

INTERVIEW I

DATE: January 7, 1969  
INTERVIEWEE: DAVID W. ANGEVINE  
INTERVIEWER: T. HARRI BAKER  
PLACE: His office, Department of Agriculture, Washington, D.C.

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B: This is the interview with David Angevine, the Administrator of the Farmer Cooperative Service. Sir, to start with, for the record, could you summarize briefly your private and governmental career?

A: I was graduated from the University of Kansas with a Bachelor of Arts degree in 1939. I worked briefly for the Kansas Association of Municipal Utilities as its first employee; my title was assistant secretary. And I was also editor of Midwest Municipal Utilities, the six-times-a-year publication. Then I worked also for a brief period of time, less than two years, for the U.S. Department of Labor, Wage and Hour Division, out of Kansas City regional office. My headquarters were in Wichita. Then I went to work for what was then Consumers Cooperative Association, and is now Farmland Industries in Kansas City, a large regional wholesaling and manufacturing firm supply cooperative. I worked for CCA for eleven years. During this time I spent two years in the Army, both in the United States and in the Western Pacific. While with Consumers Cooperative Association, I was editor of their twice-a-month publication called then the Cooperative Consumer; now known simply as Farmland.

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In 1953 I shifted from Consumers Cooperative Association to the Cooperative League of the U.S.A. with headquarters in Chicago and office in Washington. With the Cooperative League I was editor of the Cooperative News Service; I was director of information. And in 1963 I moved to Washington, D.C., still with the Cooperative League as its public relations director. I've been in Washington since that time.

I went to work for the Department of Agriculture as Administrator of Farmer Cooperative Service in September of 1966, and I have served in that job since that time.

B: That brings up a question. Precisely how and why did you move into the USDA and this position?

A: Secretary [Orville] Freeman asked me to come to work here as Administrator of Farmer Cooperative Service.

B: Had you known Secretary Freeman or anyone else in the Administration or the Department here well before then?

A: I'd been acquainted with Secretary Freeman ever since 1958 when I was manager of the Biennial Congress of the Cooperative League, and it was held that year in Minneapolis. We asked the governor of Minnesota to speak to us at that time. He made a terrific speech, and our acquaintanceship began from that time.

B: Had you up to this time had any direct political activity in the form of participating in campaigns and so on?

A: Yes. In 1952 in Clay County, Missouri, I served as a poll watcher for the Democratic Party; in 1954 and 1960 I was active in Senator

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Paul Douglas' campaigns for re-election in Illinois. I was also president of the Democratic Club in Park Forest, Illinois. In 1964 I was assistant director of Rural Americans for Johnson-Humphrey. I think these are my official connections with any [campaigns]. In 1960 I presented Senator Kennedy's farm program to an audience in downstate Illinois at MacMurray College in Jacksonville, Illinois.

B: During the campaign of that year?

A: During the campaign of 1960, yes.

B: Had you up to September of '66 ever met or had any personal contact with Mr. Johnson?

A: Yes, I had. President Kennedy named me to the President's Consumer Advisory Council in 1962, and I was serving on this council at the time of President Kennedy's death. President Johnson met with the President's Consumer Advisory Council, I believe that it was in December of 1963, within a month after the President's death. This was my first face-to-face contact with Lyndon Johnson. Then in June of 1964 President Johnson renamed me to his Consumer Advisory Council. I was one of two members of the Kennedy Consumer Advisory Council that President Johnson renamed to his. That's my only face-to-face contact with President Johnson prior to September, 1966.

B: To speak for a moment still of politics, during the '64 campaign when you were working with the Rural Americans for Johnson-Humphrey,

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did you concentrate your efforts in any particular area, geographical area?

- A: No. I worked for Ken [Kenneth M.] Birkhead who was the Executive Director of the Rural Americans for Johnson-Humphrey, and I was presumed to rally rural consumers for President Johnson. In this capacity I made quite a number of telephone calls asking for support and for membership, asking individuals to join the committee, to allow their names to be used, to contribute funds to the campaign. I wrote a leaflet that was quite widely distributed, but there was no geographical connection in this. It was rather a functional responsibility across the nation.
- B: How was the reception of the Johnson-Humphrey campaign that year?
- I know many rural Americans are traditionally Republican.
- A: It was very good in the rural areas. The support for the Democratic candidates was exceptional in this.
- B: In your opinion, was that based particularly on the farm policies of the Kennedy and Johnson Administrations up to that time, of fear of Goldwater, or what?
- A: I think it was more a fear of Goldwater. I think that rural Americans, both farmers and non-farmers, felt at home with the policies of the Kennedy-Johnson Administrations, and that they voted to continue them largely because they feared that these would be drastically altered by Senator Goldwater.
- B: By "at home with," I gather you're referring to the fact that the Kennedy-Johnson policies were essentially those established since the New Deal period?

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A: Yes. They were certainly a continuation and expansion of these. Of course, people had had four years to become acquainted with these policies anyway.

B: After September '66, after your appointment as Administrator here, have you had any direct relationship with Mr. Johnson, or indirect?

A: The only relationship that I would speak about with the President since that time is when he delivered a three-minute message for Co-op Month, 1967. I went over to the White House for this to be taped. The President did an outstanding job of this. We were a little uncertain up until the very moment whether he would have time for this job, and even after we got into the White House we weren't at all certain that he would be there. But he did come, and he made an outstanding statement which was widely used on both radio and television, although it was taped for television. That October [it was] widely used, and it was a splendid statement.

This is really my only face-to-face meeting with the President. Even after I was named to his Consumer Advisory Council we never met again with the President. I have been at the White House for the signing of legislation, such as the Truth-in-Lending Bill, and there were one or two other times; I don't remember what they were. But these were not direct contacts of course with the President.

B: How about indirectly? Does he express an interest in the work of the Agency here through the chain of command?

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A: Well, I'm sure that the tremendous support that Secretary Freeman has given to cooperatives of all types over the past eight years must be a reflection of the support that the President has given to cooperatives. But I know nothing about this directly.

B: Incidentally, is Mr. Johnson, private citizen and Texas landholder, a member of any cooperatives, to your knowledge?

A: I believe that his ranch is served by a rural electric cooperative.

B: Yes, it is definitely in REA. I was wondering if he was in any production or marketing cooperatives?

A: I don't know that he's in any marketing cooperative or any farm supply cooperative at all. But I would imagine that he holds membership in the White House Credit Union, and he will probably continue his membership since you can maintain this membership afterwards. This is another type of cooperative.

B: Do you participate in the legislative drafting function for bills that pertain to your agency?

A: Yes. I have participated in two different efforts since I've been here. One had to do with bargaining legislation, and the other had to do with assuring farmers' rights to join bargaining cooperatives. The first of these resulted in the Department's making some recommendations which showed up in the [Senator Walter F.] Mondale [D. Minn.] Bill that the Senator and others introduced last year. The Department's contribution to this bill was Title 2 of the bill that he introduced, and I and others in Farmer Cooperative Service made some contribution to this.

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B: What precisely did that involve, sir, the bargaining aspects?

A: The Mondale Bill would have required processors and other handlers of agricultural commodities to have bargained in good faith with farmers and organizations of farmers who produced these commodities. And it would have established certain rules for this. It would have established an agency quite similar to the National Labor Relations Act to supervise contract negotiations between farmers and their organizations on the one hand, and processors and handlers of agricultural commodities on the other. Then it also would have opened up the Agricultural Marketing Agreements Act to all commodities, not simply those which are mentioned in the Act -- to the producers of all commodities. And it would have expanded the scope of the marketing agreements so that producers could elect to use, for example, collective bargaining as one part of their marketing agreement. This was not approved by the last Congress, but Senator Mondale has already reintroduced similar legislation--I haven't seen it yet--and I'm sure that in time something like this will be worked out.

B: I've heard it said that particularly in this last Congress Mr. Johnson's self-imposed status as a lame duck seriously affected the passage of agricultural legislation. Would that be your judgment too?

A: No, I wouldn't say this. It may be true, but I don't know this.

B: What sort of problems did the Mondale Bill run into?

A: Well, I'm acquainted with the problems that the Mondale Bill ran

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into with respect to cooperatives. Cooperatives were reluctant to give wholehearted and ungrudging support to this legislation because it was never spelled out in the bill exactly what their position would be with respect to bargaining associations that would include the members of cooperative processing organizations.

There was this potential conflict between a farmer being a member of one organization that was trying to bargain with another organization the farmer was also a member of.

Because this was not spelled out in the bill, cooperatives that generally testified in favor of it in principle always had some reservations on details and never really got behind the bill. I think that these things can be ironed out and can be changed so that the co-ops will give their wholehearted support to such legislation.

B: Does your position involve trying to explain to the cooperative organizations the bill and trying to get them to support it before Congress?

A: No, I don't think I'd go that far.

We try to help the cooperatives and other farm organizations arrive at some consensus that then can be presented to Congress, either to serve as the basis for legislation or to serve as a basis for amending legislation which has already been introduced. I don't think we try to get the cooperatives to accept anything. We do try to get them to arrive at some consensus, something that they can all support, and then we try to keep them in line once

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they've agreed on this. I would say that that's more our function.

With respect to the second piece of legislation

. . . . .

B: I was going to ask you what that was.

A: This is the Agricultural Fair Practices Act, which the President signed in Honolulu last April. This legislation was originally introduced by Senator [George] Aiken [R. Vermont] in order to establish the right of farmers to join bargaining organizations free of any interference by processors or other handlers of agricultural commodities. It would make it illegal for processors to intimidate, or to coerce, or in any way to impede the development of a farmers' bargaining cooperative or bargaining association. We had a major hand in this legislation, and although the original legislation provided no powers for the Secretary of Agriculture, the bill as it was finally approved did provide that the Secretary would have concurrent responsibility for enforcing the act. Farmer Cooperative Service has since been given the responsibility by the Secretary of Agriculture for such enforcement powers as he has under the act.

As it was originally conceived, this act would have been self-enforcing; that is, the farmer or the farmers cooperative that had been aggrieved would simply go into court to enforce the act. We were the Department's lead agency in seeing that this legislation got through Congress; and when it did, we were

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the agency the Secretary selected to carry out his responsibility.

B: Did the need for that kind of legislation arise out of any specific kind of problem?

A: Yes. There was considerable evidence that processors and handlers in a number of places across the country were coercing farmers to terminate their agreements, their contracts with bargaining cooperatives, as a condition for the processor accepting their products.

B: This is economic coercion?

A: Yes. There was also misrepresentation of the financial affairs of these cooperatives, which is outlawed in the bill. There was also some outright intimidation of members of these cooperatives.

They were told that they'd better not go to co-op meetings, and that they had better not serve as an officer or as a director of these cooperatives if they expected to continue to raise vegetables, poultry, broilers, whatever, for the processor.

B: Was the race issue involved in that?

A: No, I don't believe the race issue ever was involved in this. This was just strictly economic.

B: When a situation like that arises, exactly where does the idea of remedial legislation originate, that is, did it originate here in the Department of Agriculture, or with Senator Aiken, or precisely who gets the idea first?

A: These ideas hardly have any father.

B: I realize they don't. One of the purposes of this kind of project is to see if the various sources can be pinned down in any way.

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- A: I think that Senator Aiken received his impetus to introduce this legislation from the American Farm Bureau Federation, which had had experience with a group of tomato growers out in Indiana who had been coerced and intimidated and discriminated against. This was not the only instance, however. The Farmers Union had known of this practice in connection with other producers in the North Central states, and the Department had heard of this practice in connection with a number of fresh vegetable producers in Florida. But Senator Aiken was the sponsor of the legislation, the author of the legislation. I think he was moved primarily by the American Farm Bureau Federation, even though a number of other people also had the idea at the same time that this was a practice that ought to be stopped.
- B: Did Senator Aiken ask the Department here for help in the drafting of the bill, or did that originate separately?
- A: He had introduced this legislation before I came with the Department, but it's my understanding he did not ask the Department to draft the bill. He did ask the Department for its views on the bill as soon as it had been drafted and introduced. Nothing came of this, and he reintroduced it in the next Congress--the 90th Congress, I believe. When he reintroduced it, it contained the Department's earlier suggestions.
- B: Any bill that has both the Farm Union and the Farm Bureau behind it has got a good deal going for it.

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- A: That's right. Senator Aiken commented at the hearings on this bill in 1967 that this was the first time since 1947 that all of the national farm organizations, and the cooperatives, had been in favor of a single bill whose impact was entirely domestic.
- B: The cooperative organizations were generally favorable towards the bill, too?
- A: Oh, yes, very definitely.
- B: Has the enforcing power under that bill put an additional strain on your Department of any kind? It sounds like a fairly big job.
- A: Since producers and producers' associations are free to enforce the Act on their own by going into court themselves, we have been able to avoid any great strain on our budget. Of course, as you realize, we have a small budget, about 1.4 million dollars.
- B: You didn't get extra financing with the new responsibility?
- A: No, we didn't. We are asking for it for fiscal 1970, but we didn't get this when the bill was approved in April of 1968. And we didn't receive any additional financing for fiscal 1969, of course. This hasn't been a great burden to us yet, and it may never develop into being a great burden.
- B: Of course it's possible that the existence of the law itself may take care of some of the cases.

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- A: That's right. This may reduce this discrimination that had been practiced before simply because it's illegal.
- B: You mentioned earlier that you were invited to the signing of the Truth-in-Lending Bill. Did you and or your Agency [get] involved in the origin of that?
- A: Not the Agency, but I was involved in this both as a member of the President's Consumer Advisory Council, and also in my job as Information Director and later as Public Relations Director of the Cooperative League of the U.S.A. This is something that Senator Douglas had fought for for many, many years, and I had been involved in the struggle to get this legislation approved before I went to work for the government.
- B: If we may digress a moment from your agency itself to your service on the Consumers Advisory group, do you feel that kind of commission really serves an effective purpose?
- A: Yes, I think it does. President Kennedy said when he named the President's Consumer Advisory Council that this would have the ear of the President and would assure that the consumer would be heard. And you can't really do both of these things. You can't really have the ear of the President if five minutes later you're going to invite the press in and tell the press what you've told the President. You can't be both an adviser and a public spokesman. And this conflict always got in the way, until I feel that we probably were more effective as a public spokesman than we were as an adviser to the President.

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B: A spokesman for the consumer?

A: Yes. But I do think that the Consumer Advisory Council served as a way of bringing consumer issues to greater visibility.

B: Of course that commission did produce some legislation, but often such commissions are criticized for being sort of lightning rods to give the impression that something is being done to take the heat off a problem. That was not the case in this one?

A: I don't know that the Consumer Advisory Council ever put through a single piece of legislation on its own behalf, or ever originated a single piece of legislation. But I do think that the Consumer Advisory Council gave considerable impetus to several pieces of legislation. I think there would have been no Truth-in-Packaging Law at all without the Consumer Advisory Council. I don't think consumers got very much with the law that was approved, but despite the valiant efforts of Senator [Philip] Hart [D. Mich.], I don't think that anything would have been done without the support of the Consumer Advisory Council and this additional impetus that was given to the legislation.

B: You mean the Council, in its function as sort of a public spokesman, helped in the legislation.

A: I think so. I would think that it probably provided a crucial measure of support. Don't mistake me, there were other organizations also that were providing a crucial measure of support. But you can say that without any one of them, and one of them would be the Consumer Advisory Council, I don't believe the consumers would have gotten anything.

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B: Was there any significant change in the tone or tenor of the Council between the Kennedy years and the Johnson years? You mentioned that the membership changed, that you and one other man were the only holdovers through the period.

A: Yes. It was a woman. Helen Nelson of California. The Consumer Advisory Council began by functioning under the Council of Economic Advisers, Walter Heller, as our sort of liaison with the White House. I think that Walter, both from a personal standpoint and from a public administration standpoint, saw that this simply would not work. The Consumer Advisory Council under Kennedy asked him to name a special assistant for Consumer Affairs, and we identified the person he should name--Esther Peterson, Assistant Secretary of Labor. President Kennedy didn't name her, but apparently this was an item that was on his agenda because very shortly after Lyndon Johnson succeeded him, before he had been elected, he named Esther Peterson as his Special Assistant for Consumer Affairs.

B: Did the group have any particular reason for recommending Mrs. Peterson?

A: She was a person who had done a great deal for consumers over the years, who had been an articulate spokesman for consumers in her job with the Amalgamated Clothing Workers. We felt that it would be best if we agreed on some particular person, and we were able to agree on Esther Peterson as this person. We felt that she should take this job. Now then, she took this job, retaining her

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position as Assistant Secretary of Labor, which meant that she was dividing her time, and this situation simply never worked. I don't know what the reasons for it were, and I simply would be speculating. But almost as soon as President Johnson had named Esther Peterson as his Special Assistant, she lost communications with the White House.

B: There was some speculation that perhaps she was more active than Mr. Johnson wanted. Her support of shopper strikes and so on.

A: Could very well be. Could very well be that she carried out her responsibilities as she felt those responsibilities should be carried out, and that the President felt that she shouldn't have carried them out this way. I don't know whether he told her how she should perform and she performed contrary to his expectations, or whether he had never thought the matter through at all as to what she should do and left her quite free to operate, and then when a flap developed he wasn't too sure that he should have done this. At any rate, she lost her contact with the President personally and found it difficult to maintain communications with the White House.

B: Did the Council have anything to do with recommending her successor, Miss [Betty] Furness?

A: No. This happened after I was named Administrator of Farmer Cooperative Service. As I recall, Esther Peterson resigned her job as the President's Special Assistant, and shortly thereafter the President named Betty Furness to succeed Mrs. Peterson. I had of

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course severed my relations with the Council in September of 1966. In fact, the terms of the President's Consumer Advisory Council had expired June 30, 1966, and no Consumer Council had been renamed. President Johnson appointed us for two years, you see, so the members' terms had expired. Since no others were named, perhaps we still served. At least there was no Council with a clear mandate when I came to the Department.

B: To get back to the Farmer Cooperative Service here, let me start with a very broad general question. What in your opinion has been the most significant or the most outstanding trends in your Agency here during your tenure?

A: It seems to me that the most important new developments that have happened since I became Administrator of Farmer Cooperative Service are: first, a complete reorganization of the Agency to define goals, which the agency never really had, and to strengthen lines of authority and responsibility within the Agency. This heightened the importance of the new assistant administrators so there were clear lines of authority from the administrator to the assistant administrators and to the division directors. This also to tighten the administrator's control so as to achieve more comprehensive service for all types of rural cooperatives.

Second, the trend in our appropriations has been up. There has been a 21 percent increase in FCS funds in the past three years, even though they still remain very small relative to the total budget, very small relative to other functions within the Department of Agriculture.

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Third, an agreement with the Federal Extension Service covering our mutual efforts in behalf of cooperatives in rural America, defining the responsibilities of each agency and our responsibilities to each other. I think this agreement is one of the things that I'm proudest of in this Administration. We have not had agreements with other agencies before. If I continue as Administrator of Farmer Cooperative Service, which I hope to do, we will work out agreements with other agencies, such as Farmers Home Administration, Rural Electrification Administration. You get a little firmer grasp as to who is supposed to do what.

B: There are many overlapping functions there.

A: There are some overlapping functions. For instance, Farmers Home Administration lends money to cooperatives, but Farmers Home Administration has not had the technical experience that Farmer Cooperative Service has had in management, board of directors, the administration and control of cooperatives, their business operations. FHA has a very small technical staff to do this sort of work. We do have this experience. We might also work together with Rural Electrification Administration. We have probably a broader understanding of the responsibilities of the directors of a cooperative. Directors of farmers marketing and purchasing cooperatives have had experience in really controlling these organizations that can be very helpful to Rural Electrification Administration and all of its cooperatives.

So there is some overlapping responsibility here. At least there are places where FCS can be effective. And I would hope we could work

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out memoranda of understanding with both of these agencies, and perhaps others--the Forest Service, for example--that would be as fruitful as we expect this agreement with Federal Extension Service to be.

B: In the absence of that sort of written agreement, is there any sort of formal or informal personal liaison among the heads of these several agencies?

A: There are many ad hoc relationships that develop, dissolve, and then have to be redeveloped again.

B: Strictly on a personal basis--man-to-man with the various heads of the agencies?

A: Another agency staff member will simply say--perhaps through the office of the Administrator or perhaps directly to some FCS staff member-- "You know, we're having a heck of a time with a cooperative we funded down in so-and-so. I wonder if you could come down and help us get on top of this situation." And so we do. But it would be much better if the people the other agency has on the ground had some sort of training so they wouldn't get into this difficulty in the first place. I think we need something more than the ad hoc relationships we have.

B: Something more formal or definite--all-inclusive?

A: Yes. I would also like to cite other trends here in the Agency that I'm proud of, new trends. FCS is now giving greater attention to the problems in new cooperatives, especially to those that low-income persons organize or that include in their memberships a large number of low-income persons.

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Finally, Farmer Cooperative Service is now exercising greater initiative in leading cooperatives into new service areas. For example, some time after I became Administrator we began exploring the marketing of various crops and livestock products to see whether they could be marketed more efficiently if the producers themselves took hold. We of course had a National Commission on Food Marketing report--a splendid report, a landmark report--to help us in this regard.

We took a look first at rice because we felt we could accomplish something rather quickly. This is not a major commodity, and it is produced in three rather well defined areas in the United States. It is produced in California, in Arkansas, and along the Gulf Coast in Louisiana and Texas. We found that about two-thirds of the rice in Arkansas and about 80 percent of the rice in California is marketed cooperatively. But in Texas and Louisiana only about 16 percent of the rice is marketed cooperatively, and we wondered why. We found an almost hopelessly inefficient system of marketing rice in Louisiana and Texas, where there is no comingling of producers' products, no standards that permit pooling, and so forth.

We took the initiative and asked the land grant universities in Louisiana, Texas, and Arkansas, "Won't you join us in showing the rice producers of Louisiana and Texas what they can do if they will simply rationalize their marketing process?" That project has been completed. We are now making our recommendations to the cooperatives in these two states, and I'm very pleased. This will put about five million dollars additional income into the pockets of rice growers in Louisiana and

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Texas every year if they adopt our recommendations. And I think they will. We have been slowly encouraging them and building understanding for the acceptance of these recommendations.

B: This is in cooperation with the land grant colleges and their extension services?

A: Yes. We were the initiator, and we have really pushed. Texas A & M was the leader in getting a whole picture of the rice growing industry in the area and in publishing the results of this inquiry by the three state universities and FCS.

B: I suppose a good deal of your function is involved in what amounts to educational activity.

A: Oh, it certainly is.

B: You mentioned that you've given particular emphasis to new cooperatives started by low-income groups. Is that a part of the general Administration and Agriculture emphasis on the poverty programs?

A: Yes. Prior to Secretary Freeman's administration of the Department of Agriculture, there was no clear responsibility for the Department to serve non-farm rural people. Certainly this Agency felt no responsibility to serve cooperatives owned by non-farmers. We still have no responsibility to serve cooperatives owned by urban people, but we do have the responsibility, and this Agency now quite clearly recognizes its responsibility, to serve all types of rural cooperatives.

This would include farmers mutual insurance companies. It would include cooperatives owned by workers in a rural area to supply themselves with groceries, housing, or other consumer goods and services.

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We would of not of course serve electric or telephone co-ops. They're well served by another agency within the Department of Agriculture. But if a group of rural people want to organize a cooperative to market their labor, if they want to have a cooperative employment agency, we would help and we have helped three of these to organize. These are not farmers in any sense; they are simply rural people, many times rural people who have been forced out of farming by the sharp cutback in cotton acreage in the South. But our responsibility is to rural America, to cooperatives organized by people who live outside the standard metropolitan statistical areas.

B: That would be a part of Secretary Freeman's general rural urban balance program?

A: Yes.

B: Does that ever get you in any kind of difficulties? For example, you mentioned the case of a labor cooperative among former cotton workers in the South who would be presumably Negroes almost entirely. Did that ever get you in any sort of conflict with any of your existing cooperatives?

A: No, I don't believe so. We have a developed constituency that includes the commercial farmers who are organized into marketing and farm supply cooperatives, and this is an increasingly effective constituency. In the past they have refrained from political activity of all kinds, but they are moving in the direction of being politically effective. They figured before that cooperatives were not only non-partisan, but also non-political, and they often wouldn't even testify for or against

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legislation that affected their very existence. But cooperative leaders have given up this attitude. Now we have a developed constituency that's composed of the leaders of successful farmers marketing and purchasing cooperatives. We don't yet have very much of a constituency of poor farmers, who are largely unorganized and who want to organize cooperatives and who might indeed be able to successfully organize cooperatives. Nevertheless, the one developed constituency is willing for us to spend some energy and effort in helping this undeveloped constituency achieve the same benefits through cooperations that they have achieved. So there is not now any conflict in our constituency.

There is some conflict on Capitol Hill. There appropriations for Farmer Cooperative Service must go through the Agriculture Subcommittee of the Appropriations Committee, which is entirely oriented toward commercial farming and is not particularly concerned with rural America. The subcommittee's viewpoint is that if there are welfare problems in rural America, this is the business of some other subcommittee and it ought to be appropriating. But there is no way any appropriation for the Department of Agriculture can come before any of the other subcommittee--except in the one case where Forest Service appropriations come through the Interior Subcommittee.

And this is true in agricultural legislation too. Almost any legislation, I believe any legislation that affects the Department of Agriculture in any way must go through the House Committee on Agriculture and the Senate Committee on Agriculture and Forestry.

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Lawmakers generally see these committees as not particularly relevant to important issues that face the nation--commerce, defense, taxes, housing, foreign affairs. This is especially true in the House where the committee and is composed too largely of time servers--people waiting to gather enough seniority so they can get to a committee they want instead of Agriculture. In these committees some of the great difficulties of the Department and to some extent of this Agency develop. I don't see the conflict of constituencies.

B: Who are the respective chairmen of those subcommittees in the House and Senate?

A: Congressman Jamie Whitten [D. Miss.] from Mississippi is chairman of the Subcommittee on Agriculture of the Appropriations Committee in the House, and Senator Spessard Holland [D. Fla.] is chairman of the Agriculture Subcommittee of the Senate Appropriations Committee. Senator Holland is very understanding of the problems of cooperatives, and he knows cooperatives extremely well. Some of the things that the Senator has said about cooperatives show an understanding of cooperatives that is quite remarkable. But this is an understanding he understands of cooperatives in the context of the commercial farmer, and as a technique non-farm rural people might also use.

B: Do you suppose this, well, the kind of activity you've been describing, assisting in your agency rural people generally as opposed to farmers specifically, has become institutionalized enough to survive a change in administration and personnel if the new administration and personnel had different ideas? I realize I'm asking you to make just a wild guess.

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A: I doubt it. If the [Richard M.] Nixon Administration were determined that the Department of Agriculture should serve commercial farmers and serve commercial farmers only, then I doubt that the changes that have been made under Secretary Freeman could survive. Fortunately, I don't think this is the view of the incoming Administration. The President-elect has signed statements about the need for rural-urban balance that are almost identical with the views expressed by Secretary Freeman. For instance, he has spoken of the people drain from small towns and rural areas, and he has explained that seventy percent of our people now cluster in cities that cover one percent of our land area, the identical words Secretary Freeman has used.

The President-elect believes, he has said in a statement, that the American people want a better balance between the rural and urban sectors, and that we are not the helpless objects of blind economic forces. We are capable of shaping our own future. He has said that he wants expanded opportunity for those who wish to live in the country, and he has said that the essential first step is to diversify and to strengthen our rural areas' economic base. He urges imaginative and comprehensive land use planning, and he has said that in rural America he wants better transport, better schools, and better public services. I can't believe that he wouldn't use the tool which is right here ready to be used. So I don't expect any sharp break. If there were the sharp break you suggest, if there were a decision not to pursue this objective of a better rural-urban balance in the new Administration, I doubt that what has been established by Secretary Freeman here could survive.

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B: To get back to another thing that you mentioned, you said that the leaders of the cooperatives themselves are becoming more politically active. Is it possible if that continued that it could make life very difficult for the Administrator of the Farmers Cooperative Service?

A: Oh, I encourage it. I think what difficulties it might raise would be more than overcome by the increased muscle that this group would have up on Capitol Hill.

B: You mean it might be harder here, but it would be a lot easier if you could get them all going in the same direction?

A: It would be a lot easier for this Agency to get the appropriations that it needs from Congress, and so I encourage every speck of this. I presume that sometime this aroused constituency would disagree with the Administrator on a particular matter. At that time there ought to be some consultation, and I'm sure there would be. One vehicle for such consultation is the Secretary's National Advisory Committee on Cooperatives, which includes representatives of six national cooperative organizations. They advise with him regularly. John Baker [Assistant Secretary of Agriculture] is chairman of this committee, and the Secretary has a direct pipeline to it. It includes chief executives of National Milk Producers Federation, National Council of Farmer Cooperatives, American Institute of Cooperation, Cooperative League of the U.S.A., National Rural Electric Cooperative Association, and National Federation of Grain Cooperatives.

B: In general do you feel that the leadership in the cooperative movement and the Administrator here would be in approximate agreement?

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A: They'd be in line. They'd be pretty much together. I don't worry about this at all. Forty years ago Congress declared that the Department of Agriculture should maintain a division to encourage and support and provide technical assistance to cooperatives organized by farmers. Here forty years later this Agency has only one-third the appropriation of National Agricultural Library. This agency receives one-tenth of what the government spends to promote the sale of agricultural products overseas. Here's a forty-year mandate and an Agency with one-and-a-half million dollars-a-year.

B: Do you figure that a more politically active constituency might help you within the Department of Agriculture too?

A: Yes.

B: In hearings and so on?

A: Yes, I think that it would vastly improve our budget situation, and as the budget situation improves I would expect the stature of Farmer Cooperative Service to expand within the Department. I think Farmer Cooperative Service has moved closer to the center of decision making in the Department in the past two-and-a-half years. That's not my doing. The Secretary has given a great deal of attention to Farmer Cooperative Service, and he pulled it into the center of Department affairs. He and John Baker. I've been the beneficiary, not the initiator.

B: Am I correct that there has been recently a general trend toward fewer and larger cooperatives?

A: Yes, this is correct.

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B: And do you expect this to continue through further consolidation?

A: Yes, I do. This is something we generally encourage. The biggest problem we have in mergers is whether co-ops can be maintained as essentially democratic organizations as they expand in size. We have helped cooperatives meet this challenge in much the same way the people of the United States met the challenge to maintain their larger and larger federal government as essentially a democratically controlled institution.

B: Precisely what do you mean? Do you mean by having the larger cooperatives sort of broken into--I know you do have federated cooperatives.

A: Oh, yes, we have federated cooperatives, as well as centralized cooperatives. But let's say, five cooperatives are merging. Say they operate five plants in five cities, and they propose to consolidate these to two plants in two cities. The thing we strive to do is make it clear to every member of this cooperative where he will fit in the new setup, what his control over the new co-op will be.

Before he and his neighbors probably elected directors-at-large. Now then we encourage the merged cooperative to establish director districts to give the people in the area where a plant is closed responsibility for electing a director. We also encourage cooperatives to send their general manager out to each director district at least once a year to report, and at that meeting for the co-op members to elect the director who will represent them on the board. This is a way of maintaining high membership participation and control of the cooperative at the time it merges and seems perhaps to grow more distant. I think we've been fairly successful in this, too.

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B: Another of Secretary Freeman's emphasis has been on the elimination of discrimination, particularly racial discrimination. Has this been a problem within the cooperative movement? In the South for example?

A: Yes. Many farmers in Mississippi and Alabama particularly, in Georgia and Louisiana, and to some extent in Arkansas and North Carolina could have used the services of a cooperative but are refused membership because of their race. We cannot serve any of these cooperatives. We cannot give any technical assistance to any of these cooperatives where we know this exists, and we take some precautions to find out whether it exists before we do so. Several locally owned co-op cotton gins in Arkansas, Mississippi, and Oklahoma have declined to participate in and have been excluded from a recent survey of comparative operating costs simply because they were unwilling to sign an agreement of compliance. Nor would we have permitted them to sign because we felt they were not complying with the civil rights legislation.

B: The only pressure your Agency itself has, however, is refusing its services. You have no other powers in that area.

A: That's right.

B: Has that incidentally caused you any other additional troubles on Capitol Hill?

A: None I know of. I think everyone realizes we cannot serve a cooperative that discriminates in its membership on the basis of race. No congressman has called us to task for refusing to serve an agency. Nor has anyone else. There is some reason for this. Primarily it's the co-ops owned largely by commercial producers, commercial farmers

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that call on us for assistance. For instance, no Negro dairymen are knocking on the door of a dairymen's co-op in, say, Georgia because there are no Negro dairymen. There may be Negro farmers, but they are not milking cows.

B: Yes, I think in many of those states the racial troubles are probably more basic than--

A: Exactly. This is very true.

B: Another area of questioning, sir; an area of just the people directly employed by your agency. Do you find it difficult to get and keep good men in government service?

A: No. We've got a real great crew there.

B: How many direct employees have you?

A: There are a hundred employees in the Farmer Cooperative Service.

B: From where mostly do you recruit?

A: Our professional people come largely from land grant universities. Most of them are agricultural economists, and of course the schools that turn out ag economists are the land grant universities. That's half the employees, that's what we call the professional staff. I don't know why we call them professional. We have professional stenographers too--secretaries who have spent their lives at this, and they're equally professional. But we call them the support group, which includes clerks, typists, statistical clerks, secretaries, and so forth. These people live in the Washington area, want a job, and are good enough to be hired.

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- B: What you call the professional group, the economists, can you keep young men in service? That is, can your salaries in the higher grades match equivalent opportunities in private business?
- A: Yes. We haven't had great difficulty in this respect. We have a large number of thirty-five to forty year old people in the GS-13 or GS-14 level, bucking for GS-15, who may become restless. Something about government employ appeals to them. Washington is an interesting place to live. We make their jobs interesting, even exciting. There's a great opportunity here for craftsmanship, beginning a product and following it through to conclusion. This gives you a lot more satisfaction than serving on an assembly line. I don't know all the appeals, but we haven't lost any professional in the last two-and-a-half years whom we weren't willing to see leave. Many persons we'd like to get would like to come to work for us, but we don't have the money.
- B: Do you have any sort of continuing exchange of personnel with the faculty and staff of the land grant colleges?
- A: No. This is something we haven't worked out yet. We have talked about it for quite some time. We would like to get professors from the land grant universities on their sabbaticals and have them come to work here in Farmer Cooperative Service. We tried to finger two or three of these whom we thought had real competence, who could make a real contribution to our work, and who were somewhat interested. I think this work demands an interest in cooperatives. If you don't care about cooperatives or if you're neutral about cooperatives, this job might not have as much appeal as jobs outside the government. But I think we've managed over

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the years to collect a number of people who are quite interested in cooperatives, who are not neutral so far as co-ops' future is concerned, who really want to see these cooperatives succeed.

B: I have one more question that is personal and may verge on the rude. You mentioned that you hoped to stay on as Administrator here into the new Administration. How does one go about doing that?

A: I don't know. Let's see whether it happens. You can take a look at this tape some years hence and see. I want to stay as Administrator if the new Administration wants me to. I don't want to stay under any other circumstance. As a veteran . . . . , I guess you can't really fire a veteran. The appeals procedure is almost endless. Nevertheless, you've reduced yourself to impotency and the Agency too. If you have any feel for the sense of things, this is not an alternative.

So the question becomes how do you get the new Administration to want you to stay. The simple answer is to have some people who know the people in the new Administration suggest you stay. Then if there's not too much pressure for you to leave, and I know of none [you can stay]. I know of no one who has put himself forth as a candidate for this job. My ear is not too close to the ground. But I know people whose ears are, and they know of none either. So you survive everything except an order that says everybody who can be replaced is to be replaced, that we have a long list of deserving Republicans, and every job must be vacated. This would be the biggest bar to my continuing as Administrator of Farmer Cooperative Service.

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B: Do you feel ethically bound to inform the current Secretary that you are attempting to stay? Does that get involved in it?

A: No, not at all. I discussed this with Secretary Freeman. He said, as we were ending another conversation on a wholly different matter, "Are you going to stay on?" And I said, "I'd like to if they want me to." And he said, "Well, I think you ought to try to."

B: Actually there is a good deal of continuity within the Department of Agriculture here, isn't there?

A: Yes, there is.

B: Or there has been in the last generation or so.

A: There has been. I'm no student of the federal government or the Civil Service, but as I understand it, when Eisenhower came in there were very, very few positions in the whole Department of Agriculture that were what we now call Schedule C; almost everybody was locked in. The new President could name the secretary of Agriculture, the under secretary and all of the assistant secretaries. But outside of that he could name nobody, not even their secretaries, not even the people who would take dictation from them. In the years since, I believe it started under Eisenhower and it certainly continued under Kennedy and Johnson, this situation has been freed up considerably so that there are jobs that are declared to be policy and supportive positions which are all in the Brown Book.

B: Sir, is there anything else you'd like to put on this kind of record?

A: No, nothing.

B: I certainly appreciate your time and thought.

A: Well, this project is very interesting.

[End of Tape 1 of 1 and Interview I]

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