federal employees were placed within the merit service. When the law was implemented, 2,573 positions were placed in the classified customs service, 5,699 in the classified postal service, and 5,652 in the classified departmental service in Washington, D.C. (U.S. Civil Service Commis-

sion, *Annual Report*, 1889, 15). Senior officials, appointed by the president with the advice and consent of the Senate, were not covered by the act, nor were other positions not specifically designated by the law. Although the Pendleton Act affected only 13,924 positions out of a civilian labor force of some 131,860, it authorized the president to include additional positions through executive order (U.S. Civil Service Commission, *Annual Report*, 1889, 15). Unclassified positions remained to be filled via traditional patronage appointments.

Sections 1–3 of the Pendleton Act authorized the establishment of a Civil Service Commission of three persons, appointed by the president, to draw up rules for the administration and enforcement of a merit system. Competitive examinations were to be implemented for filling offices and for promotion within the classified service. Section 4 stated that the classified service was to include those clerks in customhouses employing fifty or more persons, clerks in post offices of fifty or more, and executive branch offices in Washington, D.C. (sec. 2) (47th Cong., 2d sess., 1883, chap. 27, p. 403). Additionally, the law called for the inclusion of the employees of any post office or customhouse once total employment reached fifty.

By construction, then, the Pendleton Act's provisions focused on large customhouses and post offices in the principal centers of business, commerce, and industry, where most federal services were directed. The cities affected were Albany, Baltimore, Boston, Brooklyn, Burlington, Buffalo, Chicago, Cincinnati, Cleveland, Detroit, Indianapolis, Kansas City, Louisville, Milwaukee, Newark, New Orleans, New York, Philadelphia, Pittsburgh, Port Huron, Michigan, Portland, Providence, Rochester, St. Louis, San Francisco, and Washington, D.C. (U.S. Civil Service Commission, *Annual Report*, 1884, 42–46). By targeting the largest customhouses and post offices, the Pendleton Act could place employees under a merit system to improve their performance and respond to the demands of business and reform groups (Hoogenboom 1968, 179–97; Skowronek 1982, 72).

The delivery of federal services through comparatively large facilities in major urban areas is reflected in postal and customs data. Postal workers accounted for 56 percent of all federal employees in 1881, and the cities covered by the Pendleton Act had 2,746 post carriers, 71 percent of all postal carriers in the postal service (U.S. Department of Commerce 1975, 1103; U.S. Post Office Department, *Annual Report*, 1884, 86). Per capita postal expenditures also tended to be highest in the most populous states. In New York, for example, per capita expenditure was \$2.40 in 1900 (when data are available), 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 an expenditure greater than \$0.73 (U.S. Post Office Department, *Annual Report*, 1900, 810). Similarly, of the eleven cities with customhouses covered by the Pendleton Act, all but three were among the

twenty largest cities in the country in 1880, and they had 3,393 customs employees, 83 percent of all federal customs employees (U.S. Civil Service Commission, *Annual Report*, 1893–94, 132).

The clerical positions in Washington, D.C., placed under the departmental service affected more technical functions of government, such as surveys, where the use of examinations was more likely to result in the selection of higher-quality employees and promote the goal of achieving administrative efficiency.<sup>46</sup> Moreover, these positions were located in the nation's capital. Hence, it is unlikely that these employees were of much use as campaign workers for either members of Congress or local party officials. Appointments to the departmental service were to be apportioned among the citizens of the various states, according to population.

Besides addressing the concerns of voters in commercial centers about the efficiency of federal patronage workers in the post offices and customhouses, the act also took aim at reducing the potential for overt competition for control of classified federal workers by making them less attractive targets. The strongest language in the bill and its only explicit penalties were directed toward prohibiting the levying of political assessments. Moreover, threats of discharge were not to be used in soliciting funds.<sup>47</sup>

There is evidence that the reforms introduced by the Pendleton Act improved the performance of federal workers in the positions that were covered by the law. The merit exams called for by the Pendleton Act addressed issues necessary for performing particular tasks, and, importantly, not everyone passed. Applicants for most clerkships and nontechnical positions were tested for “common school” proficiency. Technical positions, such as engineers, architects, telegraphers, and accountants, required more specialized exams. Between July 1883 and January 1884, 3,542 applicants were examined by the commission, and 2,044, or 58 percent, received the required 65 percent passing rate (U.S. Civil Service Commission, *Annual Report*, 1884, 67). Between 1884 and 1885, 6,347 individuals were examined, and 4,141, or 65 percent passed (U.S. Civil Service Commission, *Annual Report*, 1885, 7). Data for assessing the productivity gains of testing under the merit system are limited to qualitative evidence, but they indicate a pattern of change. Although the Civil Service Commission that administered exams and employee hiring was not a disinterested party, it reported extensive productivity improvements after 1883. In its annual reports, testimonials were presented from postmasters and customs collectors regarding improvements in the functioning of their agencies with merit employees (U.S. Civil Service Commission, *Annual Reports*, 1884, 32–39, and 1885, 38). In its 1899 report (p. 17), the commission outlined increases in efficiency through extension of the classified service in the Treasury and Post Office Departments. In his analysis of the early years of the federal merit system, Carl Fish (1905, 232) estimated that \$2 million was saved annually in the collection of customs.

In the Senate, the bill was passed by a vote of 38 to 5, with thirty-three



members absent (*Congressional Record*, 47th Cong., 2d sess., p. 661). The yeas were provided by twenty-three Republicans, fourteen Democrats, and one independent. All five of the nays came from Democrats, four of whom were from the South. In the House, the bill was approved with a vote of 155 to 47, with eighty-seven members not voting (*Congressional Record*, 47th Cong., 2d sess., p. 867). The votes in favor were cast by 102 Republicans, forty-nine Democrats, and four independents. Negative votes were cast by seven Republicans, thirty-nine Democrats, and one independent.<sup>48</sup>

Although the vote on the Pendleton Act reveals a break along party lines, our analysis suggests that there was 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, willingness to support reform was particularly strong among members who represented a locality with a large post office or customhouse in the vicinity. Indeed, of the thirty-six members of the House who had such a federal establishment in their district and who voted on the bill, thirty-five voted in favor. Of the thirty-six, twenty-one were Republicans and fifteen Democrats. The one negative vote in that group, however, was cast by a Democrat.

It is possible to examine more formally whether those members of the House of Representatives from major commercial centers were most likely to support the Pendleton Act as well as to examine the effects of party membership and other factors. Table 2.3 offers results obtained by applying a logit model to the votes registered in the House on the Pendleton Act. In addition to the official vote count reported above, we augmented the data set by including information on pairings and stated positions of seven additional representatives who did not formally vote.<sup>49</sup> Inclusion or exclusion of these seven additional votes does not alter our findings. Affirmative votes were set equal to unity and negative votes equal to zero. The explanatory variables are all qualitative. The first variable in the table accounts for the presence of a large post office or customhouse in the legislator's district or its immediate vicinity. As we noted earlier, the largest post offices and customhouses were in areas where complaints about the performance of the patronage system were the most intense. The next two variables identify the representative's party; 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 that the provision of federal services was therefore relatively limited there.

The results of the logit analysis of the congressional vote on the Pendleton Act shown in equation (1) of table 2.3 indicate that 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.<sup>50</sup> However, since most Republicans voted in favor of the act, the marginal effect of the presence of a large post office or customhouse on the probability of that group voting in favor is relatively small. Using the coefficients reported in equation (1), the marginal in-

**Table 2.3**                      **Logit Analysis of the House of Representatives Vote on the Pendleton Act**

Variable	Eq. (1): Vote	Eq. (2): Vote	Eq. (3): Participation
Post office/customhouse	2.18 (2.04)	2.20 (2.05)	.38 (.90)
Democrat	-1.53 (-2.77)	-1.72 (-2.99)	-.38 (-1.05)
Independent	-1.14 (-.96)	-.93 (-.77)	-.67 (-.94)
Southern Democrat	-1.84 (-3.59)	-1.96 (-3.70)	-.41 (-1.03)
Lame duck	...	-.60 (-1.29)	-.87 (-3.06)
Years in office	...	.05 (.82)	.003 (.07)
Constant	2.52 (6.42)	2.65 (4.82)	1.67 (4.86)
Log-likelihood function	-75.89	-74.77	-162.68
Number of observations	209	209	289
Likelihood ratio test:			
-2 × log-likelihood ratio	73.46	75.71	15.62
Degrees of freedom	4	6	6
Critical $\chi^2$ value at the 5% level	9.49	12.59	12.59

*Source:* The vote is listed in the *Congressional Record*, 47th Cong., 2d sess., 1882, p. 867. Party affiliation and election data are from the *Congressional Quarterly's Guide to U.S. Elections* (1985) and the *Biographical Directory of the United States Congress: 1774-1989* (1989).

*Note:* For discussion of the variables, see the text. Asymptotic *t*-ratios are in parentheses.

crease in the probability for that group is only .06.<sup>51</sup> For Northern Democrats, the marginal increase is substantially greater, .23, and for Southern Democrats it is .51. This reinforces the argument regarding the importance of being from a district with a large federal installation in determining the position of a member of Congress on merit hiring, and it also shows that Southern Democrats, who represented mostly rural areas where there were no such facilities, were less likely to support the adoption of a merit system.

Equation (2) in table 2.3 examines a competing explanation for the shift to merit. A popular argument is that civil service reform came about only as those who favored spoils were driven from office.<sup>52</sup> If lame-duck representatives were mainly spoilsmen being driven from office, then we should expect them to have voted against the Pendleton Act. Hence, a fifth variable, set equal to unity if the representative either had lost or did not run for reelection in 1882, is included to test for any inordinate influence that may have been exerted by lame-duck representatives. In addition, if spoils were the currency of the "old guard," then it is plausible that members of Congress with longer periods of service would be more likely to oppose the act. Accordingly, a sixth variable

measuring the number of years served in the House by each member was also included. The results reported in equation (2) of the table indicate that the votes of lame-duck representatives were not systematically different from those who had been successfully reelected to office. Nor is the coefficient for the time-in-office variable significantly different from zero. Accordingly, our results do not support the argument that reform came about as those who favored spoils were driven from office.<sup>53</sup>

Next, we consider whether absenteeism played a significant role in determining the pattern of votes cast on the Pendleton Act. In general, absenteeism was relatively high during the 1800s, and self-selection may have biased the results reported in equations (1) and (2). Equation (3) of the table examines congressional members' participation in the Pendleton Act vote using the same list of variables shown for equation (2). The dependent variable is assigned the value one if the member voted and zero otherwise. The results indicate that only the coefficient on the lame-duck variable is statistically significant at the 5 percent level. While this yields an interesting interpretation in that lame-duck status appears to induce shirking, the coefficient on that same variable was not statistically significant in equation (2).<sup>54</sup> Accordingly, the results reported in table 2.3 (eq. [1] and [2]) do not appear to be systematically biased because of absenteeism.<sup>55</sup>

## 2.6 Summary

In this chapter, we have argued that, within the context of changing economic and political conditions in the United States in the late nineteenth century, both the president and certain members of Congress had incentives to replace patronage with merit considerations for staffing federal positions. With the growth in the activities of the federal government in the post-Civil War period, its performance became of greater consequence for business profitability, and politicians came under pressure from business groups to provide government services more effectively than was possible under patronage. At the same time, it was becoming increasingly costly for federal politicians to control and benefit from a growing number of patronage employees. The problems of managing a growing federal labor force occurred within the context of a widening split between the local political party apparatus, which depended more on patronage, and national politicians, who faced broader interest-group demands for efficiency and who relied more on interest-group contributions to finance campaigns.

Our argument that the difficulties of administering a large patronage labor force were the major factors in the adoption of merit reform by the federal government is supported by similar efforts in certain states and cities. Indeed, the most populous states and cities with the largest government labor forces were the first to adopt merit employment rules. This pattern of civil service reform across jurisdictions with large numbers of patronage workers suggests

that there were fundamental problems of labor management that required new institutional innovations at the federal, state, and local level. These issues have not been identified in the existing literature on the adoption of the merit system; hence, standard explanations miss the character of the real reforms that were made by federal politicians in 1883.

For example, the most common explanation is that moral outrage among civic-minded groups against the corruption and inefficiency inherent in patronage forced unwilling congressional politicians to replace patronage with merit hiring (Van Riper 1958; Hoogenboom 1968). Although there was concern in the country over the corruption and inefficiency of the patronage system, this interpretation focuses too much on external factors and neglects the incentives that vote-maximizing politicians had to replace a system of employment that we argue was increasingly costly and no longer capable of winning electoral support. But, even more important, the preoccupation with the actions of reform groups diverts attention from the underlying question of whether the patronage institution could serve politicians effectively when the government labor force became very large.

Another common explanation for the adoption of the merit system is that clever politicians devised the civil service system in order to “blanket in” or tenure their appointees and thus protect them from removal following adverse electoral results (U.S. House of Representatives 1976, 182). In this way, incumbent politicians could constrain their political competitors’ access to patronage. This interpretation is a more cynical view of the shift to merit, suggesting that partisan motives remained dominant and that little real reform occurred in the organization and use of federal employees. We also find this explanation to be incomplete. First of all, it does not explain why civil service reform occurred when it did. Politicians would always have wanted to deny their competitors the benefits of the spoils. There is no obvious reason why this desire would have intensified in the late nineteenth century. Moreover, the notion that the merit service was established to protect incumbents does not fit the historical circumstances surrounding the enactment of the Pendleton Act. The Pendleton Act did *not* provide job tenure. As we discuss in chapter 3, provisions for substantial job security were added gradually over the late nineteenth and early twentieth centuries. After the Pendleton Act was passed, classified employees remained vulnerable to removal (and some were removed) as administrations changed. We examine the issue of tenure and additions to the merit system made by lame-duck politicians, those most likely to want to protect their appointees, in chapter 3. As a preview, we find that actions to place patronage workers into the merit service when their benefactors were leaving office accounted for much less of the growth of the civil service system than is argued in the historical literature.

There have been other explanations for the shift to merit employment that emphasize the concerns of vote-maximizing politicians, notably the work by Joe Reid and Michael Kurth (1988, 1989), Jack Knott and Gary Miller (1987),

and Murray Horn (1988), but, by neglecting the patronage management problems that we stress, these analyses do not satisfactorily address the nature or timing of federal civil service reform. Reid and Kurth point to a decline in the derived demand for patronage workers as urban voters became more affluent and more homogeneous in the late nineteenth century. According to those authors, as this occurred, politicians shifted their demand from the particularistic government services provided through patronage to broader public goods better provided by merit employees. These demand shifts helped bring about a decline of the urban machine. Knott and Miller argue that reformers wanted efficiency and accountability for federal workers and that those demands led to conflict between reformers, who advocated the science of administration, and supporters of the local party machine. Horn places no emphasis on changing voter demands or desires for better performance; rather, he asserts that politicians desired a labor force that would be less vulnerable to political manipulation and legislative opportunism than were patronage workers. According to Horn, protection from removal and a rigid salary structure for bureaucrats were added to increase the durability of legislative agreements. With a civil service system, federal politicians would be less able to pressure federal workers to alter legislated policy in order to provide more favorable treatment to their constituents.

Two additional factors might be considered as contributing to the shift from patronage to merit. One, discussed by Charles Stewart (1989, 68–70), is a change in the fiscal position of the federal government. With an expanded role for the government in the late nineteenth century, expenditures grew, increasing the stringency of budget constraints. With the specter of federal deficits, reform movements from both within and outside government emerged to make it more efficient, and this process encouraged the professionalization of the bureaucracy under the merit system.<sup>56</sup> The other factor is an alleged rise in pork barrel exchanges, as an alternative mechanism to patronage, for fashioning agreements and coalitions between the president and the Congress. As pork barrel expenditures to specific districts grew (mostly river and harbor legislation and water projects), the reliance on patronage exchanges to forge congressional agreements may have declined. Hence, Congress would have become more willing to scrap patronage.<sup>57</sup>

We agree with the focus of the various studies summarized above, which is directed toward the rational decisions of politicians in weighing the relative benefits and costs of patronage and merit. Further, we are in agreement that the benefits of patronage were declining as compared to its costs for many federal politicians in the late nineteenth century. What is missing in these studies, however, is sufficient attention to the problems of control resulting from the growth in size of the federal labor force after the Civil War. Absent these management problems, shifts in demand for government services could have been handled by patronage appointees who passed proficiency tests, leaving no explanation for the creation of the merit system. Horn's discussion does not

address the origins of the federal civil service system. As we point out, tenure and standard salary legislation came later; they were not part of the Pendleton Act. Moreover, his analysis does not address why political opportunism became a particular problem in 1883 and not earlier.

With regard to federal deficits, federal government receipts exceeded expenditures for twenty-seven years, from 1866 through 1893. Shortfalls occurred from 1894 through 1899, followed by surpluses through 1903 and then by short periods of deficit and surplus through 1917 and the start of World War I.<sup>58</sup> As noted by Stewart (1989, 70), concern over the better management of the federal budget led to the establishment of the Keep Committee by President Roosevelt in 1905 and the Taft Commission on Economy and Efficiency in 1912. But the rise of federal budget deficits and efforts to address them came much *later* than did the desire of the president and members of Congress to replace at least some of the spoils system with limited merit protections. The Jenckes bill proposing the establishment of a merit service was voted on in 1867 and again in 1870, and President Grant appointed the first Civil Service Commission in 1870 (U.S. House of Representatives 1976, 132–39). Civil service reform remained a perennial issue in political campaigns and in the federal government through 1883 and the Pendleton Act. All this activity, however, occurred during a period of unprecedented government surpluses, and even the enactment of the Pendleton Act predated by eleven years the rise of any federal budget deficits. Accordingly, federal deficits do not explain the initiation of the merit system.

Similarly, pork barrel exchanges may have become an alternative to patronage as a means of constructing political coalitions in Congress, but there is no clear pattern for explaining the shift from patronage to merit in the late nineteenth century. As described by Stewart (1989, 67), major pork barrel expenditures, such as river and harbor appropriations, did not grow as a share of the federal budget in the post-Civil War period, which was also a time of relatively stationary federal budgets (see also U.S. Department of Commerce 1975, 1104; Wilson 1986, 735).

By contrast, as we have documented in table 2.1, the federal government labor force grew by over 96 percent between 1871 and 1881 alone. Our emphasis on the growth of the federal labor force as a key element in the shift to merit highlights the labor management problems that arise when organization size increases. Moreover, this focus on the problems associated with the size of the patronage labor force offers an explanation for the timing of civil service reform, the identity of the constituent groups most interested in replacing patronage, the characteristics of the politicians most likely to be responsive to these concerns, and the specific attributes of the merit system created by the Pendleton Act.

The problems of administering an increasing number of patronage workers were clearly recognized by federal politicians. For example, the first page of the Senate report on the Pendleton Act contains the following passage:

In the beginning, even so late as 1801, there were 906 post-offices; now there are 44,848. Then there were 69 customs-houses; now there are 135. Then the revenues were less than \$3,000,000; now they are \$400,000,000. Then our ministers to foreign countries were 4; now they are 33. Then our consuls were 63; now they are 728. Then less than 1,000 men sufficed to administer the government; now more than 100,000 are needed. Then one man might personally know, appoint on their merits, supervise the performance of their duties, and for sufficient cause remove all the officers; now no single human being, however great his intelligence, discrimination, industry, endurance, devotion, even if relieved of every other duty, can possibly, unaided, select and retain in official station those best fitted to discharge the many and varied and delicate functions of the government. (U.S. Senate, "Report," 1882, I)

To conclude, we have argued that the president would take a leading role in promoting the adoption of merit employment and in constraining the growth of the patronage labor force. This is an issue that we examine in more detail in the following chapter. We analyze how competition among the president and members of Congress for control of the new merit labor force led to the adoption of additional refinements in the civil service system.

It is worthwhile noting at this point, however, that the Pendleton Act seems to have assisted the president in weakening the hold of the local machine on members of Congress and in strengthening national party unity. One measure of party cohesion is the proportion of roll-call votes decided along party lines, whereby the majority of Democratic members voted against a majority of the Republicans. This party-unity measure rose in the late nineteenth century with the rise of national party structures. For the Fiftieth Congress (1887–88), the party unity measure was 51.1 percent. It peaked during the Fifty-eighth Congress (1903–4) at 89.7 percent (Brady, Cooper, and Hurley 1979, 384). These figures suggest that constraining the volume of patronage, especially for low-level positions, not only reduced the influence of the local machine but likely increased the president's ability to discipline members of Congress to vote along party lines. By effectively controlling the quantity of patronage, the president would be able to increase the commitments (price) received in exchange from Congress. In essence, the Pendleton Act appears to have increased the president's ability to exercise market power.

## Notes

1. Although there are restrictions, the U.S. Constitution (art. 2, sec. 2) vests the power to appoint officers in the president (see also Van Riper 1958, 13–16).

2. Although the Pendleton Act and various executive orders forbade certain political activities by federal employees, it is the 1939 Hatch Act (53 Stat. 1147) that is most noted for its restrictions on political activity. The granting of tenure to federal employ-

ees and how it relates to the concept of political neutrality are discussed in chap. 3 of this volume.

3. Two key works that adopt this view are Van Riper (1958) and Hoogenboom (1968).

4. We have only indirect evidence on the relative salary levels of federal patronage employees in the nineteenth century. As we discuss in chap. 4, there is considerable discussion about the deterioration in the real federal wage after 1883 and enactment of the Pendleton Act and a rise in voluntary separations (see Commons 1935, 70); Spero 1927, 33, 96; and Conyngton 1920). In chap. 4, we argue that, once politicians could no longer extract assessment payments, their interest in maintaining a relatively higher federal salary waned.

5. Fowler notes that the postmaster general was also involved in the collection of assessments from postal employees. For Andrew Johnson's election, the postmaster general stated, "They are going to tax the clerks in the New York post office on the 31st of this month for Political purposes, 1/2 per cent on salaries over \$1,000 and 1 per cent on smaller Sums" (Fowler 1943, 140).

6. For discussions of patronage and its central role in American politics, particularly for the local party, see Fish (1905), Fowler (1943), Skowronek (1982), Hoogenboom (1968), and Van Riper (1958).

7. Wilson (1961) describes the role played by patronage in machine politics. His description applies equally well to federal patronage in the nineteenth century.

8. The use of patronage as a medium of negotiation between the president and members of Congress is noted by Cain, Ferejohn, and Fiorina (1987, 16).

9. Members of Congress were, of course, disgruntled by a president's refusal to allow them control over appointments in their own states. See, e.g., President Polk's comments on dealing with members of Congress (U.S. House of Representatives 1976, 90). Were members of Congress given the exclusive right to appoint even lower-level positions in their states or districts, the power of the president to use patronage in exchange for votes would be destroyed.

10. Customs duties were 95 percent of total government receipts in 1861 and 56 percent in 1891.

11. U.S. House of Representatives (1976, 156). This publication contains numerous complaints, especially those of presidents, about the time required of them for the allocation of patronage.

12. For discussion, see Skowronek (1982, 57–60).

13. Agency problems arose in a manner similar to that described in a firm context by Ross (1973), Jensen and Meckling (1976), and Williamson (1985).

14. Fowler (1943, 146). For discussion of the growing concern about the corruption and efficiency of patronage employees, see Greenstein (1964) and Griffith (1974a, 1974b).

15. For discussion of the first Civil Service Commission, see Van Riper (1958, 68–71); U.S. Civil Service Commission, *Annual Report* (1884, 13); and Sageser (1935, 24–30).

16. See Williamson (1967, 1970, and 1985). Issues of organization size and control are discussed by Ouchi (1977).

17. Council of State Governments (1942, 223–25); see also U.S. Department of Commerce (1975, 26–37). The most populous states that did not have civil service rules were Pennsylvania (second), Texas (sixth), and Missouri (tenth).

18. Other discussions of the pattern of adoption of civil service rules by states are in Fought (1915) and Tolbert and Zucker (1983, 28). Of the thirteen less populous states with civil service rules by 1941, ten adopted them between 1937 and 1941 in response to pressure from the federal government as a condition for receiving certain New Deal aid programs: Indiana, Tennessee, Alabama, Minnesota, Louisiana, Kansas, Connecti-



cut, Rhode Island, New Mexico, and Maine. States adopting civil service rules earlier were Wisconsin (1905), Maryland (1921), and Colorado (1907). Less populous states with no civil service regulations by 1941, ranked by 1940 population, included North Carolina, Georgia, Kentucky, Virginia, Iowa, Oklahoma, Mississippi, Arkansas, West Virginia, South Carolina, Florida, Washington, Nebraska, Oregon, South Dakota, North Dakota, Montana, Utah, Idaho, Arizona, New Hampshire, Vermont, Delaware, Wyoming, and Nevada.

19. Ridley and Nolting (1941, 128–52). This does not include Washington, D.C., which was governed differently—through federal legislation. The early adoption of merit rules by larger cities follows the pattern for state governments, with smaller cities adopting civil service later. Many smaller urban areas adopted merit reforms in response to New Deal requirements between 1930 and 1940. Also, the percentage of cities with no civil service system increases as size declines. Among the smaller cities in the size category 25,000–50,000, 37 percent had no merit system by 1941. In an examination of the characteristics of cities that adopted civil service coverage for their employees, using 1963 *Municipal Year Book* data, Wolfinger and Field (1966, 321–22) find a strong positive relation between a city's size and the likelihood that its municipal employees will be under civil service rules.

20. Wiebe (1967, 4–5) and Griffith (1974a, 15, 98, 269–70) argue that civil service reform spread from the federal government to the major cities, where patronage was associated with corruption and inefficiency. The call for greater efficiency was at the center of urban reform efforts between 1870 and 1900. Competition among cities required greater efficiency than that which could be provided through patronage—lower taxes, better services, professional police and fire protection, sanitation, and transit services. The efforts of early reformers to improve government efficiency through the removal of bosses, machines, and patronage is discussed by Greenstein (1964). Tolbert and Zucker (1983, 23) summarize other reasons for the adoption of civil service reforms.

21. There was well-developed trade among the regions, as described by North (1961). Nevertheless, the post–Civil War period was one of gradual integration of regional economies. For discussion, see Davis (1971) and Snowden (1990).

22. Kolbe (1985, 16) describes how local areas tended to be dominated by single parties, whose organization catered to the special interests of that region.

23. For discussion, see Higgs (1971), James (1983), and Atack (1985).

24. For discussion, see Libecap (1992) and Gilligan, Marshall, and Weingast (1989). Kolbe (1985, 44–56) claims that, prior to the Civil War, the dominant political class was made up of small, independent farmers, to whom the parties catered. After the Civil War, business entrepreneurs became the dominant class, and their interests controlled the Republican party and politics during the period 1864–96.

25. Shepsle and Weingast (1984) develop a model that emphasizes the geographic basis of political representation. From that they argue that the parochial interests of individual legislators will lead them to support policies that concentrate benefits in their districts and that make costs more general. This is the type of problem increasingly faced by the president and members of Congress as their interests began to diverge from those of the local party machine (see also McCubbins, Noll, and Weingast 1989).

26. For discussion of the shift to more national political parties in the late nineteenth century, see also Stewart (1989, 60).

27. See Alexander (1971), Overacker (1932), and Thayer (1973). Overacker (1932, 32, 71) provides a discussion of the rise in importance of alternative sources of campaign funds. Similarly, Alexander (1971, 3382–86) describes the cultivation and collection of funds from various business groups by the Finance Committees of the Democratic and Republican parties in the late nineteenth century.

28. Rusk (1974, 1029–35) discusses the adoption of the Australian ballot and regis-

tration reform. Prior to the secret ballot, parties printed ballots, distributed them to voters, and monitored the results. This allowed them to ensure that the party faithful voted as they were instructed. With the secret ballot, however, whereby neutral ballots were provided by the government and voting was private, parties could no longer police voting behavior as effectively. The urban states that were in the forefront of federal civil service reform were also the leaders in the adoption of the Australian ballot (see also Rusk 1970; and Walker 1969).

29. The growing pressure by interest groups on the federal government to provide services of various kinds is described by Becker (1982) and Kolko (1963). Skowronek (1982, 47) views civil service reform as a hallmark of the modern state, where government employees have tenure, are politically neutral, are hired on the basis of merit, and operate under uniform rules for promotion, discipline, and remuneration.

30. For discussion, see Van Riper (1958, 78–92).

31. Although some researchers have argued that ideology is a major factor in roll-call voting, Peltzman's (1984) results indicate that the characteristics of a legislator's constituents, plus campaign contributions, explain roll-call voting behavior. The link between constituent interests and roll-call voting is also made by Fiorina (1974, 1–43) and Cain, Ferejohn, and Fiorina (1987, 3).

32. See, e.g., Mayhew (1974a), Mueller (1989, 207), and Fiorina (1974, 35). Although reelection may not be the objective of every politician, as we show in the text, most members of the House in the late nineteenth century did seek reelection. The desire to obtain popular support or approval from their respective constituencies can induce elected officials to behave as if they were vote maximizers, seeking reelection. In support of this characterization of legislator and voter behavior, we note that there is empirical evidence indicating that, even in their last terms in office, members of Congress who have announced their pending retirement do not significantly alter their voting record (Lott and Bronars 1993).

33. For discussion of the professionalization of Congress, see Polsby (1968), who examines the rise of incumbency in the U.S. House of Representatives from 1789 to 1965, and Garand and Gross (1984), who extend the analysis through 1980. Mayhew (1974b), Fiorina (1977), Ferejohn (1977), and Hibbing (1991), among others, examine the rise in reelection rates in the twentieth century. Stewart (1989, 53–63) argues that reelection was a motivation for late nineteenth-century politicians.

34. The *Biographical Directory of the American Congress, 1774–1971* (1971, 218–22) lists those members of the House who were incumbents in December 1880, and the *Congressional Quarterly's Guide to U.S. Elections* (1985, 798–801) lists election results for 1880. It is possible to match those who ran in the election with their status in the House to determine who sought reelection. Of the 217 who sought reelection, 188 were reelected. Of the remaining 105 members, seventy-six did not run, and twenty-nine were defeated. With 293 members, the turnover rate was 35.84 percent. A similar procedure, using the *Biographical Directory of the United States Congress: 1774–1989* (1989, 215–22) and the *Guide to U.S. Elections* (1985, 802–5), indicates that 179 members sought reelection in 1882. This is 61 percent of the original 293 members of the House. (After the 1880 census, thirty-two seats were added for the incoming Forty-eighth Congress in 1883.) Of those 179, 135 were successful, and forty-four lost (114 did not seek reelection), giving a turnover rate for the original 293 seats of 53.9 percent.

35. Some senators, such as Roscoe Conkling of New York, were heavily dependent on the local party for support and were noted as spoilsmen (Van Riper 1958, 76). As we will show, others, like Senator Warren Miller, also of New York, recognized the problems of patronage for the electoral success of their party.

36. With the continued growth of the patronage pool, the president would eventually be faced with a problem similar to that portrayed by Coase (1972). In his example, a

monopolist is interested in finding a credible way to reduce the total stock of a durable good in order to assure that the quantity transacted maximizes total revenue. Coase assumes that a single individual owns a substantial block of land, e.g., all the land in the United States. Given a negatively sloped demand curve, the owner would maximize sales revenues where marginal revenue was equal to zero. But, if the stock of land exceeds the quantity at which marginal revenue was equal to zero, the owner would be confronted with the problem of trying to remove part of the stock from the marketplace, else the price will fall to the competitive level. Coase suggests that one possible way to accomplish this is for the owner to donate the "excess" land to the government, designating it for some restricted use. His basic message is that it is difficult to restrict the quantity sold, especially when one is dealing with a given stock. Where the monopolist has complete control over the output of a durable good, it is unlikely that the price will fall to the competitive level (see Bagnoli, Salant, and Swierzbinski 1989).

37. See, e.g., Van Riper's (1958, 232–33) account of President Wilson's efforts to manage patronage appointments in the postal service personally. Wilson quickly discovered the enormity of the task and ended up delegating the selection process.

38. U.S. House of Representatives (1976, 106) notes numerous complaints about the ineffectiveness of these earlier testing schemes.

39. The monitoring and performance problems associated with patronage were most severe in urban areas, which had the greatest concentrations of patronage employees and the most entrenched party machines. In those cities, the allegiance of patronage workers in the post offices and customhouses was most often with the local party boss. It is not surprising, then, that federal politicians from urban areas experienced the greatest loss of control over their appointees. Further, these were the same areas where constituents were demanding improvements in the quality of federal services. Hence, the very strength of the local urban machine provided the motivation for a vote-maximizing federal politician to break with the local party and support a reduction in patronage. This particular argument is presented more formally in app. A.

40. Hoogenboom (1968, 10). Senator Charles Sumner of Massachusetts introduced legislation for the establishment of a merit system in 1864, but it did not go far.

41. While there are differences in the way the British and U.S. civil service systems developed, there are also important similarities. Prior to 1850, patronage was the means for staffing the British bureaucracy. There were numerous disputes over the rights to appointments and mismanagement that attracted public attention. Reform occurred during the Victorian era, a time when the size of the British government was expanding. See, e.g., the account by Gladden (1967).

42. Dorman's *Civil Service* is discussed in Skowronek (1982, 48) and Van Riper (1958, 82–85).

43. For discussion of the actions of the first federal Civil Service Commission, see Van Riper (1958, 68–71).

44. For discussion of the political campaign, see Sageser (1935, 48–53) and Van Riper (1958, 89–94). In senate hearings, Pendleton stressed the costs of patronage and its impact on the functioning of government. He linked the growth of government to the downfall of patronage and then went on to describe the effect on the president and the Congress. For example, he claimed that "the Executive Mansion is besieged, if not sacked, and its corridors and chambers are crowded each day with the ever-changing, but neverending, throng" (U.S. Senate, "Report," 1882, 2).

45. The final votes appear in the *Congressional Record*, 47th Cong., 2d sess., pp. 661 (Senate), 867 (House). Discussion is provided in Sageser (1935, 57–59).

46. For discussion of this point, see Skowronek (1982, 69).

47. Section 11 of the Pendleton Act prohibited any member of Congress, the judiciary, or the executive office from soliciting or receiving "any assessment, subscription,

or contribution for any political purpose whatever." Section 13 enjoined the use of threats of discharge, demotion, or, alternatively, promotion to solicit funds "or other valuable thing for any political purpose"; sec. 14 prohibited the granting of money or other services by federal employees for "the promotion of any political object"; and sec. 15 levied penalties for violation of these provisions of a \$5,000 fine and/or imprisonment of three years.

48. Party affiliations were obtained by using the *Congressional Quarterly's Guide to U.S. Elections* (1985) and the *Biographical Directory of the United States Congress: 1774-1989* (1989).

49. Information on pairings and positions was obtained from the *Congressional Record*, 47th Cong., 2d sess., 1882, pp. 867-68.

50. Likelihood ratio tests of whether the contribution of the composite regression is significantly different from zero are also reported for each equation in table 2.3.

51. On the procedure for evaluating the derivatives of the probabilities in logit models, see Maddala (1983, 23).

52. Essentially, this is the hypothesis advanced by Van Riper (1958).

53. In explaining the shift to merit, we emphasize organizational size and the problems facing politicians of managing the patronage labor force as its numbers increased. This view is supported by the statistical results in table 2.3. The historical literature on civil service reform, however, focuses on exogenous factors, the role of reform groups in urban areas who pressured Congress to adopt merit. As a partial test of this competing hypothesis, we replaced the customhouse/post office variable in eqq (1) and (2) with an urbanization variable, which took the value of one if the representative's district was in one of the fifty largest cities in the United States. Urbanization increases the probability of voting in favor of the Pendleton Act, but comparisons of the log of the likelihood functions of the two specifications indicate that the presence of a customs or postal installation explicitly targeted by the Pendleton Act in a representative's district is a better predictor of voting than is the urbanization variable. It should also be noted that a number of large post offices and customhouses were not located within one of the fifty largest cities in 1880: Portland (Maine), Burlington (Vermont), Port Huron (Michigan), and Kansas City. For discussion, see Johnson and Libecap (1994).

54. This result is consistent with Lott and Bronars's (1993) analysis showing that members of Congress who have announced their pending retirement do not alter their votes from their historical voting patterns.

55. As an additional test of our key variable, post office/customhouse, we applied the same specification reported in table 2.3 to the House vote on the Jenckes bill. The results are as follows:

Variable		Variable	
Post office/customhouse	1.03 (2.07)	Lame duck	.13 (.35)
Democrat	-.80 (-1.62)	Years in office	.08 (1.00)
Other	-.52 (-.85)	Constant	-.38 (-.91)
Southern Democrat	-.73 (-1.61)	Log-likelihood function	-89.67

(Source: The vote is recorded in *Congressional Globe*, 39th Cong., 2d sess., 1867, pp. 1034-36. Other variables are taken from the *Congressional Quarterly's Guide to U.S. Elections* [1985] and the *Biographical Directory of the United States Congress: 1774-*

1989 [1989]. *Note:* Asymptotic *t*-ratios are in parentheses.) The vote on the Jenckes bill occurred in 1867, at a time when the House was dominated by Republicans. Thus, this can explain why party membership is not statistically significant in the above logit model. On the other hand, the coefficient on the post office/customhouse variable is positive and significantly different from zero. This result further supports our contention that organization size and problems of managing a growing patronage labor force were instrumental in fostering institutional change.

56. Stewart is interested, not specifically in patronage, but in broader budget and appropriations issues.

57. Wilson (1989) discusses pork barrel exchanges, but he is interested in the distribution of the pork to explain the broad coalitions that arose to support it. His tests support the notion of *universalism*. Stewart (1989, 89–98) also examines support for river and harbor legislation and water projects as part of his analysis of the budgeting process.

58. U.S. Department of Commerce (1975, 1104). Stewart (1989, 69) notes that there were “embarrassingly large surpluses” in the 1880s.