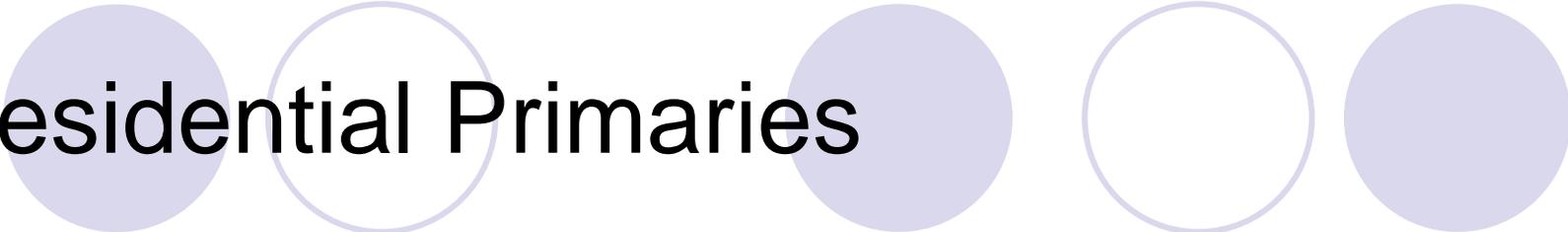




# **Introduction to the American Political Process**

Making Legislation: The Powers of  
the President



# Presidential Primaries

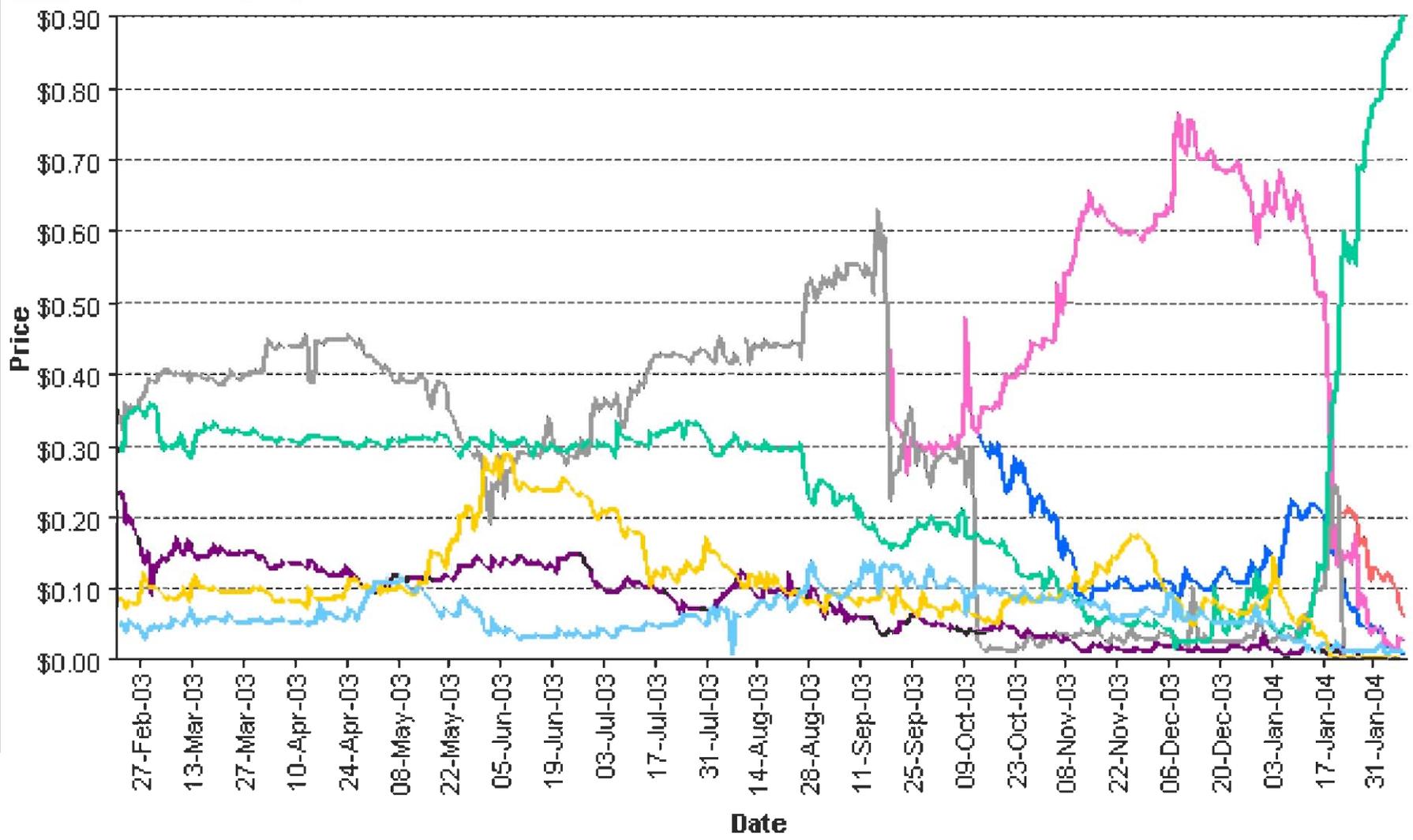
- Iowa Electronic Markets

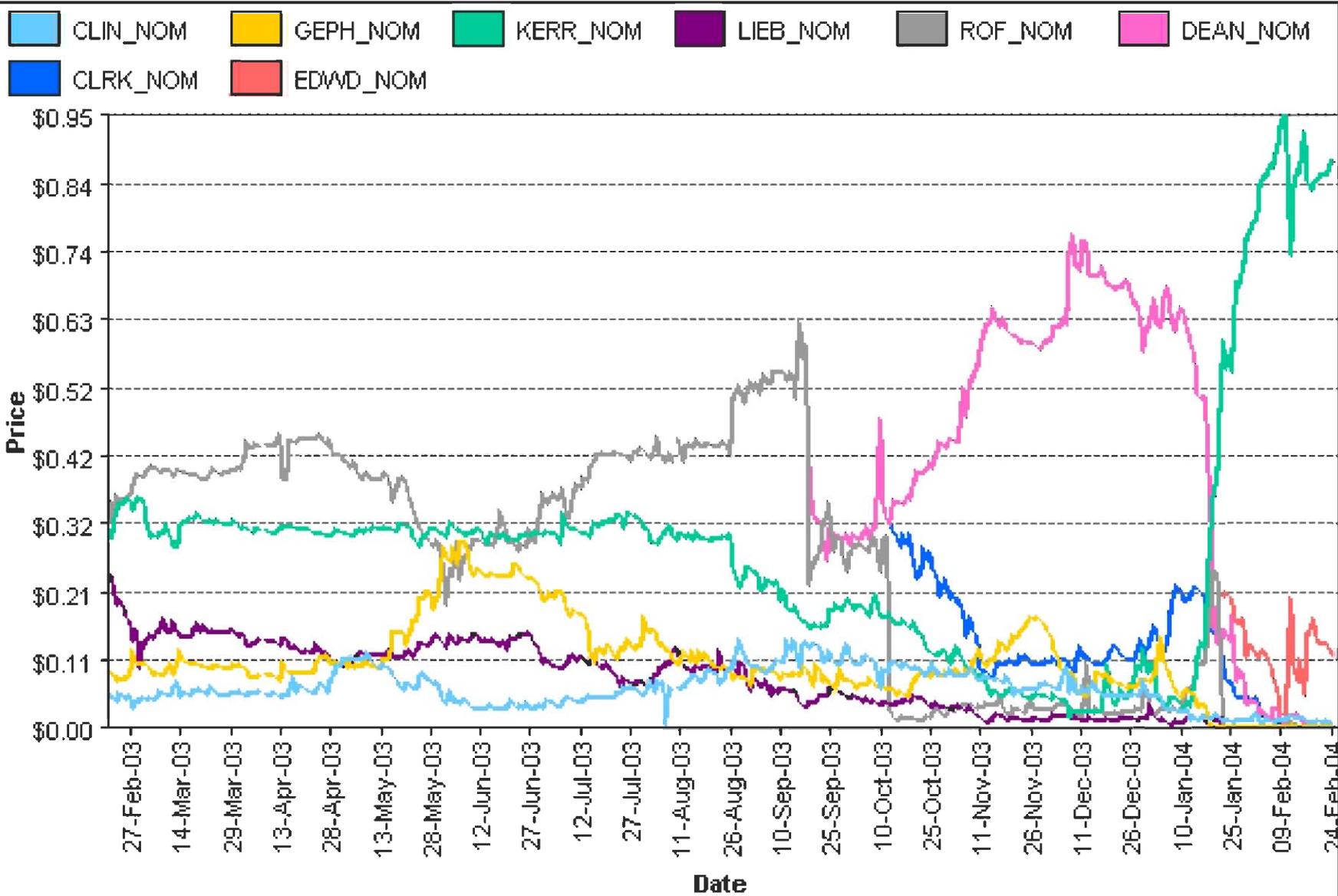
<http://www.biz.uiowa.edu/iem/>

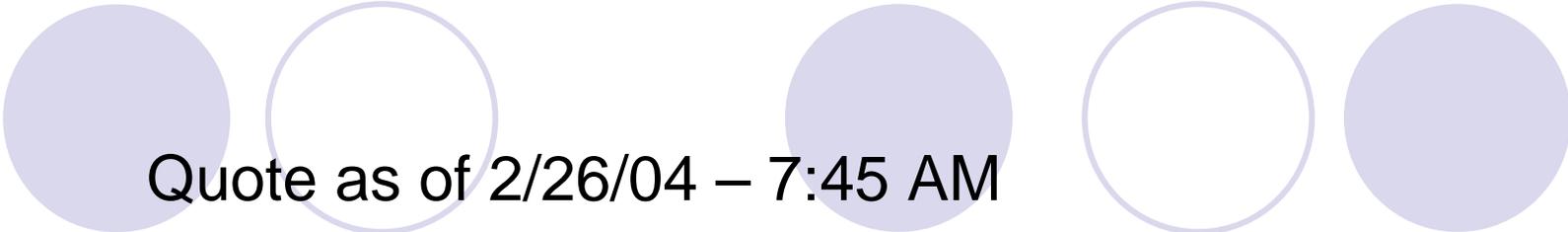


# Iowa Electronic Market

- Buy “shares” in candidates
  - Investments limited to \$500 per trader
  - Total size of market ranges from a dozen to over 500





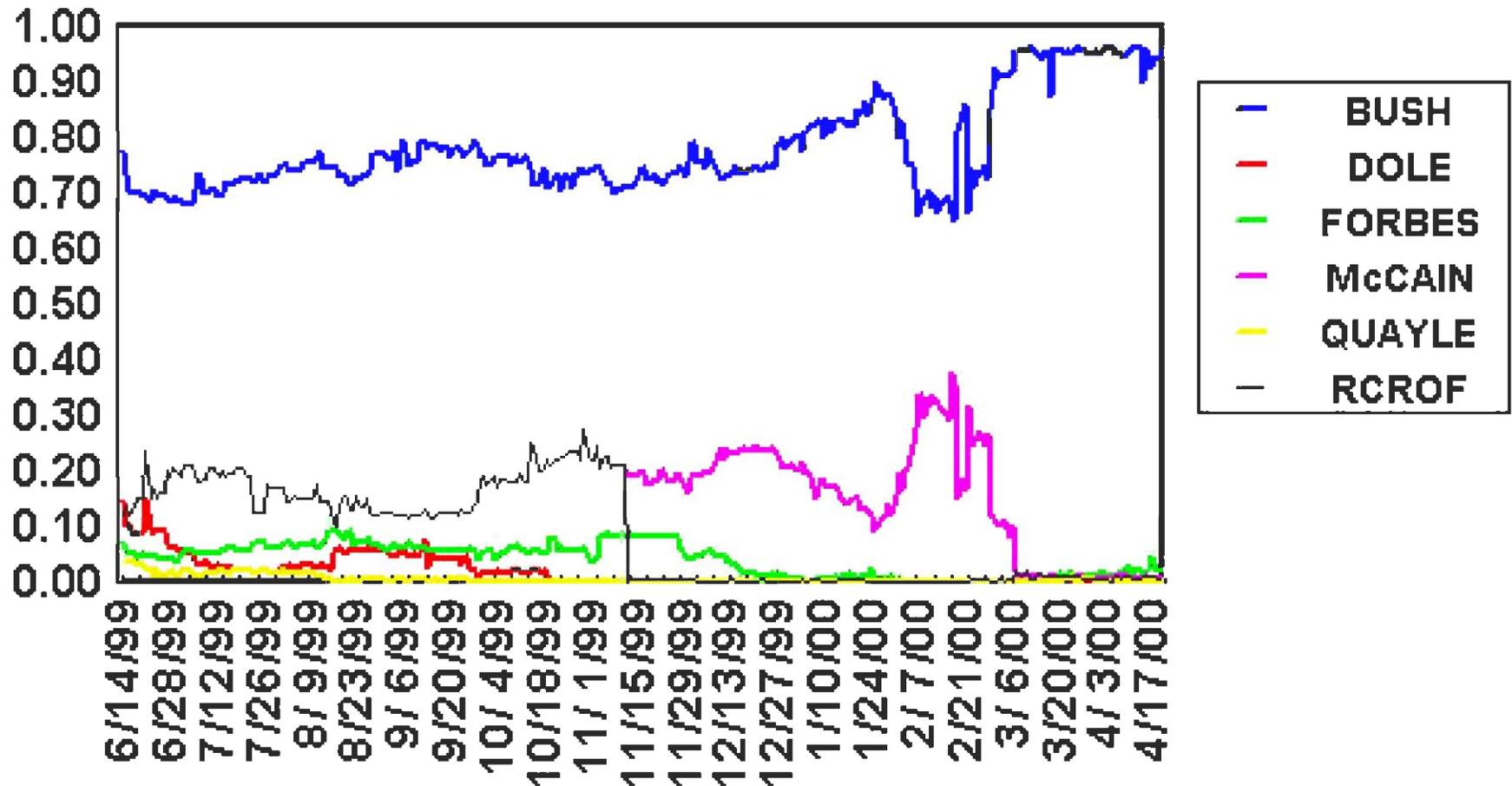


Quote as of 2/26/04 – 7:45 AM

<b>Symbol</b>	<b>Bid</b>	<b>Ask</b>	<b>Last</b>	<b>Low</b>	<b>High</b>	<b>Average</b>
CLRK_NOM	0.002	0.004	0.002	---	---	---
CLIN_NOM	0.007	0.009	0.006	---	---	---
DEAN_NOM	0.001	0.003	0.001	---	---	---
EDWD_NOM	0.101	0.106	0.107	0.076	0.112	0.079
GEPH_NOM	0.002	0.003	0.001	---	---	---
KERR_NOM	0.879	0.896	0.896	0.887	0.896	0.892
LIEB_NOM	0.002	0.003	0.002	---	---	---
ROF_NOM	0.003	0.004	0.003	0.003	0.003	0.003

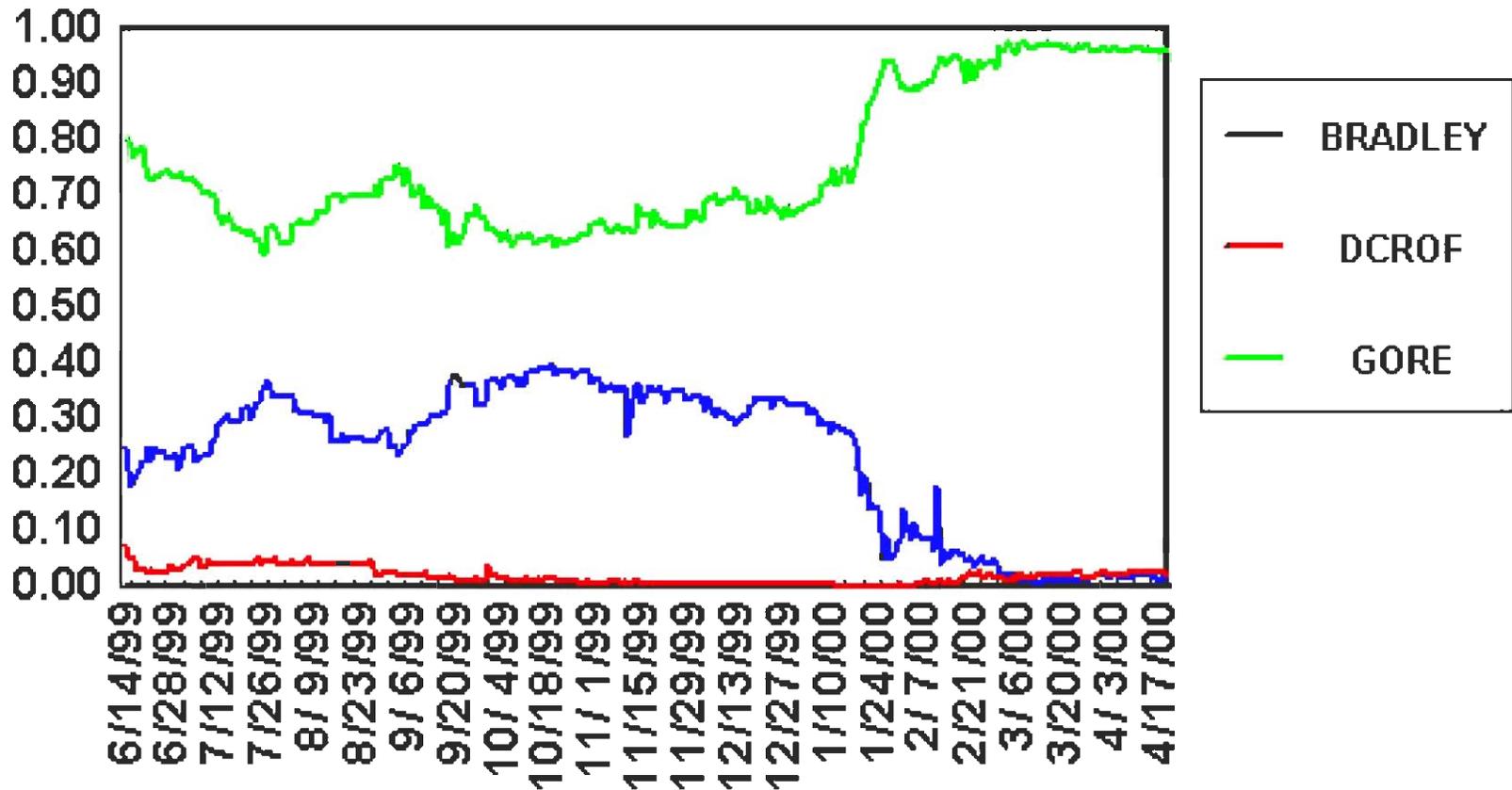
# Republican National Convention

Prices



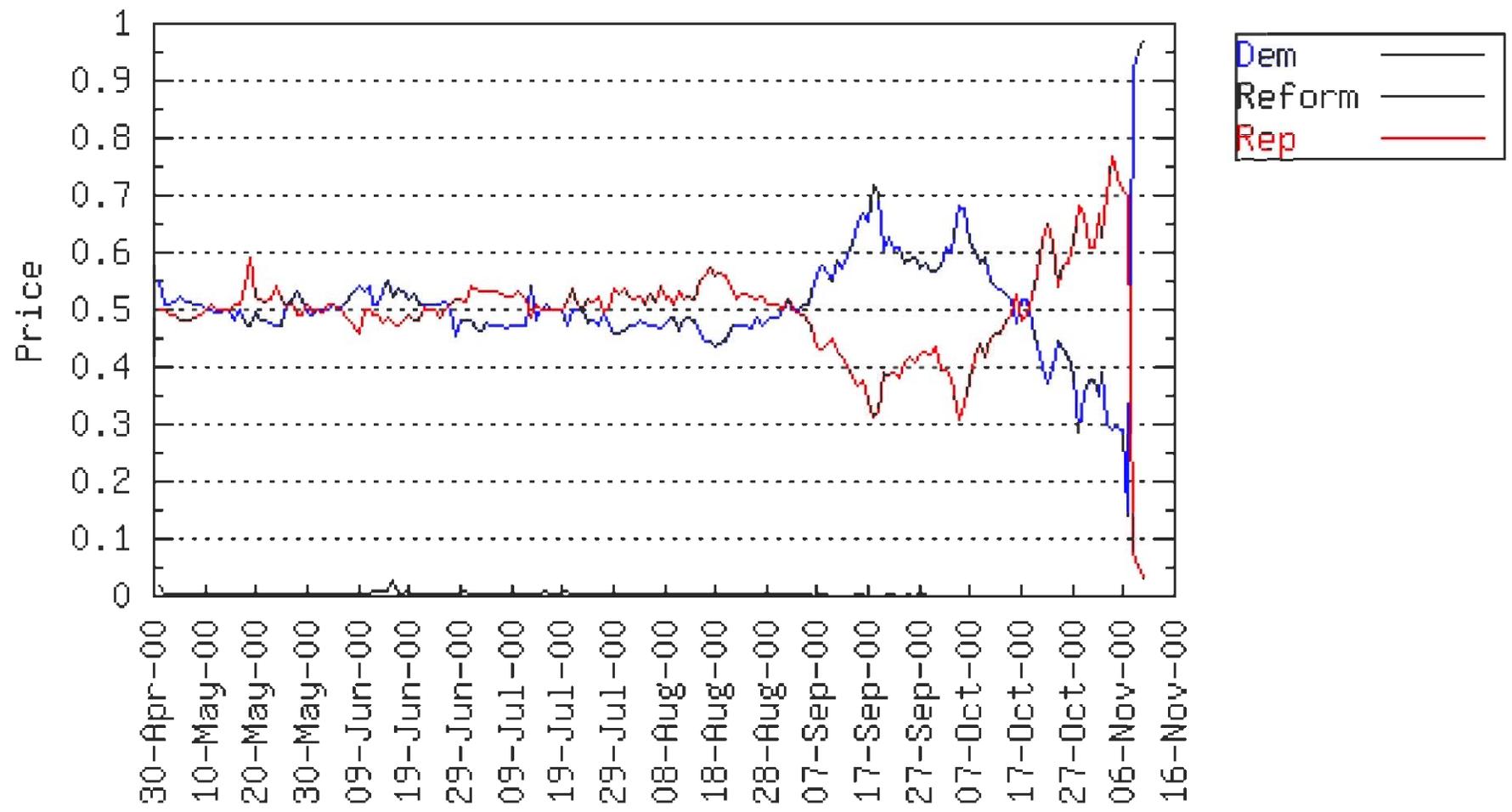
# Democratic National Convention

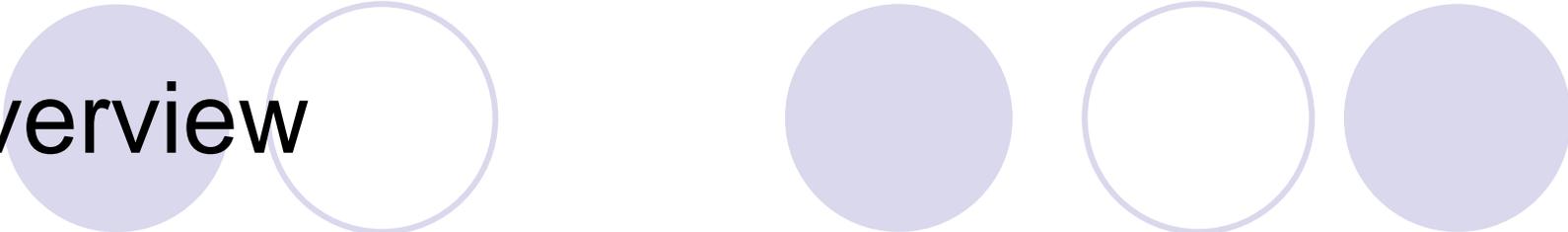
Prices



PRES00\_WTA

2000 U.S. Presidential Election Winner-Takes-All Market

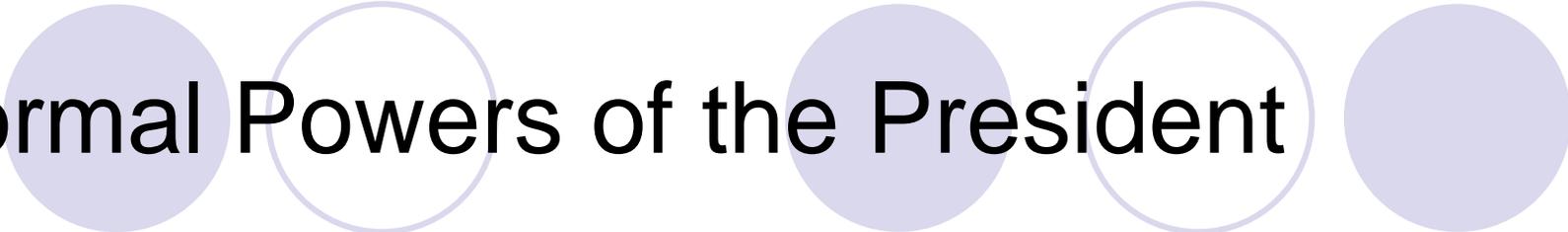




# Overview

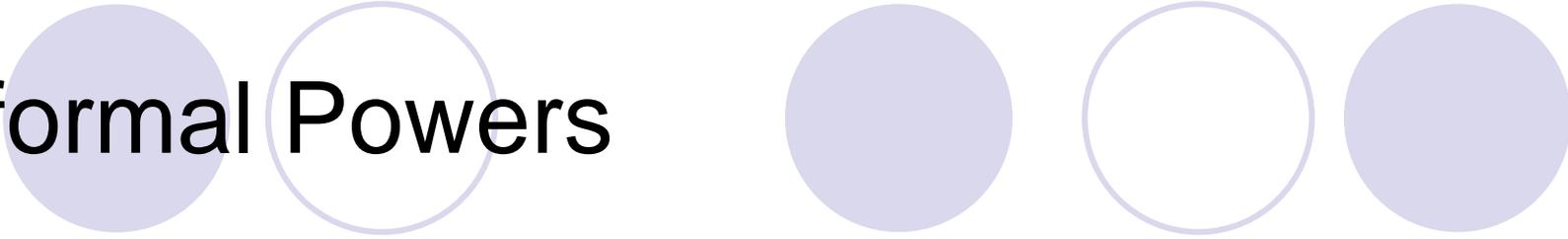
- Still talking about public policy, but shifting discussion to the President
- Themes
  - Formal Powers of the President
  - Informal Powers
  - Bargaining
    - Vetoes
    - Executive Orders

# Formal Powers of the President



- Veto
- Executive Order
- Commander-in-Chief
- Judicial Appointments
- Diplomacy
- Pardons
- Administration of the Bureaucracy

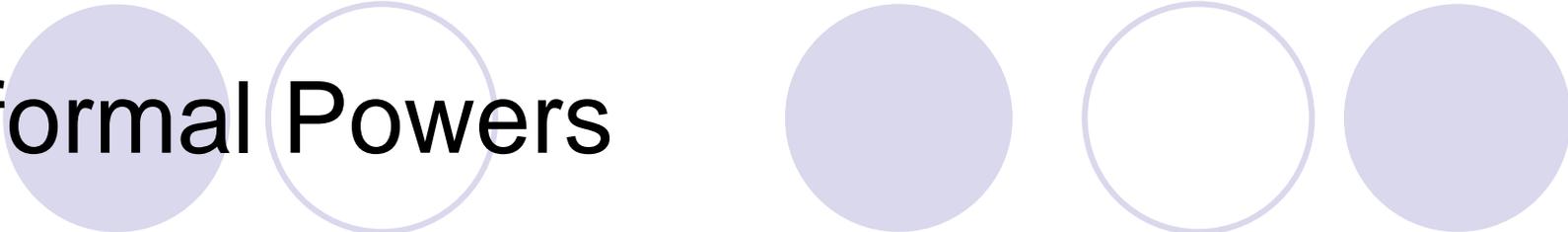
# Informal Powers



- Is this the makings of “the most powerful person in the world?”

Truman: “He’ll sit here, and he’ll say, ‘Do this! Do that!’ And nothing will happen. Poor Ike—it won’t be a bit like the Army. He’ll find it very frustrating.”

# Informal Powers



- Neustadt: “The power to persuade.”
- Agenda Setting
  - Bully Pulpit
  - State of the Union Address
- Still...doesn't take into account full range of power

# Veto

- Veto

- Take it or leave it

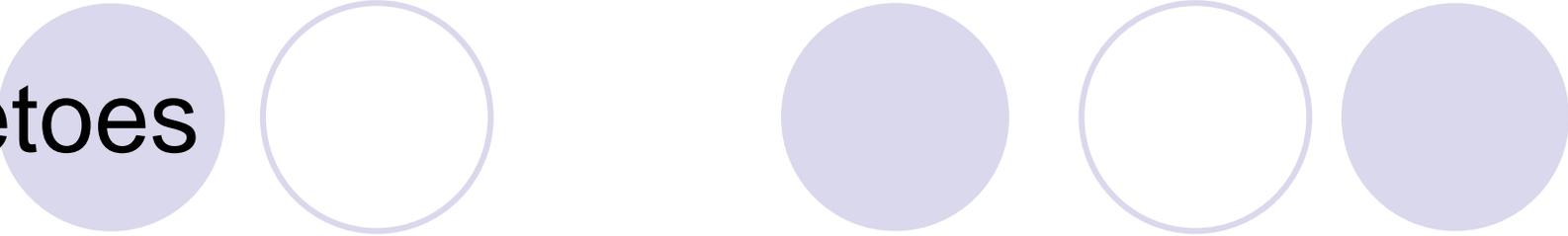
- Pocket Veto

- Line-item veto (RIP)

- What's the big deal?

- Veto rarely used

- Between 1945 and 1992 434/17,000 bills vetoed

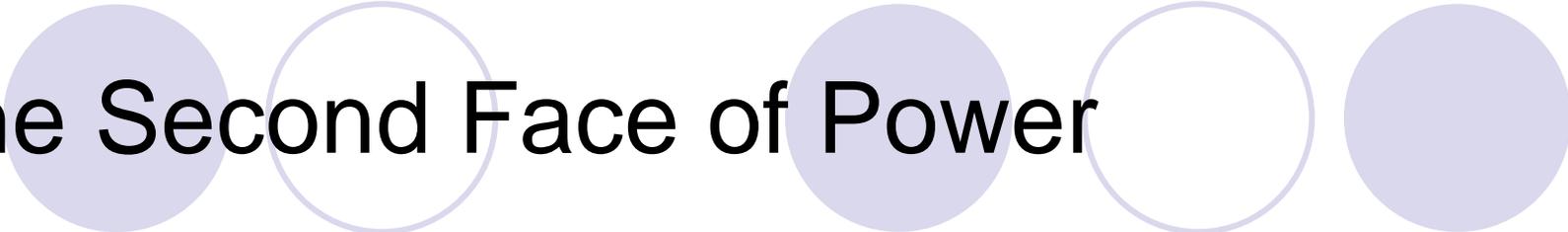


# Veto

- Bill importance

- Vetoes more frequent on important bills, especially with divided government

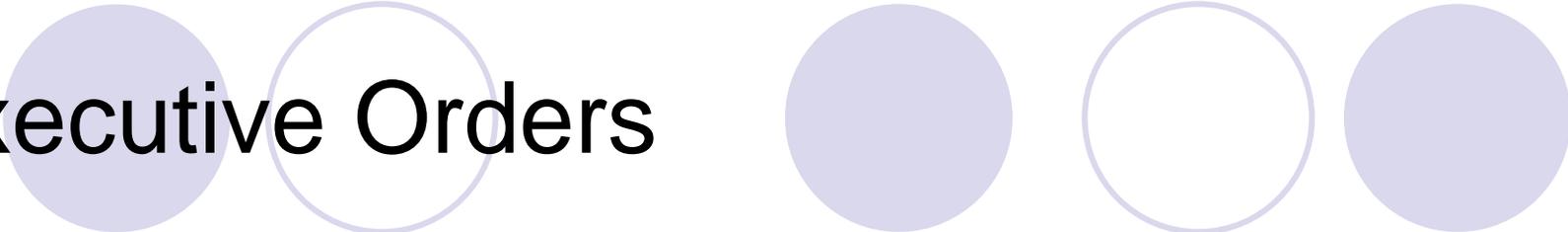
- Veto power comes through “the logic of anticipation.”



# The Second Face of Power

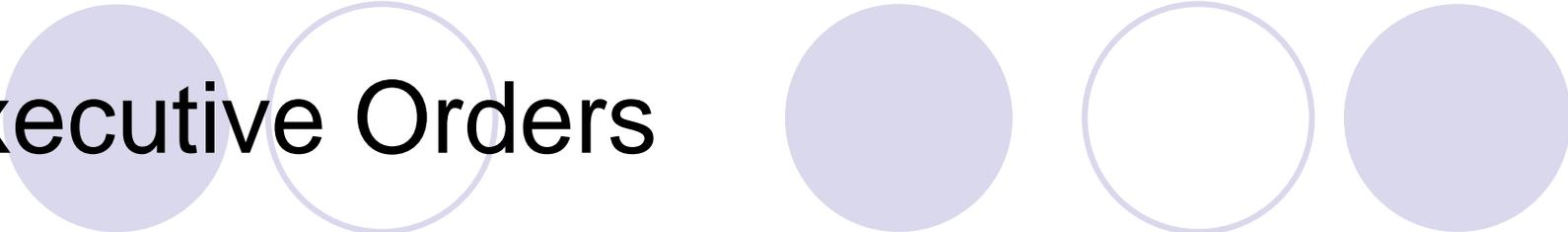
- Bargaining as a multi-stage game
  - Congress acts, then the president acts
  - Role of uncertainty
    - Who is the veto pivot?
    - What is the President's ideal point?
  - Veto is a powerful tool for bargaining

# Executive Orders



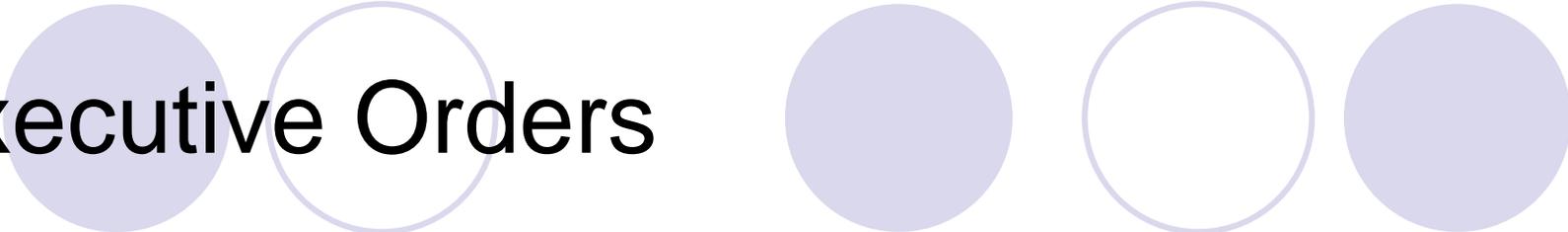
- Presidents can issue Executive Orders
  - Have the force of law until the president or a successor retracts it, Congress nullifies it, or a federal court rules it unconstitutional
  - 1907-2002: 13,000 orders issued
  - Over time, fewer Executive Orders, but more “significant” Executive Orders.

# Executive Orders



- Vary greatly in importance
  - **Executive Order 9983:** Exemption of Garland S. Ferguson from Compulsory Retirement for Age.
  - **Executive Order 13154:** Establishing the Kosovo Campaign Medal.
  - **Executive Order 9981:** Establishing the President's Committee on Equality of Treatment and Opportunity in the Armed Services

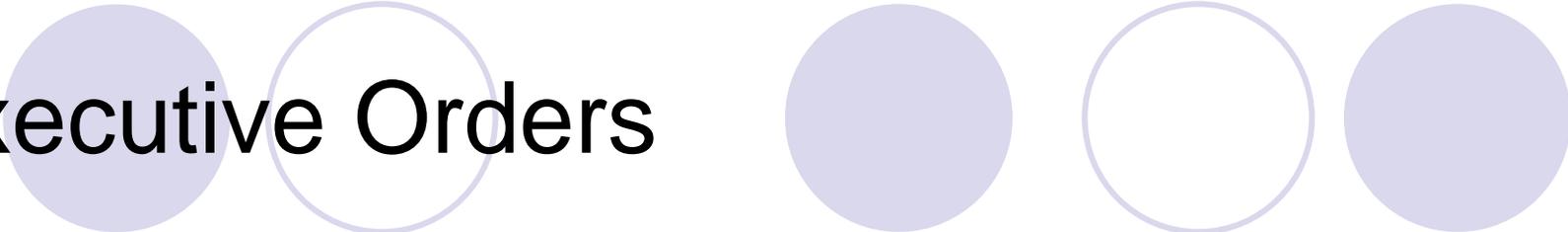
# Executive Orders



- Types of Executive Orders

- Management orders (EO 1058 : smoke-free workplace)
- Create Agencies (Nixon: EPA)
- Enact major policy changes
  - Truman integrating military
  - Ike: EO 10730 – Little Rock
  - Abortion counseling: Reagan to Clinton to Bush

# Executive Orders



- Create new Status Quo

- Example: EO 9981

- 1948 Selective Services Bill: 7 desegregation amendments fails
- 1950 Extension of Selective Services Act: pro-segregation amendments fail