

Chapter Three

The Department of Agriculture Is Not a Department of Agriculture

I love every movement
There's nothing I would change
She doesn't need improvement
She's much too nice to rearrange.
— "Poetry in Motion"
by Kaufman and Anthony

Richard Nixon proposed abolishing the Department of Agriculture less than a year before he nominated Earl Butz as its secretary. In a message to Congress on March 25, 1971 President Nixon said, "The Department of Agriculture was . . . added in the nineteenth century, at a time when the overwhelming majority of our people were directly affected by the tremendous expansion of agricultural enterprise. . . . It has sometimes been argued that certain interest groups need a department to act as their special representative within the Government. In my view, such an arrangement serves the best interest of neither the special group nor the general public. Little is gained and much can be lost, for example, by treating our farmers . . . as if they are independent participants in our economic life. Their problems cannot be adequately treated in isolation; their well-being is intimately related to the way

our entire economy functions." The USDA's agricultural programs were to be transferred to an agency in a proposed Economic Development Department.

The plan, which would have reorganized most federal cabinet departments, soon ran into political trouble and was quietly neglected. Butz later said that he had agreed to take the job only if Nixon scrapped his idea to abolish the USDA. "That was a condition of my coming," Butz said. Butz's predecessor had found himself in the awkward position of testifying to abolish his own department, which helped neither the secretary's nor the department's stature.

According to the *United States Government Manual*, "The Department of Agriculture (USDA) serves all Americans daily. It works to improve and maintain farm income and to develop and expand markets abroad for agricultural products. The Department helps to curb and cure poverty, hunger, and malnutrition. It works to enhance the environment and to maintain our production capacity by helping landowners protect the soil, water, forests, and other natural resources. Rural development, credit, and conservation programs are key resources for carrying out national growth policies. USDA research findings directly or indirectly benefit all Americans. The Department, through inspection and grading services, safeguards and assures standards of quality in the daily food supply."

In 1972 Agriculture was the fourth largest department in the federal government, even though only 4.6 percent of the American people lived and worked on farms. During one appropriations battle, a Michigan representative half-jokingly offered an amendment prohibiting USDA from hiring more employees than there were farmers. The amendment was defeated. Only Treasury, Defense, and HEW had more employees.¹ Agriculture was larger than such departments as State, Justice, Commerce, Labor, Interior, and Housing and Urban Development.

Most of the Agriculture Department's budget was

devoted to issues other than agriculture, however. It was primarily a welfare agency. In 1975, when USDA spent \$1.7 billion for agricultural research and price supports for farmers, the food-stamp program alone cost \$4.4 billion and about two-thirds of USDA's budget supplemented income for the nation's poor. By 1977 the Senate Agriculture Committee expressed concern that USDA did not have the money to devote adequate attention to farm issues. "It is evident," the committee noted, "that income security programs . . . are taking a larger share of the Department's budget. However, the real problem is not the increase in income security programs. The basic problem is lack of support for the agriculture function."²

Most USDA employees did not work on farm issues. In 1972 the largest single agency in the department was the Forest Service with nearly 20,493 employees, put in Agriculture by Teddy Roosevelt because he believed that Interior was insensitive to conservation.

Of the USDA's 82,511 full-time employees, most worked in cities. When Butz served as secretary, he complained that 23,000 USDA employees had what he called "police power." They inspected chickens and hot dogs, closing down unsanitary food-processing plants. They investigated food-stamp fraud, prevented American tourists from bringing Polish sausages into the U.S., and quarantined race horses.

Only a small percentage of the department's personnel saw farmers on a regular basis. The founder of the Agricultural Extension Service was commemorated by a memorial arch across Independence Avenue, but in 1972 the service had only 240 federal staff, including secretaries, teaching farmers about the latest agricultural research. In 1975 Ed Jones, a Democratic representative from Tennessee, complained that there were too few rural offices. "Soon the Department's only presence in farm areas will be a computer terminal."

The Department had lost its constituency of farmers by attrition, had neglected its services to the remainder, and had redefined its function to represent farmers' interests while simultaneously expending large sums to maintain a large bureaucracy, one of whose functions was to regulate the very interests it promoted.

The result was a department with fundamental conflict-of-interest problems. For example it promoted the sale of chickens that it inspected for purity. The USDA was supposed to help lumber companies increase sales while protecting the national forests, whose trees it permitted the companies to cut down. It promoted exporters' sales of grain while licensing the inspection of the same grain.

Periodically the conflicts became so overwhelming that remedial action was needed. In 1970 the USDA encouraged farmers to use pesticides and also enforced safeguards related to pesticides, and its inefficiency at regulating use was widely acknowledged. This function was transferred to the newly created Environmental Protection Agency. After the 1972 Soviet wheat deal, widespread abuses on USDA-regulated commodity exchanges prompted the creation of an independent agency to regulate the exchanges. Congress decided that the USDA was too close to the grain trade to do an impartial job. A similar agency was proposed to inspect grain when a scandal developed in 1975. Congress eventually created a special inspection agency within the USDA and provided special safeguards to protect its independence.

Despite these demonstrated conflicts in purpose, USDA officials continued to define the department, in the words of one assistant secretary, as "a spokesman for the American farm community." The interests of the "farm community," however, often differed from the interests of consumers and the poor, other constituencies the USDA was also obliged to serve. Organizationally the department made little at

tempt to prevent its legal obligations to one constituency from improperly affecting its obligations to another, so it continued to operate at cross purposes with itself.

Many of its functions were also duplicated by other departments. For example, it was only one of several agencies protecting the purity of food. Agriculture inspected meat, eggs, and poultry; Commerce inspected tuna fish; and HEW's Food and Drug Administration made sure that there weren't contaminants such as rodent pellets and dead insects in various packaged food products. In some years Agriculture's Rural Housing Administration built more homes than the Department of Housing and Urban Development. The USDA shared decision-making powers on agricultural policy issues with such departments as Commerce and State. In fact by 1976 a congressional study found that the USDA was only one of 22 separate agencies making agricultural policy.

Despite this confusion of purpose compounded by diffusion of function, by the time Earl Butz took office, Agriculture had firmly established its reputation for boredom and obscurity. The agency produced reports on feedgrain sales to Poland, researched diseases in swine, and developed and refined corn hybrids. Every Washington bureaucracy was criticized for the esoteric quality of its expertise, but the USDA's irrelevance to most Americans' daily lives appeared especially pronounced. Later when *The Washington Star* needed a dull, stereotyped workplace for its newspaper soap opera, it created a fictional Chicken and Egg Division in the USDA.

Although its work may have been useful, until Butz became secretary, the Department of Agriculture was rarely consulted on important decisions. For decades the secretary of agriculture was routinely ignored by the president, most members of Congress, and the majority of the cabinet, and this occurred so frequently that the secretary was often not

even present when the president made major agricultural policy decisions.

The department had gradually evolved to its lowly status. In 1862, when most of the nation's people lived and worked on farms, Abraham Lincoln created the Department of Agriculture. It had 10 employees. Creating the department was part of a package; in the same year Lincoln signed a homestead bill giving 160 free acres to anyone settling the frontier, a land-grant-college act to make sure farmers could learn how to use their land well, and a transcontinental railroad act to ensure, among other things, that farmers settling the frontier would have a means of getting their crops to market.

The role of the department was primarily informational. It issued statistics and data on crops, crop conditions, and different varieties of plants. It also conducted research on such problems as animal and plant diseases to help farmers who had responded to the government-wide effort to settle the frontier.

When the transcontinental railroad was completed, the railroad companies were especially eager to encourage homesteaders, who would become steady customers. They mounted a major publicity campaign to dispel rumors that the West was a huge desert and to convince families to move to little-known territories.

In 1878 the Burlington and Missouri River Railroad advertised cheap and free land in southern Iowa and southeastern Nebraska. One observer reported, "I have never, before coming here, taken much stock in the stories of wonderfully cheap homes in the West, but I find people here . . . living almost in affluence on their prairie home, who I know left New York State only a few years ago with next to nothing."

Soon the opportunity was gone for people without land or money to become wealthy by farming the frontier. In

1890 historian Frederick Jackson Turner discovered the frontier was gone. Reading the census returns for that year, he wrote, "This marks the closing of a great historical movement. Up to our own day American history has been in a large degree the history of the colonization of the Great West. The existence of an area of free land, . . . and the advance of the American settlement westward, explain American development."

Before the nineteenth century was over, the cause of the small farmer in America was probably dead. Many people who had been lured into settling the frontier by free land from the government or the railroads had mortgaged their farms to pay for expensive machinery. (McCormick had produced reapers on a large scale in its Chicago factory since 1847.) With technology making crops plentiful and speculators keeping prices artificially low, thousand-acre farms were developed to produce large enough crops to meet production costs. By 1889 wheat farmers received 30 percent less income than in 1881, even though the crop was 25 percent larger. Populists in Nebraska sang the ditty: "So it goes, the same old story, with the farmer as a goat;/He can only pay his taxes and the interest on his note./Oh, it's fun to be a farmer and to till the dusty soil,/But the guys who farm the farmers are the ones who get the spoil."

The government was called upon increasingly to protect farmers against abuse of power, to keep the nation's food supply from falling into the hands of a few powerful people, and to provide the family farmer with the latest developments in agriculture. As the populist agrarian movement developed, it was influential in passing laws that established protective tariffs, controlled trusts, and regulated railroads and water rights.

The movement also developed an eloquent political rhetoric that expressed the anguish of families squeezed off the land by economic forces they didn't understand and couldn't control. William Jennings Bryan's "Thou shall not

crucify mankind on a cross of gold” speech was a proposal for solving farm problems. In his argument against the gold standard, he was suggesting that heavily mortgaged farmers be permitted to pay off their debts in silver, which was cheaper than gold. Like other people who came up with ready answers to difficult questions, Bryan was regarded as too simplistic and, eventually, as something of a buffoon. But his Nebraska rhetoric (which persuaded Hubert Humphrey’s father to become a Democrat) and the clear predicament the bipartisan populist movement expressed created the political momentum for agricultural controls by the time FDR became president.

From 1900 to 1930 the farm population declined from 40 percent of the American people to 25 percent. In 1933 when Henry Wallace, FDR’s controversial secretary of agriculture, took office, the USDA was still emphasizing education. Because farmers were too busy working their farms to attend land-grant colleges, the USDA sent out “extension” agents to teach the latest techniques in, for example, preventing swine disease and getting more ears of corn to the acre.

Farmers’ economic problems had become so severe that the majority of farmers enthusiastically supported drastic action to prevent surpluses and raise prices, such as slaughtering baby pigs and destroying crops in the field. When Wallace instituted these actions, which on the surface seemed irrational, he had the necessary political support. The populist movement’s expression of genuine grievances had finally convinced the government to take whatever action was necessary to save the family farm.

In 1933 agricultural policy was also social policy. Twenty-five percent of the American people lived and worked on farms, and as long as they stayed, they could prevent a small number of individuals and corporations from dominating the country’s agricultural policy because they still produced most of the country’s food. It was also social policy, because

the government was not simply supporting their business, it was helping preserve their way of life. Had the policy succeeded, America would have a broader range of options today, both agriculturally and socially.

Instead there were mass migrations to the cities. Each year from 1940 to 1960 one million people left their farms. Urban areas became filled with unskilled laborers, many of whom were forced to go on welfare. The opportunity to live in the country and make an adequate income from farming had been closed off to all but a few people.

In 1972 other industrial countries, such as France and Switzerland, still devoted considerable resources to keeping a relatively large percentage of the population tilling small, often inefficient holdings. These governments had political support for farm policies that resulted in higher per capita food costs. Critics of American policy frequently pointed to these countries, arguing that the costs of subsidized farming were more than balanced by decreased welfare and social costs in urban areas. Whatever the merits of these arguments, a multibillion-dollar governmentally sponsored program that would break up large land holdings and repopulate farm communities in the United States was not politically or economically possible. Agriculture's large, capital-intensive, highly specialized operations had become an integral part of the American economy that could not be disassembled without dismantling the economy as a whole.

The clear distinction between agricultural and social policy was not made overnight. It evolved slowly as more people left their farms and as efforts to stop the migration became clumsy and inefficient.

The milk program certainly confused social policy with agricultural policy. In 1974, there were 83,699 dairy farmers in Wisconsin, upper New York, and other rural areas who would be gone in another generation because they were 55 years of age or older. Their typical farm was worth about

\$137,000, and they earned about \$8,000 a year—less than a salaried worker earned at a large dairy. Because cows have to be milked twice a day, many of these farmers had not been off the farm for more than a day or two at a time in more than ten years. Their children didn't want to live that life and couldn't afford to anyway.

The USDA used the Depression-born farm program to subsidize these farmers. Since they were too old to enter another business, subsidizing them was preferable to making them go on welfare, and their continued work was an historical asset as an example of the way farming used to be. But it would have been cheaper, and in some cases more humane, to mail them an annual income check.

Instead the USDA pretended that keeping them in business was agricultural policy. Because they produced only a small percentage of the country's milk products, the USDA's price supports—which raised the price of all milk—gave them an inadequate income while unnecessarily subsidizing large dairies. The program also imposed trade barriers on dairy products, antagonizing foreign customers and giving them cause to restrain our exports. Then the USDA, under the pretense of providing nutritional supplements to the poor, used school-lunch and other programs to dump surplus dairy products. For example milk was distributed to low-income black and Asian children, even though the USDA knew that many of them were allergic to milk because of a little-understood racial characteristic and became sick when they drank it. In the end the USDA's confusion of social policy with agricultural policy had made a mockery of both while causing the public to pay significantly higher prices for milk.

Earl Butz realized that the Department of Agriculture was not an effective place to be if he wanted to get something done. Given the dynamics of power in Washington, he realized that doing something would be a herculean task, especially with an old-line government agency as entrenched

and multipurposed as Agriculture. But he was interested in doing nothing, or more precisely in having the Agriculture Department do as little as possible to determine the country's farm policy.

He understood that farming had become big business and that it could pay for itself. He believed populist rhetoric was no longer effective. He was convinced that, if given the choice, the public would no longer support programs that:

- paid farmers not to grow;
- prohibited farmers from growing what they wanted because their fathers or grandfathers did not receive wheat, corn, or other allotments; and
- charged foreign consumers less for American products than we were paying.

Butz created a choice by putting the agricultural economy in turmoil, by destroying the programs that were the life's blood of the agency he had sworn to uphold. As secretary of agriculture, he had control over the price and supply of our country's basic food products. Although his control was not total, for about 40 years other secretaries had helped keep prices and supplies of agricultural commodities relatively stable. If he could introduce instability where there had once been stability, then he could change the country's agricultural policy. All he had to do was create a food shortage.

1. In 1980 the Department of Health, Education and Welfare (HEW) changed its name to Health and Human Services (HHS) when an independent Department of Education was established.

2. During the 1970s, the purpose of food-stamps and other nutritional feeding programs had changed. Originally created as a method of dumping surplus commodities, they had become instead primarily a method for supplementing income. When Butz first began referring

to these programs as welfare, he aroused controversy, especially among liberals who opposed Butz's efforts to transfer them to the Department of Health, Education and Welfare where they would be more vulnerable to budget cuts. During the 1970s, farm interests attacked feeding programs at a time when surpluses had disappeared and the programs no longer served to raise farm income. By the Carter Administration, liberals and conservatives alike viewed the programs primarily as income support despite the return of agricultural surpluses.