

Milking The American Cow

By W. D. HOFFMAN

The belief, held by so many good citizens, that abuses may be eliminated by the passage of more laws, has been seized upon by anti-social interests to enact legislation destructive not only of our liberties but of our economic well-being. This is illustrated in many directions, in tariffs, trade restrictions, curtailment legislation, control laws and the like, but in no way clearer than in the case of milk.

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It is necessary that we have clean, pure milk, that the public be protected against the unscrupulous. That accepted fact has been seized upon by the unscrupulous to load the dice, to enmesh the country in a tangle of laws and regulations on behalf of the profiteer and racketeer to gouge the consumer. The whole issue of collectivism versus competition is brought into sharp relief by the Milk Monopoly.

Here is a clear example of the practical results of control laws masking as protective legislation for public health and "fair-trade" practice. Under such control the national consumption of milk has dropped almost 7 per cent. Milk, most essential of all foods for health and stamina, has shot higher in price than the index of other necessities, running to 91 against 83 for the general cost of living, 78.9 for other foods, 82.3 for clothing, and 69.5 for house-rent. Children are the greatest sufferers. If a foreign enemy had contrived a means of weakening America, destroying the health and well-being of our future citizens, it is doubtful that a more appalling attack could be conceived than this denial of milk and milk-products to millions who need them.

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How true this is was shown by a recent survey made by Fortune Magazine. "The Milk Industry sells service. Most of its customers would rather have milk at 4 cents less," Fortune headlines the issue.

The dismal story of Chicago high-

lights a battle waged in many large cities. Here an independent distributor who brought down the price of milk found himself arrayed against labor, Big Business and the Department of Agriculture itself. The Chicago Board of Health, headed by Dr. Herman Bundesen, refused to inspect the dairies of 300 independent farmers on the ground that too much milk was already coming into Chicago. Though Bundesen himself admitted a quart of milk per day was necessary per person, less than a pint per day was being allowed to come in. Meadowmoor Dairies, the independent, was fought as a "chiseler," though paying farmers more than they received before. Under pressure from the combine, the Milk Drivers' local lined up against the independent. The AAA tried to peg the price, failed, and tried again. Terrorists dumped truckloads of milk into the Chicago river. Grocers who handled cut-rate milk were intimidated. Finally a federal grand jury indicted the chief figures in the combine. Yet a federal judge quashed the indictments on the ground the Sherman Act had been superseded by the Department of Agriculture power. Again Secretary Wallace moved in to regulate against Meadowmoor. This independent, which reduced the price of the consumer and increased store distribution at low cost, has been waging a losing battle—because the force of the United States Government has been added to that of lobby-controlled politicians. The people of Chicago will not be able to afford their "quart of milk per day."

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The Milk Monopoly has forced farmers and labor into the set-up. This was done by penalizing them both arbitrarily when independent



competition threatened. Racketeering in the union speeded the amalgamation of monopoly and labor. The president of the union was kidnapped, held for ransom; plug-uglies ganged up on handlers of low-price milk. Drivers were stopped on the way to stores selling independent milk. Stench bombs were thrown into such stores.

Out in the San Francisco Bay area hypodermic needles squirted lemon juice into the milk, and combine gangs pin-pricked low-price cartons. Farmers dumped milk into country lanes. These same farmers were themselves being milked by the combine, getting 4 and 5 cents a quart for what sold in the cities for 12 to 16 cents, yet they were induced to line up with National Dairy and Borden and their subsidiaries, through deals made with their producer co-operatives.

The big farmer co-operatives have joined the combine of those making the distributing racket a big business. When Secretary Wallace called for a vote, a majority of the farmers decided to throw in with the monopoly rather than face the warfare threatening independents. If the United States Supreme Court rules with the federal judge in Chicago that the Sherman Act has been superseded by the power of Wallace, the final doom of independent milk distribution will be complete. It is practically non-existent now.

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Just as Al Capone sold protection and absorbed smaller gangs, so the Milk Monopoly has incorporated the drivers of milk wagons into the combine system. Here is a "contact front" which meets the housewife and sells the idea that high-price milk is the only safeguard of the hard-working driver's family. Labor thus becomes an active partner in the extortion. It was the New York labor forces that killed Mayor LaGuardia's public milk stations. As John L. Lewis threw his C.I.O. into the Guffey coal monopoly to gouge

the public, the A.F.L. throws its power behind the milk combine. San Francisco drivers "called upon" grocers handing Clara-Cal independent milk, intimidated dealers, polluted milk and ganged up on competitors. From the labor side, from the farmers' side, distributors were hamstrung in their efforts to get their product to the consumer.

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But of even greater menace to the independents than these was government pressure from the Department of Agriculture, state boards of control and the health authorities. Here the very agencies set up under pretense of public safeguard became the most potent public enemies, illustrating the futility of solving abuses through extension of government power. State boards in 129 cities, according to Fortune's survey, kept the store price of milk at the same figure as house-delivery, though the cost of store handling is 4 cents less per quart. Ordinances in 30 cities fixed a parity of prices between stores and homes.

A San Francisco pasteurization law required processing to be done within the city, keeping "raiders" and "chiselers" out. Other localities required pasteurization to be done in the county of sale, to shut out competition. A Los Angeles ordinance required the pasteurization plant to be 500 feet from the cooling rooms, making it expensive for new capital to enter the field. In Glendale, Calif., doors were required to open out; in Pasadena to open in. Ralph's Grocery in Los Angeles issued public statements on adequate profits made at low prices charged the consumer. These were ignored by the state authorities determined to force the price up. Safeway Stores, willing to reduce the price, admitted a 35 per cent profit in the evaporated product and 27 per cent profit in milk and ice cream; yet were compelled to maintain such a profiteering price. A large Portland concern admitted a handsome profit at 9 cents a quart, but was forced to charge 11 cents—by government.

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What is to be done? Starve the kids? Permit the march of govern-

ment despotism to strengthen the hand of racketeers and monopolists? Weaken our blood and fiber at a time when Brute Force stalks the world? If government must step in and choke off wholesome competition, interfering with the law of supply and demand, it is indefensible that this be done to enrich profiteers and prostrate the nation in a time of peril. In war time this would be treason.

Hitler, Mussolini and Stalin in their regimentation would have regard at least for the physical build-up of the army and the new generation of conscripts coming on. Regimentation of the Wallace brand has not even that saving grace.

Weakened bodies, broken health, children growing up without adequate bone tissue, often without teeth at the age of maturity—the inevitable result. Dabbling with regimentation and control in America has been a tragic failure, enabling the strong to increase their strangle-hold on the masses, backed by politician-made, lobby-inspired law. If government is to continue an ally of exploitation, if pressure-group laws are to rule, if the great mass of citizens are to lose power, then democracy is doomed.

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This festering excrescence is, of course, only a phase of a bogged-down economy of special privilege that stems from the parent monopoly of all—state-buttressed private appropriation of the gifts of Nature. There would be no problem if the Earth were opened up to production, permitting the people of America to use their natural resources without paying tribute on overcapitalized soil, mineral, timber, water, transportation and urban population sites. The general resulting wealth and purchasing power of the masses would end the paralyzed market for all products, including milk. The cut-throat, jug-handled competition that gives excuse for destructive, hampering laws would quickly disappear. Were the average man permitted free access to the land of his birth on equal terms with others, applying himself to the source of wealth without exactions to the idle foreteller, the return for an honest

day's work would double and ultimately treble and quadruple. There could be no involuntary unemployment. The market would expand immeasurably. There would no longer be a problem of a living wage for working farmers, milk drivers or legitimate management. Producers and distributors, both worthy of their hire, would receive high return in a market able to absorb all milk at a naturally stimulated price.

Unless the fundamental correction is made through land-rent absorption by society, to throw this vital necessity out of price line now through artificial coercion is to increase denial and breed upon the rich soil of America a new generation of emaciated misfits and weaklings hardly able to bear the torch of independence in the troublesome days ahead.