At a time when all the major European states had hereditary monarchs, the idea of a president with a limited term of office was itself revolutionary. But the Constitution adopted in 1787 vested executive power in a president, and that remains the case today. The Constitution also provides for the election of a vice president, who succeeds to the presidency in case of the death, resignation, or incapacitation of the president. While the Constitution spells out in some detail the duties and powers of the president, it does not delegate any specific executive powers to the vice president, to the 14-member presidential cabinet (made up of the heads of the federal departments), or to other federal officials.

Creation of a powerful, unitary presidency was the source of some contention in the Constitutional Convention. Several states had experience with executive councils made up of several members, a system that had been followed with considerable success by the Swiss for some years. Delegate Benjamin Franklin urged that a similar system be adopted by the United States. Moreover, many delegates, still smarting under the excesses of executive power wielded by the British Crown, were wary of a powerful presidency. Nonetheless, advocates of a single president — who would operate under strict checks and balances — carried the day.

The Constitution requires the president to be a native-born American citizen at least 35 years of age. Candidates for the presidency are chosen by political parties several months before the presidential election, which is held every four years (in years divisible evenly by four) on the first Tuesday after the first Monday in November. The Twenty-second Amendment, ratified in 1951, limits the president to two terms of office.

The vice president serves concurrently with the president. In addition to holding the right of succession, the vice president is the presiding officer of the Senate. The Twenty-fifth Amendment, adopted in 1967, amplifies the process of presidential succession. It describes the specific conditions under which the vice president is empowered to take over the office of president if the president should become incapacitated. It also provides for resumption of the office by the president in the event of his recovery. In addition, the amendment enables the president to name a vice president, with congressional approval, when the second office is vacated.

The Constitution gives Congress the power to establish the order of succession after the vice president. At present, should both the president and vice president vacate their offices, the speaker of the House of Representatives would assume the presidency. Next comes the president pro tempore of the Senate (a senator elected by that body to preside in the absence of the vice president), and then cabinet officers in designated order.

The seat of government is Washington, D.C. (the District of Columbia), a federal enclave located between the states of Maryland and Virginia on the eastern seaboard. The White House, both residence and office of the president, is located there.

The method of electing the president is peculiar to the American system. Although the names of the candidates appear on the
ballots, the people technically do not vote directly for the president (and vice president). Instead, the voters of each state select a state of presidential "electors," equal to the number of senators and representatives that state has in Congress. The candidate with the highest number of votes in each state wins all the "electoral votes" of that state.

The electors of all 50 states and the District of Columbia — a total of 538 persons — make up what is known as the electoral college. Under the terms of the Constitution, the electoral college never meets as a body. Instead, the electors in each state gather in their state capital shortly after the election and cast their votes for the candidate with the largest number of popular votes in their state. To be successful, a candidate for the presidency must receive 270 electoral votes out of the possible 538. The Constitution stipulates that if no candidate has a majority, the decision shall be made by the House of Representatives, with all members from a state voting as a unit. In this event, each state and the District of Columbia would be allotted one vote only.

The presidential term of four years begins on January 20 (it was changed from March by the Twentieth Amendment, ratified in 1933) following a November election. The president starts his official duties with an inauguration ceremony, traditionally held on the steps of the U.S. Capitol, where Congress meets. The president publicly takes an oath of office, which is traditionally administered by the chief justice of the Supreme Court. The words are prescribed in Article II of the Constitution: "I do solemnly swear (or affirm) that I will faithfully execute the office of president of the United States, and will, to the best of my ability, preserve, protect, and defend the Constitution of the United States." The oath-taking ceremony is followed by an inaugural address in which the new president outlines the policies and plans of his administration.

PRESIDENTIAL POWERS

The office of president of the United States is one of the most powerful in the world. The president, the Constitution says, must "take care that the laws be faithfully executed." To carry out this responsibility, he presides over the executive branch of the federal government — a vast organization numbering about 4 million people, including 1 million active-duty military personnel. In addition, the president has important legislative and judicial powers.

Executive Powers

Within the executive branch itself, the president has broad powers to manage national affairs and the workings of the federal government. The president can issue rules, regulations, and instructions called executive orders, which have the binding force of law upon federal agencies but do not require congressional approval. As commander-in-chief of the armed forces of the United States, the president may also call into federal service the state units of the National Guard. In times of war or national emergency, the Congress may grant the president even broader powers to manage the national economy and protect the security of the United States.

The president nominates — and the Senate confirms — the heads of all executive departments and agencies, together with hundreds of other high-ranking federal officials. The large majority of federal workers, however, are selected through the Civil Service system, in which appointment and promotion are based on ability and experience.

Legislative Powers

Despite the constitutional provision that "all legislative powers" shall be vested in the Congress, the president, as the chief formulator of public policy, has a major legislative role. The president can veto any bill passed by Congress and, unless two-thirds of the members of each house vote to override the veto, the bill does not become law. Much of the legislation dealt with by Congress is drafted at the initiative of the executive branch. In his annual and special messages to Congress, the president may propose legislation he believes is necessary. If Congress should adjourn without acting on those proposals, the president has the power to call it into special session. But beyond this official role, the president, as head of a political party and as principal executive officer of the U.S. government, is in a position to influence public opinion and thereby to influence the course of legislation in Congress.

To improve their working relationships with Congress, presidents in recent years have set up a Congressional Liaison Office in the White House. Presidential aides keep abreast of all important legislative activities and try to persuade senators and representatives of both parties to support administration policies.

Judicial Powers

Among the president's constitutional powers is that of appointing important public officials. Presidential nomination of federal judges, including members of the Supreme Court, is subject to confirmation by the Senate. Another significant power is that of granting a full or conditional pardon to anyone convicted of breaking a federal law — except in a case of impeachment. The pardoning power has come to embrace the power to shorten prison terms and reduce fines.

Powers in Foreign Affairs

Under the Constitution, the president is the federal official primarily responsible for the relations of the United States with foreign nations. The president appoints ambassadors, ministers, and consuls — subject to confirmation by the Senate — and receives
The departments of the federal government are divided into divisions, bureaus, offices, and services, each with specific duties. Each department has thousands of employees, with offices throughout the country as well as in Washington. The departments are responsible for the protection of Americans abroad and of foreign nationals in the United States. The president decides whether to recognize new nations and new governments, and negotiate treaties with other nations, which become binding on the United States when approved by two-thirds of the Senate. The president may also negotiate "executive agreements" with foreign powers that are not subject to Senate confirmation.

CONTRASTS ON PRESIDENTIAL POWER

Because of the vast array of presidential roles and responsibilities, coupled with a conspicuous presence on the national and international scene, political analysts have tended to place great emphasis on the president's powers. Some have even spoken of the "imperial presidency," referring to the expanded role of the office that Franklin D. Roosevelt maintained during his term.

One of the first sobering realities a new president discovers is an inherited bureaucratic structure that can be difficult to manage and slow to change direction. The president's power to appoint extends only to some 3,000 people out of a civilian government work force of about 3 million.

The president finds that the machinery of government often operates independently of presidential interventions, has done so through earlier administrations, and will continue to do so in the future. New presidents are immediately confronted with a backlog of decisions from the outgoing administration. They inherit a budget formulated and enacted into law long before they came to office, as well as major spending programs (such as veterans' benefits, Social Security payments, and Medicare health insurance for the elderly), which are mandated by law. In foreign affairs, presidents must conform with treaties and informal agreements negotiated by their predecessors in office.

As the happy euphoria of the post-election "honeymoon" dissipates, the new president discovers that Congress has become less cooperative and the media more critical. The president is forced to build at least temporary alliances among diverse, often antagonistic interests — economic, geographic, ethnic, and ideological. Compromises with Congress must be struck if any legislation is to be adopted. "It is very easy to defeat a bill in Congress," lamented President John F. Kennedy. "It is much more difficult to pass one."

Despite these constraints, every president achieves at least some of his legislative goals and prevents by veto the enactment of other laws he believes not to be in the nation's best interests. The president's authority in the conduct of war and peace, including the negotiation of treaties, is substantial. Moreover, the president can use his unique position to articulate ideas and advocate policies, which then have a better chance of entering the public consciousness than those held by his political rivals. President Theodore Roosevelt called this aspect of the presidency "the bully pulpit," for when a president raises an issue, it inevitably becomes subject to public debate. A president's power and influence may be limited, but they are also greater than those of any other American, in or out of office.

THE EXECUTIVE DEPARTMENTS

The day-to-day enforcement and administration of federal laws is in the hands of the various executive departments, created by Congress to deal with specific areas of national and international affairs. The heads of the 14 departments, chosen by the president and approved by the Senate, form a council of advisers generally known as the president's "cabinet." In addition to departments, there are a number of staff organizations grouped into the Executive Office of the President. These include the White House staff, the National Security Council, the Office of Management and Budget, the Council of Economic Advisers, the Office of the U.S. Trade Representative, and the Office of Science and Technology Policy.

The Constitution makes no provision for a presidential cabinet. It does provide that the president may ask opinions, in writing, from the principal officer in each of the executive departments on any subject in their area of responsibility, but it does not name the departments nor describe their duties. Similarly, there are no specific constitutional qualifications for service in the cabinet.

The cabinet developed outside the Constitution as a matter of practical necessity, for even in the days of George Washington, the country's first president, it was impossible for the president to discharge his duties without advice and assistance. Cabinets are what any particular president makes them. Some presidents have relied heavily on them for advice, others lightly, and some few have largely ignored them. Whether or not cabinet members act as advisers, they retain responsibility for directing the activities of the government in specific areas of concern.

Each department has thousands of employees, with offices throughout the country as well as in Washington. The departments are divided into divisions, bureaus, offices, and services, each with specific duties.

Department of Agriculture
The Department of Agriculture (USDA) supports agricultural production to ensure fair prices and stable markets for producers and consumers, works to improve and maintain farm income, and helps to develop and expand markets abroad for agricultural products. The department attempts to curb poverty, hunger, and malnutrition by issuing food stamps to the poor; by sponsoring educational programs on nutrition; and by administering other food assistance programs, primarily for children, expectant mothers, and the elderly. It maintains production capacity by helping landowners protect the soil, water, forests, and other natural resources.

USDA administers rural development, credit, and conservation programs that are designed to implement national growth policies, and it conducts scientific and technological research in all areas of agriculture. Through its inspection and grading services, USDA ensures standards of quality in food offered for sale. The department's Agricultural Research Service works to develop solutions to agricultural problems of high national priority, and it administers the National Agricultural Library to disseminate information to a wide cross-section of users, from research scientists to the general public.

The USDA Foreign Agricultural Service (FAS) serves as an export promotion and service agency for U.S. agriculture, employing specialists abroad who make surveys of foreign agriculture for U.S. farm and business interests. The U.S. Forest Service, also part of the department, administers an extensive network of national forests and wilderness areas.

Department of Commerce

The Department of Commerce serves to promote the nation's international trade, economic growth, and technological advancement. It offers assistance and information to increase U.S. competitiveness in the global marketplace; administers programs to create new jobs and to foster the growth of minority-owned businesses; and provides statistical, economic, and demographic information for business and government planners.

The department comprises a diverse array of agencies. The National Institute of Standards and Technology, for example, promotes economic growth by working with industry to develop and apply technology, measurements, and standards. The National Oceanic and Atmospheric Administration, which includes the National Weather Service, works to improve understanding of the earth's environment and to conserve the nation's coastal and marine resources. The Patent and Trademark Office promotes the progress of science and the useful arts by securing for authors and inventors the exclusive right to their creations and discoveries. The National Telecommunications and Information Administration advises the president on telecommunications policy and works to spur innovation, encourage competition, create jobs, and provide consumers with better quality telecommunications at lower prices.

Department of Defense

Headquartered in the Pentagon, one of the world's largest office buildings, the Department of Defense (DoD) is responsible for all matters relating to the nation's military security. It provides the military forces of the United States, which consist of about 1 million men and women on active duty. They are backed, in case of emergency, by 1.5 million members of state reserve components, known as the National Guard. In addition, about 730,000 civilian employees serve in the Defense Department in such areas as research, intelligence communications, mapping, and international security affairs. The National Security Agency, which coordinates, directs, and performs highly specialized intelligence activities in support of U.S. government activities, also comes under the direction of the secretary of defense.

The department directs the separately organized military departments of the Army, Navy, Marine Corps, and Air Force, as well as the four military service academies and the National War College, the Joint Chiefs of Staff, and several specialized combat commands. DoD maintains forces overseas to meet treaty commitments, to protect the nation's outlying territories and commerce, and to provide air combat and support forces. Nonmilitary responsibilities include flood control, development of oceanographic resources, and management of oil reserves.

Department of Education

While schools are primarily a local responsibility in the U.S. system of education, the Department of Education provides national leadership to address critical issues in American education and serves as a clearinghouse of information to help state and local decisionmakers improve their schools. The department establishes policy for and administers federal aid-to-education programs, including student loan programs, programs for disadvantaged and disabled students, and vocational programs.

In the 1990s, the Department of Education focused on the following issues: raising standards for all students; improving teaching; involving parents and families in children's education; making schools safe, disciplined, and drug-free; strengthening connections between school and work; increasing access to financial aid for students to attend college and receive training; and helping all students become technologically literate.

Department of Energy

Growing concern with the nation's energy problems in the 1970s prompted Congress to create the Department of Energy (DOE). The department took over the functions of several government agencies already engaged in the energy field. Staff offices within DOE are responsible for the research, development, and demonstration of energy technology; energy conservation; civilian and military use of nuclear energy; regulation of energy production and use; pricing and allocation of oil; and a central energy data
collection and analysis program.

The Department of Energy protects the nation's environment by setting standards to minimize the harmful effects of energy production. For example, DOE conducts environmental and health related research, such as studies of energy-related pollutants and their effects on biological systems.

Department of Health and Human Services

The Department of Health and Human Services (HHS), which oversees some 300 programs, probably directly touches the lives of more Americans than any other federal agency. Its largest component, the Health Care Financing Administration, administers the Medicare and Medicaid programs, which provide health care coverage to about one in every five Americans. Medicare provides health insurance for 30 million elderly and disabled Americans. Medicaid, a joint federal-state program, provides health coverage for 31 million low-income persons, including 15 million children.

HHS also administers the National Institutes of Health (NIH), the world's premier medical research organization, supporting some 30,000 research projects in diseases like cancer, Alzheimer's, diabetes, arthritis, heart ailments, and AIDS. Other HHS agencies ensure the safety and effectiveness of the nation's food supply and drugs; work to prevent outbreaks of communicable diseases; provide health services to the nation's American Indian and Alaska Native populations; and help to improve the quality and availability of substance abuse prevention, addiction treatment, and mental health services.

Department of Housing and Urban Development

The Department of Housing and Urban Development (HUD) manages programs that assist community development and help provide affordable housing for the nation. Fair housing laws, administered by HUD, are designed to ensure that individuals and families can buy a home without being subjected to discrimination. HUD directs mortgage insurance programs that help families become homeowners, and a rent-subsidy program for low-income families that otherwise could not afford decent housing. In addition, it operates programs that aid neighborhood rehabilitation, preserve urban centers from blight, and encourage the development of new communities. HUD also protects the home buyer in the marketplace and fosters programs to stimulate the housing industry.

Department of the Interior

As the nation's principal conservation agency, the Department of the Interior is responsible for most of the federally owned public lands and natural resources in the United States. The U.S. Fish and Wildlife Service administers 500 wildlife refuges, 37 wetland management districts, 65 national fish hatcheries, and a network of wildlife law enforcement agents. The National Park Service administers more than 370 national parks and monuments, scenic parkways, riverways, seashores, recreation areas, and historic sites, through which it preserves America's natural and cultural heritage.

Through the Bureau of Land Management, the department oversees the land and resources — from rangeland vegetation and recreation areas to timber and oil production — of millions of hectares of public land located primarily in the West. The Bureau of Reclamation manages scarce water resources in the semiarid western United States. The department regulates mining in the United States, assesses mineral resources, and has major responsibility for protecting and conserving the trust resources of American Indian and Alaska Native tribes. Internationally, the department coordinates federal policy in the territories of the U.S. Virgin Islands, Guam, American Samoa, and the Northern Mariana Islands, and oversees funding for development in the Marshall Islands, the Federated States of Micronesia, and Palau.

Department of Justice

The Department of Justice represents the U.S. government in legal matters and courts of law, and renders legal advice and opinions upon request to the president and to the heads of the executive departments. The Justice Department is headed by the attorney general of the United States, the chief law enforcement officer of the federal government. Its Federal Bureau of Investigation (FBI) is the principle law enforcement body for federal crimes, and its Immigration and Naturalization Service (INS) administers immigration laws. A major agency within the department is the Drug Enforcement Administration (DEA), which enforces narcotics and controlled substances laws, and tracks down major illicit drug trafficking organizations.

In addition to giving aid to local police forces, the department directs U.S. district attorneys and marshals throughout the country, supervises federal prisons and other penal institutions, and investigates and reports to the president on petitions for paroles and pardons. The Justice Department is also linked to INTERPOL, the International Criminal Police Organization, charged with promoting mutual assistance between law enforcement agencies in 176 member countries.

Department of Labor

The Department of Labor promotes the welfare of wage earners in the United States, helps improve working conditions, and fosters good relations between labor and management. It administers federal labor laws through such agencies as the Occupational Safety and Health Administration, the Employment Standards Administration, and the Mine Safety and Health Administration. These laws guarantee workers' rights to safe and healthy working conditions, hourly wages and overtime pay,
freedom from employment discrimination, unemployment insurance, and workers' compensation for on-the-job injury. The Department also protects workers' pension rights, sponsors job training programs, and helps workers find jobs. Its Bureau of Labor Statistics monitors and reports changes in employment, prices, and other national economic measurements. For job seekers, the department makes special efforts to help older workers, youths, minorities, women, and the disabled.

Department of State

The Department of State advises the president, who has overall responsibility for formulating and executing the foreign policy of the United States. The department assesses American overseas interests, makes recommendations on policy and future action, and takes necessary steps to carry out established policy. It maintains contacts and relations between the United States and foreign countries, advises the president on recognition of new foreign countries and governments, negotiates treaties and agreements with foreign nations, and speaks for the United States in the United Nations and in other major international organizations. The department maintains more than 250 diplomatic and consular posts around the world. In 1999, the Department of State integrated the U.S. Arms Control and Disarmament Agency and the U.S. Information Agency into its structure and mission.

Department of Transportation

The Department of Transportation (DOT) establishes the nation's overall transportation policy through 10 operating units that encompass highway planning, development, and construction; urban mass transit; railroads; civilian aviation; and the safety of waterways, ports, highways, and oil and gas pipelines.

For example, the Federal Aviation Administration (FAA) operates a network of airport towers, air traffic control centers, and flight service stations across the country; the Federal Highway Administration provides financial assistance to the states to improve the interstate highway system, urban and rural roads, and bridges; the National Highway Traffic Safety Administration establishes safety performance standards for motor vehicles and motor vehicle equipment; and the Maritime Administration operates the U.S. merchant marine fleet. The U.S. Coast Guard, the nation's primary maritime law enforcement and licensing agency, conducts search and rescue missions at sea, combats drug smuggling, and works to prevent oil spills and ocean pollution.

Department of the Treasury

The Department of the Treasury is responsible for serving the fiscal and monetary needs of the nation. The department performs four basic functions: formulating financial, tax, and fiscal policies; serving as financial agent for the U.S. government; providing specialized law enforcement services; and manufacturing coins and currency. The Treasury Department reports to Congress and the president on the financial condition of the government and the national economy. It regulates the sale of alcohol, tobacco, and firearms in interstate and foreign commerce; supervises the printing of stamps for the U.S. Postal Service; operates the Secret Service, which protects the president, the vice president, their families, and visiting dignitaries and heads of state; suppresses counterfeiting of U.S. currency and securities; and administers the Customs Service, which regulates and taxes the flow of goods into the country.

The department includes the Office of the Comptroller of the Currency, the Treasury official who executes the laws governing the operation of approximately 2,900 national banks. The Internal Revenue Service (IRS) is responsible for the determination, assessment, and collection of taxes — the source of most of the federal government's revenue.

Department of Veterans Affairs

The Department of Veterans Affairs (VA), established as an independent agency in 1930 and elevated to cabinet level in 1989, dispenses benefits and services to eligible veterans of U.S. military service and their dependents. The Veterans Health Administration provides hospital and nursing-home care, and outpatient medical and dental services through 173 medical centers, 40 retirement homes, 600 clinics, 133 nursing homes, and 206 Vietnam Veteran Outreach Centers in the United States, Puerto Rico, and the Philippines. It also conducts medical research in such areas as aging, women's health issues, AIDS, and post-traumatic stress disorder.

The Veterans Benefits Administration (VBA) oversees claims for disability payments, pensions, specially adapted housing, and other services. The VBA also administers education programs for veterans and provides home loan assistance to eligible veterans and active-duty service personnel. The VA's National Cemetery System provides burial services, headstones, and markers for veterans and eligible family members within 116 cemeteries throughout the United States.

THE INDEPENDENT AGENCIES

The executive departments are the major operating units of the federal government, but many other agencies have important responsibilities for keeping the government and the economy working smoothly. These are often called independent agencies, since they are not part of the executive departments.

The nature and purpose of these agencies vary widely. Some are regulatory groups with powers to supervise certain sectors of the economy. Others provide special services either to the government or to the people. In most cases, the agencies have been
created by Congress to deal with matters that have become too complex for the scope of ordinary legislation. In 1970, for example, Congress established the Environmental Protection Agency to coordinate governmental action to protect the environment. Among the most important independent agencies are the following:

The Central Intelligence Agency (CIA) coordinates the intelligence activities of certain government departments and agencies; collects, correlates, and evaluates intelligence information relating to national security; and makes recommendations to the National Security Council within the Office of the President.

The Environmental Protection Agency (EPA) works with state and local governments throughout the United States to control and abate pollution in the air and water and to deal with problems related to solid waste, pesticides, radiation, and toxic substances. EPA sets and enforces standards for air and water quality, evaluates the impact of pesticides and chemical substances, and manages the "Superfund" program for cleaning toxic waste sites.

The Federal Communications Commission (FCC) is charged with regulating interstate and international communications by radio, television, wire, satellite, and cable. It licenses radio and television broadcast stations, assigns radio frequencies, and enforces regulations designed to ensure that cable rates are reasonable. The FCC regulates common carriers, such as telephone and telegraph companies, as well as wireless telecommunications service providers.

The Federal Emergency Management Agency (FEMA) coordinates the work of federal, state, and local agencies in responding to floods, hurricanes, earthquakes, and other natural disasters. FEMA provides financial assistance to individuals and governments to rebuild homes, businesses, and public facilities; trains firefighters and emergency medical professionals; and funds emergency planning throughout the United States and its territories.

The Federal Reserve Board is the governing body of the Federal Reserve System, the central bank of the United States. It conducts the nation's monetary policy by influencing the volume of credit and money in circulation. The Federal Reserve regulates private banking institutions, works to contain systemic risk in financial markets, and provides certain financial services to the U.S. government, the public, and financial institutions.

The Federal Trade Commission (FTC) enforces federal antitrust and consumer protection laws by investigating complaints against individual companies initiated by consumers, businesses, congressional inquiries, or reports in the media. The commission seeks to ensure that the nation's markets function competitively by eliminating unfair or deceptive practices.

The General Services Administration (GSA) is responsible for the purchase, supply, operation, and maintenance of federal property, buildings, and equipment, and for the sale of surplus items. GSA also manages the federal motor vehicle fleet and oversees telecommuting centers and child care centers.

The National Aeronautics and Space Administration (NASA) was established in 1958 to run the U.S. space program. It placed the first American satellites and astronauts in orbit, and it launched the Apollo spacecraft that landed men on the moon in 1969. Today, NASA conducts research aboard earth-orbiting satellites and interplanetary probes, explores new concepts in advanced aerospace technology, and operates the U.S. fleet of manned space shuttle orbiters.

The National Archives and Records Administration (NARA) preserves the nation's history by overseeing the management of all federal records. The holdings of the National Archives include original textual materials, motion picture films, sound and video recordings, maps, still pictures, and computer data. The Declaration of Independence, the U.S. Constitution, and the Bill of Rights are preserved and displayed at the National Archives building in Washington, D.C.

The National Labor Relations Board (NLRB) administers the principal U.S. labor law, the National Labor Relations Act. The board is vested with the power to prevent or remedy unfair labor practices and to safeguard employees' rights to organize and determine through elections whether to have a union as their bargaining representative.

The National Science Foundation (NSF) supports basic research and education in science and engineering in the United States through grants, contracts, and other agreements awarded to universities, colleges, and nonprofit and small business institutions. The NSF encourages cooperation among universities, industry, and government, and it promotes international cooperation through science and engineering.

The Office of Personnel Management (OPM) is the federal government's human resources agency. It ensures that the nation's civil service remains free of political influence and that federal employees are selected and treated fairly and on the basis of merit. OPM supports agencies with personnel services and policy leadership, and it manages the federal retirement system and health insurance program.

The Peace Corps, founded in 1961, trains and places volunteers to serve in foreign countries for two years. Peace Corps volunteers, now working in some 80 nations, assist in agricultural-rural development, small business, health, natural resources conservation, and education.

The Securities and Exchange Commission (SEC) was established to protect investors who buy stocks and bonds. Federal laws require companies that plan to raise money by selling their own securities to file reports about their operations with the SEC, so
that investors have access to all material information. The commission has powers to prevent or punish fraud in the sale of securities and is authorized to regulate stock exchanges.

The Small Business Administration (SBA) was created in 1953 to advise, assist, and protect the interests of small business concerns. The SBA guarantees loans to small businesses, aids victims of floods and other natural disasters, promotes the growth of minority-owned firms, and helps secure contracts for small businesses to supply goods and services to the federal government.

The Social Security Administration (SSA) manages the nation's social insurance program, consisting of retirement, disability, and survivors benefits. To qualify for these benefits, most American workers pay Social Security taxes on their earnings; future benefits are based on the employees' contributions.

The United States Agency for International Development (USAID) administers U.S. foreign economic and humanitarian assistance programs in the developing world, as well as in Central and Eastern Europe and the New Independent States of the former Soviet Union. The agency supports programs in four areas — population and health, broad-based economic growth, environment, and democracy.

The United States Postal Service is operated by an autonomous public corporation that replaced the Post Office Department in 1971. The Postal Service is responsible for the collection, transportation, and delivery of the mails, and for the operation of thousands of local post offices across the country. It also provides international mail service through the Universal Postal Union and other agreements with foreign countries. An independent Postal Rate Commission, also created in 1971, sets the rates for different classes of mail.