THE CARTER-REAGAN TRANSITION: HITTING THE GROUND RUNNING

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I. Introduction

Electoral mandates are made, not born. What a President does after his election and in his first several months in office sets the tone for his administration and may determine whether or not he is able to deliver on his campaign promises. While President Reagan's transition was marked by some successes and some failures, he took office under a favorable set of circumstances. No major domestic or foreign crises were pending, and the U.S. hostages had been returned from Iran. The nation had elected him in a landslide victory and had presented him with the first Republican Senate in several decades. Although the electorate had spoken emphatically, it had not articulated its preferences very precisely. The analysis of public opinion polls showed that the public did not necessarily support the conservative goals or drastic budget cuts the Reagan administration had promised, though it did want increased defense spending, reduced taxes and overall reductions in spending.[1]

But in an important sense electoral mandates are made in office, not born in the election. President Reagan pursued his policy priorities in his early months in office and received positive approval ratings in opinion polls. The electoral "mandate" was an opportunity to lead the country in the direction he wanted to go, and he took that opportunity to accomplish much of what he had set out to do in his first eight months in office.

The goals of any presidential transition are to take over the government in order to direct national policy toward the priorities of the new President. This article will focus on the transition of governmental power rather than on the many other roles and functions a President performs. In order to achieve his policy goals a President must first gain control of his major tools of power: legislation, the budget, personnel, and administration.

This article will analyze the early experience of the Reagan administration in its attempts to gain control of the government in these four crucial areas. It will conclude that in achieving its legislative and budget goals the administration's careful planning and consummate political skills can serve as a model for future transitions. This is not to assert that it gained these goals with no costs to other priorities. Early personnel choices by the administration put a heavy emphasis on personal loyalty to Ronald Reagan. This was done at the cost of professional experience and the ability of many chief executives to choose their own management teams. The personnel process involved a series of clearances that helped assure that all bases were touched, but this was done at the cost of time. Subcabinet personnel appointments dragged on into the summer of 1981 at the cost of administrative leadership and managerial direction. This extended the period of bureaucratic drift that is involved in any change in top leadership. This article will also examine the view from the bottom up, that is, what happens in the bureaucracy during a period of presidential transition.

II. The Lame-Duck Eleven Weeks

Policy direction and control can come to a presidential administration only after the inauguration on January 20th. But the groundwork for the takeover of power must begin well before November, and be under way in earnest immediately after the election. The foundation for the transition is laid during the lame-duck eleven weeks between election and inauguration. As the outgoing administration ties up loose ends, the President-Elect scrambles to put together a governing team, and the bureaucracy slips into neutral gear while it awaits its new bosses.

The Outgoing Administration

After the election new policy initiatives stop as agencies become reluctant to make agreements that may become moot on January 20. The outgoing administration is usually sensitive to the need to give the incoming President as clean a slate as possible. On the other hand, there is a flurry to complete those policy decisions well underway so that they cannot be easily reversed by the new people. One example of this was the litigation over the Professional and Administrative Career Examination (PACE), the professional level entry examination that had been challenged in court as discriminatory. The Justice Department and the Office of Personnel Management were handling the case, and in the final days of the Carter administration, negotiated a consent decree that committed OPM to develop Civil Service entrance examinations that did not have a discriminatory impact on minority groups.[2] While the outgoing Carter officials felt they were minimizing the cost to the government and still upholding the spirit of non-discrimination, the Reagan people felt they made an eleventh hour deal that committed the government to a form of reverse discrimination.

A major concern of all newly elected administrations is that the outgoing administration will attempt to seed the bureaucracy with its own people, either to save their jobs or to leave behind people sympathetic to the old and hostile to the new administration's goals. One way this can be done is to have people who entered the government as political appointees converted to career status in the Civil Service or to career Senior Executive Service appointments.

In the past this could be done wholesale and was called "blanketing in." It occurred when a President staffed a new agency with officials from his own party, and then issued an executive order that put the personnel of the new agency under the jurisdiction of the merit system and under Civil Service rules. The next administration thus could not throw out the political appointees upon taking office, and could remove them only for cause through cumbersome Civil Service procedures. Most presidents since the Pendleton Act was passed in 1883 to World War II engaged in this practice to a greater or lesser extent.

This option is no longer readily available to presidents, but individual political appointees can try to immunize themselves from being ousted by the next administration by getting for themselves "career status" with all the attendant procedural protections of the Civil Service. This maneuver is called "burrowing in." On January 4, 1980 OPM sent out FPM (Federal Personnel Manual) Bulletin 273-18 to remind agencies that during election years they ought to "carefully review all personnel actions to be certain they meet all civil service rules and regulations and also that these actions are free of any stigma of impropriety." The bulletin urged agency personnel directors to review carefully any actions that would place incumbents of positions in the excepted service in the competitive service.[3] In a follow-up Operations Letter to OPM officials on September 17, 1980 it was reiterated that "before any competitive staffing action is initiated involving a conversion of an excepted service employee" it should be ascertained that there is a "bonafide vacancy" and that, "In no instance should vacancies be announced solely to convert an excepted service employee to a position in the competitive service."[4]

Despite OPM policy there were some attempted conversions of political appointees to the career service. OPM investigated 43 conversions in three agencies during the transition period and concluded that 13 were improper. Conversions are legitimate if there is a genuine competitive selection process or if the employee had a prior competitive service appointment. Not all conversions are attempts to "burrow in." The General Accounting Office did an investigation of conversion cases during the transition period that covered four additional agencies. While it found no improper conversions, it found that some attempts were made but stopped by OPM or the agency's personnel monitoring system. The GAO report suggested that a more comprehensive monitoring system be instituted for future presidential transitions.[5] While the problem of potential conversions from political to career status is a serious one, the number of such attempts during the Carter-Reagan transition was small, and the OPM monitoring system seemed to pick up most improper actions.

President Carter named Jack Watson his deputy for the transition. On November 10 Watson sent a memo to cabinet and agency heads reminding them that the purpose of the Presidential Transition Act of 1963 was to provide for "the orderly transfer of the executive power." He admonished those preparing materials for the incoming transition teams not to innundate them with excessive detail or unsolicited advice. "Our guideline is simply to be helpful and forthcoming in every way possible, without burying the new people under mountains of briefing books and paper."[6] Thus the official presidential line was to be as helpful as possible to the incoming administration. There were, however, some undercurrents advocating the minimum of help and cooperation. These probably reflected attitudes of individuals who still felt bitter about the campaign or who received less than full cooperation in the transition from the outgoing Ford administration four years earlier.

On November 12, 1980 Watson sent out another memo reminding heads of departments and agencies that the President wanted to give the new administration "appropriate latitude" in filling career SES vacancies or making transfers. Since the 1978 Civil Service Reform Act prohibits new agency heads from transferring career Senior Executives until 120 days after taking office, the memo instructed that "the President expects all department and agency heads personally and carefully to review all recommendations for new SES appointments and transfers of career SES employees between now and January 20, 1981."[8] In addition to this the director of OPM had been carefully monitoring all new SES appointments for the last several months of the Carter Presidency to avoid even the appearance of improper political appointments to the career ranks. In this period some entirely legitimate personnel actions were held up or cancelled in order to eliminate any hint of partisan personnel actions.

On December 10 a Watson memo requested letters of resignation from presidential appointees who expected to leave the government by January 20, although it pointed out that resignations were not technically required until requested by the new administration. It also asked for draft letters of appreciation from the President to the appointees and for the names of the officials who would be acting in positions the presidential appointees left.[9] Some of the final acts of the Carter administration were to decide which political appointees were to get what type of gift as a token of appreciation for service in the Carter administration.

The Reagan Transition Bureaucracy

The Presidential Transition Act of 1963 provides that in order "to promote the orderly transfer of the executive power in connection with the expiration of the term of the office of a President and the inauguration of a new President" that the Administrator of General Services (GSA) provide office space wherever the President-Elect wants as well as staff, travel, communication and printing expenses. The Act, as amended in 1976, provides $2 million for incoming administrations and $1 million for the departing President.[10] While in 1976 President Carter returned $300,000 of his allotment to the treasury, the Reagan administration used the full $2 million plus another million in private funds. When asked about the amount spent by an administration advocating lower government spending, deputy director for transition administration, Verne Orr, replied "The dollar just doesn't buy what it did four years ago."[11]

While President-Elect Nixon chose to run his transition from the Pierre Hotel in

New York City and Carter did much of his work from his home in Plains, Ronald Reagan chose a large government office building at 1726 M Street, several blocks from the White House.[12] Reagan appointed Edwin Meese III to direct transition operations in Washington while his "kitchen cabinet" of business executives met on the west coast to recommend cabinet and other high level appointments. The main divisions under Meese were personnel, headed by Pendleton James; executive branch and Congressional relations, headed by William E. Timmons; and policy issue groups in the foreign, budget, and domestic areas, headed by Richard Allen, Caspar Weinberger, and Martin Anderson, respectively.[13]

Timmons was in charge of about 100 transition teams sent into most federal agencies. They were organized into five issue clusters: economic affairs, national security, human services, resources and development, and legal-administrative. The function of the teams was to set up shop in each agency (which some did the day after the election), examine ongoing operations and issues, report to the transition headquarters the status of agency operations, and recommend changes and cutbacks. Other major functions of the transition teams were to test people for possible appointments in the new administration and to reward loyal campaign workers who would not be kept on.

While the agencies and departments scrambled to prepare briefing books to acquaint the new teams with their functions and operations, the team members were keeping tight lipped about their recommendations. The teams had full access to budget and operation files, though not to individual personnel files. Members of the career service in general were very responsive to the transition teams, since any member might become a new boss or colleague. Some team members ended up heading the agency to which they were assigned, while some teams were dismissed when the new boss was named (e.g. State and Defense).

There were so many people working on the transition that the operation soon developed into a bureaucracy in itself. Transition press secretary James Brady said there were 588 listings in the telephone directory, but if people in agency teams were included there could be twice as many people.[14] The Carter transition had 312 people on the payroll.[15] One of the problems with a staff of such size is trying to determine who speaks for the new administration. Even though transition teams had no policy authority, and public statements were supposed to be funneled through the transition hierarchy; there were a number of embarrassing leaks as representatives of various interests began to push their own policy preferences.

Early in the transition period members of the OPM transition team, Donald Devine and R. T. McNamar, met with agency personnel directors. The purpose of the meeting was to assure the career Civil Service that the Reagan administration would respect the integrity of the career personnel system and promise there would be no "sweeping changes." They said they understood that career SES positions were not frozen but they expected that any appointments would be carefully scrutinized and filled only if absolutely necessary. They said they supported the Civil Service Reform Act of 1978 and promised its continued implementation.[16] They asked for advice on how to make the transition a smooth one, but no useful comments were forthcoming from the group. Such advice usually got to the new administration via other channels; usually a high level person with credibility in both administrations was asked to relay by hand any advice or suggestions from the departing administration.

III. Taking Over the Government

Legislative Control

President Reagan's early successes with the Congress have been considered comparable to those of Woodrow Wilson, Franklin Roosevelt, and Lyndon Johnson. He benefitted from the sense of economic crisis felt by the public and from his land-slide victory. And he was able to overcome the fragmenting tendencies that frustrated his three immediate predecessors in their efforts with the Congress. But his success was qualified by the fact that he focussed his legislative efforts on his economic program to the virtual exclusion of other Republican priorities. This section will examine the basis of the impressive, early legislative victories of the Reagan Administration in its courting of Congress, legislative liaison, and legislative strategy and tactics.

Ronald Reagan began the careful courting of Congress long before he became President-Elect. In 1977 he helped set up a political action committee, Citizens for the Republic, that funneled campaign money to Republican candidates. The payoff came when 62 of those he helped were victorious and could be expected to be grateful for his help and coattails.[17] After his nomination his aides made early contacts with members of Congress and set up a network of advisory committees for the Reagan campaign that included 160 members of Congress.[18] He made a symbolic gesture to the importance of Congress during his campaign by staging on the steps of the Capitol a show of unity on his future legislative agenda. While not specific in substance, it was intended to be an important gesture. Of more substantive importance was Reagan's inclusion of Senator Paul Laxalt and Congressman Thomas B. Evans, Jr. in weekly campaign strategy sessions at his headquarters in Arlington, VA.

After the election Congress continued to be a major transition priority. The President-Elect held a series of dinners to which he invited members of Congress. With the realization that Democratic votes would be necessary for his legislative agenda he announced that he would retain ex-Senator Mike Mansfield as ambassador to Japan. He took particular care to court House Majority Leader Tip O'Neill who had chafed at perceived slights from the Carter White House. He and his wife were invited to a private dinner at the White House, and he was also invited to the President's small 70th birthday party. Republican members of Congress were invited to advise the transition teams in the departments. And the President-Elect sought the advice of Senators Robert Dole, John Tower, and Strom Thurmond in making his cabinet choices.

The choice of Max Friedersdorf was an important decision in the new President's legislative strategy. Friedersdorf had been President Ford's chief lobbyist and had worked in legislative liaison for President Nixon. He was widely respected on the Hill and selected his lobbying staff from those with strong professional experience with Congress. The intention was to show a sharp contrast with President Carter's choice of Frank Moore who recruited a less experienced lobbying staff. In his dealings with Congress Reagan consciously deemphasized his being an outsider to Washington. His advisors felt that the "outsider" concept had been one of the reasons for President Carter's lack of early success with the Congress.

The main elements of the Reagan legislative strategy were speed and focus. Old Washington hands and academics alike had warned that the scope of budgetary changes sought by the new administration would be virtually impossible to get through the Congress, particularly the Democratic House. The Reagan strategists realized that if it was to be done at all it had to be done quickly, both to take advantage of public confidence and the election "mandate" and to move before opposition could coalesce. During the first months of 1981 the Democrats were in shock from the Republican electoral victory and were unable to unite on any coherent opposition to the Reagan economic program.

The second element of the strategy, focus, was intended to avoid what they felt was the Carter mistake of sending Congress too much, too soon. Thus the Reagan strategy systematically neglected other Republican priorities, particularly "social issues," such as bussing, abortion, school prayer, and crime. Since he could count on the Republican Senate for support, the keystone of his legislative strategy was his ability to carry the block of conservative Democrats known as the "Boll Weevils." They were a vulnerable target both because they were conservatives and would likely be somewhat sympathetic to his program, and also because

Reagan had carried many of their districts in the election.

The winning of the votes of the Boll Weevils (and of other House members) covered the gamut of legislative tactics from softsell to hardball. To garner votes for his economic package the President systematically and personally dealt with wavering members. He called them repeatedly; he invited them to the White House and Camp David and gave them small favors such as cuff links or tickets to the Presidential box at the Kennedy Center. The President's personal approach was understated and soft pedaled. He dealt with general issues and did not get involved with the details of legislative horse trading. His aides would follow up with specific promises and threats.[19]

In addition to small favors and courtesies the administration made policy compromises to get votes, such as the "rental" of Democrat John Breaux's vote in exchange for a pledge on sugar price supports or a compromise on peanut price supports.[20] When the carrots of favors and compromises did not do the job, the sticks of political hardball were brought out. One of the main tactics was going directly to the voters. It is ironic that President Carter was criticized so severely on the Hill for *threatening* to go over the heads of Congress to the people if legislators would not give him what he wanted. President Reagan did not threaten, he just did it. He put pressure on Congress by a series of televised speeches to the nation as well as personal appeals to groups around the country by himself and members of his administration. In the battle for the administration's tax bill, the President in a televised speech asked people to call their Representatives and demand support for his bill. With the help of donated corporate phone banks the volume of calls at the Capitol switchboard doubled.[21]

The "Southern Blitz" masterminded by Lyn Nofziger sent high administration officials into the districts of 45 southern Representatives in late April 1981 to pressure them to vote with the administration on the first concurrent resolution. Conservative groups were organized, the media were blanketed with paid and voluntary messages, and even campaign contributors of the Representatives were mobilized.

One of the most potent tactics was the use of electoral leverage. There was the threat that big political action money would be used against those who opposed the President's program.[22] There was also the promise that conservative organizations, such as the Committee for the Survival of a Free Congress and the Fund for the Conservative Majority, would not campaign against Democrats voting the right way.[23] There was even a presidential promise not to campaign against southern Democrats who consistently supported his budget program.[24] Some have argued that these short term political victories were purchased at the price of long term Republican renewal in the south.[25]

Thus by skillful courting of Congress, a coherent legislative strategy, and shrewd use of a wide range of lobbying tactics did President Reagan accomplish most of the legislative objectives he set in his first eight months in office. He even enjoyed greater party discipline in Congress than had his Republican predecessors Eisenhower, Nixon, or Ford. While his early success with Congress was comparable to those of Wilson, Franklin Roosevelt, and Lyndon Johnson; the range of his legislative goals was narrower. President Carter threw a plethora of difficult issues to the Congress and lost on many of them in his early months (though his overall success rate was not exceptionally low). President Reagan limited his legislative agenda to a few important, though difficult, issues; then with the virtuosity of an old pro he rolled through Congress with a battery of carrots and sticks. In order to concentrate on the economic plan, tough issues were put off until later. One of the few setbacks in this early period of the Reagan administration was the failure to coordinate with Congress the Schweiker-Stockman proposal for Social Security reform, leading to its repudiation in the Senate.[26] The payoff of all the efforts that went into the Reagan legislative program came in its budget victories, which are the subject of the next section.

Budget Control

Most previous incoming administrations asserted their budget priorities by making marginal changes in the proposed budget of the outgoing President. It used to be considered impossible to do much to a budget proposal that had been a year in the making because of the complexity of the document and because of all of the political bargains that had been struck in arriving at the totals for each program. Yet by March 10, only 49 days after taking office, President Reagan submitted to Congress a complete revision of President Carter's FY1982 budget, including large defense increases, large tax cuts, unprecedented reductions in domestic programs, and even reductions in the then current FY1981 budget. Even more impressive, within six months he had achieved virtually all of his budgetary, if not economic, goals.[27] The sharp reversal of political and budgetary priorities was no accident. It was the product of a carefully laid out plan that put political and governmental machinery into high gear immediately upon President Reagan's taking office. In the budgetary arena the administration did indeed "hit the ground running," much more so than with respect to personnel or management.

The Reagan budget victories of 1981 were the result of advance planning, singleness of purpose, and speed of execution. Much of the groundwork for the specific budget cuts that the new administration would make was done by David Stockman during his two terms in the House as a Representative from Michigan. Immediately after Reagan's victory he, along with Congressman Jack Kemp, wrote an economic plan entitled "Avoiding a GOP Economic Dunkirk" that became known as the "Stockman Manifesto."[28] Stockman impressed President-Elect Reagan so much that he selected him to be his Director of the Office of Management and Budget, the youngest person to hold Cabinet rank in 150 years.[29] Stockman's intimate knowledge of the budgetary process, his command of budget figures, and his lobbying abilities with the Congress were crucial to the early Reagan budget victories.

The new administration decided to revise completely the Carter budget proposals for Fiscal Year 1982 and submit its own budget to the Congress. Before the inauguration, plans for budget cuts were made by Reagan transition teams that were assigned to each federal agency and had access to internal budget and planning documents. After January 20 Stockman was in charge of the entire OMB machinery which he put to work overtime tearing apart the budget they had just put together for President Carter. The overall strategy was to achieve most of the victories quickly in order to cow the opposition and stampede as many members of Congress as possible on the winning band wagon.[30]

Immediately upon taking office the administration took actions to implement its budget plans in the executive branch. OMB sent out bulletins to heads of executive departments and agencies freezing civilian hiring,[31] reducing travel expenditures,[32] making reductions in consulting and related services,[33] and placing a moratorium on the procurement of certain equipment.[34] On February 11 President Reagan sent out a memorandum stressing the short time that was available to revise the entire Carter budget and stated that any disagreements with the OMB budget plans or personnel limits had to be conveyed to the OMB director within 48 hours of the agency's receipt of the budget revisions, a process that normally takes weeks.[35]

A series of televised presidential speeches and official documents began the administration's political budget campaign for Fiscal Year 1982. On February 5 in a TV address the President warned of an "economic calamity of tremendous proportions" if his program were not passed. On February 18 in a speech to a joint session of Congress he presented his

"Program for Economic Recovery" along with an inch-thick document explaining his approach to fiscal and monetary policy. This was followed on March 10 by another address to Congress and the release of *Fiscal Year 1982 Budget Revisions*, the Reagan budget proposal for Fiscal Year 1982, prepared by the Office of Management and Budget. The following month OMB released *Additional Details on Budget Savings*, a document that specified budget projections for each program being cut along with the rationale for the proposed cuts. During the same time members of the Cabinet and Council of Economic Advisers were actively seeking appearances on TV and before various political, governmental, and interest groups in order to promote the administration's budget plans.

One source of potential opposition to the proposed cuts in domestic programs was the executive branch bureaucracies that were being cut. The administration used several approaches to neutralize this potential opposition: it delayed executive appointments and carefully orchestrated cabinet level acceptance of budget cuts. While some argue that the career service, the permanent bureaucrats, are a potent force in opposition to cuts; they were a negligible factor in this set of circumstances. They might have been able to argue convincingly against program cuts, but no one in the administration would listen to them, whereas the administration would have to at least listen to a Reagan appointee. In addition, career executives because of their role perceptions and career interests, tend to be very responsive to new political appointees and their priorities.[36]

During the first few weeks of the administration, before the newly appointed secretaries were fully able or willing to defend their organizations, small meetings were held with Stockman, the President, and several White House aides present, along with the cabinet secretary. The new appointee was confronted with Stockman's proposed cuts and given a chance to argue against them, but that was difficult because "they're in the position of having to argue against the group line. And the group line is cut, cut, cut."[37] Although the new cabinet strongly supported the Reagan economic program in general and probably some cuts to their programs in particular, they may have felt railroaded to go along with decisions made by others before they were ready to take an active role in the process. Stockman admitted "That's a very awkward position for them, and you make them resentful very fast. . . . I have a little nervousness about the heavy-handedness with which I am being forced to act."[38] But the cabinet was a small problem of bringing along the home team compared with the political challenge that faced the administration in Congress.

After President Reagan sent his detailed budget revision proposals to the Congress on March 10, the Congress had to take the first major step in the congressional budget process by passing a first concurrent budget resolution, setting spending, revenue, and deficit targets for Fiscal Year 1982. The crucial strategic decision had been made in February by the administration to use the reconciliation process in conjunction with the first concurrent resolution. Reconciliation was set up in the 1974 Budget Act to enable the House or Senate to require committees to change reported legislation in order to conform with the second concurrent resolution.

The Reagan plan was ambitious; it called for budget cuts—$48.6 billion initially—to be made by changes in the laws authorizing programs and extended the cuts over Fiscal Years 1983 and 1984. The usual budget procedure would call for a first concurrent resolution to set spending targets and then a second resolution in September to make the ceilings final. In the interim, the appropriations committee would pass spending bills within the targets of the first resolution, and if any individual bill violated the final totals of the second resolution, a reconciliation bill could instruct the committees to report out a revised bill to conform with the second resolution. The Republicans, however, felt that the only way to get Congress to go along with the largest budget cuts in U.S. history was to put them all in one bill and pass it as soon as possible.

The crucial votes came in the House on May 7, when it passed the first concurrent resolution and on June 26 when it passed the reconciliation package, including changes in existing legislation. In April the House Budget Committee reported out a Democrat backed budget resolution calling for more spending but a smaller deficit than the administration proposal. After several weeks of intense lobbying, however, sixty-three Democrats defected and passed the administration backed package known as "Gramm-Latta" by 253-176 on May 7. This vote was crucial because it showed that President Reagan could control the Democratic House and get his unprecedented budget changes through the Congress. On May 14 the House and Senate conference committee agreed to the first concurrent resolution including reconciliation instructions requiring authorizing committees to come up with the changes in law that would provide the $36 billion in budget cuts wanted by President Reagan.

Over the next few weeks authorizing committees in both houses struggled to make the cuts required of them in the reconciliation instructions. As each committee made its changes the separate bills were referred back to the budget committees to compile them in a package and bring them to the floor for a vote. In mid-June each Budget Committee reported out the budget cut packages. As in the May vote on the first concurrent resolution, the crucial test came in the House. The House Budget Committee reported a bill compiled from the recommendations of 15 Committees that provided $37.7 billion in savings and claimed the bill included 85% of the cuts wanted by Reagan. Republicans and conservative Democrats, however, claimed that entitlements were not cut enough and not enough programs were put into block grants.[39] They proposed a substitute called "Gramm-Latta II" that conformed very closely with what the administration wanted.

The administration again pulled out its heavy guns in lobbying for the Gramm-Latta substitute. The President himself telephoned or telegraphed each of the 63 Democrats who had voted with the administration on the first budget resolution.[40] Compromises and concessions in the final package were made in order to win votes, some of them departures from the administration's earlier proposals. For example, David Stockman promised that the administration would not oppose the revival of sugar subsidies. He later said: "In economic principle, it's kind of a rotten idea," but "they don't care, over in the White House, they want to win."[41]

The deciding vote came when the House defeated (210–217) a motion that would have allowed the Democrats to force votes on the separate pieces of the reconciliation substitute package rather than yes or no on the whole package as the Republicans wanted. The Gramm-Latta reconciliation substitute itself passed 232–193 on June 26. The Senate had already passed a very similar bill on June 25 by a vote of 80–15. The omnibus reconciliation package cut a total of $35.1 billion from the baseline established by CBO for FY1982 for a total savings of $130.6 billion for Fiscal Years 1982–1984.[42]

The FY1982 reconciliation bill was historic in that it was a major reversal of the spending priorities of the past several decades. House Budget Committee Chair James Jones called it "clearly the most monumental and historic turnaround in fiscal policy that has ever occurred." It provided the largest spending cut in U.S. history, affecting hundreds of programs and made some of the greatest changes ever made in a single bill by the Congress.

Personnel Control

Each incoming administration has the authority to appoint a number of officials who are responsible for the formulation, direction, and advancing of administration policies, or who serve in a confidential relationship to policy makers. These appointees are members of the "excepted service" since they serve at the pleasure of the President and are not subject to the merit system requirements of the Civil Service. The top cabinet and subcabinet positions, numbering about 500, are ranked in the Executive Schedule levels I–III: cabinet, under, deputy, and associate secretaries. Executive Schedule Levels IV and V, as well as General Schedule levels 16–18 are now included in the Senior Executive Service. Ten percent, about 700 of 7000 (8500 are authorized) of these are non-career members, that is, political appointees. The option is also available to appoint a number of "limited term" or "limited emergency" Senior Executives. Finally, there are Schedule C positions, about 1800 in number, at the GS 15 level and below. Schedule C duties include policy-determining responsibilities or a confidential relationship to key officials.[43]

Each election year the House Committee on Post Office and Civil Service publishes *Policy and Supporting Positions*, the "Plum Book." It lists by agency each administration incumbent by name, position, and salary. During every transition there is a scramble for this committee print because it identifies those specific positions that a new administration can fill and the names of the political appointees who must leave.[44]

In order to fill the top five hundred executive positions as well as hundreds of other positions on regulatory commissions, advisory boards, etc., recent presidential candidates have had personnel operations going well before the election. Candidate Carter set up a "Talent Inventory Program" before his election.[45] In April 1980 Edwin Meese asked Pendleton James, who headed a Los Angeles "head hunting" firm, to set up a personnel operation for the Reagan administration. James assembled a staff and organized the "Reagan-Bush Planning Task Force" located in Alexandria, Virginia in August 1980.[46] It was funded and run entirely separately from the campaign, and therein were planted the seeds of future discord in the Republican Party. Such conflict may be inevitable in any modern presidential administration. Governing is not the same as campaigning, and a presidential candidate must have people planning future administration policy and personnel decisions in addition to campaign workers who are otherwise occupied.

The conflict arises after the electoral victory when those who ran the campaign feel they ought be have priority in running the government. In the Carter administration this conflict erupted in the battle for White House turf between Hamilton Jordan, who ran the campaign, and Jack Watson, who ran the transition operation. In the Reagan administration the conflict surfaced shortly after the inauguration when the right wing of the Republican Party began to complain that loyal Reagan campaigners were not getting their fair share of appointments.

This conflict was not salient in President Reagan's selection of his Cabinet and immediate White House staff. Each President clearly must make these selections personally. The immediate staff must be tuned in to the President's personality and style and possess the complete confidence of the President.[47] The criteria for cabinet positions are different and include important political and symbolic considerations. President Reagan made his selections with the help of his "kitchen cabinet" that met on the west coast. John Ehrlichman has observed that Presidents begin their administrations with strong cabinets and weak White House staffs and end them with strong staffs and weak cabinets.[48]

While President-Elect Reagan promised to re-institute "cabinet government," as Carter had in 1976, the President's advisors took extraordinary measures to assure that new cabinet appointees were in tune with the White House. In the first few weeks of the administration, frequent cabinet meetings were held to set out the "party line." Budget cutting, as described above, was done from the White House with little participation from newly appointed cabinet officers or their staffs. The White House also decided to keep tight control over subcabinet appointments rather than let cabinet members pick their own people, as President Carter had. Whatever President Reagan meant by "cabinet government," it did not include the delegation of budget or personnel authority.

The struggle over subcabinet positions created the greatest internal controversies in the early Reagan administration. Two main dilemmas dominate subcabinet personnel selection in any administration: will selections be made primarily by the White House or by department and agency heads and, what is the proper balance between political loyalty and administrative competence. Most executives naturally want the discretion to put together their own teams; Robert McNamara said choosing his own subordinates was the most important request he had made of John Kennedy.[49] President Nixon, immediately after giving his new cabinet authority over appointees, said to an aide, "I just made a big mistake."[50] President Carter, as part of his approach to cabinet government, gave the primary discretion for personnel selection to his cabinet secretaries.[51]

The Reagan administration, in conscious contrast, made it clear from the beginning that subcabinet selection would be controlled from the White House. Meese, as Chief of Staff of the Reagan transition team, was favorably impressed with a study on organizing and staffing prepared by the Center for the Study of the Presidency. It pointed up the trials of the Carter administration in subcabinet appointments. "Nixon, like Carter, lost the appointments process," according to Penn James.[52] This time it would be different: "When the cabinet secretaries were selected, Meese made it clear, 'Now look, this is how the appointment process is going to be run.' And they were fully aware as to how the White House was going to handle the appointment process before they were appointed. That was the package that they bought."[53]

The intent was not to make all of the selections in the White House, but to assure that all selections made were fully acceptable to the White House. The President's kitchen cabinet also played a role in the selection: "our most crucial concern was to assure that conservative ideology was properly represented. The three criteria we followed were, one, was he a Reagan man? Two, a Republican? And three, a conservative?"[54] The influence of the kitchen cabinet diminished, however, when it lost its offices in the Old Executive Office Building in March 1981.

It was inevitable that such an approach would cause some conflicts. In general, those cabinet secretaries that were strongest had the best chance to win the disputed cases. Alexander Haig (with the exception of his deputy, William Clark) got his choices through the White House personnel process, if not through the Senate, with dispatch. Defense Secretary Weinberger is reported to have prompted the resignation of a White House personnel staffer by saying "I will not accept any more recommendations from the White House, so don't bother sending them."[55] Other cabinet members, however, did not have the political or personal clout with the White House to be able to insist on their choices when they disagreed over appointments.

The question of who selected appointees was closely intertwined with the other major dilemma of loyalty versus competence. At the beginning of administrations, new Presidents tend to have two fears: that "the bureaucrats" will undermine their policies and that their appointees will "go native" and become coopted by the departments they head. Thus personal loyalty is a centripetal force that helps counter the centrifugal forces that draw presidential appointees to the programs and colleagues in the agencies in which they work. The problem is that in order to have programmatic and management control you need more than just "your guy" in the position. The person must also have a blend of substantive knowledge and administrative skill in order to do effectively the President's bidding in the very complex and competitive bureaucratic world.

One indicator of knowledge and skill is previous administrative experience in business or government. Pendleton James, as head of the White House recruitment effort, sought out executives with proven track records who would be loyal to the President. "We had five criteria all along—compatibility with the President's philosophy, integrity, toughness, competence, and being a team player."[56] James, who had worked in the personnel operations of the Nixon and Ford administrations, naturally found many competent people among those who had served in previous Republican administrations. The problem with them, from the perspective of the Republican right wing, was that some of them had not supported Ronald Reagan soon enough.

In late January and February 1981 conservative right wing supporters of Reagan's candidacy began to complain vociferously that Reagan campaigners were being systematically excluded from the personnel selection process. John Lofton in the February issue of the *Conservative Digest* claimed that the Reagan administration was being filled with "retreads" from the Ford and Nixon administrations and called for James to be fired. He declared, "There will be no Reaganism without Reaganites."[57]

The person carrying the conservative banner on the inside was Lyn Nofziger, who ran White House political operations from his office in the Old EOB. He met regularly with conservative groups, and in March 1981 told the President that conservatives were being frozen out of his administration. His criteria for administration personnel differed significantly from those of James. He felt the personnel process should root out not only Democrats but Republicans who in the past had supported other candidates than Reagan. "I have problems with them. This, damn it, is a Reagan Administration."[58] Nofziger's conception of competence also differed somewhat from that of James: "We have told members of the Cabinet we expect them to help us place people who are competent. . . . As far as I'm concerned, anyone who supported Reagan is competent."[59]

Due to Nofziger's efforts and pressure from conservative groups, after the first two months the appointment process took a turn to the right, at least enough to mollify right wing critics.[60] James' deputy was replaced by John S. Herrington, who was more acceptable to the right wing interest groups. James denied that any policy shift took place, saying that loyalty was always a primary criterion in hiring and that the recent conservative appointees were already in the personnel pipeline rather than the result of any policy shift.

To keep things in perspective, not all administrative positions were the focus of pitched battles between Nofziger and the moderates, and the right wing did not always win. Caspar Weinberger was successful in getting Frank Carlucci, a distinguished career public servant to be his deputy, though Alexander Haig was not successful in preventing the appointment of William Clark as his deputy. Clark, a justice on the California Supreme Court, had virtually no experience in foreign affairs. Ironically, he was later to be appointed as President Reagan's national security advisor and was to be instrumental in Haig's resignation.

The overall result of the personnel selection process was an administration staffed with officials selected more systematically for their personal loyalty to the President than any other recent administration. Not incidentally, it was an administration with relatively little prior government experience, at least at the subcabinet level. As of June 26, 1981, of those appointees confirmed by the Senate, 76 of 112 (59%) of those in the subcabinet, 18 of 23 (78%) in independent agencies, and 7 of 7 in independent regulatory agencies had no prior government experience.[61]

This reflected Ronald Reagan's antigovernment campaign and his promise to change "business as usual." "There's an awful lot of brains and talent in people who haven't learned all the things you can't do."[62] This should have made Senator Jesse Helms happy. One of his staff complained about the early Reagan appointments to the *Wall Street Journal:* "All these people are the experts of the mistakes of the past. Why can't he at least get some new people who could have a chance to make some different mistakes?"[63] The Reagan administration also made some unusual appointments in naming to positions people who were hostile to, or at least highly critical of, the traditional missions of the agencies they were to head, for example James Watt at Interior and Anne Gorsuch at the Environmental Protection Agency.

In addition to disputes over whom to appoint to which position, there were also complaints about the slowness of the process itself. In the spring of 1981 there was a widespread perception that appointments were not coming as fast as they ought to.[64] There were complaints from the Hill that officials who should have been available to testify on administration programs were not yet appointed. There were complaints from the administration that the few top officials on board were spending all of their time testifying on the Hill. And there were complaints from the bureaucracy that essential program leadership was missing, resulting in policy drift and inefficiency. Pendleton James continued to deny that the pace of appointments was particularly slow and maintained that quality of personnel was more important than speed.

Some of the delays were caused by financial disclosure requirements and conflict of interest regulations that resulted from what James called "post-Watergate hysteria."[65] Some delay was inevitable, due to the range of clearances built into the personnel process. Each nomination had to run a formidable gauntlet running from the cabinet secretary and the personnel office to Nofziger to White House counsel Fred Fielding, to either Martin Anderson (domestic) or Richard Allen (national security) to the triad (James Baker, Michael Deaver, Edwin Meese) to the congressional liaison office, and finally to the President, himself.[66] Sometimes names of candidates would make it most of the way through the process only to be vetoed at the last minute by the political affairs office or the kitchen cabinet.[67] Once through the White House personnel process, international affairs nominations requiring Senate approval were often held up by Senator Helms who thought State Department nominees were not conservative enough.[68]

Despite administration claims that it was making major appointments faster than Presidents Carter and Kennedy,[69] *The National Journal* reported that after ten weeks Reagan had submitted to the Senate 95, as opposed to Carter's 142 nominations.[70] *Time* magazine calculated that, as of the first week in May, of the top 400 officials, only 55% had been announced, 36% formally nominated, and 21% actually confirmed.[71]

In January 1977 the Civil Service Commission approved a rule allowing agencies to create another set of Schedule C positions identical to those already authorized for 120 days "in order to facilitate the orderly transition of duties as a consequence of a change in Presidential Administration."[72] Thus during a transition each department and agency can have twice as many Schedule C appointments as usual for its first 120 days. On June 16, 1981 OPM Director Donald Devine authorized the extension of the period for another 120 days "since a number of key political officials have not yet been appointed to federal agencies, thereby continuing the transition period for the new Administration."[73]

Although the slow pace of appointments was disruptive in many ways, some administration officials saw the silver lining, or found virtue in necessity. They argued that the lack of appointees made it very difficult for agencies to resist the severe budget cuts that the White House was advocating.[74] While the slowness of appointments may have helped the President's budget program, it did little to facilitate the transition in the administration of the executive branch.

Administrative Control

Most modern Presidents come to office with an abiding distrust of the bureaucracy. They are convinced that their policy initiatives will be delayed, ignored, or even sabotoged. After two decades of Democratic rule President Eisenhower felt the need for his own people at the operational levels, not merely the top of the government. Schedule C positions were created for this purpose.[75]

John Kennedy felt that the career bureaucracy was too stolid for his new initiatives and drew domestic policy making into his White House staff. In one analysis his administrative strategy amounted to guerilla warfare with numerous "back channels" and special task forces usurping the powers of the career bureaucracy.[76] Richard Nixon's distrust of the bureaucracy was legendary. When his Congressional initiatives failed to fructify, he decided to "*take over* the bureaucracy and *take on* the Congress" with tactics such as impounding funds and his responsiveness program.[77] Jimmy Carter came to Washington as a self-proclaimed outsider promising to reduce the number of federal agencies from 1900 to 200. While this promise was quickly forgotten, the Civil Service Reform Act of 1978 did create several important tools of administrative control that the White House could use, particularly the SES provisions.

Ronald Reagan also came to office as an outsider, claiming that government was the problem with U.S. society, not the solution. Aside from the administration's budget campaign and personnel strategies, there did not seem to be a separate administrative strategy. The administration, however, did make a series of tactical moves aimed at establishing immediate and unambiguous control over the executive branch. A freeze was imposed on civilian hiring and lowered personnel ceilings led to the firing of thousands of Civil Service employees. The President also fired the striking air traffic controllers as well as the newly created inspectors general who had supposedly non-partisan roles. Finally, he "zeroed out" the Community Services Administration, which had taken over the functions of President Johnson's Office of Economic Opportunity. While each of these actions had important immediate consequences, the larger purpose was the symbolic statement that the Reagan administration was in charge and there would be no more "business as usual."

In his first official act after being inaugurated, President Reagan signed a memorandum imposing a "strict freeze on the hiring of Federal civilian employees to be applied across the board in the executive branch." The purpose of the freeze was "controlling the size of government and stopping the drain on the economy by the public sector."[78] An accompanying White House press release said that compensation and benefits for Federal civilian workers comprised a "major" part of the Federal budget.[79] The administration saw the freeze as a means to show the bureaucracy who was in charge, show the public it would fulfill its promises, and begin a series of broader cutbacks aimed at domestic spending and personnel.

A memo of January 24, 1981 made it clear that the administration intended the freeze to be retroactive, when it included in the freeze all those who had not been formally hired by election day, November 5, 1980. Thus many (some estimate up to 20,000) were caught in the freeze who had duly authorized letters offering them jobs, but who did not yet have formally signed Standard Form 50's (Notification of Personnel Action). Several cases were brought in court challenging the retroactivity of the freeze as a breach of contract with those who had good faith offers of employment, though not a signed SF50. They also charged that many prospective employees underwent extensive personal hardship in giving up their old jobs and traveling to Washington in order to accept jobs that were then retracted by the administration. The petitioners, however, lost on February 25 when U.S. District Court Judge Charles B. Richey ruled that the freeze was "not only constitutional and legally permissable but . . . essential to the well being and general welfare of the American people at this time."[80]

OMB Director Stockman explained that the freeze was made necessary by "a situation demanding sacrifices to help in bringing under control immediately the size and cost of government."[81] While this provided little comfort to those who gave up jobs on the basis of letters promising them positions, Director Stockman said cases of "severe hardship" would be considered for exceptions to the freeze. A memo on January 29, 1981 specified that potential exemptions had to demonstrate "severe and irreparable financial loss" and at the same time had to show the person "was prudent in his or her actions (for example, in terms of timing of severing other employment; or taking on new financial commitments in anticipation of a new job)."[82] This catch-22 type condition, in addition to other restrictions, made exceptions to the freeze few and far between.

The freeze was successful in showing the public and the bureaucracy that the administration was serious about cutbacks. It was criticized by others for causing more disruption than it was worth in terms of saving money or reducing personnel. W. Bowman Cutter, who was Executive Associate Director for Budget in the Carter administration, wrote that the freeze was "fake, gimmicky symbolism."[83] He argued that in his experience of running three freezes for the Carter administration, he found that exceptions were always necessary (for example, in the Defense Department which employs half of the government's civilians) and that vacancies occur randomly, rather than in positions management wants to cut. The General Accounting Office in a series of reports has argued that the best way to manage reductions in government is through work force planning and budget control, rather than through the imposition of personnel ceilings and hiring freezes. In this way the managers closest to operations can decide how best to cut back activities without disrupting essential services.[84] GAO contended that the Carter and Reagan freezes were not successful in substantially reducing employment and that it was not clear whether any money was saved.[85]

In the late spring and summer of 1981 the hiring freeze was selectively lifted in agencies for which there were established personnel ceilings. For most domestic agencies these ceilings were well below those on board at the time. This necessarily involved the reduction of employees by natural attrition (not replacing employees who leave voluntarily) or formal reduction in force (RIF). Both of these procedures are costly and disruptive, though the administration felt that overall reductions were more important than the efficiency or smooth functioning of individual agencies.[86]

The Reagan administration also sought to assert its control over the government by firing all of the inspectors general whose positions were created by statute in 1976 and 1978. The purposes of the positions were to centralize audit functions in major agencies and have the IG's report to Congress on their efforts to uncover fraud, waste and abuse. The IG positions were intended to be apolitical, though the President could remove an incumbent if he communicated the reasons to Congress.

Some Democrats in Congress saw Reagan's firing of all the incumbent IG's as an attempt to politicize the auditing function by appointing his own people who could then suppress any embarrassments to the administration.[87] The White House replied that it was a conscious attempt to establish the precedent that each President could name his own IG's. After making the precedent-setting point, President Reagan reappointed some of the same IG's he had just fired.

Later, in the summer of 1981, the President again asserted his administrative control by firing air traffic controllers who had voted to go on strike. His action established the principle that strikes would not be tolerated and effectively broke the Professional Air Traffic Controllers Association (PATCO).

Finally, the administration established its direction by "zeroing out," i.e. abolishing, the Community Services Administration. There was a marked contrast with Richard Nixon's earlier efforts to do away with the Office of Economic Opportunity by impounding its funds. Nixon's efforts directly confronted a united Congress and were defeated in Federal court decisions.[88] President Reagan was able to persuade the Congress to go along with his proposals and thus avoided any question of the constitutionality of the administration's appointment or spending decisions.

On March 18 OMB Director Stockman sent a "Dear Mr. Director" letter to CSA, even though there was no appointed, or even acting, director. The letter stated:

"we will not seek to renew the authorization of the Community Services Administration," and that CSA plans "should provide for the separation of all personnel by the end of Fiscal Year 1981."[89] CSA functions were to be included in state administered block grants proposed by the administration. Although there was much gallows humor at CSA in the last half of FY1981, under the leadership of the veteran Dwight Ink, agency managers ran the shutdown professionally, and CSA closed its doors on September 30, 1981.[90]

While the above actions, despite their drawbacks, were successful from the administration's viewpoint, one big hole in its approach to administrative control was the slowness in getting new appointees into subcabinet positions. This was due to clearance procedures and the conflicts over particular appointees described above. This helped the administration's budget strategy by eliminating potential advocates for agency budgets, but it did little to give the administration programmatic control of the government.

One of the major drawbacks in any presidential transition is that bureaucratic agencies and programs tend to go into neutral gear until new leadership provides policy direction. This tendency toward policy drift is extended by delays in appointments. Career executives do not want to move too far in any direction for fear that the new boss will not approve. A consideration of this syndrome from the bureaucratic perspective is provided in subsequent sections.

In one lesson it learned from the Carter and Nixon experiences, the new Reagan administration did not dissipate its energies pushing any grand scale reorganization of the government. Carter had promised to reduce the number of federal agencies from 1900 to 200. Nixon had tried to consolidate twelve cabinet departments into eight, but Congress would not go along. Reagan promised to abolish the Departments of Energy and Education but he did not squander his political resources on these projects in his first two years.

The general strategy of trying to reduce the span of control of the President by bunching similar agencies with similar functions together under one umbrella agency has the advantage of settling some turf battles before they get to the President's desk. Major policy disputes, however, cannot be swept under an organizational rug. The agency itself, its clientele groups, and Congressional committees will continue to dominate the action, and the President still will have to decide if he wants to throw his weight one way or another. Thus major reorganizations are usually more trouble than they are worth, both in the Congress and in the executive branch.

This does not mean that no reorganizations took place, only that they were implemented at the micro-level, i.e. within departments and agencies, where they count. While large scale reorganization is often touted as a panacea, small scale reorganizations are often effective tools of good management. They engender uncertainty and thus inefficiency in agencies when they are implemented, so they should be used with sensitivity and only when necessary. But in certain circumstances they are useful in gaining control of an agency and can accomplish purposes that personnel rules and regulations make difficult. In 1981 Budget cuts provided useful justifications for agency heads to reorganize their organizations for their own purposes.[91]

IV. The View From the Bureaucracy

To career employees in the executive branch, the transition period is a time of uncertainty. The last few months before an election the bureaucratic machine begins to slow until the election of a new President, at which time it is in neutral gear. In sharp contrast, internal maneuvering increases to a high speed. The result is a machine operating at a high level of r.p.m.'s but with little direction to convert all of the energy to useful productivity.

During periods of presidential transition the upper levels of the bureaucracy are marked by active maneuvering; careers can be made or broken. Attitudes at lower levels are marked by cynicism and the feeling that there will be arbitrary changes of policy and organization. Each set of attitudes results from the intense uncertainty. This condition does not usually preclude the carrying out of routine functions or the accomplishment of well established agency goals. The inefficiency comes at the cutting edge of policy formulation and program innovation.

The uncertainty at the top results from a lack of leadership and direction. Senior executives do not want to stick their necks out too far in any one policy direction for fear that the new boss will come in and reverse directions. Those who had come to occupy positions of trust and power over the four years of the out-going administration are fearful that they will be identified as partisans of the previous discredited and rejected administration. The reluctance to take any initiatives, even those that seem to make good political and organizational sense and that would be in the best interests of any new incumbent, is reinforced by uncertainty about who will be appointed to run the agency.

Every career executive has seen a range of quality in presidential appointments, from the highly professional expert with a wealth of experience in government or business, to the complete neophyte who is also a political hack. The probable future actions of the former can be calculated much more easily than those of the latter. But people whose career depend on it tend to minimize their maximum losses rather than to pursue the high risk strategy of backing an initiative that may be repudiated by the new boss. Senior executives want to jump on the band wagon of the new boss, but they do not yet know in what direction it is heading.

The period of uncertainty can lead to opportunities to enhance one's career or settle old scores. Old animosities can reemerge, and colleagues can be seen as rivals. Areas of disputed turf can be again opened to challenge. There may be opportunities to reorganize one's bureaucratic enemies out of existence. The focus of all this maneuvering is, of course, the new agency head who will have the power to make or break policies and careers. The speculation about who the new President will appoint is intense, and at the first hint of a rumor people scurry off the telephone to contact their "inside sources" or to *Who's Who* to get a fix on the new boss.

The people on the new administration's transition team are in an ambiguous position because it is never clear if they were assigned to pay off a campaign debt or if they will be appointed the new leaders of the agency. The obvious bureaucratic strategy here is to act as if they had already been appointed and impress them with your responsiveness. One impresses the new (potential) boss with a positive and "can do" attitude. One must also appear professional and not overly obsequious. The usual tack in briefing new appointees is to present one's own operation as efficient and essential to the operation of the agency. In a high risk gambit one might offer up program or personnel cuts to show that one is not the stereotypical empire building bureaucrat.

The executive branch bureaucracy is often portrayed as a unified, monolithic leviathan with the sole goals of survival and expansion. This leads to the expectation that a new political appointee will be faced with a united front. Political appointees who believe this will be at a disadvantage, because the bureaucracy suffers from the same vulnerabilities as a cartel. One small leak can easily become a flood and break the whole edifice. In any agency there are enough senior managers who hold varying political, policy, and professional values that new appointees with any sense of character judgement will not have to face a unified opposition to their policy preferences, whatever they are. This includes the anti-government and anti-welfare policy preferences of the Reagan administration.

In fact, the opposite is likely to be the situation. Senior executives can be expected to render professional and positive support to new political appointees for professional as well as self-interest reasons. Career professionals accept the democratic and constitutional legitimacy of the incoming administration. They also see their own roles as neutral with respect to political party, if not always with respect to programs or institutions. Self interest also provides a strong incentive to be responsive to the new leadership. Senior executives are ambitious and want to be members of the management team. They will only be included if they actively and effectively support the administration's policies.

For these reasons the typical fears of new administrations that "the bureaucrats" will try to undermine their policies are usually exaggerated. There will probably be some dissidents, some personality conflicts, and some differences of opinion; but there is little likelihood of bureaucratic guerilla warfare waged by senior executives against an administration's policies.[92] There will undoubtedly be bureaucratic warfare, but the cleavages will flow along program, policy, and institutional lines with political appointees as well as careerists on both sides of the barricades.

The Reagan administration is the first to come to office enjoying the new flexibilities provided in the Civil Service Reform Act of 1978. Primary among the new management prerogatives are the SES provisions. These allow agency heads to transfer senior executives from position to position much more easily than in the past. Rank in person rather than position provides some security to the executive while allowing the agency head to match the executive to the appropriate position without being bound by the rank of the usual incumbent of that position.

One of the restrictions, however, is that career senior executives cannot be moved involuntarily until 120 days after the new agency head is appointed. The purpose is to ensure that senior executives will have a chance to prove their competence and loyalty to the new administration. During spring in 1981, due to the Civil Service reforms, there was more than the usual amount of paranoia among senior executives. There were newspaper reports in the *Washington Post* and *Star* that the White House was planning "mass transfers" of senior executives at the end of the 120 day waiting period. These fears proved to be groundless, and there is no evidence that the Reagan administration abused its powers over the SES during the transition.[93] Thus a strong precedent has been set for avoiding the politicization of the SES, particularly since the Reagan campaign promised to end "business as usual," and had sharply contrasting policy preferences to the preceding several administrations. In fact, one of the major themes of the transition teams was to reassure the career service that the new administration, despite its campaign rhetoric, valued, and would preserve, the integrity of the merit system.

The new Reagan administration did, however, make systematic efforts to renew and enforce the split between politics and administration that the public administration community found so attractive in the earlier decades of the 20th century.[94] Often the newly appointed administration members of an agency would meet to make policy decisions without any input from career executives, bringing them in to implement decisions only after all important decisions had been made. This approach was due to the typical distrust of the bureaucracy felt by most new administrations.

This did little to enhance the quality of management decision making. For reasons stated above, there is little to fear from most career executives. But more importantly, the administration deprived itself of valuable advice as well as support by excluding career executives from the early stages of policy formulation. In most cases career executives are experienced experts in their areas and have many good ideas for beneficial changes. Such potentially valuable input might be stifled if they are systematically excluded from consultation. In addition, career executives often have shrewd political judgement as well as valuable contacts in other agencies and on the Hill. Ignoring these resources at their disposal can make the job of political appointees much more difficult. No amount of consultation, however, can relieve members of the administration of the authority or the duty to make final decisions.[95] Each new administration goes through a cycle. Gradually, as the abilities and drawbacks of career executives become known and as trust begins to develop with the experience of working together, the artificial barriers of the politics/administration dichotomy break down. The sooner this happens, the sooner any administration will be able to mobilize fully the political and substantive expertise of the career service to achieve its policy goals.

Reassurances about the integrity of the merit system and the absence of abuse of the SES, however, were of little comfort to those at lower levels in the bureaucracy who were facing the uncertainty of reductions in force. The Reagan campaign promises to cut back federal agencies and personnel were always clear and were forcefully reiterated with the immediate hiring freeze. The new reduced personnel ceilings and the budget cuts established by OMB in March and April 1981 made it clear that personnel reductions would be necessary in most domestic agencies, either through natural attrition or formal reductions in force (RIF's). Either method would place government workers in jeopardy of losing their jobs or of being reduced in rank or position.[96] The uncertainty, needless to say, resulted in severe morale problems.

Those who were not fired were nevertheless threatened because the programs they worked in were vulnerable to being eliminated, either by outright termination, or by the slow deletion of functions and authority. One of the problems here is that employees, particularly at mid and lower levels, perceive that the fate of their careers or their programs has nothing to do with their performance. This lack of a sense of efficacy can easily lead to cynicism in which arbitrary "politics" seems to control everything. With this attitude, why should one work hard if one's own performance cannot control one's fate?

Thus the cutbacks of the Reagan administration in 1981 had the unfortunate effect of seriously undermining morale in many domestic agencies. While morale is difficult, if not impossible, to measure, it is an important factor in any organization.[97] When it drops, people become detached from their jobs and do not see any need to work toward organizational goals. They become worried about their personal careers and look for opportunities in other organizations. It is difficult to recruit bright, young managers to organizations that seem to be in decline. This was probably the major administrative challenge the Reagan administration faced in its early years.[98]

All transitions cause some uncertainty and disruption, but within departments and agencies they can be handled with more or less grace. The incoming agency head can choose to handle appointees of the outgoing administration and career executives who will be replaced with professional respect and can make their exits as smooth as possible. Giving them chances to find new positions and using selective options for early retirement are ways to do this. The agency head can choose the least painful way to reorganize the agency or separate personnel. On the other hand, the new agency head can come with six-guns blazing and demand resignations of all holdovers by close of business that day. He can have their offices locked and their desks cleared out. He can put heavy handed pressure on careerists to leave quickly, and can reassign them to undesirable geographic locations on the 121st day after his appointment.

It probably takes an executive who is confident in himself and his position in the administration to take the low-key, gracious route. There is, after all, no question of who is running the agency, and there is plenty of legal power to back it up. Those who are insecure in themselves or their positions may feel the need to assert their authority through heavy handed actions and abrupt firings. They will inspire fear in their subordinates rather than respect. While the Machiavellian approach to control through fear may enhance personal power, it will not lead to the sort of teamwork necessary to run an organization in the complex and sometimes treacherous milieu of Washington. More importantly, it will be a disservice to the administration of which the appointee is a member.

V. Conclusion

The overwhelming fact about presidential transitions from a management perspective is that they are extremely costly in terms of productivity sacrificed and momentum lost. Important changes in policy direction mean writing off sunk costs. Changes in top management entail policy drift and turf battles at the agency level. The benefits of a representative government, however, are well worth the cost of the disruptions involved in presidential transitions.

While presidential transitions are necessarily inefficient, they can be accomplished more or less quickly and effectively and can be conducted with more or less grace. From this perspective, what can future presidents-elect learn from the Carter/Reagan experience? First of all, the transition must begin before the election and be professionally staffed. The development of policy issues and the search for personnel cannot be left until after the election. It must be kept in mind, however, that the governmental transition staff and the political campaign staff will battle over who will run the government. The President-Elect must expect such conflict and make his choices clear.

Watson and Meese both performed ably in the transition. Both are lawyers with good minds and experience. The Reagan administration must be given very high marks for the execution of its legislative and budget programs. (Whether or not these programs were successful in reviving the U.S. economy is another question.[99]) The political personnel process gets a mixed review. It selected loyal administrators but sacrificed professionalism and time. Administrative leadership and managerial direction were sacrificed to budget, personnel, and cutback priorities. Many agencies were so disrupted by the process that their operations were seriously affected in the short run, and long term management recruitment may have been hurt. It is probable, however, that this was not an unintended consequence, as seen by the administration, but viewed as a necessary tradeoff.

What can future administrations learn from the Reagan experience in the areas of legislation, budget, personnel and administration. One lesson is that Congress will still pass a President's legislative package. Some had concluded that since Lyndon Johnson the fragmenting pressures in Congress—structural reforms, high turnover, single interest pressure groups—had marked the end of the President's role as legislative leader. President Reagan proved that White House control of legislation was possible in spite of unpopular budget cuts and a Democratic House. But it took most of President Reagan's political resources during his first six months in office to win the budget battle on the Hill. These victories, however, did not accomplish the economic turnaround that supply-siders had predicted, and his budget policies led to the largest deficits in U.S. history. Not until the end of the second year of the Reagan administration did the economic recovery begin, although the stock market proved an earlier harbinger.

What did the elaborate presidential personnel system accomplish? The White House kept closer control over subcabinet appointments than any other recent administration. Thus many Reagan loyalists were appointed, but at the cost of administrative experience and letting cabinet members choose their own management teams. While the Carter and Nixon personnel systems may have been too lax in this regard, the Reagan system may have been too strict. The delay in appointments that was caused in major part by the administration's political clearance procedures took a toll in departmental leadership and program development. However, the Reagan administration was spared the severe stress of staff vs. Cabinet which characterized the Carter administration. Further, the Meese originated cabinet councils provided an effective system of relating Cabinet and staff in policy development.

The larger question to be addressed is whether the above described actions amount to administrative, policy, and programatic control of the government. The Reagan transition period did provide significant budgetary cutbacks for domestic agencies, and the personnel system ensured personal loyalty to the President from the subcabinet. But there did not seem to be much positive policy direction to set the tone for the Reagan administration. Even in defense, the early budget actions seemed to be the addition of more money to the previous administration's priorities rather than a carefully targetted redirection of defense policy.[100]

Setting a positive policy direction is difficult for an administration whose avowed goals are essentially negative. If government is part of the problem, then doing less is better. Major changes in domestic policy were made at EPA and the Department of Interior, but these were accomplished primarily through cutbacks and the decision to modify enforcement of regulations. In cutback situations where government is seen as part of the problem, positive leadership is, at best, inherently difficult. Having "hit the ground running," this was the challenge confronting the Reagan administration.

Notes

1. See Austin Ranney, *The American Elections of 1980* (Washington: American Enterprise Institute, 1981), Gerald Pomper, et al., *The Election of 1980: Reports and Interpretations* (Chatham, N.J.: Chatham House, 1981), Ellis Sandoz and Cecil V. Crabb, Jr., *A Tide of Discontent: The 1980 Elections and Their Meaning* (Washington: Congressional Quarterly Press, 1981), and Royce Crocker, "Federal Government Spending and Public Opinion," Public Budgeting and Finance (Autumn 1981), Vol. 1 No. 3, pp. 25–35.
2. See Luevano v. Campbell, Civil Action No. 79-0271.
3. FPM Bulletin 273-18, January 4, 1980.
4. OPM Operations Letter No. 332-246, September 17, 1980 signed by Richard B. Post.
5. GAO Report FPCD-81-51 (B-202713) May 27, 1981 signed Clifford I. Gould. The OPM investigation covered the U.S. Commission on Civil Rights, the Department of Education, and the EEOC. The GAO investigation covered the FTC, SBA, USDA, and DOT.
6. Memorandum for Cabinet and Agency Heads, Subject: "An Orderly Transition of the Presidency," November 10, 1980, signed "Jack" Watson.
7. See Richard E. Neustadt, "The Reagan Transition," *Presidency Research Group Newsletter* (April 1981), p. 2.
8. The White House, "Memorandum for Cabinet and Agency Heads," November 12, 1981, signed "Jack" Watson.
9. Memorandum for Department and Agency Heads, Subject: "Resignation Policy," December 10, 1980, signed "Jack" Watson.
10. Public Law 88-277, 78 Stat. 153.
11. *Congressional Quarterly Weekly Report*, December 27, 1980, p. 3657.
12. For a treatment of transitions from Kennedy through Carter see Richard E. Neustadt, *Presidential Power* (New York: Wiley, 1980), Chapter 11: "Hazards of Transition," pp. 208–243. For a study of transitions from Wilson through Eisenhower see Laurin L. Henry, *Presidential Transitions* (Washington: Brookings, 1960). For an inside view of a transition see Richard E. Neustadt, Memorandum on "Staffing the President-Elect," October 30, 1960, available in the Kennedy Library, Boston, MA.
13. *Washington Post*, November 16, 1980, p. A9.
14. *Washington Post*, December 15, 1980.
15. *Congressional Quarterly*, December 27, 1980, p. 3656.
16. See "Minutes of IAG Meeting on the Transition," Office of Personnel Management, November 14, 1980. The author was present at this meeting.
17. *Congressional Quarterly*, October 4, 1980, p. 2920.
18. Ibid.
19. Hendrick Smith, "Taking Charge of Congress," *New York Times*, August 9, 1981.
20. Ibid.
21. *Congressional Quarterly*, August 1, 1981, p. 1372.
22. Smith, "Taking Charge of Congress," *New York Times*, August 9, 1981.
23. See *Washington Post*, April 26, 1981, p. A10, *Congressional Quarterly*, July 25, 1981, p. 1325.
24. *Congressional Quarterly*, June 13, 1981, p. 1025.
25. James MacGregor Burns has made this argument. See the *Los Angeles Times*, January 19, 1982, Part IV, p. 1.
26. See William Greider, "The Education of David Stockman," *The Atlantic* (December 1981).
27. For a more complete analysis of the Reagan administration's budget strategy and tactics, see: James P. Pfiffner, "The Reagan Budget Juggernaut: The Fiscal 1982 Budget Campaign," paper presented at the 1982 Convention of the American Society for Public Administration, Honolulu, Hawaii.
28. See *Washington Post*, Sec. C, p. 1, December 14, 1980.
29. Walter Shapiro, "The Stockman Express," *Washington Post Magazine*, February 8, 1981, p. 8.
30. Elizabeth Drew, "A Reporter in Washington," *The New Yorker* (June 8, 1981), p. 138.
31. OMB Bulletin No. 81-6 (January 24, 1981).
32. OMB Bulletin No. 81-7 (January 24, 1981).
33. OMB Bulletin No. 81-8 (January 24, 1981).
34. OMB Bulletin No. 81-9 (January 30, 1981), see also OMB Bulletin 81-11 (February 11, 1981).
35. Memorandum for Heads of Non-Cabinet Agencies, "Revisions of the 1982 Budget," (February 7, 1981), signed by President Reagan.
36. See James P. Pfiffner, "The Challenge of Federal Management in the 1980s," *Public Administration Quarterly* (forthcoming).

37. Stockman quoted in *The Atlantic*, p. 33.
38. Ibid.
39. *Congressional Quarterly*, July 4, 1981, p. 1167.
40. *Congressional Quarterly*, June 27, 1981, p. 1127.
41. Greider, *The Atlantic*, p. 50.
42. *Congressional Quarterly*, August 1, 1981, p. 1377.
43. See James P. Pfiffner, "Presidential Personnel Policy," *Presidency Research Group Newsletter* (Spring 1982) Vol. IV No. 2, p. 5.
44. The Plum Book also lists those in Schedule A positions (about 100,000) and Schedule B (about 17,000). These are part of the excepted service because it is not practical to hold examinations for the positions; they include attorneys, chaplains, National Bank examiners, and students in cooperative education programs. Schedules A and B do not turn over with each incoming administration.
45. See Bruce Adams and Kathryn Kavanagh-Baran, *Promise and Performance: Carter Builds a New Administration* (Lexington, MA: Lexington Books, 1979).
46. See *Dun's Review*, "Staffing the Reagan Administration," (May 1981), p. 91.
47. For an excellent analysis of the roles of the White House staff and the cabinet, see: Brad Patterson, *The President's Cabinet: Issues and Questions* (Washington: American Society for Public Administration, 1976), see also "Comments Presented at the Panel on White House Staff/Cabinet Relationships," American Political Science Association Convention, September 1981, New York City. See also Bradley D. Nash, with Milton S. Eisenhower, R. Gordon Hoxie, and William C. Spragens, *Organizing and Staffing the Presidency* (New York: Center for the Study of the Presidency, 1980).
48. Comments made at panel on the Presidency, American Political Science Association Convention, September 1981, New York City. See also *Witness to Power* (New York: Simon and Schuster, 1982), Chapter 7.
49. See Joseph Califano, *Governing America* (New York, Simon and Schuster, 1981), pp. 16–17. For an insightful and thorough treatment of presidential personnel recruitment operations and the role of the Senate in confirmations, see Calvin MacKenzie, *The Politics of Presidential Appointments* (New York: The Free Press, 1981).
50. Richard P. Nathan, *The Plot That Failed* (New York: Wiley, 1975), p. 50.
51. See Dick Kirschten, "Wanted: 275 Reagan Team Players; Empire Builders Need Not Apply," *National Journal* (December 6, 1980), pp. 2077-79. See Hoxie, "Staffing the Ford and Carter Presidencies," in Nash, *Organizing and Staffing*, pp. 72–75.
52. Pendleton James quoted by Lou Cannon, "Appointments by White House Take Right Turn," *Washington Post* (June 18, 1981), pp. 1, 12, 13. The Center for the Study of the Presidency study is noted in footnotes 47 and 51 above.
53. Quoted in Calvin MacKenzie, "Cabinet and Subcabinet Personnel Selection in Reagan's First Year," paper presented at the 1981 American Political Science Association Convention, New York City, p. 24.
54. Henry Salvatori quoted ibid.
55. Rowland Evans and Robert Novak, "Cleaning Out the Kitchen," *Washington Post* (March 20, 1981).
56. Pendleton James quoted by Hedrick Smith, "Conservatives Cite Gains in Top Posts," *New York Times* (March 8, 1981), p. 24.
57. Dom Bonafede, "The New Right Preaches a New Religion, and Ronald Reagan is its Prophet," *National Journal* (May 2, 1981), p. 779. See also Evans and Novak, "Reganism Without Reganites," *Washington Post* (January 23, 1981).
58. Quoted by Howell Raines, "Nofziger Thrives on Tough Reputation," *New York Times* (June 25, 1981), p. B12.
59. Quoted by Elizabeth Drew, "A Reporter at Large," *The New Yorker* (March 16, 1981), pp. 91–92.
60. See MacKenzie, "Cabinet and Subcabinet Personnel Selection in Reagan's First Year," pp. 16, 20. See also Lou Cannon, "Appointments by White House Take Right Turn," *Washington Post* (June 18, 1981), pp. 1, 12, 13; Hedrick Smith, "Conservatives Cite Gains in Top Posts," *New York Times* (March 8, 1981), p. 24; and Howell Raines, "White House Headhunter Feels the Heat," *New York Times* (May 3, 1981), p. E3.
61. See MacKenzie, "Cabinet and Subcabinet Personnel Selection," p. 19.
62. Quoted by James Reston, "Reagan's Recruiting Philosophy," *New York Times* (November 12, 1980).
63. Quoted by James M. Perry, "Top Jobs Still Vacant in Federal Agencies As Nominations Lag," *Wall Street Journal* (March 13, 1981).
64. See Lou Cannon, "Reagan's Appointments 'Mess' Decried," *Washington Post* (March 1, 1981); Philip Geyelin, "One-Man Wrecking Crew," *Washington Post* (April 14, 1981); Dick Kirschten, "You Say You Want a Sub-Cabinet Post? Clear it with Marty, Dick, Lyn and Fred," *National Journal* (April 4, 1981), p. 564; James M. Perry, "Top Jobs Still Vacant in Federal Agencies As Nominations Lag," *Wall Street Journal* (April 13, 1981); Howell Raines, "White House Headhunter Feels the Heat," *New York Times* (May 3, 1981); *Time Magazine* "Molasses Pace on Appointments," (May 11, 1981), p. 19.
65. Quoted in James M. Perry, "Top Jobs Still Vacant," *Wall Street Journal* (April 13, 1981); but cf. J. Jackson Walker, "The Ethics in Government Act, Conflict of Interest Laws and Presidential Recruiting," *Public Administrative Review* (November/December 1981), pp. 659-665.

66. See diagram in MacKenzie, "Cabinet and Subcabinet Personnel Selection," 1981 APSA paper; Kirschten, "You Say You Want a Sub-Cabinet Post?," *National Journal* (April 4, 1981), pp. 564–567; and *Dun's Review*, "Staffing the Reagan Administration," (May 1981), p. 91.
67. See Raines, "White House Headhunter Feels the Heat," *New York Times* (May 3, 1981); see also Christopher T. Cross, "If the White House Calls to Offer a Top Job, Hang Up," *Washington Post* (late February or early March, 1981).
68. See Perry, "Top Jobs Still Vacant," *Wall Street Journal* (April 13, 1981).
69. Lou Cannon, "Reagan's Appointments 'Mess' Decried," *Washington Post* (March 1, 1981), p. 1.
70. Kirschten, "You Say You Want a Sub-Cabinet Post?," *National Journal* (April 4, 1981), pp. 564–567.
71. *Time*, "Molasses Pace on Appointments," (May 11, 1981), p. 19.
72. 5 CFR Part 213.
73. *Federal Register*, Vol. 46 No. 115 (June 16, 1981), p. 31405.
74. William Safire, "Of Meese and Men," *New York Times* (February 2, 1981).
75. Richard E. Neustadt, "Do *What* to the Bureaucracy," *Washington Post* (November 10, 1980).
76. See Garry Wills, *The Kennedy Imprisonment* (Boston: Atlantic/Little Brown, 1982).
77. Richard Nathan, *The Plot That Failed* (New York: Wiley, 1975), p. 8, see also pp. 82–84.
78. Memorandum for the Heads of Executive Departments and Agencies, Subject: Hiring Freeze, The White House, (January 20, 1981), signed "Ronald Reagan." Federal civilian employment had decreased from 2.94 million in 1970 to 2.82 million in 1980. As a percentage of total employment it dropped from a high of 3.8 percent in 1968 to 2.8 percent in 1981 and relative to the U.S. population it dropped from 16.3 federal employees per 1000 in 1952 to 12.7 per 1000 in 1980. (OMB, *U.S. Budget: Special Analyses FY1982*, pp. 286–288.)
79. White House, Office of the Press Secretary, "Fact Sheet: Hiring Freeze," (January 20, 1981). Total compensation and benefits compromise about $57 billion of a total budget of about $700 billion.
80. Quoted by Laura A. Kiernan, "Job Freeze by Reagan Is Upheld," *Washington Post* (February 26, 1981).
81. Office of Management and Budget, Memorandum for Heads of Executive Departments and Agencies, Subject: Federal Civilian Hiring Freeze (January 29, 1981).
82. Ibid., parentheses in original.
83. "When a Good Symbol Is a Bad Policy," *Washington Star* (January 27, 1981).
84. For a bibliography of GAO reports on freezes, ceilings and personnel reductions, see: "Federal Work Force Planning: Time for Renewed Emphasis," FPCD-81-4, (December 30, 1980), pp. 46–49.
85. "Recent Government-Wide Hiring Freezes Prove Ineffective in Managing Federal Employment," FPCD-82-21 (March 10, 1982).
86. For an analysis of the tradeoffs involved in choosing between these two methods of personnel reductions, see: James P. Pfiffner, "Inflexible Budgets, Fiscal Stress, and the Tax Revolt," in *The Municipal Money Chase* (Boulder: Westview Press, 1983).
87. *Congressional Quarterly* (February 21, 1981), p. 342.
88. See James P. Pfiffner, *The President, the Budget, and Congress* (Boulder: Westview Press, 1979), pp. 116–117.
89. OMB letter (March 18, 1981), signed "David A. Stockman."
90. See Dwight Ink, "Agency Shutdown: The Ultimate Challenge," *PA Times* (December 15, 1981), p. 3.
91. For a more complete statement of this argument, see James P. Pfiffner, "The Challenge of Federal Management in the 1980s," *Public Administration Quarterly* (forthcoming).
92. For a discussion of professionalism in very trying circumstances, see: Dwight Ink, "Agency Shutdown," *PA Times* (December 15, 1981), p. 3.
93. See GAO, "Effects of the Presidential Transition On the Senior Executive Service," FPCD-82-29 (March 23, 1982); see also Merit Service Protection Board, "An MSPB Special Study on the SES," (April 2, 1981).
94. For a more complete discussion of this issue see: Pfiffner, "The Challenge of Federal Management in the 1980s," *Public Administration Quarterly* (forthcoming).
95. For a classic treatment of the relationship between political appointees and career executives, see: Hugh Heclo, *A Government of Strangers* (Washington: Brookings, 1977).
96. See Pfiffner, "Inflexible Budgets, Fiscal Stress, and the Tax Revolt," in *Managing Municipal Money*, edited by Alberta Sbragia (Boulder: Westview, forthcoming).
97. Ibid.
98. See Pfiffner, "The Challenge of Federal Management in the 1980s," *Public Administration Quarterly* (forthcoming).
99. See James P. Pfiffner, editor, *The President and Economic Policy* (Philadelphia: ISHI Publications, forthcoming).
100. See Elizabeth Drew, "A Reporter in Washington," *The New Yorker* (June 8, 1981), p. 141; see also Joseph Pechman, et al. *Setting National Priorities: The 1982 Budget* (Washington: Brookings, 1981).