

F O C U S O N F A S

AN UNAUTHORIZED HISTORY OF FAS



Kevin Rechin

T IN A TRADITION DATING BACK TO THE AMERICAN REVOLUTION, FAS HAS DEDICATED ITSELF TO IMPROVING MARKET ACCESS FOR U.S. AGRICULTURAL AND FISHERIES PRODUCTS.

BY ALLAN MUSTARD

hough officially constituted in 1953, the Foreign Agricultural Service enjoys a tradition dating back to the American Revolution. This long history includes ongoing, close relations with the State Department.

The first agricultural attaché was Thomas Jefferson. Before becoming Secretary of State, Jefferson was posted to Paris as the third-ranking officer of the American legation (after Minister Benjamin Franklin and his deputy, John Adams). In his memoirs, Jefferson wrote:

"My duties, at Paris, were confined to a few objects: the receipt of our whale-oils, salted fish, and salted meats, on favor-

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able terms; the admission of our rice on equal terms with that of Piedmont, Egypt and the Levant; a mitigation of the monopolies of our tobacco by the Farmers-general, and a free admission of our productions into their islands were the principal commercial objects which required attention..."

Jefferson's task list consists wholly of improving market access for agricultural and fisheries products — duties that remain today a major preoccupation of the Foreign Agricultural Service. During his years in Paris Jefferson also shipped interesting plants and seeds back to Monticello, where they were propagated and, if useful, introduced to American agriculture.

For years, State Department diplomats handled agricultural reporting and specimen collection. William Eaton, consul at Tunis during President Washington's administration, shipped Barbary sheep back to Secretary of State Timothy Pickering. Under President John Quincy Adams, American consuls were formally instructed to forward rare plants and seeds to the Department of State, where clerks in the Patent Office saw to their distribution. State also began collecting agricultural information, especially statistics. These were first published in the Patent Office's 1842 annual report, which commented on British imperial preferences and competition from Canada.

In 1862 President Lincoln created the Department of Agriculture, and collection of information on foreign agriculture shifted to the new USDA's Statistical Division. Interest in information on potential demand for U.S. agricultural products led in 1882 to the Statistical Division hiring an agent in the London consulate general to collect statistics on European agriculture, especially grains and meats. This was USDA's first overseas office.

In 1905, a USDA Bureau of Statistics employee was posted to London — the department's first overseas agricultural "commissioner." His regular reports were published in monthly bulletins. World War I saw the temporary end of nearly all foreign agricultural reporting, but

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USDA went ahead with creation of a Foreign Markets Investigation Division in 1917, anticipating what was to come.

The war ended in November 1918, and by May 1919 USDA "Commissioner" Ed Foley was in London to study markets for U.S. agricultural exports. His results were so favorably received that in the 1920s agricultural commissioners were posted to Buenos Aires, Belgrade, Berlin, Budapest,

Marseilles, Rome, Vienna, Mexico City, Shanghai, and Sydney (though not all at the same time). Their good work led to a push for the commissioners to be granted diplomatic status, which the State Department rejected, saying there was no statutory authority to do so.

Official Diplomatic Status for Attachés

In 1924 Representative John Ketcham introduced a "Foreign Crop Marketing and Report Bill" to codify the overseas work of agricultural commissioners and to grant them diplomatic status. Some members of Congress objected on the grounds that the Foreign Commercial Service could adequately fulfill the reporting and marketing functions for agriculture, and the bill languished. In 1928 Secretary of Commerce Herbert Hoover testified in favor of the Ketcham bill, however, and after six years of wrangling, a bill granting diplomatic status to agricultural attachés was passed. By this time Hoover was president, and he signed the bill into law on June 5, 1930. The act also upgraded the USDA's Foreign Section to division status, and renamed it the Foreign Agricultural Service.

At this time the Foreign Agricultural Service was tiny, with eight commodity specialists in Washington and seven overseas posts. As the Great Depression set in, the offices in Australia and South Africa were closed. In 1939, President Roosevelt ordered the attachés of both Commerce and Agriculture transferred to the State Department. The agricultural attachés thus moved over to State; the domestic analysts of the Foreign Agricultural Service stayed at USDA and "FAS" became known as the Office of Foreign Agricultural Relations, a staff office of the Secretary of Agriculture.

Initially, OFAR's relations with State were good. Immediately after World War II, State expanded the num-

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ber of attachés from seven to 74, with heavy coverage in Europe and Latin America. As time went by, however, friction developed. Although OFAR could influence attaché selection, State's hiring process was geared to the liberal arts and not agriculture. Thus between 1939 and 1954 only two new officers were hired for the career agricultural attaché service. OFAR complained that during tight budget years, State cut the agricultural attachés before cutting other programs, and also largely disregarded OFAR input when evaluating and promoting attachés. State also sometimes used the agricultural attaché service as a dumping ground for underperformers.

The final blow came in June 1951, when the State Department obtained authority from the White House to block requests from other departments for economic information from U.S. diplomatic missions. State began unilaterally deleting reports from USDA's standing attaché report schedule, and USDA's protests were ignored. With this, efforts got under way to bring the agricultural attachés home to USDA.

President Eisenhower's new Secretary of Agriculture, Ezra Taft Benson, changed OFAR back to FAS, an agency of the USDA, on March 10, 1953 — the date considered to be the modern FAS's "birthday." Benson's budget assistant, W. Arthur "Art" Minor, began orchestrating lunches between FAS employees and key congressmen to make the case for transferring the agricultural attachés back to USDA. Public Law 83-690, to do just that, passed with scant opposition and was signed into law on Aug. 28, 1954. A little over a year later, Secretary Benson emphasized two things in a speech to the USDA attachés assembled in Paris: they were again employees of USDA, and at the same time were to "function as a part of the working team of our embassies where you serve."

It is indicative of the depths to which relations had sunk, however, that a still-in-effect 1954 memorandum of understanding between USDA and State specifies that State shall not obstruct communications between an agricultural attaché and USDA headquarters.

The New Foreign Agricultural Service

Outsiders view FAS as a single, unified agency, but it was actually cobbled together from several groups that survive today as four identifiable subcultures within the agency — the analysts, the marketing specialists, the surplus disposal folks, and the agricultural development and technical assistance group. By the end of the 1950s, the

first three groups were working smoothly, though it took until 1981 to incorporate the surplus disposal function formally into FAS.

The core of FAS was made up of about 30 country and commodity analysts from OFAR, headed by Fred Rossiter as assistant administrator for "foreign service and agricultural analysis," and the attachés themselves. The attachés had a close kinship to the OFAR analysts, but virtually none of them had ever served in Washington. The analysts and attachés focused on economic and statistical analysis, and formed the kernel of what became FAS's analytical and trade policy units.

Starting in November 1953, the second "subculture" began to take shape as FAS launched a new program area, "market development and commodity programs." For this FAS needed a new type of employee. The old-line attachés, used to being reporting officers, thought market development "strange," and the old OFAR commodity analysts simply didn't know anything about marketing. In addition to the stereotypical "farm boy with a Ph.D." of the old attaché service, FAS went out to recruit commodity specialists from other corners of USDA. They generally had less formal education but enjoyed deep knowledge of specific agricultural products and the markets in which they moved. They formed a close partnership with the private-sector "cooperators," trade associations which in 1955 began to sign cooperative agreements with FAS on market development overseas.

Thus by the end of the 1950s FAS consisted of the analysts close to the numbers and the marketing specialists close to "the trade." Nearly 50 years later, this dichotomy has even been codified in law. The agricultural attaché, authorized under 7 USC 1762 as well as the Foreign Service Act of 1980, is principally engaged in market intelligence and trade policy matters; the agricultural trade officer, authorized under 7 USC 1765a, is required by law to focus on market development. It is unusual for corporate culture to be reflected in law, and no less unusual for a foreign affairs agency to have three legal authorities to send people overseas.

During the same period, the third distinct "subculture" of FAS came into being: the "surplus disposal" group led by Marshall Plan veteran Gwynn Garnett. Garnett had been a tank company commander in World War II, and after V-E Day was named director of the Food and Agricultural Division of the U.S. military government in West Germany, where he was deeply involved in the Berlin

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Airlift. Upon discharge, Garnett went to work for the American Farm Bureau Federation as a legislative liaison, promoting the idea of a program to sell surplus American commodities overseas for foreign currencies, and to use those funds for economic development projects. Garnett actually wrote his first draft of what became Public Law 480 in 1950 following a trip to India, where he collected more information in support of his concept. He later served as FAS administrator.

“Food for Peace”

P.L. 480, the “Food for Peace” program that nearly 50 years later remains a cornerstone of American foreign assistance, was enacted on July 10, 1954. This food aid law grants USDA a rare privilege — authority to sign agreements with foreign countries without the advice and consent of the Senate. FAS attachés were responsible for overseas implementation of the program, but a domestic group responsible for surplus disposal was formed. In the 1950s this surplus disposal

group was housed in another USDA agency.

Until 1961 FAS coordinated surplus disposal through a sister agency within USDA, the domestically oriented and more politicized Commodity Stabilization Service. CSS was the home of the domestic commodity program offices, as well as the surplus disposal group and the general sales manager. The GSM, invariably a political appointee, was responsible for all policy issues relating to surplus disposal, including setting prices, and approving and signing food aid agreements. At the beginning of the Kennedy administration the GSM and his staff were shifted from CSS to FAS. This move irritated an important congressman, and touched off a political tug-of-war that continued for nearly two decades.

Representative Jamie Whitten, D-Miss., Chairman of the House Agriculture Committee’s subcommittee on appropriations for 44 years (and chairman of the full House Appropriations Committee for 13 years), was known informally as the “permanent secretary of agriculture.” Chairman Whitten thought the GSM should have

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his own agency. In an effort to cultivate good relations with the powerful Democratic majority congressman, one of President Nixon's first acts in 1969 was to create the Export Marketing Service in USDA, to be headed by the GSM. This lasted until 1974, when President Ford, a former House minority leader, ordered the GSM back into the Foreign Agricultural Service as the third-ranking official. Chairman Whitten continued to fight for a separate agency, however, and one of President Carter's first acts was to create a new Office of the General Sales Manager. That lasted four years. Finally, in 1981, President Reagan ordered OGSM merged with FAS, where it has remained for the last 22 years.

The story didn't end there, however. Chairman Whitten pushed legislation through which stipulated that the GSM should report directly to the secretary of Agriculture. Thus, though the FAS administrator had to report to the secretary through the under secretary for international affairs and commodity programs, by act of Congress his number-three subordinate had a direct

pipeline to the top! That law was repealed after Chairman Whitten's retirement in 1995.

One result of this back-and-forth movement was that the old OGSM, now called Export Credits, consolidated the surplus disposal subculture of FAS. These folks are the spiritual successors to Gwynn Garnett, the major architect of P.L. 480. They focus not on analysis, nor on market development, but on the arcana of law and regulation governing surplus disposal, food aid, and export credit guarantees. Their culture is one of implementing the multitude of legal amendments and regulatory changes that have grown up around USDA food aid and export credit programs in the last half-century.

By the 1960s FAS had settled into a routine. The agency at home largely consisted of agricultural economic analysts and commodity marketing specialists, and during those interludes when the general sales manager was on board, of the surplus disposal specialists as well. As far as the overseas crowd went, they were divided into two groups: "house dogs" and "yard dogs." The house dogs did one tour



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as a junior professional, returned to Washington for 20 or more years, then served once more overseas before retiring. The yard dogs stayed out as much as possible. In an extreme case, Jerome M. "Jerry" Kuhl joined OFAR/State in 1952, and retired from FAS in 1989. In nearly 38 years of service he spent only 18 months in headquarters assignments, most of that in language training.

FAS Rejoins the Foreign Service

In 1954, when FAS was taking permanent shape, the agricultural attachés became civil servants instead of Foreign Service officers. This led to a number of problems. First, rotational authority (the ability to "stretch" or "shrink" into assignments) is, of course, not inherent to the Civil Service. The ability to shrink was eventually written into Title 7 of the U.S. Code specifically for FAS, but with a limit of three years before an employee had to revert to a lower grade. This complicated overseas assignments and sometimes made matching the right person to the right job impossible for bureaucratic reasons. Benefits legislated for

Foreign Service officers did not automatically accrue to FAS attachés, so follow-up legislation was always required — and was not always forthcoming. On top of that, some foreign countries were unwilling to accredit agricultural attachés as diplomats, since they did not hold presidential commissions.

FAS was also irritated that State would not grant its attachés at important posts the title of counselor of embassy. Rep. Kika de la Garza, D-Texas, chairman of the House Agriculture Committee, learned of this while on a congressional trip, and included language in a 1977 appropriations bill requiring State to grant no fewer than 10 counselor titles to agricultural attachés. State fumed, but granted the titles — then proceeded to upgrade its section chiefs at certain of those posts to the rank of minister-counselor. FAS asked State for that title, too, and was, of course, denied. In 1987, Chairman de la Garza struck again, with a rider in that year's appropriations bill that accorded FAS up to 12 minister-counselors.

In the meantime, FAS had rejoined the Foreign Service.



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When the State Department invited FAS to participate in drafting a new act, Deputy Administrator for Attachés and Management Richard A. "Dick" Smith readily accepted. As a result, FAS, a foreign affairs agency and member of the Board of the Foreign Service since 1930, became a full-fledged Foreign Service agency with passage of the Foreign Service Act of 1980. Currently-serving attachés and others meeting specific, prior-service criteria were grandfathered into the Foreign Service on Nov. 16, 1981. Dick Smith, by now FAS administrator, became FAS's first career minister.

But Administrator Smith also committed an egregious mistake, which haunts the agency to this day. He asserted publicly and repeatedly that the future lay with those who would join the Foreign Service, and the careers of those who intended to remain in the Civil Service would not be as bright. This fractured a previously harmonious working environment, soon leading to bitter conflict between civil servants and Foreign Service officers over promotion opportunities. The issue has by now been largely resolved through collective bargaining, but residual tension remains.

The fourth and last constituent of FAS popped up unexpectedly, the result of the merger of USDA's Office of International Cooperation and Development into the Foreign Agricultural Service. Actually, the merger constituted something of a homecoming. In the 1940s OFAR had a technical collaboration branch that trained foreign agricultural specialists from Latin America and managed joint agricultural research programs there. From 1951 to 1954, first OFAR and then FAS collaborated with USDA's Extension Service to train and send overseas roughly 400 agricultural development specialists as part of the Truman administration's "Point IV Program," one of several government programs later consolidated into the International Cooperation Agency, the precursor of the U.S. Agency for International Development.

The Development Thrust

OICD was created in 1980 through the efforts of Dr. Quentin West, a former administrator of USDA's Economic Research Service and former trade policy analyst in FAS. In the 1970s, the USAID headquarters staff included several agricultural development specialists handling overseas projects. Ostensibly to increase efficiency, but in reality because of criticism from Congress about USAID having too many people in Washington, they were transferred to USDA. At the time, USDA had no logical place to put them, but since the Economic Research

Service had analysts specializing in foreign countries, the development specialists ended up forming the Foreign Development Division of ERS.

During the Carter administration, Dr. West was made a special assistant to the under secretary for international affairs and commodity programs. There he assembled three units into a package, which he proposed be consolidated into a new Office for International Cooperation and Development. They were: the ERS's Foreign Development Division, which did not really fit in a research agency; the foreign currency-funded exchange programs of the Science and Education Administration, a consortium of USDA agencies engaged in international research that no one agency really owned; and the International Organization Affairs staff attached to the office of the FAS administrator, in which the then-administrator had no interest.

In 1993, the new secretary of Agriculture, former Mississippi Congressman Mike Espy, realized that Congress was in a mood to reorganize USDA. To forestall this, he preemptively ordered his own overhaul, calling for a reduction from 43 agencies to 29. FAS and OICD were ordered to merge, precipitating a serious clash of cultures.

OICD was made up of aid-oriented staff, who saw development and technical assistance as their mission and tended to view the core FAS mission of promoting exports with distaste. In essence, OICD borrowed its culture from USAID, an agency historically often in conflict with FAS. To comprehend the level of anguish in both agencies over the summary merger, one must recall that at the first FAS attaché conference at Paris in 1955, Secretary Benson reminded the assembled attachés:

"The United States, as a matter of foreign policy, is aiding many countries in their agricultural development. But the Congress and the president did not give the Department of Agriculture the responsibility for foreign development. That responsibility is vested elsewhere in our government. Our own primary mission is to help U.S. farmers. Any unnecessary diversion of our efforts to other enterprises dilutes our effectiveness and runs counter to the expressed wishes of those who gave us our assignments."

During the planning of the reorganization, the OICD representative on the merger team got administration consent to change FAS's name to "International Agricultural Trade Service." The idea was that a new name would lead to easier reconciliation of the two divergent cultures, but the move was thwarted by Congress because the FAS "brand name" was viewed as an asset to the government.

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Today the "international cooperation and development" subculture in the FAS is moving in the direction of support for the core mission of promoting exports, and the mainstream FAS culture is starting to recognize the utility of technical assistance in helping open markets. The new concept is "trade capacity building," and it appears to be on the way to acceptance.

FAS Today

With 50 years (or 73, or 218, depending on how you count) behind it, FAS looks ahead to new challenges: negotiating the Doha Development Agenda and a Free Trade Area for the Americas, and the growing importance of high-value and consumer ready products. Europe is challenging us as a major food exporter while continuing to restrict access to its market. Technical assistance is more market-oriented today, competitors demand curtailment of our export credit guarantee programs, and both commercial sales and food aid delivery are complicated by the rise of foreign opposition to products of biotechnology.

In 1930 the attaché communicated with Washington by diplomatic pouch. Today he or she uses e-mail, phone and fax. In 1930 all FAS attachés were white males. Today the service is much more diverse. Our most senior overseas officer is a woman, our administrator is a woman, and of two FAS career ministers serving in ambassadorships, one is an African-American woman. But, we are still working on bringing four disparate corporate subcultures together, not to mention healing the wounds of the Civil /Foreign Service fracas.

In 1930 the focus was on Europe, with only intermittent postings to Shanghai, Sydney, Buenos Aires and Mexico City. Today the focus is on Asia and the Western Hemisphere, and we are reducing our presence in Europe. In the 1950s, we mostly dealt with state trading organizations. Today the private sector reigns in most of the world. Some things remain the same, however. Just like Mr. Jefferson, we are still trying to get our agricultural products into Europe, and everywhere else, "on favorable terms." ■

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