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## **Wisconsin Cheese Makers' Association proceeding of the 52nd annual meeting and war problems conference held at the city of Fond du Lac, Wisconsin Armory "E" November 9, 10, 11, 1943.**

Wisconsin Cheese Makers' Association  
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College of Agriculture  
University of Wisconsin  
Madison 6, Wisconsin

PROCEEDINGS

OF

*Wisconsin Cheese Makers'  
Association*

FIFTY-SECOND  
ANNUAL MEETING

— AND —

WAR PROBLEMS  
CONFERENCE

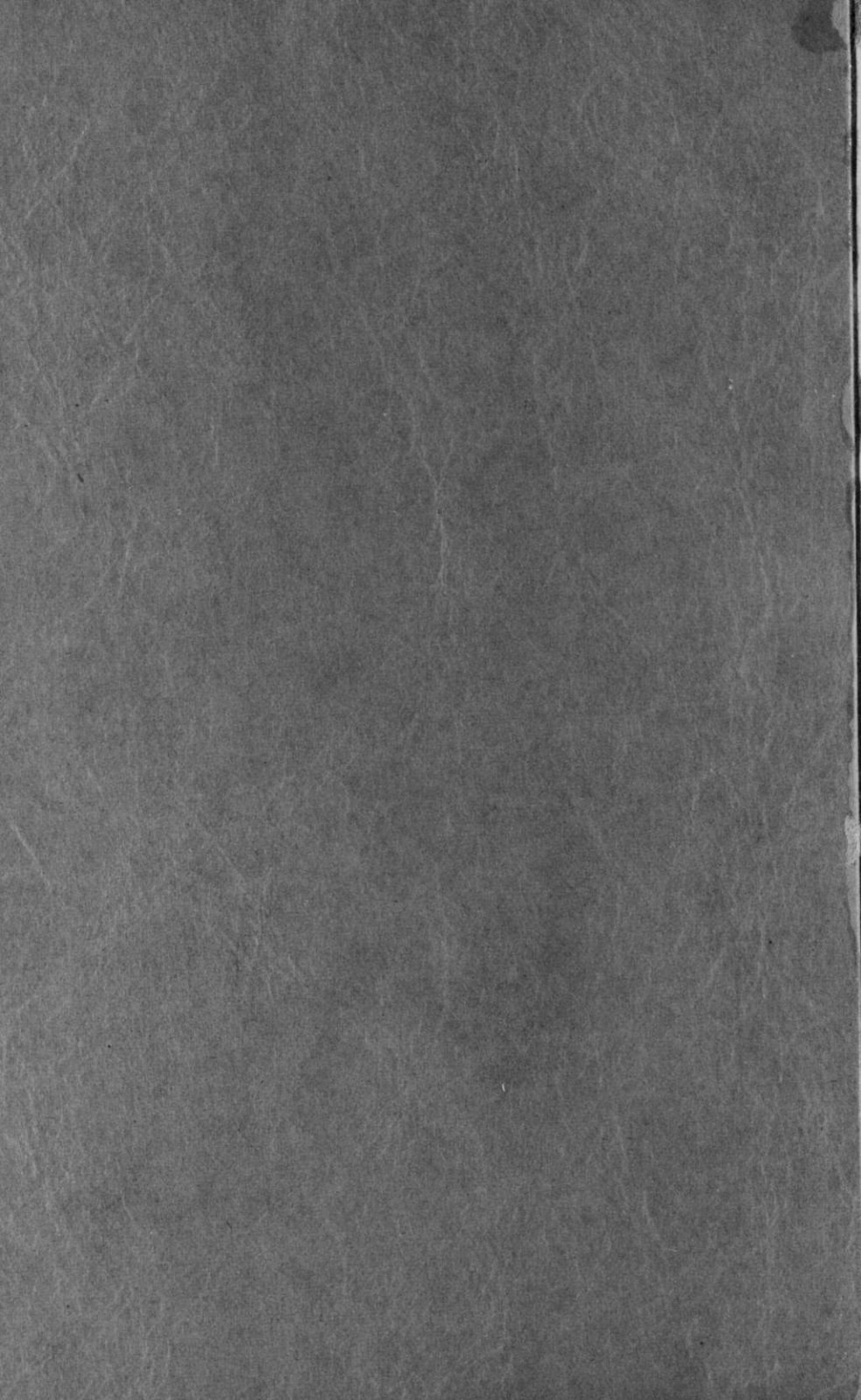
FOR VICTORY



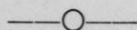
BUY  
UNITED  
STATES  
DEFENSE  
BONDS  
STAMPS

NOVEMBER 9-10-11, 1943

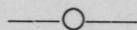
FOND DU LAC, WISCONSIN



**WISCONSIN CHEESE MAKERS'  
ASSOCIATION**



**PROCEEDINGS OF THE  
52<sup>nd</sup> ANNUAL MEETING  
—AND—  
WAR PROBLEMS  
CONFERENCE**



**HELD AT THE CITY OF FOND DU LAC, WISCONSIN  
ARMORY "E"**

**November 9, 10, 11, 1943**

## WISCONSIN CHEESE MAKERS' ASSOCIATION

Incorporated February 2, 1899

OFFICERS	Address
LEONARD E. KOPITZKE, President.....	Marion
EDGAR E. PETERS, Vice-President.....	Plymouth
A. H. GRAF, Secretary.....	Zachow
GEO. E. HERNKE, Treasurer.....	Hilbert
H. P. MULLOY, Field Manager.....	Sheboygan
PAUL H. RAIHLE, Attorney.....	Chippewa Falls
GEO. L. MOONEY, Executive Secretary.....	Plymouth

DIRECTORS	Term Expires
EDW. F. HORN, Beaver Dam.....	1943
C. C. BRICK, Brillion.....	1944
JOHN FISCHER, Boaz.....	1944
E. W. MARTEN, Spencer.....	1945
WM. CHRISTMAN, Phillips.....	1945

## JUDGES OF THE 1943 CHEESE CONTEST

### American Cheese

J. D. Cannon, Neenah  
Frank M. Broreren, Thorp  
Fred Buss, Clintonville

### Swiss and Limburger Cheese

John Frey, Monroe

### Brick and Muenster Cheese

Walter V. Price  
Fred Feutz  
Jake Muetzenberg

### SUPERINTENDENT OF EXHIBIT

H. P. Mulloy

### OFFICIAL CONVENTION REPORTER

A. J. Kemper, McFarland

### LIFE MEMBERS

E. L. Aderhold, Neenah  
J. D. Cannon, Neenah  
A. T. Bruhn, Madison  
Fred Marty, Monroe  
Math Michels, Fond du Lac

J. L. Sammis, Madison  
O. A. Damrow, Sheboygan Falls  
Al. Winkler, Cumberland  
H. P. Dillon, Oshkosh  
John H. Peters, Plymouth

### OFFICIAL ORGAN

The Cheese Reporter, Sheboygan Falls

**LETTER OF TRANSMITTAL**

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Plymouth, Wis.  
December 2, 1943

To His Excellency,  
Walter S. Goodland,  
Governor of Wisconsin:

Honorable Sir:

It is my privilege to hand you the complete report of the Fifty-second Annual Meeting of the Wisconsin Cheese Makers' Association.

The responsibility placed upon the industry by the World War and our desire to be of maximum service to the National effort made this meeting a War Problems Conference and the program planned to that end.

Respectfully submitted,  
GEO. L. MOONEY  
Executive Secretary

glm;vb

**OFFICE OF THE PRESIDENT**

---

Marion, Wisconsin  
December 2, 1943

Fellow Cheesemakers:

We are pleased to hand you your copy of the proceedings of our 52nd Annual Meeting and War Problems Conference.

Many changes will have taken place before we meet again next November,—in the meantime your officers and directors will continue to exert every effort to correctly guide the industry through these trying times, and to lend assistance to those Federal and State Agencies charged with the execution of emergency orders that affect us.

To permit the maximum of service to you keep our association headquarters fully informed of your problems and add your suggestions.

LEN E. KOPITZKE  
President.



## FINANCIAL REPORT

### Part One

NOV. 1, 1942, TO JAN. 1, 1943

#### Receipts

Balance October 31, 1942.....		\$3,265.97
Book Ads.....	\$ 313.50	
Booths.....	325.00	
Prize Donations.....	15.00	
Cheese Sold.....	1,152.72	
Entry Fees.....	17.00	
Dance Revenue.....	80.90	
Membership Fees.....	510.00	
Associate Memberships.....	236.00	
Miscellaneous receipts.....	61.05	
		\$ 2,711.17
		\$ 5,977.14

#### Disbursements

Salaries and Commissions.....	\$ 517.50	
Officers travel expense.....	1,869.53	
Printing and Stationery.....	429.08	
Telephone and Telegraph.....	16.79	
Postage, Freight and Express.....	30.75	
Social Security Taxes.....	10.00	
Prize Money—Convention.....	275.00	
Exhibit cheese (less \$123 entry fees).....	1,002.79	
Float.....	12.31	
Refunds.....	10.00	
Convention Supplies.....	539.38	
		\$ 4,713.13
Cash on hand Jan. 1, 1943.....		\$ 1,264.01
		\$ 5,977.14

## FINANCIAL REPORT

## Part Two

JAN. 1, 1943, TO NOV. 1, 1943

## Receipts

Balance January 1, 1943.....		\$ 1,264.01
Active Membership Dues.....	\$26,394.50	
Associate Membership Dues.....	6,450.00	
State Aid.....	600.00	
Convention Prize Money.....	1,213.00	
Booth Rentals.....	410.00	\$35,067.50
		<hr/>
		\$36,331.51

## Disbursements

Salaries and Commissions (Including W. Tax).....	11,841.47	
Travel Expense, Executive Secretary.....	1,013.64	
Travel Expense, Officers and Directors.....	3,855.59	
Rent.....	440.00	
Printing and Stationery.....	339.07	
Telephone, Telegraph and Light.....	408.77	
Postage and Express.....	378.22	
Office Supplies.....	153.60	
Social Security Tax.....	79.83	
Public Relations.....	333.68	
Convention Expense.....	419.36	
Sundry Expense.....	95.36	
Organization Expense.....	1,074.81	
Office Furniture and Equipment.....	667.70	\$21,101.10
		<hr/>
Cash on hand October 31, 1943:		
Farmers State Bank, Potter, Wis.....	10,130.41	
Citizens State Bank, Plymouth, Wis.....	5,000.00	
Cash in Petty Fund.....	100.00	15,230.41
		<hr/>
		\$36,331.51

# APPLICATION FOR ACTIVE MEMBERSHIP

I hereby apply for membership in the

## **Wisconsin Cheese Makers' Association**

for the period of two years, and agree to pay the annual membership dues applicable to my classification and milk receipts listed below and indicated by me:

Licensed Cheesemaker (employee).....\$ 12.50

**Plant Operator:**

Up to 2 million lbs. milk annually..... 25.00

2 to 4 million lbs. milk annually..... 50.00

4 to 7 million lbs. milk annually..... 75.00

Over 7 million lbs. milk annually..... 100.00

Dues shall be payable semi-annually in advance unless otherwise ordered by the Board of Directors.

Retirement as a cheesemaker for any reason shall void this agreement.

.....  
Name

.....  
Address

.....  
County

.....  
Name of Factory

.....  
Date of Application

**Return to**  
**WISCONSIN CHEESE MAKERS' ASSOCIATION**  
Plymouth, Wisconsin

APPLICATION  
FOR  
ASSOCIATE MEMBERSHIP

» «

The undersigned hereby applies for Associate Membership in

**Wisconsin Cheese Makers' Association**

for the year 1944, as authorized and provided for in the By-Laws.

Minimum annual dues are \$25.00 payable in advance.

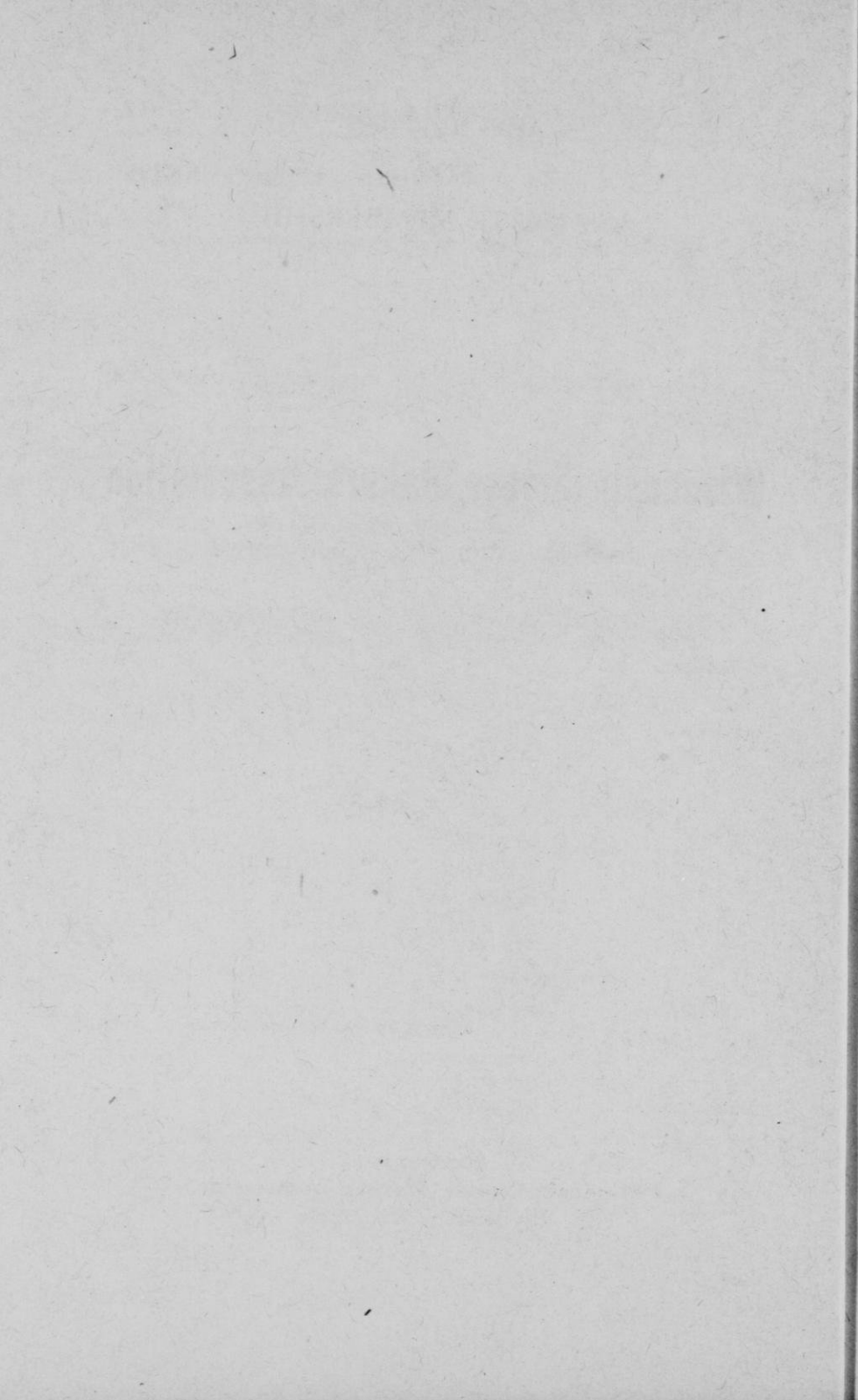
.....  
Name

.....  
Address

.....  
Address Mail to the Attention of

Date.....

Return to  
Wisconsin Cheese Makers' Association  
Plymouth, Wisconsin



## ARTICLES OF THE WISCONSIN CHEESE MAKERS' ASSOCIATION

(As Amended November 12, 1942)

### ARTICLE I

The undersigned have associated and do hereby associate themselves together for the purpose of forming a corporation under Chapter 86 of the Wisconsin Statutes of 1898 and the acts amendatory thereof and supplementary thereto, the business, purpose and object of which corporation shall be the education of its members for better work in the art of making cheese, the care and management of factories, the sale of their products, and the weeding out of incompetency in the business of cheese making, the further object of the corporation is to demand a thorough revision and rigid enforcement of such laws as will protect the manufacture of honest dairy products against undue competition from deceitful and dangerous imitations, and to unite the rank and file of its members in instituting a regular crusade against the unjust practice of pooling milk at cheese factories by weight, without regard to the butter fat which it contains.

A further aim is to unite the 2,000 or more cheesemakers and all associations of cheesemakers in Wisconsin under a state-wide plan for united action on all state-wide problems affecting cheesemakers.

### ARTICLE II

This corporation shall be known as the "Wisconsin Cheese Makers' Association", and its principal office shall be at the home office of the Secretary.

### ARTICLE III

The association shall be a corporation without capital stock.

**Active Membership.** Any cheesemaker, past or present, in Wisconsin, may become an active member in this association, with the right to vote and speak in all association meetings by paying the annual membership fee, as fixed by the By-Laws, in advance to the Secretary of the Association, for the current calendar year.

**Associate Membership.** Any other person, not eligible to become an active member may become an associate member of this association and attend all meetings of the association, but not to vote, by paying in advance the annual membership fee, as fixed by the By-Laws, to the Association Secretary for the current calendar year.

## ARTICLE IV

**Section 1.** The general officers of said Association shall consist of a President, Vice-President, Secretary and Treasurer and a Board of Directors consisting of five members of the Association together with the officers.

**Section 2.** The term of the officers of the Association shall be one year, or until their successors are elected at the next annual meeting following their election, and until such successors qualify. At each meeting of the members of the Association there shall be elected directors for the term of three years to replace directors whose terms are expiring. The election of officers and directors shall be by ballot, except in case of a single nominee, when election by acclamation may be substituted. A majority of all the votes shall decide an election.

## ARTICLE V

**Section 1.** The principal duties of the president shall be to preside at all meetings of the Board of Directors and of the members of the Association during his term of office. He shall appoint special committees. He shall appoint a committee on resolutions, and a program committee. He shall also provide for suitable medals at the expense of the Association.

**Section 2.** The Vice-President shall assume the duties of the President in the latter's absence.

**Section 3.** The principal duties of the Secretary of this Association shall be to keep a complete and accurate record of the proceedings of the Board of Directors and of the Association and to attend all meetings, keep a correct account of the finances received, pay all moneys into the hands of the Treasurer and receive his receipt therefor. He shall keep a record book and suitable blanks for his office. He shall make a full and complete report at each annual meeting of the correct state of the finances and standing of the Association. He shall also procure certificates or other evidence of membership and every person joining the Association shall receive one signed by the Secretary, Assistant Secretary or by any proper authorized field man or solicitor of members.

The Secretary shall qualify for office by filing with the President a satisfactory bond at the expense of the Association.

**Section 4.** The principal duties of the Treasurer shall be faithfully to care for all monies entrusted to his keeping, paying out the same only on proper authorization. He shall file with the Secretary of the Association all bonds required by the Articles of Incorporation or the By-Laws. He shall make at the annual meeting a detailed statement of the finances of the corporation. He shall keep a regular book account, and his books shall be open to inspection at any time by any member of the Association.

**Section 5.** The Board of Directors shall be the Executive Committee and shall audit the accounts of the Secretary and Treasurer and present a report of the same at the annual meeting; Executive Committee shall procure a place to hold the meeting, make all rules and regulations pertaining thereto and pertaining to exhibits and make arrangements for reception committees, hotel rates, halls and all necessary preliminary arrangements for each and every meeting.

**Section 6.** The Committee on Program shall make all arrangements for the proper working of the conventions, assigning all subjects, arranging for speakers, and make the division of time allowed to the discussion of each topic, to determine upon the time for the election of officers, conducting business meetings, and any other matters that may properly come under this division.

**Section 7.** The Committee on Resolutions shall draw up such resolutions as the exigencies of the time may require and which shall express the sense of the Association.

**Section 8.** The said officers shall perform such additional or different duties as shall from time to time be imposed or required by the members of the corporation in annual meeting, or by the Board of Directors or as may be prescribed from time to time by the By-Laws, and any of the duties and powers of the officers may be performed or exercised by such other officer or officers, or such other person or committee as the corporation or Board of Directors may authorize.

#### ARTICLE VI

The Treasurer of the corporation shall give satisfactory bond for the faithful performance of his duties.

#### ARTICLE VII

These Articles may be altered or amended at any regular session of an annual meeting of the members, provided the proposed alterations or amendments shall have been read before the Association at least twenty-four hours previously, and provided also that such alterations or amendments shall receive a two-thirds vote of the members present.

#### ARTICLE VIII

The corporation shall hold a meeting of members annually during each calendar year at such time as may be determined by the Board of Directors.



**ARTICLE IX**

**Section 1.** To promote united action by all cheese makers and associations within the State, any cheesemakers' association in Wisconsin, all of whose members are also members of the Wisconsin Cheese Makers' Association, shall be an affiliate of the State Association. Each such affiliate shall aid in the state-wide work of this Association as required by these Articles and By-Laws, but each affiliate shall be independent and self-governing in all its own local affairs and business.

**ARTICLE X**

Members of this Association, who in the future, are found guilty of repeatedly violating the State law or whose activities are in conflict with the best interests of the Association may be barred from membership in this Association at any time by a majority vote of the Directors.

**BY-LAWS**

of

**WISCONSIN CHEESE MAKERS' ASSOCIATION****ARTICLE I****Appointive Officers**

In addition to the officers provided for in the Articles, there shall be chosen by the Directors for a term not to exceed three years an Executive Secretary, and, for a term not to exceed one year, a Field Manager and a General Counsel.

**ARTICLE II****Duties**

The Executive Secretary shall assist all officers, and, under the direction of the officers and Directors, he shall devote full time to the management of the Association and promote the general welfare of the Association and the cheese industry.

The Field Manager shall assist the officers and Executive Secretary, assist the members wherever possible and generally promote the organization throughout the State.

The General Counsel shall assist and advise the officers and the members.

**ARTICLE III****Salaries**

The remuneration of all officers and employees shall be fixed by the Board of Directors.

**ARTICLE IV****Membership Dues**

The membership dues of the Wisconsin Cheese Makers' Association shall be fixed by the Board of Directors. Until changed by the Directors, annual membership dues shall be as follows:

**Active Members:**

Licensed Cheesemaker (employee).....\$ 12.50

**Plant Operator:**

Up to 2 million lbs. milk annually..... 25.00

2 to 4 million lbs. milk annually..... 50.00

4 to 7 million lbs. milk annually..... 75.00

Over 7 million lbs. milk annually..... 100.00

**Associate Members—Minimum**..... 25.00

**ARTICLE V****Official Publication**

Membership in the Association shall include subscription to the official publication designated by the Board of Directors.

**ARTICLE VI****Fiscal Year**

The fiscal year of the Association shall commence November 1st.

**ARTICLE VII****Amendments**

These By-Laws may be amended at any regular meeting by a majority vote of the members present.

## PROCEEDINGS

Wednesday Morning, November 10th, 11 A. M.

**PRESIDENT L. E. KOPITZKE:** Members of the Association, ladies, and gentlemen, the 52nd Annual Meeting of the Wisconsin Cheese-makers will please be in order.

We will open this convention and War Problems Conference by singing our National Anthem. Mr. McNamara will lead the singing and he will be accompanied by Charles Hanke at the Piano.

(The National Anthem was sung)

**PRESIDENT KOPITZKE:** We did a good job of that song. We are certainly happy that we are living in a free country such as ours, and we should all be mighty proud of that fact.

At this time I am going to call on the Rev. Zebarth of Salem Evangelical Church to open this meeting with prayer.

### INVOCATION

Rev. H. E. Zebarth

Almighty God, our Heavenly Father, from whom all of our blessings flow, we are grateful as we begin this convention that it is our privilege to open it with prayer and with calling on Thy name.

We thank Thee, oh Heavenly Father, for the needs of ourselves, of our fellowmen, of our nation, and all those who dwell in our world. We ask, oh God, that Thou lead us in all our activities; teach us the ways in which we may be of service to our fellowmen and to Thee. We ask, oh God, in these dreary days to remember this nation and for blessings on our boys as they stand in places of danger. Protect them and watch over them, and that there will come a successful conclusion in the event we are engaged in, and at the end that there shall come peace and all men shall dwell together in brotherhood and cooperation with one another. We ask You to remember our homes and our families and protect and care for each one and help us, Oh God, at all times to look unto Thee for the guidance and the help we need. We ask it in the Saviour's name. Amen.

**PRESIDENT KOPITZKE:** I certainly want to thank you, Rev. Zebarth. It isn't in every country that you can do that—open a meeting with prayer.

Well, we are back in Fond du Lac again. I saw a lot of fellows last night that couldn't find a room and I thought they would say this would be their last time, but no; they said, never mind, we have got a room over

across the street. After all, Fond du Lac is the place to hold this convention if you want to have a crowd.

I am very happy to introduce to you the Mayor, Mr. Leo J. Proman, of Fond du Lac, who will give you the address of welcome.

### ADDRESS OF WELCOME

Mayor Leo J. Proman

Mr. Chairman, ladies and gentlemen: we have waited for you. This is the third annual occasion of your convention. It has been my happy privilege to have extended a few words of friendly greeting to you on each of those occasions. May be you got the wrong impression when the chairman said that the last time was, you thought, when you were here a year ago. It probably was the last time he would like to have you here. Let there be no misunderstanding about that. We want you to come back every year. We like you. When you leave here we want you to feel we like you equally as well. He was only kidding you when he said that.

But I am serious when I say this. You know, time passes quickly and a great many things transpire in twelve months. In Fond du Lac we became nationally famous between the time you were here last and this meeting. At least, the Chicago Tribune gave us quite a bit of space. We met an outfit that you have come to know pretty well, known as the OPA. They came in here without much noise and stopped all the automobiles to see how much gasoline you had in the tank. That is OPA's business, but we didn't pay for that publicity we got, and I was a little worried for fear you people might get the idea it was my doings and you wouldn't come here for the convention.

In the meantime the OPA came along and decided they would have something to do with your business, and you have got to count points for your cheese, just as we have been doing here. So we are all brothers under the skin.

Just the other day I heard a soldier say to a man on the street—and this is a true story, I know the man. In fact, they are father and son, and the son said to his father: "Dad, those people back home don't know anything about war. You have no idea how tough things are." The old man said: "Listen, son, since the war broke out your mother has gone patriotic, and she insists that just as she says prayers before our daily meals three times a day, she is going to sing the first stanza of the Star Spangled Banner, and by God, with a voice like hers, if you have got to listen three times a day, you know there is a war going on somewhere." That is an actual happening.

More and more things are beginning to mould us together as brothers under the skin. Your convention, as is true with most all conventions, is a little bit late getting started. So I am not going to take too much of your time except to tell you we are always very happy to have you come back to visit with us. At the outset I told you, let there be no misunderstanding about our anxiety to have you here. Come back every year. We think that we are brothers under the skin with you and many other people in more ways than one.

We think the good Lord was mighty kind to having located Fond du Lac as it did. We are geographically in the center of things, and now we feel that we are able to make our contribution to this war effort because we happen to be geographically in the center of things. We like to have important meetings, things that have to do with the destiny of the nation; groups that have to do with the destiny of the nation; groups that make a contribution to the war effort on a very high plane. We like to have them come here because we know that we are easily accessible to all people in all parts of the state without showing a great drain on transportation facilities, whether it be by way of automobile, railroad or bus.

I have a point in making that statement. I happen to be a member of our Navy League, state chairman, and from time to time I get bulletins that are official in nature. Only last week I read one from a preacher in Fond du Lac. I read it to the Pure Milk Dealers Association and I am sorry I didn't bring it this morning—an official bulletin. It started out this way: Dairy men of Wisconsin are making the greatest contribution to the United States Navy of any state in the union. That is a fact. That is the way it started out. It had nothing to do—it is a bulletin that comes from Navy Headquarters and the Navy League Headquarters, telling us what the navy needs and who is furnishing it and that is the way it started. Dairy men from Wisconsin are making the greatest contribution. That takes in your business as well as the man right on the farm, because the two are so closely related. See what I mean in this time of difficulty, with transportation and so on; we feel we are making a great contribution. We feel you are helping us make a great contribution to this war effort

by holding your most important convention right here in this community because we are so easily accessible. I am taking away all the entertainment features, and things of that kind. You people have been here; this is your third time. You know me, don't you. You know we have everything here to make you feel at home, so why waste time on that. I am talking on the serious side of this business now, how soon we are going to get this thing over. I have in mind your objectives to that. Members of your convention are doing a good job and they are giving us an opportunity to take a part in the program by holding your meeting here in this very accessible community. And I know you are doing it because I have an official com-

munication from the Navy Department that tells me that the dairy men of Wisconsin are doing it.

Ladies and gentlemen, it is a great pleasure to welcome you to our city on this third occasion. Of course, as I said, I could go on welcoming you for a good many years, but that might be considered politics, but I would like to come here and welcome you to the City of Fond du Lac for a great many years to come.

**PRESIDENT KOPITZKE:** I certainly want to thank Mayor Promen and I concur in all the things he said. He is sincere, and if you find a place where we are treated better than Fond du Lac, I would like to know. Thank you a lot again.

Now, the next speaker needs no introduction. He is one of the fellows that has been working hard for the organization for the past couple years. It has been a pleasure to work with him. He is none other than our vice president, Edgar Peters.

### RESPONSE

Edgar E. Peters, Vice President

Mr. President, Mayor Promen, fellow Cheesemakers, ladies and gentlemen: I suppose by now you are saying, here he is again. This is my third appearance in the capacity of the response to the address of welcome. I want to thank Mayor Promen for all the kind remarks he has made regarding their wanting us back to Fond du Lac at our annual meetings. I want to assure the mayor that if the Cheesemakers of Wisconsin did not enjoy the hospitality which Fond du Lac has offered, we wouldn't have been back all the years we have. I think that speaks for itself.

This is your first, war problems conference in Wisconsin. It is also the first meeting of the Wisconsin Cheesemakers Association after the re-organization which you gentlemen so courageously voted last year. The new association has been in operation ten months. I leave it to you gentlemen who were at the council meeting yesterday as to whether or not progress has been made. I don't think it needs any more clarification. You heard the list of membership, the financial condition, and I think the facts speak for themselves.

Getting back to the war problems, we have in our convention this year a man of national prominence connected with national agencies which are governing and regulating your industry today. They have been given to us as emergency measures. There is no need of me trying to enumerate some of the things that were discussed here yesterday. We know the problems that we have that we are working under, the handicaps we are working under.

I want to point to one fact mentioned in Mayor Promen's talk. He told you about the bulletin issued by the navy which gives Wisconsin credit for the greatest contribution of the dairy industry to the nation. I was pleased to hear those words, and I think we all were. We all knew Wisconsin was doing its share. By the same token it is beyond my comprehension why the best workman on the job should receive the least money. You gentlemen know that under regulation 289 you are receiving less money for your product than any other state in the union. We hope the situation can be rectified before many more months have passed. Whether we can or not depends upon whether we can convince the powers that be in Washington that they have erred in their original drawing of the order.

There isn't much more that I have to say, except that these annual meetings are getting larger and larger every year. It shows that you cheesemakers are interested in organization and in your common problems. You are beginning to realize that individually it is impossible to fight things, but collectively we have got a chance, and I say, a very good chance. The only thing, the only advice I would give, even though your clouds look dark at the present time in facing some of the problems we are confronted with, I would say, don't sell the Wisconsin Cheesemakers Association short. If you stick with it I think we are going to come out on top. Thank you.

PRESIDENT KOPITZKE: I certainly want to thank you, Edgar. It wasn't only a response—it was a speech.

Now friends, I am certainly happy to introduce to you a friend, who honestly and truly has been a friend of the Wisconsin Cheesemakers Association. It has been a pleasure to work with him. We have had many conferences. It has been a great pleasure to work with this gentleman. He is none other than our director, Mr. Milton Button, of the Department of Agriculture. Let's give him a hand, which he deserves. (Applause).

#### ADDRESS

Milton Button, Director Wisconsin Department of Agriculture

Mr. Chairman, ladies and gentlemen: I am happy to observe that you are all church members. The first one in takes the back seat and the next one one seat right ahead, so that I am confronted with a whole row of vacant seats here, but that doesn't bother me a bit.

I think perhaps I ought to offer just a word of apology for the fact that I am going to read my speech today. I speak badly enough, but when I try to read it is still worse. I am going to say some things I hope for the good of the industry and the people of the state that may be construed as critical. And because I am saying those things I want to read this so as to be sure I am saying exactly what I intend to say. Now, I say that might be construed



as critical. I say it that way because no one recognizes better than I do that during a war time emergency regulations of one type or another are necessary in order to combat many unforeseen problems that arise and some problems that aren't perhaps unforeseen, but any way, problems that arise.

It think I could best give the views of the dairymen of this state by telling you a little story. I have told this story at two or three cheese-makers conventions, so it may be old to most of you. The story has to do with little Johnny who was in school, who apparently hadn't been having the number of baths he needed and he smelled pretty strong. The teacher sent him home from school one day with a notation to his mother that he didn't smell good; she better clean him up a little. In just a few minutes he was back with a note from the mother. Johnny smells just like his father. The trouble with you old maid school teachers is, you don't know just what a man should smell like.

I think the views of this industry are that we would welcome any regulations provided we felt those regulations are made by those who know what our industry "smells" like, and what its problems are.

You who are here today represent the leadership of an industry that has given its state a world-wide reputation for dairying—the Wisconsin cheese industry. Some of you have been making cheese and working for the welfare of the Wisconsin dairy industry for almost a lifetime. All of you—no matter how long you've been in business—are interested in keeping the dairy industry moving forward in these times when progress slows down to the speed of a freight train in a switchyard. You want to get things speeding along on the right track because you're thinking of the long trip ahead. That's why you're gathered here in such gratifying numbers, and I'm pleased to be here to consider some of these problems with you.

Every branch of the dairy industry has shared the feeling that somewhere along the line its efforts in behalf of progress have been sidetracked, through the pressure of wartime necessity. There has been a great deal of waiting for obstacles to be cleared from the main track.

The cheese industry is but one of several branches of the great dairy industry that are waiting for a clear track ahead. You American cheese makers are waiting for the day when there'll be an amendment to MPR 289. Let's all hope that this price regulation will be re-written and issued for the industry at as early a date as possible. Within a few short weeks the first anniversary of MPR 289 will have rolled around. The leaders of the cheese industry, the College of Agriculture and the State Department of Agriculture have worked continuously for nearly a year to establish a greater differential between large and small types of cheese, effect a change in the Plymouth plus freight differential, and secure revisions of MPR 289

which will permit the economical aging of American cheese. The foreign type cheese industry has also had its problems, which while different, have been equally serious.

The matter of the acquisition of independent cheese factories by two large dairy concerns has been receiving the attention of the department. When the department learned of the possibilities of these changes, even before application for the new licenses was received, the department reported the matter to the Assistant Attorney General of the United States in charge of anti-trust activities. This report was made on November 1. The report was followed by letters to some of our congressmen and judging by replies received they are giving this matter their attention. I mention this because I feel that the acquisition of small independent cheese factories is opening up a problem that may be far reaching in its ultimate effect, and I want the cheese industry to know that the department gave it its immediate attention.

Today I propose to talk about some of the problems of the dairy industry in general because no branch can experience prosperity for any great length of time if the other branches of the industry aren't prospering. The various parts of the dairy industry are closely knit into one unit—exactly like the chain that is no stronger than its weakest link.

As I said before, all of you know what it is to wait and hope. Right here in this neighborhood there are many other dairymen who are in the same boat as you in that respect. At Appleton, for example, Fox River Valley producers of fluid milk applied last August for an adjustment of the maximum producer price paid for butterfat—an adjustment from 76 cents to 83.6 cents per pound of butterfat to meet the fluid milk price paid in Chicago. They sent their petition for the increase to the OPA office at Green Bay, the Green Bay office sent it to the state office at Milwaukee, the state office sent it to the regional office in Chicago, and the regional office sent it to the Washington office of OPA. In Washington the matter was scheduled for discussion at a conference of the Office of Price Administration, the War Food Administration and the Agricultural Marketing Administration. As yet there has been no relief so far as a price change is concerned.

This is a typical problem of the dairy industry. The point is that the price to producers on these fluid milk markets is frozen at the January 1943 level. The price has been established in dollars and cents by the OPA. The Chicago market, on the other hand, is regulated by the Agricultural Marketing Administration and prices vary according to condensery prices, the classification in which the milk is sold, and a seasonal premium. In other words, in the Fox River Valley area a farmer on one side of the road will be getting a higher price for his milk than a farmer on the other side because one sells on the Chicago market and the other does not. Two

separate branches of the federal government are regulating the prices for these neighbors and each branch has established a separate basis for price. This creates price inequalities and confusion.

The butter industry appears to be the stepchild of the dairy industry in the minds of various agencies which have, for many months, planned dairy production goals. Two years ago dairy manufacturers were asked to convert their dairy plants from the manufacture of butter to cheese. From that time on, the butter situation has been uncertain. The 16-point value placed on a pound of butter has made it practically impossible for the housewife to buy butter and has resulted in the issuance of more than 400 retail oleo licenses in Wisconsin since the month of August.

As Director of the State Department of Agriculture, I recently asked the OPA price administrator why the necessity of raising butter points from 12 to 16. Government information bulletins had indicated that present supplies are adequate to meet military and lend-lease needs until April, 1944 and that stocks in storage are in excess of 300 million pounds. Governor Goodland backed up our request for information with a similar request for enlightenment as to why the butter points were raised to an almost prohibitive level. More recently, the State Board of Agriculture asked for a congressional survey to determine why a reduction in butter ration points cannot be made at once.

Our present information leads us to believe that even in the month of October, which is one of the light months of butter production and when butter normally goes out of storage at a rate of about 23½ million pounds per month, butter is still going into storage. So again we say that we cannot see how the 16-point value placed on butter will make for a better distribution of that product throughout the nation. In a sense the butter and cheese industries are in competition but, on the other hand, they must stand together in the overall fight to improve the general economic welfare of the dairy industry or they will fall together.

Everyone in the dairy industry has had to face the problem of subsidies. If ever we're going to live without subsidies that time should be now. The dairy industry doesn't need and doesn't want subsidizing. We maintain that dairy prices at the level at which the subsidy now takes us would be far more conducive to the stability of the industry. I'm confident that the majority of farm organizations feel that subsidies form the weakest of all answers to the agricultural price and production problem.

The amount of the consumer subsidy given out under the guise of a dairy feed payment program will be relatively small per individual and will certainly involve high administrative costs in the form that it is being administered. In order to obtain this subsidy, the farmer is obliged to take time off from his fall work—his plowing or corn shredding—to go to some village, town or city to apply for his payment. The time he takes to do

this is worth the size of the check in many instances, particularly if he has to wait in line any length of time to secure his application blanks. The amount of gas under the present plan that will be consumed in the collection of this subsidy—to say nothing of the use of rubber on tires—would send hundreds and perhaps thousands of flying fortresses over Europe.

Subsidies do not make for a healthy agriculture. It would be better to pay a premium for exceptional production, if a prodding of production efforts is needed. The fellow who'd receive a premium would have earned it. He wouldn't be accepting a handout which his children and grandchildren would be obliged to pay for.

There is before congress at this time a measure known as the Steagall Bill (HR-3458) which extends the life of the Commodity Credit Corporation but abolishes its power and the power of all other federal agencies to pay food subsidies after December 31, 1943, except in the case of perishable vegetables. I think that we all ought to urge the passage of this bill. If agriculture cannot get a fair price for its products in these times when wages are the highest in history then I say that agriculture is facing a rough road in the post-war period.

A problem that is in my mind extremely serious is that of the attitude of the non-farming public toward the farmer. You and I associate largely with people who are familiar with the problems of agriculture. In those few instances where it is my privilege to listen in on discussions of non-farming groups I find that they feel the farmer is prospering greatly because of war conditions, and at the expense of other segments of society. I fear that this is being deliberately planted by those whose interests are not ours. Statements by men in high ranking offices give the impression that agriculture is to blame for the inflation that now exists, and that a reasonable price for our farm products, rather than the subsidy now in existence would cause wild inflation. The fact is that only approximately 16 per cent of the average family's income is spent for food. \* Normally 22-24 per cent is spent for that purpose. It is true that we have asked for better farm prices, and will continue to do so, but so far we have been unsuccessful in raising farm prices to a point at which a normal percentage of the consumer dollar is spent for the food basket. With this situation I ask you—how can any thinking person honestly place the blame for inflation at the door of agriculture.

(\* See last page for source.)

Now, at the risk of becoming known as a man who can speak only on one subject, I'd like to take a few minutes to discuss the quality program. Most of the problems confronting the industry today as a result of government orders and directives, though of a serious nature, will some day in the future be looked back upon as problems that covered only a certain

period. The end of the war will alleviate many of these problems. The quality problem, on the other hand, is one that has been discussed ever since the Wisconsin Cheese Makers' Association filed its articles of incorporation in 1899, and long before the turn of the century. The problem is still with us. The bad penny always comes back. The pressure of war demands and price ceilings has created a situation wherein the necessity for production of quality dairy products is to a certain extent overlooked at this time by the industry. Let me emphasize, at this time that it is not being overlooked by the consuming public, and will be remembered by that public in the post-war period of surpluses.

The problem of quality, while it appears relatively unimportant at a time when practically all dairy products can be moved at ceiling prices, is more than ever our No. 1 dairy problem.

The dairy plant operator or farmer who is ignoring the quality program is as blind as the old livery stable operator who said that the automobile was just a passing fad, and was swept out of existence while trying to buck the current. Everywhere the trend on the part of the consumer is to insist on quality. The dairyman who ignores that trend will also vanish from the American scene.

Let's look at the trends over the years. At one time the milk distributor drove a cow or goat to the consumer's yard where he milked the animal and sold the milk. Then for a time, the farmer milked his cows at home and carried the milk around in cans and ladled it out to consumers. The next step was to put the milk in containers and leave it on the consumer's doorstep. From this latter period up to the present the various health departments began exerting controls over that milk. As our knowledge of bacteria, livestock diseases, and disease control broadened, there were successive steps in the direction of better quality production. These steps were essentially as follows:

1. Sanitation requirements for farm and factory.
2. Pasteurization requirements.
3. Animal disease control on the farm.
4. More inspection and regulation to guarantee the ultimate consumer the best product possible.

Unless we shut our eyes to the present trends, we're bound to see that the Wisconsin cheese industry, the butter industry, and all other branches of the dairy industry will undergo the same experiences in the direction of quality control as did the fluid milk industry. Eventually all branches of the dairy industry will be confronted with a situation whereby each branch will take care of developing better quality or health officials will attend to the matter in a manner less pleasing to the industry.

Many of you have seen the film portraying the invention of the Babcock test. In that film, Dean Henry is quoted as saying to Dr. Babcock, "Unless a simple, inexpensive, quick means is found for determining the butterfat content of milk, the dairy industry of Wisconsin is doomed." That was in 1890. Since that year, speakers and writers have often foretold the doom of the dairy industry unless certain problems were met. I have no fear concerning the future of the dairy industry in Wisconsin. Like the rugged and sturdy trees of our forests which withstand all storms, the dairy industry of this state will withstand all storms. With our soil, climate, citizenry and leadership we will meet all contingencies that arise, and long after you and I are no longer connected with the industry it will be prospering to the glory of Wisconsin.

The American Dairy Association of Wisconsin is serving a real need. The Wisconsin Department of Agriculture worked wholeheartedly with the dairymen of the state in establishing this organization, and we have maintained an extremely close working relationship. We are aware, therefore, of the value of the services rendered by this organization.

I am hopeful that in this war period, the dairymen will continue to support the American Dairy Association for it is a probability, if not a certainty, that some time after this war, there will again be a period when we have a surplus of dairy products and the services of the ADA will be needed even more than at any time in the past.

It would be shortsighted on our part to neglect at this time the organizations and agencies that have helped us during the period when we needed help. Certainly we should maintain these organizations, among which is the American Dairy Association, in a manner that they are ready to serve us when the postwar emergencies arise. I would not have you think from this statement that the ADA is not serving us well at this time, for they are, but I am most anxious that they be ready with personnel and funds to meet whatever situations may arise in the future.

The Wisconsin Cheese Makers' Association is fulfilling a real need in Wisconsin. We, of the Wisconsin Department of Agriculture, are very pleased with the annual report which indicates progress. We are also impressed with the loyal support that the members are giving their officers. From time to time problems affecting all of agriculture, and the cheese industry in particular, will arise. The officers of the Wisconsin Cheese Makers' Association and the members of the Wisconsin Department of Agriculture can sit around the table in an effort to determine the answers to these problems, keeping in mind the welfare not only of the cheese industry but of agriculture as a whole.

The department welcomes this opportunity to meet with the Cheese Makers' Association officers, and I am looking forward to a pleasant relationship that will be mutually beneficial.

\* Figures on per cent of consumer income spent for food will be found on page 3 of the April-May issue of "The Marketing and Transportation Situation," a bulletin published by the Bureau of Agricultural Economics, U. S. Department of Agriculture.

PRESIDENT KOPITZKE: I want to thank Mr. Button. I heard Mr. Button at different conventions and conferences but I want to say he saved his best speech for our 1943 convention. I want to thank you again, Mr. Button.

Mr. Button has already told you something about the American Dairy Association, so he took care of part of my introduction of the next speaker. I am glad he did that. I can't see for the life of me why some people want to advertise cheese and butter—there isn't enough to go around. I am telling you men the oleo interests don't think that way. They surely have got us by the neck now, with 16 points for butter and 4 points for oleomargerine. I certainly hope that many makers feel as I do, and we should back up the American Dairy Association and advertise our own product. I am telling you, since it started I have made my contribution every year and I am going to continue as long as the association is in existence, and I hope that will be for a long time.

I am very happy at this time to introduce to you a man that has been doing a lot of good work for the organization, Mr. Owen Richards.

#### ADDRESS

Owen Richards, Manager, American Dairy Association

Mr. Chairman and fellow Americans: I met with this group the first time two years ago. I am glad to be back again. I am glad to see you organized better today than you were two years ago. I say that because there isn't very much strength in the individual. The strength is in the individuals getting together, unity, and organization. And that is where the dairy industry has suffered mostly—the lack of unity and the lack of sticking and working together. We are paying the price today for our failure in not taking care of organization in the past. Tomorrow we will profit from our organization efforts of this day. And before I begin the presentation of the American Dairy Association, which after all is just the dairy farmers of America, I want to congratulate you on forming a real organization and re-organizing this organization, this Wisconsin Cheese-makers' Association, into an effective body to get a job done for yourselves and only you can do that job. These are war times. These are days of shortages and I am told that we are short of time today, so I am going to be very brief. I am going to put together this program not only quickly but briefly and rather pointedly.

The dairy industry, especially the cheese branch of the industry, has a lot of troubles. These are troublesome days—a whole lot like little Mose who had trouble at home and trouble in school, and he met the deacon on the street one day and he said: Deacon, I'se in a lots of trouble. The teacher has no use for me and I get waled at home. Even the New Deal hasn't been much use for me. What is I going to do.

The deacon said: Well, son, take your troubles to the Lord in prayer, and he did. He went out under an apple tree and folded his hands and looked up to the Lord and he said: Oh, Lord—he just got started and there was a little bird up there, and as little birds will do now and then, it dropped a bomb and it came down and landed on Mose's head. And little Mose said: See here, Lord, birds sing for other people.

Well, the dairy industry has a lot of troubles. While the world may be singing for some, it hasn't been singing any too much for the dairy industry. I want to start with trouble. The only way to correct trouble is to meet it face to face. And the trouble begins right on the farm where the milk is produced.

Here are two surveys that have just been completed—one in Michigan. The cost of 100 pounds of milk in Michigan is \$3.86 and the price is \$3.34, a net loss of 52 cents each one hundred pounds of milk produced. There is no doubt in a different area under different conditions, figured on the basis of profit per cow per year in 1942, \$58 per cow in 1943 \$5 per cow, a decline of \$53 per cow. That is trouble. That is the kind of business you can't stay in unless you correct that trouble.

Hold the line we are told. I don't think there is any one more anxious to hold the line than the man on the farm, but he can't do anything about the line with the price of feed, and he can't do anything about the line or labor costs. The reason that milk costs more today is on account of the feed costs and the labor costs. Some adjustment is going to have to be made in the price of milk or we won't have the milk we need to make the cheese, the butter, the evaporated milk and the other products needed in our war time effort.

I hear a lot about the cost of living. Here is an example of a dairy product. In 1914 a wage hour would buy only one pound of butter. In 1939 a wage hour would buy  $1\frac{1}{2}$  pounds of butter. In 1943 a wage hour bought two pounds of butter. So we had a roll back in the price of butter of five cents a pound.

Problem number two, markets. The market is going to be with us in the years to come as well as in the years that have passed—the American market. The American market is going to consume the product that is made in this country over a stretch of time. In the last ten years great progress has been made in building up a market for cheese, and that market was



built on making better cheese—number one cheese. And what is appearing on the world's greatest market for cheese—the American market today, is too much number two cheese, and it is going to show up in the days to come.

It is one thing to get a customer and another thing to hold a customer. Advertising, promotion and salesmanship will sell a customer but the quality of the product will hold and keep a customer, and quality cheese has been the thing that has built and held the cheese business in this country. With too much number two cheese and with our eight points and all going to the market today, we are suffering in the world's greatest market for your product, the American market. More number one cheese should get to our home market, even in war time.

Point number three—red tape. We have deserted the law of supply and demand. We are not doing business as usual. That makes it difficult in itself, but with all the red tape we have today it is even more difficult. The sizes are controlled by regulation. The grading that we have today, the selling prices, restrictions, prices and points, are all in the way and are affecting the cheese business. That is problem number three.

Problem number four is trying to get the most of our basic foods on sixteen points a week. A pound of butter requires sixteen points, and then they want to crowd in shortening, cheese, evaporated milk and meat and butter for sixteen points a week. That in itself is destroying the consumption of these basic products from the dairy cow,—butter and cheese and evaporated milk. We need a reclassification and regrouping and there is only one group that can do something about it and that is ourselves.

Our fifth problem or trouble is propaganda. A new diet for the American people, conceived and promoted by Internationalists, giving us a substitute rather than our basic foods. Our international food authorities say we waste too much time, we take too much effort and we spend too much money in converting our grains and the like into meat and cheese and milk. Those are basic products in the American way of living. Only we can stand in the way of the new diet promoted by Internationalists, to take over.

Now here is the situation on cheese. Suppose the war ended today, think of the production level we are at at this present time compared with the production level before we went into war. Better than 60 per cent more cheese is being produced. If that were left on our hands, we could all go bankrupt. Here is the situation with the cheese industry. Prices received by farmers in September 1939 being at the 100 per cent level, fruits have increased 221%, vegetables 163%, grains 82%, meat animals 80%, poultry and eggs 75%; and our basic foods, our number one class of foods, dairy products, only 66%. Tell me that the dairy farmer doesn't know what he is talking about in this day and age when he asks for better prices for his products.

What I have just said are the real basic reasons for working together, sticking together, promoting together and acting together in organizations of this kind, and a program such as the A. D. A. program, at a time when we have shortages. I can think of one good reason for war advertising today and that is the reason I gave in the beginning, shortage of trouble, and the one big reason for advertising is the promotion and sale of a product to increase the consumption. But this war has brought on other reasons for promoting and advertising dairy products. Those reasons are imbedded and outlined here as the objectives of the A. D. A. campaign, and these are the five reasons for advertising dairy products today.

Reason number one—to hold public preference for dairy foods. Don't let America forget cheese, butter and milk; keep it everlasting in the mind; keep that appetite alive and excited for those products, because some day we are going to want customers.

Point number two—to get a better public understanding for dairy farmers and the dairy industry. Why do dairy farmers want more money for their milk today. The public must be taught, and when we know public opinion we get the support to bring about the changes that are necessary for getting better prices for milk. When the American public realizes and understands that the farmer doesn't want subsidy, he just wants a fair price for his milk, which is cost of production plus a profit, the American public will back the American farmer.

Three, to guard against the inroad of imitation products. Today we hear about alloys, tomorrow they are going to hear about filled milk and filled cheese and filled ice cream. They are coming on the market now and we have to guard against them and to promote dairy products research. Dairy products have within them more natural nutritional qualities than any other foods given to us by God himself. By nature they contain more nutritional value than any other foods, but most of those nutritional values are yet a mystery and only by research can we find out what our products really contain.

Fourth, to promote or prepare for the post war days. That day may be before the end of this year, it may be next spring. We want to be ready when that time comes. Here is organization again. When the A. D. A. started three years ago, only six states were members and today there are fourteen member states and twelve others in the process of organizing, and that means the dairy farmers of this country are getting together and working together. Wisconsin alone with \$100,000 couldn't do very much in advertising, but Wisconsin with Minnesota and Iowa and Washington and South Dakota and North Dakota putting all their money together can do the right kind of a job for the right products—butter, cheese and milk.

The A. D. A. program first of all has a radio net work program, a program that would cost more than what Wisconsin puts in, a program that

costs \$150,000. That is just one phase of the program. It is a radio net work program with Everett Mitchell, master of ceremonies, for the National Farm and Home hour for fourteen years, one of the best known men on the air, especially in agriculture, and Clifton Utley, a new commentator every Sunday from coast to coast for fifteen minutes. That part of the program itself is \$150,000, newspaper advertising \$100,000. Now, there is \$250,000. If Wisconsin was asked to pay for that alone it would be quite a sum, but with Minnesota and all joining hands, it makes it easy on the individual dairy farmer's pocket book to get a good and big job done.

Here is a typical A. D. A. ad, and this is the kind of advertising that would bring about a better public understanding. The public said why can't we have more butter, what stops the farmer from producing more butter. Can't he get more milk from his cows? Why don't he milk more cows. The public don't understand those things because the public don't live on the farm. This ad tells the public what it will take to produce more butter and how America can have more butter, and there are three things to do to get more butter. One is more farm equipment now, not promises. The other is more man power, and then the other is price adjustments. We have got planes and tanks and guns because we gave the factories and the industries men, money and equipment. Give the industry those elements and we will get the kind of production to meet the needs not only abroad but here in America.

Here is publicity in the national magazines. We gained something like two hundred thousand dollars worth of food space per person with the magazines and newspapers simply because we had a voice, the voice of the dairy farmer. Industry and magazines all wanted to help and they helped by giving us about two hundred thousand dollars worth of space on dairy products.

Another phase of our work is research work. Better than \$50,000 this year has been spent in research work or nutrition. Broken down into three parts, determining the qualities or the elements, the butter fat, they provided for better health, minerals and proteins. And when we know more about butter fat, minerals and proteins, we will have a better story to tell about cheese and more reason for eating more cheese.

Now, I am going to go back one hundred years. I am going to go back to Babcock, to the man who did the most for the man who milks cows, the dairy industry and the consumer of dairy products. I think it is only fitting for this group to stand on its feet and pay tribute to that man. That man still lives—he is with us today. A lot of the dairy industry we have today is because of that man and you can be proud that he did his work in Wisconsin and brought credit to the State of Wisconsin.

Most of us think of Babcock because of his test. But Babcock did a lot more than that. Babcock knew more about food one hundred years

ago than a lot of our nutritionists and economists and scientists know today, or at least what they say about food. This man did not talk about nuts and fodder and substitutes; this man did talk about cheese and milk and meat and eggs, the basic foods that have all the natural nutritional elements. This man has given to us the right way of living, the American way of life; food that adds health to life, food that adds years to life, and as part of our program this year Stephen Morton Babcock will tell that story of food to the American public in magazines, and America will once again realize what it is to eat the right way and eat the right foods and live the American way and enjoy the products that contain the foods from which mankind lives.

In closing I want to say two things. One is, the man who is in the dairy business, whether he is in the cheese plant or whether he is out on the farm, or whether he is peddling milk or whether he is running a creamery, is your best friend. You can't go along without him and he can't go along without you. This whole business that we have on our hands is at stake on our ability to stick together and work together through efficient organizations. Your state organizations, such as your Department of Agriculture, is there to help you; it is there to work with you, not against you. Your Wisconsin Cheesemakers Association, you in the same business, are working together to bring about the good things for your business, not working against you, and your American Dairy Association, which takes in the whole dairy industry of this state and eventually the whole dairy industry of the United States of America is there to give the proper promotional interpretation, advertising and merchandising of dairy products, so that more of them will be sold and more of them will be consumed and the right price will be paid. And we in the dairy industry will be better off for all of us. Remember this is a day that you can make a decision and that decision can be no better than to give your organization your wholehearted support through association with your fellowmen in Minnesota and Iowa and all over to make the dairy industry what God intended it to be—the greatest industry of all. Thank you.

**PRESIDENT KOPITZKE:** I certainly want to thank you, Mr. Richards, for your wonderful talk. I think he more than lived up to what I said about him when I introduced him. He is certainly doing a splendid job to promote the dairy products.

Now I am going to call on our hard working field manager to give out the door prizes.

(After the awarding of door prizes, which see elsewhere, the morning session was concluded).

Wednesday Afternoon, November 10, 2 P. M.

(Preceding the regular afternoon session, the following names were drawn for door prizes: O. R. Thompson, Rib Lake, Wis., and Anton Frigo, Lena, Wis.)

MR. MULLOY: Now ladies and gentlemen, we will have several valuable door prizes at the conclusion of this day's convention. You must be here in order to receive the prize.

PRESIDENT KOPITZKE: Well friends, we have a fairly crowded program for this afternoon, so I guess we better get going right away. I wish that some of you from back there would come up to the front please, and you know some of these speakers we had in the back there this forenoon, if I possibly could I would like to get them on the program up here to talk. There is too much competition to talk, so be as quiet as you can. Now we will have a talk on Price Ceilings. I forgot all about the singing here. We will have a couple of songs first. Mr. McNamara will be accompanied by our reporter, Mr. Kemper, who has been with us for twenty-eight years.

(Singing led by Mr. McNamara).

PRESIDENT KOPITZKE: Now, we all have certain things to live up to—we have price ceilings to contend with and we are very fortunate to have with us this afternoon a gentleman who represents the legal department of Office of Price Administration from Green Bay. I am very happy at this time to present to you Attorney James Hughes.

### PRICE CEILINGS

By Mr. Hughes

Mr. President, ladies and gentlemen: You have often heard that music hath charms. I hope it has charm enough to soothe the resentment of price ceilings before I commence to talk to you. I am wondering today if I might not be happier back where I was a year and a half ago, just a plain country lawyer where we used to get a kick out of trying a law suit and we would enter into a debate before the jury. My opponent would argue for an allotted length of time and I would be given an allotted length of time to argue back, and we would be very happy of the outcome regardless. I am afraid today if that "round-the-clock-pounding of price ceilings" that took place this morning, that the ten minutes allotted me is not sufficient time for rebuttal.

I came here today not prepared to make a rebuttal or to defend price ceilings. The discussion of 289 that took place this morning hasn't changed my plans. Before proceeding with what I have to say, I think there are one or two I would call misconceptions that were suggested here this morn-

ing that I feel I am obligated in an official capacity to clarify. I don't mean to engage in debate or argument with the gentlemen who preceded me this morning, but I want to refer specifically to Director Button's discussion of the Fox River Valley Producers Association's application in which he described how that application was presented first to the district office at Green Bay and from there forwarded to the state office at Milwaukee, and from there to the regional office in Chicago and then to the national office in Washington. I don't mean to infer that Mr. Button intentionally misinformed anyone. I only mean to say that I believe he was misinformed in his source of information.

That application was filed by the producers in the Fox River Valley for the reason that they desired to raise their price on milk and to change the prevailing differential that existed historically between Chicago, Milwaukee, and local milk. That application was filed for them in Green Bay at their own request. We told them it was to be filed in the regional office in Chicago. They filed it there because they wanted us to forward it on with our comments. And from there it did not go a state office in Milwaukee, because OPA has no state office. It has in this state three district offices of which Green Bay is one and Milwaukee another. It was submitted from Green Bay directly to the regional office to Chicago, and it was not submitted from there to Washington because applications for adjustments are made in the regional office. So the application, instead of going from Green Bay to Milwaukee, Chicago, and Washington, went to Green Bay at the applicant's own request, and from there to its proper place for processing to Chicago.

The reason that that application still is indisposed of in Chicago may be of interest to you as well. That application was for adjustment on the ceiling price of fluid milk. Before adjusting the ceiling price on fluid milk OPA has to give careful consideration to any consequence that might develop from such adjustment, whether it be in other areas or in other industries, notably the cheese industry. If the price of fluid milk is adjusted without careful and adequate consideration, you men will find yourselves in a position where you cannot obtain milk from your patrons. That application is still being considered and will be decided in the very near future.

The other point I want to discuss that was mentioned here this morning—Mr. Richards' statement to the effect that OPA was laying the blame for inflation at the doorstep of the farmer and the agricultural industries in general. I don't believe the federal government at any time has made such an accusation and I know that OPA doesn't blame the farmers for inflation. OPA simply pointed out the very grave danger of inflation and in recognizing it it attempts to prevent it through the use of its price controls. OPA has recognized also that the cause of inflation is only war production, production for total war of the type that we are engaged in at the present time. OPA recognizes that it is no one individual who is re-

responsible for inflation such as threatens America today, and threatens it very very seriously. They recognize that the only cause for inflation is the fact that in total war we must produce beyond normal capacities thus creating purchasing powers, and furthermore that in total war what we produce goes to war and not to the consumer, thus diminishing the supply and consumption of goods and creating the situation that exists today, the high pricing power and low supply of goods, and in between the inflationary gap that threatens our whole economic stability. As I said it is not my purpose to debate with the distinguished gentlemen that preceded me the appropriateness of MPR 289. That matter has been taken up with the proper OPA officials in Washington and very thoroughly and adequately by representatives of your association, namely Mr. Mooney and your president, Mr. Kopitzke. They have discussed that matter and it is being considered. They know more about what revision is contemplated than I do. I am not going to discuss that. I don't believe that this meeting is necessarily the appropriate place to discuss the inequities of MPR 289 that may exist. This meeting was called today, as I understand, as a war problem conference, and as the representative of OPA I didn't come down here to discuss those war problems. It was not called as a "gripe" conference, I believe. There would be more time required if you would give ear to voice all the gripes—gripes about other matters as well as price control. I know how you feel. You would like to spend your time here complaining about the shortage of equipment that confronts you. You would like to complain about the price ceilings and the point values and the lack of manpower and the income tax and everything else that goes with war, just the same as I would like to complain about the lack of meat and cheese on my table and the \$102 that the government offers me next month to support my wife and family; just as the soldier in New Guinea or Italy would like to complain about the year or two years that they have spent over there rather than at home among their friends. That, gentlemen, is war. Those economic hardships that go with war cannot be avoided. The danger of inflation exists and price ceilings are necessary to stop it and those price ceilings aren't any good if nobody bumps their head on them.

It is rather difficult. Nobody wants to foist price ceilings upon you or upon anyone else, but they must be; and if they are to exist effectively they are going to have to be low enough as I said before that you bump your head. You would like to ask that you have the same profit in 1943 that you had back in 1939 or 1940. I am just afraid that you can't have them, just as I would like to ask my draft board to see to it that I got the same salary I had back in 1940 and 1941. I can't help it, I get \$102. You are going to have to get along with what margin of profit might be made available to you. The same goes to those people to whom you sell and from whom you buy.

As appropriately fitting for a war problems conference, it would seem that would be some of the problems that arise under MPR 289, problems

in which you might be interested. You have got to accept the fact here and now that MPR 289 is the law of the land, just as the constitution and the income tax act and the civil service act and all those regulations are the law of the land. You have no more right to violate those laws and regulations that have to do with price control than you have to refuse to pay your income tax or to violate any other law of the federal, state, or local government.

With that in mind I would like to discuss with you some of the things on which you may not be too clear, in regard to which you may have difficulties in knowing just how the law does apply to you and what is expected of you. I understand that I am to be available here the rest of the afternoon to discuss specific problems and there will be someone from the office of Price Administration available tomorrow to discuss with you specific problems under the present MPR 289.

I think there are two problems that are of more or less general interest and in which all of you are interested. I will discuss them this afternoon. They are (1) the matter of hauling rates you may charge to assemblers to whom you sell your cheese and (2) the matter of purchase of new and used cheese boxes.

As regards hauling rates, MPR 289 establishes your rate at the highest price you charges during March of 1942. There are some of us who never have been satisfied with that, not because it does not fix a ceiling but because it is not accurate enough in establishing a ceiling. There are a couple of misconceptions that exist in reference to it. One of them is that any given cheese assembler will have one price that he may pay all haulers. That is not true. Each of you as a cheesemaker has your own ceiling price on hauling, whatever price you were getting in March 1942 you get today. You and your neighbor may haul to the same assembler and the neighbor get 25 cents and you 15. That situation continues to prevail. It may seem ridiculous, but remember it was just as ridiculous in March of 1942. If it is ridiculous, that situation is frozen and continues.

Furthermore, in respect to hauling, you have the problem of establishing your hauling rate when you change the assembler to who you deliver. For example, let us suppose you are a cheesemaker located at Bear Creek and you have been delivering to an assembler in Green Bay and you have been getting 40 cents a hundred for delivering that cheese. Now you wish to deliver to an assembler that may be located in Clintonville which may be only six miles away. Obviously you can't get the same amount of money for hauling six miles as you got for hauling all the way to Green Bay. Obviously we can't prorate it and take it on a prorated mileage basis because the first mile is the big mile in hauling. The way you would determine your ceiling price for such a haul would be to go to your closest competitive seller who makes the same haul. In other words, as the distance



of the haul changes the service is considered to be a different service with a different price. If you were hauling 40 miles to Green Bay you have no previous record regarding a haul of six miles. You have no way from your records to establish a price for hauling six miles. So you go to your most closely located competitor who makes a haul into Clintonville. It may be your next door neighbor or it may be some one on the other side of Clintonville who hauls six miles into that city, but you find someone making a comparable haul, some one who is a competitor of yours, some one who has the same type of cheese factory as yours and take his price for that new type of haul. That is your ceiling.

The other matter of the purchase of your used and new boxes is our biggest headache in Green Bay today. It is the biggest headache among the cheese buyers. It is the most prevalent device used to evade the price ceilings established by MPR 289. The trick is one with which you are all undoubtedly familiar. The box you should sell for 20 cents when they are old and secondhand, but the buyer gives you the box at 10 cents and saves you 10 cents on 70 pounds of cheese, and you decide to sell your cheese to him rather than the dealer with whom you had the dealings. That is obviously and definitely an evasion, unless one condition is satisfied. The difficulty is this: There is no floor price on boxes. OPA doesn't set floor prices, it sets only ceilings. There is no floor on a new or used box. There is, however, an anti-evasion clause which prohibits time agreements. If the buyer of cheese evades the price ceiling by selling back to the cheese dealer some commodity at less than reasonable value, there appears to be a time agreement which is a violation. There definitely is a time agreement, if the dealer doesn't offer those boxes at that price to any other cheese factory regardless whether the factory sells to him or not. If you are evading or violating 289 you are opening yourself to liability for triple damage suits by the Office of Price Administration, to civil enforcement remedies and license suspension suits. Anyone engaging in that practice is guilty of violations and investigations of that practice are being made and records being compiled and actions for triple damages will be brought on the basis of those practices.

I believe those are the two problems in regard to MPR 289 with which you are most concerned. If there are any further problems I would be glad to discuss them with you here today and any other representative of OPA will be glad to discuss them with you by mail or in any of our district offices. I only want to leave in closing one thought with you and that is you must accept, I believe without reservations, the real danger of inflated price and economic usability. You must accept that danger as existent. I believe OPA has a right to recognize a right to assume that America wants price control. We know you want intelligent price control. Either you must want price control or inflation. It certainly is safe to assume you don't want the latter. If you want it, then help us—don't fight us. If all of you cooperate with us we can lick the problem. Let me just suggest to

you: this morning you opened your convention singing the national anthem, but let's prove that this America of ours is the home of the brave, the home of the men brave enough and courageous enough to face whatever the exigencies of war confront us, whether on the battle field or on the home front—face it and take it. Price control is the only remedy available to a bitter doze of medicine. Hold your nose and swallow it. Thank you.

**PRESIDENT KOPITZKE:** Has any one any questions they would like to ask Mr. Hughes? We are very fortunate to have with us here this afternoon a gentleman whom I think a lot of you know, who used to be with the federal government, and we are certainly glad to have him with us today. He has a very interesting subject to talk to us on, Post-War plans, and I am very happy to introduce to you Mr. Gaumnitz, Secretary of the National Cheese Institute.

### POST-WAR PLANNING FOR THE INDUSTRY

E. W. Gaumnitz, Executive Secretary, National Cheese Institute

Mr. Chairman and friends: Naturally I am pleased to again have the opportunity of meeting with a group of dairy men, handlers of dairy products in Wisconsin. When asked to talk on this subject of Post-War Planning, my first inclination was to do as I think most other people have been inclined to do. But because I think the subject is important, I at least agreed to attempt to open the discussion with reference to it not with the idea of being able to present any blue print by way of action which ought to be taken but rather to promote or provoke some discussion, and I would hope some thinking with reference to the problem. For various reasons I decided to jot down these notes and with your indulgence inclined to stick pretty close to the manuscript.

The subject of post-war planning or planning for post-war, for the dairy industry or otherwise, is one which merits attention. While a subject about which many people have speculated, generally speaking it is one which has been avoided—publicly at least. For the most part, public statements on it have been avoided for any one of several reasons: discussion might serve to detract from concentration on the immediate task of winning the war; post-war planners might be looked upon as a peculiar species of individual—more likely to be talking in a vacuum with what at times appears to be complete disregard of realities; any planning for post-war must of necessity take into account conditions as they will exist at the time the war ceases, which in effect requires an estimate of such conditions prior to planning; and lastly, there are those who feel that post-war planning is not a thing to be set off in a compartment by itself—that is, not something to be disassociated from day-to-day operations, but rather is definitely a part of such operations, though for convenience called—post-war.

It goes without saying that we will all be affected by whatever conditions exist at the end of the war—even as we are affected by current happenings—and there can be little doubt that the situation which will exist at that time is directly dependent upon decisions made prior to that time. This is merely to advance the idea that the post-war pattern including, certainly, conditions of international trade, may well be set or fixed prior to the end of the war except for the formal matter of possibly signing treaties.

The point is that post-war planning, though not usually so designated, is a thing which is going on now; that is why we should be concerned with decisions made under war conditions—those decisions will undoubtedly have a strong influence on post-war conditions.

Before expanding further on certain of these ideas, it might be well to take stock as to what is meant by the term "post-war", some of the conditions which will exist at the end of the war, as well as some of the factors which may influence those conditions.

With reference to the term "post-war", I suppose most people mean the period starting with the cessation of active fighting on all fronts. Some, however, are more inclined to think of the post-war period as that which will exist after fighting has ceased and there has been a certain re-adjustment period, so that the end of the war is considered as the time when the peace terms are finally made. For simplicity, the term will be used to mean cessation of fighting.

The situation which will exist at the time of cessation will undoubtedly be influenced by such factors as the intensity of the war, the duration or length of the war, and the time of year when fighting ceases. On the matter of intensity, many of us are inclined to point to the drastic changes which have been instituted since the beginning of the war, and to be convinced that conversion to war has been on a very high level. On the other hand, there can be no doubt but that the percentage of effort being directed to strictly war effort can be increased very materially should we all be convinced of its necessity. We can all point with no difficulty to a continuation of many peace-time practices (generally in the other fellow's backyard) which could be eliminated, and the same effort used to better advantage from the war standpoint. The war could be more intense in terms of the percentage of effort expended.

With reference to duration, there can be little question but that conditions which have remained in effect over a period of two, three, or four years are certain to have their after effects. The longer a given condition is in effect, the more likely it is to become "normal" or "accepted". When regulations, be they good or bad, remain in effect for a considerable period methods of doing business are changed to conform to them.

On the question of timing, reference is made to the time at which the war ends. If military gains are made in areas with sizable populations, but deficient in terms of food supplies, obviously there is a problem of providing food. Likewise, if military gains are made in surplus food supply areas, but after the food supplies have been removed, the same food problem remains though the period over which the problem is intense may be lessened.

My own reaction is that we look forward to a domestic production pattern during the all-front war which will be but little modified from that which now exists—this being in terms of over-all changes in agriculture—and to some relaxation of restrictions on the production of consumers' goods—these being dictated by what the voters want.

To state it in another way, I would assume a continuation of an Army of about the present size, with about the present 50 percent of production going into the war effort and with such changes as are made concerned largely with what amount to minor modifications form a national standpoint, though that may be significant for particular groups.

From a dairy standpoint, this would mean little change in the total farm production of milk but with possible minor changes such as regulations directed toward restriction of further increases of such products of condensed bulk milk production and dry whole milk and the like. I would anticipate little real assistance in the effort to increase total milk production of manufactured dairy products, except as such changes are an incidental by-product of a fluid milk market situation, which might result in concerted action on the part of producers of milk for other than fluid milk markets. The probability is that the total production of milk will decline and that the production of such products as cheese will be decreased in a greater degree. Likewise, anticipating the continuation of price controls and a further lessening of price incentives for quality dairy products, there will be a tendency toward less attention being paid to quality, which probably means a lessening of total demand which, in turn, will undoubtedly have an effect on demand in the period when price controls are removed. The decrease in the availability of various styles of cheese may also tend to have the same effect.

While changes in types of business operations are likely to occur, it is unlikely that more than the roots will be planted during the war period. Should the German part of the war be continued through next Summer, and result in a gradual pushing back of troops on all fronts, demands on U. S. food supplies will be increased and there will be a serious demand for animal proteins, including milk proteins.

Rapid developments of foreign supplies in areas now available could do much to relieve the pressure on proteins, but is unlikely. On the other hand, should Germany collapse on one stroke, the pressure on the food

supply would be greatly lessened, particularly were this collapse to take place after the next harvest. There are some indications that the Japanese phase of the war might end some six months after the end of the German war and the situation from a food supply angle would be very similar. If Japan were to collapse at one stroke, the pressure on food would be reduced.

One final factor should perhaps be noted: Certain general trends were apparent prior to the war, such as a tendency toward fixed standards under the Food and Drug Act, a tendency to affix a minimum price for certain farm products and for rates of pay for labor, and an increase in the consumption of dairy products. The war has interrupted some of these trends. Certainly some of these arrested trends are likely to reappear.

An additional factor needs to be kept in mind. With a continuation of controls somewhat like those now in effect, at the end of the war there will be savings, which might be translated into demand—those savings or reserves being in the neighborhood of 70 or 80 billion dollars. In addition to consumer savings, industries also have reserves which represent in part demands for producer goods. The speed with which war contract cancellations are liquidated may well be an important factor in the speed with which industry is able to shift to peace-time manufacturing. These sources would give the possibility of a continuation of a high rate of employment and, therefore, a continuation of a high rate of demand for consumers' goods—including foods. The principal problem probably would be that of conversion to the manufacture of non-war products.

The probability also is that there would be a need for increased quantities of food, both domestic and foreign, with the need for food varying from a relatively small amount to one of impossible magnitude—the demand for food continuing from 0 to 24 months. The probable period would seem to be from 6 to 12 months. How much of this foreign need is translated into demand would depend largely on the continuation of some sort of a credit. I think its continuation should be anticipated.

On the domestic food front, many studies show that average food consumption before the war was below that of those who could afford higher consumption and for something over a third of the population was below the level desirable for the protection of health. The war itself has served to emphasize these facts, both by way of Armed Force rejections attributable to mal-nutrition, and by the importance being attached currently to such a division of the food supply among consumers as will enable everyone to make the maximum contribution to the war effort—one reason for domestic rationing. Obviously supplies are short though we are assured by governmental authority that food supplies per capita are, at least, equal to average per capita consumption prior to the war. There seems to be ample evidence that people would purchase more food, both in

terms of quality and quantity, if employment and income were at a relatively high level. In this connection it appears that animal proteins particularly are and will be in demand.

One of the most important factors in post-war will be that of production capacity. Estimates summarized in a recent document of the U. S. Department of Commerce, indicate that if the available civilian labor force is completely utilized, unemployment at a practical minimum of around two million, with hours of work at a 1940 level (calculated as slightly under 40 hours per week in manufacturing industries) and with the increase of productivity per worker calculated at around  $2\frac{1}{2}$  percent per year (about the average increase during the period 1928 to 1940), output or production capacity would be about 50 percent more in 1946 than in 1940, or have a value on a 1940 price level basis of about 140 billion dollars. This estimate with reference to workers is based on employment in 1940 of 46 million with 9 million unemployed, and allowance is made for the addition of around  $\frac{1}{2}$  million to the potential working force each year from the increase in population. It assumes further, that women workers not employed before that war, would not be employed after the war. It also assumes that the Armed Force would be kept at a level of around two million instead of around one half million as before the war. It is also to be noted that the present rate of output is about equal to 146 million dollars in terms of 1940 prices.

The major factor in the post-war period is the degree to which conversion can be accomplished without unemployment and without a reduction in wage levels—and the latter can easily assume collapse proportions.

The end of the war can find the United States with a capacity to produce far in excess of any peace-time quantity of goods, with a reserve domestic demand and with a likely large foreign demand. However, were timing such that fighting were at a high degree of intensity just prior to cessation, cessation could easily throw us into a position where, with an extremely high demand, there would be high unemployment.

From a cheese standpoint, therefore, it would appear that we have a material stake in those programs directed toward a conversion from war to peace and to full employment and production.

Assuming that the quality of cheese is such that it will stand high in the eyes of consumers—both foreign and domestic—we should look forward to relatively high demand. This means full support to the programs looking toward quality cheese production—those sponsored by the National Cheese Institute and by other agencies.

While the cheese industry should recognize, and has recognized, its responsibilities in supporting those measures which make certain that the necessary products will be made available to the Government in the form

and at the time necessary, it probably should support those measures which disturb as little as possible those systems of distribution set up under freer conditions. This same observation holds for both the types and styles of cheese marketed as well as the agencies performing the various functions. It must be recognized, of course, that many of the factors which will be entered into the post-war picture are beyond the control of the industry and at the same time it should also be recognized that it is not possible to attempt to plan intelligently as to the future when the basis for administrative decisions are either obscure or not stated.

To summarize quickly, planning for post-war must be done now. We can look forward to a situation at the war's end where demand for consumer goods, particularly food, is likely to be high and where potential production capacity will also be high. An important consideration however, is the period leading to the war's end, whether a collapse on all fronts, or only on one, and the time of year when such collapse takes place. A gradual ending—or a series of withdrawals—gives time for some conversion to the production of peace-time goods. Broadly, it appears that the demand for food, particularly protein food, is likely to be high. Such a condition favors cheese.

Realization of the full demand possibilities for cheese will depend in part on keeping open and expanding now all avenues for cheese consumption—the tapping of all sources of demand. A material factor in this future demand is the degree to which consumer acceptance of cheese is maintained and expanded in all avenues, and consumer acceptance is probably closely related among other things to the quality of product—its relative cost and the skill which these factors are kept before the public. Our post-war plans and the plans we effectuate now will largely determine our plans in the over-all post-war picture. The problems are of such magnitude that the full cooperation of all parts of the industry will be too little for satisfactory solution.

**PRESIDENT KOPITZKE:** You did a swell job Dr. Gaumnitz. I surely enjoyed it. The next is supposed to be the president's message, so here goes. I thought perhaps I would get out of it this year.

**Fellow Cheesemakers and Friends:** The past year has been a hectic one for the Cheese Industry. You know it. We are at war, however, and cannot expect things to go on as usual. What we do resent is that certain individuals are using the war as a smoke screen to further their own selfish interests at the expense of the industry. No one can dodge this conclusion after careful study of some of the orders issued and especially MPR 289.

This order definitely deals a body blow to the State which produces over half of the Nation's cheese.

The "Plymouth Plus" Provision of MPR 289 alone is causing the cheese producers of Wisconsin a loss of three million dollars per year, inasmuch as they receive at least one-half cent per pound less than any other State in the nation.

This could and should be remedied by raising the price of Wisconsin cheese one-half cent per pound which would partially compensate for this State-line handicap. Why should the producer at Pine Island, Minnesota, receive .6 cents per pound more than the producer at Richland Center, Wisconsin?

Mr. Mooney and I have been trying to remove this as well as other inequities in this order. We know we are right and we are going to continue to fight to accomplish our purpose even if it takes the whole war period, and thereafter, if necessary.

Natural cheese is also being taken off the market by this order. The production of small styles such as Daisies, Longhorns, Midgets, Squares, etc., has decreased from 30% in February, 1943, to 7% in August, 1943. The differential in price between large and small styles is such that no one can afford to make small styles. We have, and still are, requesting an increase of one-half cent per pound for small styles of cheese. This would not increase the price to the consumer, for if food value is taken into consideration, it would still be cheaper than small styles of processed cheese.

Manufacturing costs such as supplies and labor have increased tremendously and, therefore, we have asked for a manufacturers allowance of one-fourth cent per pound. Many cheesemakers are now making cheese at a loss in order to meet the competition of other milk products. Within the last few days we were advised of an increase of 5c on box.

Many conferences have been held in the past ten months in which members of the various branches in the industry participated. As a result of these conferences, some very definite recommendations have been made to OPA officials, but up to this time results have not been very gratifying.

One thing I am happy to report is that we have received very good cooperation from most of our Wisconsin representatives in Washington and especially from Senator Wiley and Congressmen Murray and Keefe.

In Wisconsin legislative matters, we have been quite fortunate this past session. I am not going to attempt to talk about all the bills which affect our industry, but do want to discuss a few of them with you.

The so-called Bonding Bill has been cussed and discussed at many a former conference and convention of our organization.

This law has now been changed so that a proper financial statement on a form as prescribed by the Department is sufficient.



We received splendid cooperation from Mr. Button, Mr. Wilson and Mr. M...er in working out a bill which we thought would be workable and satisfactory to all. The Department officials were rather skeptical and questioned the advisability of a financial statement claiming it would not be satisfactory, but when we assured them it would be all right and promised them to change the law further if it did not work, they then consented to our proposal.

Another bill we opposed known as the Boiler License Bill was defeated. If this bill had become a law every cheesemaker would have been required to have a licensed man to take care of the boiler only and could do no other work in the factory. The cost to the cheese industry would have been about \$25,000 the first year.

It has been a pleasure to serve as your President the past year.

The cooperation received from the many Federal and State officials, the other officers and directors of our organization and last, but not least, from you members, has been splendid. This has given Mr. Mooney and me the courage to carry on the fight even though the odds were against us many times.

My duties have increased by leaps and bounds during the last two years and, especially since the last convention.

It may interest you to know that since that time I have made many trips, among them which included five trips to Washington, twenty-one to Madison, ten to Chicago, nine to Milwaukee, several to Fond du Lac and Green Bay, and not mentioning the many points within the State where I had the pleasure of meeting most of you.

The total number of meetings, hearings, conferences, etc., attended was one hundred and twenty-five or more and one hundred fifty days spent on Association work.

This information as to the work involved is not an attempt on my part to make a martyr of myself, but only given to you so you will have some idea as to what has to be done and the obstacles to overcome.

We enter the new year with a healthy treasury and representing about 1000 Wisconsin cheese factories, assuring you and your officers that the cheesemakers of Wisconsin, through the Association, have assumed the role of leadership and conscious of the responsibilities that go with it, which means we speak for 50 percent of the Nation's product.

A year from today may I be able to report to you that the Association represents every forward-looking cheesemaker in Wisconsin.

In closing, I want to thank you for your cooperation and I hope that it will continue in the future.

In unity there is strength.

L. E. KOPITZKE  
President

**PRESIDENT KOPITZKE:** Now I am sure you have been waiting patiently for the next speaker. It has been my pleasure to work with him on this food-cheese advisory committee. The next speaker happens to be the chairman of that committee and in all my dealings with him it certainly has been wonderful and we received very good co-operation and I am very happy he could be here with us, and when I asked him to speak, he said: "If I can't come I will send somebody else." We didn't accept "no" for an answer, it has to be Dr. Stitts, and he is here with us today.

### ADDRESS

Dr. Tom G. Stitts, U. S. Dept. Agriculture

Mr. President, it is a real pleasure to have the opportunity to come out and visit with you a little about the program that we jointly are carrying on, you and the government, in trying to supply the armed forces and our Allies and our civilians with cheese and other dairy products.

This fine turn-out of people indicates to me there must be quite a lot of people interested in cheese in Wisconsin. You know, I never knew how to talk into one of these things. Can you hear me, or am I talking too loud. I never did like to stick my face in front of a mike anyhow.

I particularly am happy to come out here because of the fine way your president has served us in his capacity as a member of the cheese advisory committee. We hope as time goes on we can take up more problems with this committee and can have a better understanding between ourselves and the industry on the exceedingly complicated jobs that have to be done. We have OPA regulations and we have war food administration regulations and we have ODT and a whole group of them that have come into the picture as a part of a war program and part of this job of trying to mobilize our forces within the country and without to win a war.

If there is any one criticism that I frequently hear from businessmen, it is that they come and say to us, why don't you plan what you are doing and tell us what you want to do six months from now; and if you will tell us we will do it six months from now. That is just as academic as any long-haired professor from Harvard ever told of. You tell me where Hitler is going to be six months from now and we will answer that question.

There is one thing in this program, men and women, that are interested in this grand dairy industry in which you play such an important part in Wisconsin. There is no end. No man can plan ahead and lay out a program and tell just what is going to be required of us, in the number of soldiers that have got to go to the front, in the amount of food that has got to follow these soldiers to the front, or how we are going to have to adjust our program in living standards here at home.

I think it is a very fine credit to the dairy industry and a very fine credit to the American agriculture that even though we have a large number of soldiers abroad, and we are taking a very important part in helping to save these soldiers' lives, by feeding our allies in part with what they have; that we still have in this country a higher standard of living than we ever had before so far as food is concerned. And that is one thing that I think we ought to be proud of instead of criticizing the programs that have been worked out. We have a higher standard of living so far as food is concerned than we have ever had before.

Now, it is true we don't get all the butter we want. It is true we don't get some of the things we want, and I would like to sit down and I wish we were seated around a little table and visiting instead of me standing up on the piazza and making a speech which I can't make anyhow. But I am going to go through a few phases of this industry with you. I have a speech which I am not going to read, and it deals with the very fine contribution which has been made between the government and the cheese industry and every procurement program which has made it possible to equitably supply about four hundred million pounds of cheese for government uses. But let's see where this dairy situation stands and how did we get where we are and what are we going to do about it.

Dr. Gaumnitz has raised some questions of after the war is over. And the post war problem is going to start exactly at the place where the war stops and it is where we are going and why we are getting to these places that is of significance and importance.

I want to tell you why we get some of these things together. Reference has been made to 16 points for rationing of butter, and the cheese rationing program. Now, let's see how we got where we are. In 1942 we had one of the banner years of production in the United States of dairy products. I don't believe there is any man in this room or any man in any part of this dairy industry that has ever seen the year of production to equal 1942. We had an abundance of feed in the United States, and it was good feed for cattle. We didn't have a drought any where. By and large we had plenty of labor; kind of tough in the latter part of the year but you still could get a hired man even if you had to pay him a little more, and we had one of the largest productions we ever had. Somebody said the other day it was a freak year, in the same way that 1936 and 1934 were freak years, only they were on the other side, because of a drought it was very fortunate that they came into the picture but that is what we had.

You remember, it wasn't very long ago, our memories are short, when I met with your cheese industry down in Chicago, when I first came on this job. You know I used to have a position but I left that and now I have got a job with nothing to do except mess it up. If we didn't have some splendid boys working with me I am sure we would.

We were talking about surplus of cheese and didn't know where to put it. Only a little over a year ago we had a surplus of evaporated milk and didn't know what to do with it. We went in and asked for this production to go abroad and the shipping situation developed and it is a direct correlation between the number of submarines in the Atlantic ocean and the men on the milking stool in Wisconsin. That is the starting point.

We have had a splendid year this year, 1943. The first seven months of this year equalled last year, and that is not to be sneezed at. It is a fine tribute to American agriculture that has been done, and is not looking as favorable now. I don't know what the pattern of 1944 is going to be, I don't know what the pattern of 1944 is going to be, but it is impossible to estimate the kind of regulation that is going to be necessary in order to supply our armed forces and our allies and get distribution of the remaining portion.

On the other side of this picture what have we got. You know we have always had rationing in this country too, always have had it. And if price control goes out of the window today we will have that kind of rationing tomorrow and it can't be stopped when it completely goes out. When we have had too much of anything the price goes down and when we have had too little prices have gone up. When we had full employment, high wages, he had lots of money. We had good demands and prices were good in four dairy products. Now we have full employment with never an equal to it before in the history of the United States. High wages, full employment, and in addition to that there are a whole lot of things that are rationed out of the picture that you can't buy at all. How many new cars would be on the street down here if you could buy one; and money can't be spent for that. No, it can't be spent for a lot of other things. They are out of the picture entirely, and that money is available. It affects food, and so we have become exceedingly food conscious in this country.

My gosh! we talk more about dinner, supper and breakfast than we ever did before in our life, and it is all right. I think this thing has done more good if you dairy farmers—I like to call myself a dairyman—if we capitalize on the publicity that has been handed to butter. What has been published in the newspapers for butter we couldn't raise money enough to put in the papers by an advertising campaign in the present six months. I think it is well to capitalize and think what has been done for this industry as you are planning ahead, as well as what you have got to live with now. Any way, we got a program and we have a heavy production in 1942 and we are going to have a lesser production in 1943—seven months equal the last five months. Not as good. Then we have this new demand, high wages and full employment. Fluid milk production is up 25% over a year ago, and that is a tremendous increase. When we talk about the dairy industry we must think about a great big bucket of milk. It is in there and it is going

to be distributed out through various processes and different uses, and you are going to sell every drop of milk you can unless it is regulated at the high price which is class one milk, for fluid milk in city markets.

I have had a bunch of big shots from the dairy industry in my office the other day and they told me they were going to advertise to increase the sales of fluid milk at a time when these quantities of manufactured products were being pressed down. I told them, and I want to say, they are cooperating magnificently today, but this is not the time for the fluid milk industry to increase its sales by advertising. It is a time for the restriction of sales of fluid milk in order to keep a balance on agriculture and that is why we have a regulation. We haven't come to rationing of fluid milk but we have a 79 which is the meanest thing in my life and I happen to be responsible for the administration. No bureaucrat thought of it; it is an effort to stop expanding sales of fluid milk, to decidedly check the sales of cream which is a luxury production and throw more power into the manufactured channel. Perhaps we will have to come to rationing of fluid milk. I hope not. Milk is as important to the diet. The army isn't getting all the milk it needs for its soldiers but it is doing a remarkable job moving milk long distances. Milk is going from this state to camps far from here to be used in fluid form.

What have we got to look forward to, if all the milk goes into fluid milk and cream. Ice cream sales check 65% under the order. I don't know where fluid milk sales would go if ice cream would be available but there would certainly be more than 35% more. It is not being rationed. If butter went to one dollar a pound probably we would do with no regulation. That would be one form of rationing. It is not being done that way because prices are being held at some kind of a level and these price regulations that may be we don't like—and I happen to be responsible for about as big a buying program as most of you have to live with, and that bothers me too. We have to live within those regulations and I think it is rather fortunate however that we have and it is our job to see if we can make them work. I don't know whether it is better for the dairy industry to have some of these screw ball things or have butter at \$1.75 or 85 a pound. It certainly will be a different post war problem, depending on how high up we may climb in order that we may jump.

We normally consume in this country about 152 million cases of evaporated milk. Last year we made 84 cases and this year we will make around 71 or 81 cases. The army and lend-lease will purchase in the neighborhood of 135 million cases and therefore it is necessary to ration evaporated milk. I don't think our system of rationing evaporated milk by OPA is particularly good, but at any rate I can say this: so far as the dairy industry is concerned there isn't a meaner product or tougher product to get along without and having available only 25 million cases of evaporated milk for babies. We ran out of evaporated milk last fall and I have a great

many letters from doctors and mothers. Previous to that we had a surplus and we were wondering what to do with it. You know we dairymen aren't normal folks. We either have an awful high blood pressure or too low, just because we are getting old.

I heard an old jingle about getting old. I feel it coming on myself.

You're not so old when your hair grows gray,  
And you're not so old when your teeth decay,  
But you are on your way  
To eternal sleep,  
When your mind makes a date that your body can't keep.

Well, I am wandering all over but that is really what I intended to do. I just wanted to visit with you, kind of getting down to butter and cheese. Remember that we have the highest consumption of fluid milk in this country we have ever had and no credit to the industry, those that own the plants and those that have the sales. Not a bit.

We have never given so much thought and attention to the food value of dairy products and never so much publicity as there is today. Never. Butter and cheese, fluid milk and evaporated milk, and cottage cheese.

My gosh, a whole delegation came to my office just before I left and got themselves all worked up on account of regulation 79. Gosh, if they couldn't get egg noggs this Christmas they were going to die. I told them they would have to send samples in and we would have to make a decision. You come down and we will sample it together. That is a fact, we do have demands for these products.

Let's see what we have to send to the army, what the government has to buy. Well, we make about a billion, nine hundred million pounds of butter and around four hundred million go to the army and lend-lease and I get het up about this butter situation because there is so much misinformation on the part of dairy people. We have a protocol of about 78 million pounds of butter to Russia. That butter is all used by soldiers and hospitals and civilians don't get any. The way those Russians have been fighting I wish I could send over my quota too so that they can have that much more.

We sell no butter to England. England's supply of butter is coming from New Zealand and arrangements are now being made to get some from the Argentine. Their ration is very small, two ounces of butter per week to a person. Our own army are heavy consumers. We are proud of it. Civilians eat about 16 pounds of butter per capita. And now the army is buying in excess double that amount for our military forces. In order to get this supply of butter we put on a set-aside order,—I am going to talk about that—on cheese, butter and milk together. The government agencies are buying about 35 million cases of evaporated milk and that is more than

half of the normal consumption in the United States. Evaporated milk is not used by civilians, it is being used by their soldiers outside the Highlands of England and Scotland and Wales too. It is being drawn on to go to Italy at the present time and Sicily and a small amount went to North Africa. We are shipping to Puerto Rico, the Carribean, Hawaian, Alaska and a whole lot of names I can't even pronounce where we have stations patrolling the oceans and so on and so forth.

Butter takes about the same circuitous route. Powdered milk is an exceedingly important product. We are shipping no evaporated milk of any consequence to Russia because of its bulk. We are shipping some powdered skimmed milk to Russia and England and shipping powdered skimmed milk to the relief areas. We are getting tremendous quantities of dairy products from Australia. Some of them can't produce evaporated milk over there in any quantity. They haven't the set up to do it with. If we take all the butter from New Zealand then England will be without butter and we have got to see that she gets it from some other place. What I want to tell you is this, that all this problem of feeding our allies and our soldiers with dairy products is very important and is being thought out from many different angles.

On butter, we take four hundred million pounds, and we have a relatively low price for butter. And the demand for butter is rather enormous. How much butter could be sold today if it was available at these prices, I don't know. I haven't any idea. But it would be may be twice, may be three times substantially more than what could be sold at the present time. If there were no price ceilings all these prices would go up so the government has developed a rationing program which is administered by OPA and the war food administration indicates how much of these various products are available for distribution. I am not responsible for the rationing but I am not opposed to it. I think it is essential.

I would like to make a couple of observations regarding it. With 12 point rationing and even less, there was plenty of butter available in the west and almost none in the east. We have no system of enforcing distribution under the rationing system unless we do it by raising points to a surplus, and rationing should be done so stringently that there would be a surplus of butter. It may or may not be the right way to do it but at any rate there is butter available in the east, in some eastern markets now where it has not been for several months. It think we all agree we are looking forward for a long time in the dairy industry, that this butter needs to be distributed fairly well under a rationing system, otherwise if we don't use that we are forced to do what the British do—buy it as government products and then sell it as government products. That is the English system. It probably works very well in a little country like England. I am afraid it would work perfectly awful in a country so big as ours.

Now we come down to butter and cheese. The requirements of cheese are around three or four hundred million pounds and these requirements are reviewed every three months to see if they can be reduced. Further than that, we have had cheese rationing and we have had cheese set-aside orders and butter set-aside orders. I have a prepared paper which is available for distribution and which I understand has been distributed by mail and what copies I have had I turned over to Mr. Mooney. They develop rather carefully the philosophy of the principle of the set-aside order.

Now, let's go back a while and take a few more minutes, and I want to be sure that you understand why the bureaucrats or those that were responsible for carrying on this program used the set-aside procedure. There were other methods that could have been used. We could have used priorities or a mandatory order to the effect that if we came out to a plant, which is being done in some branches of agriculture, and say, you produce this product and turn it over to the government at the price the government sets.

There is a little bit of competition between butter and cheese and fluid milk. In fact, I understand there is just a little bit of competition between fluid milk and cheese condenseries here in Wisconsin. May be there isn't—nobody says anything.

We have started out last February with a set-aside order on cheese the 15th of February. The first of February here on butter, but you have to go back a little bit. Price ceilings were announced on December 30th, 1942 on the basis of 46 cents a pound and a price of  $23\frac{1}{4}$ c on cheese plus a subsidy which you all know about. I hope I am rightfully informed. The price of evaporated milk was \$4.10, manufacturer's price. It was found, and it was reasonably correct, that these prices would be about average, \$2.50 a hundred for milk at the farm. Of course, whey has become a very valuable product. And incidentally in this post war thinking as we go forward, probably powdered whey is going to rank as of great importance and it should. It is a fine food that the cheese industry have got to give much attention to. We set these up about on an equal basis. They are getting out of kelter, some prices.

We have various varieties of skimmed milk, cheese, and a lot of specialty kinds of cheeses and the ceilings have not been placed on them on a dollar and cents basis, and so we have had a diversion, the old economic law of moving milk out of those uses. They gave a lower rate to those to which you gave a higher rate. Further than that, there are various kinds of cheese that are out from under the order, and as you know better than I know, various kinds of powdered whole milk are being made which for all practical purposes are sold without price ceilings. So we have a tremendous diversion of milk, that would normally go to the butter factory, and the butter factory would like to keep in the pioneer business and they have been in



the butter business 40 or 50 years. Over all we have got these diversions of milk to these various kinds of products that are without ceilings and to which these various things apply. Now, I don't know what is going to happen, but I am throwing out to you as members of this dairy industry in the state of Wisconsin, if this war continues and we move into a shortage and shorter production of dairy products, and I hope we don't—I would like to see production climb 20 per cent above what it is now, because we can sell if we had the manpower. I am not going to argue with anybody but what dairy prices are relatively too low, but you folks in Wisconsin as well as other areas have got to help and get back to a program which gets these things that are out of control under control, or the amount of regulation that is coming into this industry will be a great deal stricter and a great deal more stringent than it is at the present time.

I want to answer one other question. Somebody said, why don't you tell us what one of these dairy products is needed most and there is no answer to that one. They are all needed in some kind of a proportion. It would be a mistake to increase evaporated milk production much over what it is today. It shouldn't be increased. Likewise we have got to gear the rest of them down. We have got these phases that are breaking out from under the ceiling and there is a job there. The dairy industry needs to get hold of them and they will do a practical method of handling them.

I wandered all over; I intended to wander. I like to wander when I talk to a group of such fine folks like you here. A fellow I knew once back in the pre-prohibition days used to drink pretty heavily. He had been on an awful bender and after he had been on one of these benders he felt pretty bad the next day but he never would like to tell his wife what was the trouble with him. He had a hang-over and she said: You have these spells oftener than you used to, you better go down and see our doctor. And so at her insistence he went down and saw the doctor. He says, Doc, you know I was out last night and I feel pretty bad today. The wife thinks I better come down. You better tell her I got something; you better give her a high-filutin' word and make it all right. The doctor was a busy man and he was standing at the table and there was a sheet of music laying there and he says, go back and tell her you got "syncopation". When he told his wife she got out the family doctor book she had bought from one of the college students and she couldn't find it there, so she went to the dictionary and found—"an uneven movement from bar to bar".

That is all I can say about this wandering sort of talk. I wanted to bring you down to really understand why we have a set-aside order, and in a very few words why we have a flat price for butter and cheese, down in the summer and up in the winter, and it is always taken care of in that way. The requirements of the government are about 400 million pounds of butter and 400 million pounds of cheese and it was decided that the thing to do was that everybody ought to contribute equitably to this program,

all the manufacturers and so a percentage was put in on all manufacturers above a certain size. We have been very consistent on this set-aside order on butter and cheese and we have done just exactly what we said we would do last February when we brought these two industries together.

I want to pay a great tribute to the handlers and the assemblers and the trade, the manufacturers, in helping to make these two programs work. They have done a swell job. I think they have assumed that part of this job in feeding the army and feeding the soldiers is a part of the job of the government, of putting these products over in good shape.

Now, we have had some troubles with packages. I want to emphasize one thing and we are going to buy cheese next year, and for goodness sake, I hope your association will work with the BPMA at the next advisory committee meeting. They are telling me of troubles they are having with powdered milk. These barrels get handled seven times by stevedores before they really get to their destination in North Africa, and some of these people are rather rough with the barrels I guess because some of them are busted up a bit.

I have mentioned everything I can think of in these products except powdered whole milk. Powdered whole milk is a new industry in this country. It never amounted to over twenty million pounds before the war and now they are able to manufacture over 100 million pounds that will be bought by government agencies this year—milk which will be able to last five or six months and kept for beverage for soldiers in Guadalcanal and North Africa and Italy and heaven knows where, for the Red Cross and prisoners of war, and so on. We buy about 43 million and the army wants to buy something more than that, some of it in 50 pound drums, some in 25 pound drums and some in 100 pound bags to put in the prisoners of war packages.

I have taken too long but it has been a pleasure to come up here and greet you folks, stealing a little bit on the time of somebody else and to tell you how much we appreciate the job and to tell you there is some very serious problems in this diversion and monkeying around. You know this dollar sign gets so doggone big once in a while that in order to get a dollar today we are going to mess up things considerably, and speaking for the war food administration, we welcome you and your organization or any other group that can get together and systematically present suggestions, and I tell you, they will receive consideration.

**PRESIDENT KOPITZKE:** The next speaker I guess practically all of you know. He is a real fighter and has been a fighter for the cross road cheese factory as long as I have known him. He prints a daily paper so he has a pretty good weapon and can help out a lot. We are always glad to have him with us. I am very happy at this time to introduce to you Mr. C. E. Broughton of Sheboygan, editor of the Sheboygan Press.

## ADDRESS

C. E. Broughton, Editor, Sheboygan Press.

Mr. President and Members of the Wisconsin Cheesemakers Association: I feel highly honored, just a humble newspaper man, to follow the talent that you had this afternoon. I have enjoyed the address of Dr. Stitz and I can realize some of the problems, some of the commissions, some of the conferences, and I suppose that twenty years after this war is over that some of the letters will be made available.

Just a few days ago I had a letter mailed to me, or a copy, written by a serviceman's wife in the last war, and I don't know of any better place to impart that information than right here before a lot of cheesemakers and their wives. The letter is addressed "Mr. Headquarters, U. S. Armory." That is where you are meeting today in an armory, where they have had prohibition debates and democratic and republican party debates and now you cheesemakers come in here and steal the show.

"Dear Mr. Headquarters:

My husband was induced into the surface long months ago and I ain't received no pay from him since he was gone. Please send me my elopement as I have a four months old baby and he is my only support and I kneed it every day to buy food and keep us enclosed. I am a poor woman and all that I have is at the front. Both sides of my parents are very old and I can't suspect anything from them as my mother has been in bed thirteen years with one doctor and she won't take another. My husband is in charge of a spittoon. Do I get any more than I am going to get? Please send me a letter and tell me if my husband made application for a wife and child and please send me a wife form to be made out. I have already written to Mr. Wilson and get not answer. And if I don't hear from you I will write Uncle Sam about you and I am sincerely yours,

Mrs. Paul Quinn.

P. S. My husband says he sits in the YMCA every nite with the piano playing in his uniform. I think you can find him there."

I read that letter more in a humorous way because if you could see some of the letters we get from time to time and we could publish them all—I am going to publish this. It isn't bad. It is the honest opinion of a woman whose husband is in the war and we have a lot of those. We have women that haven't had a fair chance in this land of ours, and their husband—perhaps he hasn't gotten a fair chance. But that doesn't mean to say that we haven't men and women in America so patriotic that they aren't willing to make a sacrifice.

This afternoon I have reduced to writing the brief message I am going to give because I bring up two or three facts. I do not want anybody to think for one moment in presenting these facts before this convention this afternoon that I have any criticism to offer of the present ceilings; neither have I any criticism to offer of the conduct of the war. But I do believe from time to time that even orders issued by OPA may become such that they are a hardship and a burden upon a community or upon an industry. An order issued way back in December, 1942, not knowing what was going to happen today, might make it more serious for the producers, and so with that explanation I want to give to you this message.

I note with a great deal of satisfaction that your fifty-second annual meeting is open to the discussion of war problems.

This covers a wide range, and it means that if we are to insure Wisconsin and its future as a number one cheese producing state we must be alert to the dangers that are threatening the industry.

You know that for 35 years I have preached quality and have laid great stress upon the fact that the corner cheese factory is the pillar of strength in the industry. You are thoroughly familiar, too, with my editorial attack on the Office of Price Administration when it issued MPR No. 289, which laid Wisconsin low and put quality in the discard. I might say for your information that instead of encouraging the production of cheese, a loss of \$3,000,000 has been sustained by Wisconsin when compared with the price paid for cheddar cheese just over the state line. I feel that there may be a modification, but so long as order 289 exists, it places in the hands of monopoly an opportunity to manipulate, and designs are already in the foreground to destroy the corner cheese factory.

Under 289 there is a ceiling price on cheese, but there is no ceiling on raw milk, and an attempt is being made to gain control of key cheese factories and if it is not checked by legal action on the part of the attorney general of this state, a situation more grave than at any time in the history of this association, or of the corner cheese factory, will be at hand.

Let us glance at the record. Applications have been made for leasing three factories in Dane, nine in Green, ten in La Fayette and one in Iowa county, and for what reason? These factories are key plants, and when they fall into the hands of the monopoly you can readily understand why we are concerned and alarmed over what is going to happen to the corner cheese factories in those areas. The new ownership is not bound by MPR 289, for they are not planning on manufacturing cheese, only as a side line. They are going to divert this milk to other channels and they are going to pay prices that a cheesemaker is barred from paying, under the order. They are going to invade the entire field where they plan to operate, and God help the corner cheese factoryman who tries to meet competition of that character.

So far it is largely in the Brick and Swiss areas, but the same procedure is being followed by three other large concerns that have invaded Fond du Lac, Sheboygan and Dodge counties to my own knowledge.

You might ask why producers are ready to sell or lease. The answer is simple. Under MPR 289 the manufacturer is not only being penalized, but he has found that his business has shrunk to a point where it is no longer profitable, and he is susceptible to anything that is offered.

Let us look at some of these offerings. Over in Dodge county a factory was offered upwards of \$50,000, and the entire plant would not bring \$25,000 under normal conditions. The value of the plant to the monopoly comes in the advantages offered as a key plant, for once they are established they can take a loss for a time, if it is necessary, in order to drive out competition.

On the other hand, if MPR 289 continues long enough the trusts will have accomplished their purpose, and a monopoly in the cheese field whether it be Brick, Swiss, or American cheese, will be complete.

Sometimes we wonder, and we have a right to question the sincerity of those who, as dollar a year men, have loaned their services to the government. We have seen them come and go, and whether it is a new deal or an old deal, it has been history down through the years, a lead deal.

In my home county three fine cheese factories are now a part of the monopoly and they are making it tough for the independent cheesemaker. They are making it tough because they are backed by fortunes, while the poor, struggling corner cheese factoryman has to depend upon the revenue he gets from the wares he makes.

To our mind the attorney general's office has a duty to perform. If he allows this greatest monopoly of all time to come here and lease and buy cheese factories contrary to the statutes then he is lax in his duty, and the Department of Agriculture and Markets that is so vitally interested in dairying will be confronted with a situation where they practically have no control over the dairy articles that come from the farm.

Is it fair to put restrictions on cheese and compel the corner cheese factoryman to abide by them and open the door for competition from these new invaders whose interest is to gain monopoly control?

If our Wisconsin Statutes mean anything, then in the name of common sense, they should be enforced. The Attorney General of this state holds within his hands the destiny and the future of one of Wisconsin's greatest assets—the cheese industry. The time for action is now, not after the horse has been stolen. Chapter 133.01 covering this point reads:

"Every person, corporation, co-partnership, trustee or association who shall either as principal or agent, become a party to any contract, combination, conspiracy, trust, pool or agreement herein declared unlawful or declared to be in restraint of trade or commerce in this state, shall forfeit for each offense not less than one hundred dollars nor more than five thousand dollars. Any person, corporation, co-partnership, trustee or association shall also be liable to any person transacting or doing business in this state for all damages he may sustain by reason of the doing of anything forbidden by this section."

Now we come to the major portion of that section of our state law which defines the duties of the Attorney General:

"It shall be the duty of the Attorney General to enforce the provisions of this act and to bring an action for the recovery of the forfeiture herein provided for, whenever complaint shall have been made to him and evidence produced which shall satisfy that there has been any violation thereof. The several district attorneys shall, upon the advice of the attorney general, who may appear as counsel in any such case, institute such actions or proceedings as he shall deem necessary to recover any forfeiture incurred on account of the violation of any of the provisions of this act."

The intention of the lawmakers was to prevent the very thing that is occurring here in Wisconsin. The Attorney General under this chapter of the Wisconsin statutes is empowered to call upon the District Attorneys of Dane, Green, La Fayette, Dodge, Sheboygan, or any county within the state, for a restraining order, an injunction if you please. The fact that large companies have applied for licenses to operate key factories is in itself evidence of domination of big business in order to stifle competition, and to put the honest cheesemaker out of business. Within the building that houses the Attorney General, the record of the applications for licenses can be found. The legal machinery is at hand. The courts are open. The duty of the Attorney General is clear.

Why did we enact the law divorcing breweries from taverns? For the sole reason that you could set up a local tavern or the old time saloon without due regard for the character of the individual who was placed behind the bar. In the old days we saw the evils of the brewery-dominated saloon. Not all breweries were in this class, but competition forced them to perpetuate these evils upon the public. In this new set-up that is in the making in the Swiss and Brick areas as well as American, competition will be stifled and those who have been the builders will find themselves out of business. A few may get a shot in the arm through leasing or selling at fabulous prices, but even this remedy will be offset by the ownership, body and soul, by giant corporations that forget the milk of human kindness during a war period.

How about the young man who, as a farmer boy, enlisted or went away under the draft to fight to make America safe. Is he to return—and many will not return—to find that old meeting place at the corner cheese factory is no longer a reality. This has been a part of our democracy—the farmer's forum, and the cradle of democracy.

Let me appeal to the Attorney General of this State and to the membership of this association to fight on the home front to preserve for posterity one of our truly great American institutions—the Corner Cheese Factory.

When this association took on new life, you could expect enemy attacks. It is a fight now to determine whether this association shall grow to greater influence or find its hands tied.

This is your fight. Knowing the caliber of the men at the head of the Wisconsin Cheese Markers' Association, I know that you will fight. Carry it into court and insist that the Attorney General move before it is too late.

In closing I would like to extend an invitation to have you meet in Sheboygan next year. We have a new municipal armory and auditorium that will seat three thousand and house all your exhibits under one roof. It will be my pleasure to act as your host in making this building available. It will also be my pleasure to assist you in every way for a successful 1944 convention.

**PRESIDENT KOPITZKE:** The next fellow we have on this program needs no introduction. He is none other than that hardworking secretary, Mr. Mulloy—blame the Wisconsin Cheese Makers for it. Mr. Mulloy.

### PLANNING THE CHEESE MAKERS' FUTURE

H. P. Mulloy, Field Manager.

Mr. Chairman, and fellow members: Dr. Tom Stitz made a remark a few minutes ago you fellows were gluttons for punishment. Sure we are otherwise we wouldn't be in the cheese business, but doctor, we are not punishing ourselves this afternoon. We are here this afternoon because we knew we had a well organized program. We expected to hear things here that would be to our advantage and to our gain for the future and it is remarkable when you know as many of the boys as I do, and you feel here year after year that they fully realize that they are not punishing themselves when they come to this meeting. I wish it were possible to honor Mr. Chairman, all of the boys who have a record of long distance attendance at this convention, and I would like to take time to honor five of our members who have been here year after year—I don't know for how many years. The important thing of it is they are all five brothers, all from one family. I am going to call on those boys and ask them to stand and we are

going to give them a hand. I am referring to the Lensmire brothers Joe, Richard, John, Ed. and Math. (A great volume of applause was accorded the Lensmire Brothers by the audience).

Now, Mr. Chairman, you can't say I didn't get a lot of applause out of the audience.

Now friends, there is no kidding. About two weeks ago Mr. Mooney and Mr. Kopitzke assigned me this subject to talk on today, Planning the Future of Wisconsin Cheese Makers. If they would have told me at the same time, Mulloy, don't do another doggone thing for the next two weeks but get that speech ready, I might have had one, but I had a few other things to do and I have a very short speech and I reduced it to writing.

**PLANNING THE FUTURE OF WISCONSIN CHEESE MAKERS.**  
This is a rather large order and I am sure it requires the best efforts of every individual in the industry to formulate a plan for our future.

Not being the 7th son of a 7th son, I don't claim any special powers to peer into the future far enough to be able to work out a plan that would be perfect enough to bring about such ideal conditions as to insure success and happiness for all, and speaking of happiness you know that is one of the things mentioned in the constitution of our great country, but it is one of the things mentioned in the constitution of our great country, but it is not guaranteed, only the pursuit of happiness is guaranteed by that masterful document, and to pursue means work, and in our case, it means team work, and more team work.

Therefore if the few remarks that I am going to make here will cause you to renew your determination and perseverance in team work we will be well on the way to not only a plan but the working out to a successful conclusion of any plan we adopt.

The best way to formulate a plan is to review the past, and we don't need to take much time reviewing ancient history, because it is not the ancient but rather *recent* history in cheese making, the reactions of which, make it imperative that we not only have a plan but work it thoroughly and with a determination that will not be denied.

It was right here in Fond du Lac County that Wisconsin cheese making got its start nearly 80 years ago, A new industry was born and was destined to spread to all parts of the state as the registrations at this War Problems Conference and Annual meeting of our Association will attest.

From the start of that one factory cheese making increased to a maximum of over 2800 factories, and there are many in this room today that know they were all prosperous. The early cheese makers had the additional problem of selling their product, either to the consumer or at least to the retailer. This system of marketing was soon improved upon by the ap-



pearance of Cheese Dealers, Hundreds of them, Men who had confidence enough in the cheese business to invest their money in an effort to properly cure the cheese and move to the consuming public all over the nation. A job that the cheese maker did not have the time nor the money to take care of.

As time went on, like in any other business some of these cheese dealers were able to handle more of the product than others and consequently soon became dominant in the field of assembling and distribution of cheese, which naturally resulted in the going getting too tough for many of the smaller fellows, many of whom passed out of the picture or sold to the big fellow.

Later at about the same time two of these large companies discovered a way to process cheese and put it up in small neat packages, both applied for patents on the process, and both claimed that one was infringing on the others rights. Lawsuits and counter lawsuits were started, but were never tried, because those two big fellows got together and apparently said in effect what is the use of us fighting about this, it is big enough for the both of us, so they merged, and all the lawsuits went out of the window.

Soon more of the small independent dealers went by the wayside or were taken over by the big combine and the assembling and distribution of Wisconsin cheese and in fact all cheese was controlled by the large corporation and its subsidiaries. Only one branch of the cheese industry remained, independent, and that was the actual making of the cheese, which statistics show included about 2500 factories.

Since that time history also shows that many of our cheese factories have fallen by the wayside and from a top of over 2800 we now have barely 1700, and it is an admitted fact that many of them are in a bad way financially and from a production standpoint. In other words the same trend is taking place that by a process of elimination the control of assembling and merchandising was placed in a few corporations the control of production seems to be next on the list.

More recent history resulting from the war effort and the great need for cheese by the Government, and its determination to get what cheese it needs by regulating the production, assembling and distribution of cheese is causing such a definite change in the production of Wisconsin cheese, as to cause one to wonder if the whole plan of Government regulation isn't a part of a well prepared and deliberate effort to get control of the production of Wisconsin cheese, in the guise of winning the war. We didn't have any dollar year men in Washington when these regulation programs were being prepared and it looks a lot like we were going to pay a pretty penny for not being in on the ground floor at the proper time.

This is particularly true of MPR 289, the price ceiling and subsidy order, which does not place a ceiling on prices paid for milk (obviously because somebody is afraid of the farmers) but which does place a ceiling

on the price that the independent cheese maker can receive for his product, and consequently a ceiling on which he can pay for milk unless he chooses to dig into his own pocket and go broke winning the war. The set-aside order too which results in the inability of cheese dealers to have enough cheese to supply their regular customers creates a mad scramble on their part to get a hold of more cheese regardless, even to the point of buying cheese factories that happen to be shipping to the other fellow. During the past couple of months over a 100 sales have been made, the purchasers being one or more of the large cheese dealers. Creating a condition that will easily result in production control of cheese in Wisconsin.

So much for history old and new, now about a plan for the future, and I am taking it for granted that you are going to do your part in making a plan work. You know as well as I that if God himself performed a miracle right now and placed in my hand, a plan that only he in his divine wisdom could make perfect, and if that plan included in its provisions the injecting of a lot of the milk of human kindness, and the spirit of tolerance for fellow beings into the veinless organs or workings of soulless monopolies and corporations, that plan would fail unless it also provided a means for compelling every individual in the production of cheese to do his part in its fulfillment.

Of course plans for the future face the additional hazard of being sidetracked now on account of their being affected by a single order issued in Washington without a moments notice, as several Federal men in the audience can testify.

I believe that in any plan for the future we must take full cognizance of the immediate effect of the war effort on the present as well as the future status of cheese makers, I believe further that the record that Wisconsin cheese makers have made on the food front, merits the full confidence of all cheese dealers as to just what contribution they hope to make for cheese makers by the purchase and operation of so many cheese factories.

I believe further that this confidence should come voluntarily, and if not, then a way must be found and at once to forestall the surrender of the independence of the production of cheese in Wisconsin, even to the point of every member of the Department of Agriculture, Members of the Legislature and last but not least every farmer whose milk goes into cheese, being thoroughly informed of this trend in production in ample time to decide whether it appears to be for the best interests of all concerned or for the best interests of a few corporations.

Certainly plans must include a more vigorous and determined effort for the removal of Government orders that brought about this opportune time for control of the production of cheese to be snatched away from us, plans must also include more attention to the marketing of our cheese, even to the extent of drastic changes in our present and immediate market connections.

These details will require the study and recommendation of those among us who are well qualified to work them out, and it will be our part to stick to and fight for such recommendation with all our might. Have no fear that such a program backed up by the big majority of Wisconsin cheese makers right now wont command respect.

I want to repeat a few words that Jeff Davis the Hobo King said a short time ago. "People can learn a lot from bananas, Bananas grow in a bunch, the older and stronger ones on the outside, shielding the others from the elements and the storms, bananas grow as a unit the strong protecting the weak, all reaching up toward the sky for warmth and sunshine. The same spirit of cooperation and mutual helpfulness is what makes any organization strong."

Here is the real solution of all our problems, the only possible way of having a plan and working it. Every cheese maker in Wisconsin must realize that alone he must fall sooner or later, and in unity there is strength. There is no other place for a cheese maker to look for help but to his State Association. Surely you will admit that our officers are capable, and when officers and members work together nothing is impossible. Cooperation spells success, and the only way to speed success is for each member and that means you, to do more right now about getting that non member in your neighborhood to be a member.

In closing I want to say that just as our nations war effort is the sum total of the peoples willingness to sacrifice and to work together, so too your organization is the sum total of the enthusiasm and contribution of its individual members. Lets keep that enthusiasm riding high and get our contribution into high gear and each one of us see that he produces just one new member.

Just the other day I read a little squib about a newly inducted private who wrote home and said that although he had only been in the army 3 days he gained 60 pounds. 1 pound of flesh and 59 pounds of equipment.

Fellows we have a fine membership now but we can do even better than that private, if you will do just a little bit about doubling our membership, we will not only put on weight but increase our power for use in the places where it will do the most good.

Remember that even a banana once it gets separated from the bunch gets skinned.

**PRESIDENT KOPITZKE:** Thank you, Horace. It was a very fine speech. Now, we have another gentleman who was certainly responsible for the success of this organization for the last year. I know you are all going to be glad to hear him, and I am very happy to present my pal, George Mooney, Executive Secretary.

## ASSOCIATION AIMS AND ACTIVITIES

Geo. L. Mooney, Executive Secretary

Mr. President, members and guests: We can only construe your attention, your patience and the large number in attendance as evidence of the interest you are taking in the problems we face.

I have had occasion to remain near the registration desk during the day and I am pleased to report to you that we have possibly eleven or twelve states represented in the room, reaching to California and including Ohio and I believe there is one from New York and there are two from Pennsylvania. I am assuming they too were interested in the problems we have as a state, the way we are handling our problems and which may help them solve theirs. There is more than one dairy state in the Union, and to those men from out of the state—I speak for our Wisconsin Association—we are glad you are here and we want you to feel welcome.

In reporting on the progress of the association for the past year—(I know you are tired and it is getting late,) I have tried to make it short and to the point. I am reminded of the old philosopher who wrote to his friends. He wrote a long letter, some twenty pages and he wound up saying: "I am sorry I wrote such a long letter but I didn't have time to write a short one".

It is easier to make plans than it is to execute them. When you met here a year ago you were making plans to further strengthen the Association, to expand its activities and increase its service to members.

It was my privilege to confer with your officers and directors in the discussion of plans for the coming year, which carried important and far-reaching changes.

During the past ten months we have tried to execute them. Reporting what we planned and what we have accomplished should not be called boasting.

We planned a year's program calling for a budget of \$23,000. Our receipts exceeded \$35,000, and there is over \$15,000 on hand today.

We planned a membership the first year of 300,—we have nearly 800, representing over a thousand Wisconsin cheese factories.

We planned to represent Wisconsin cheesemakers and the cheese industry of this State at all State and Federal conferences and meetings; we have, and, more important, have been assigned official representation on the National Cheese Industry Advisory Committee by the appointment of your President, Len Kopitzke as a member,—and on the Wisconsin State Board of Agriculture by the appointment of your Director E. F. Horn as a member. So your officers have not only attended conferences, but were present in an official capacity.

In all things we have sincerely tried to carry out the one promise we made to you a year ago: "If the cheesemakers take a greater interest in their Industry, they will exercise a greater control over it." This you have done.

Your problems with labor and Selective Service have received every attention, and may it be said to the credit of State Selective Headquarters and the Local Boards,—both have welcomed our assistance in all cases in an effort to avoid a shortage of experienced cheesemakers.

There are many so-called "one-man" cheese factories in this State; in these cases State Selective Service Headquarters has authorized the Wisconsin Cheese Makers' Association to file a "Form 42-A" on behalf of such cheesemaker, so that the over-all State picture may be kept before Local and Appeal Boards at all times and cases properly prepared and presented.

Many of your problems are the unavoidable results of necessary emergency for the proper conduct of war,—to these we have no objection. We do object to orders, the provisions of which defeat their own objectives. Yes, I am referring specifically to MPR 289,—An emergency order so drawn that it ties the hands of an industry while it protects those who would take that industry away from its owners,—an emergency order so drawn that it places the surplus cheese producing area of the nation under a direct dollar and cent penalty, costing the cheese industry of Wisconsin over \$3,000,000.00, and then proclaiming that the industry is enjoying a subsidy and incentive payments intended to increase production,—every pound of increased production of cheese in Wisconsin increases the State's loss, but we continue to produce so as to speed the day of victory.

Our objection to this order and its "Plymouth Plus" provision has been constantly presented to proper officials with petition for relief, but we can report none to date. We shall not cease firing until we win this point.

The freedoms for which this war is being fought gives us the right to voice our views. Well, let's comment on one more order.

Joined by millions throughout the dairy world, we celebrate the one hundredth anniversary of the birth of Dr. Babcock, who fifty years ago gave to the dairy industry a method of testing the butterfat content of milk. Today the price is based on butterfat,—either a price per cwt for 3.5 milk or a price for butterfat. Now we are handed another subsidy order providing, in this State 30c per cwt of milk without regard to the Butterfat content. The Wisconsin farmer is honest, but why tempt him to water his milk. My only reason for so referring to this order is to emphasize the lack of industry knowledge and experience shown in its drafting.

It is unnecessary to enumerate now all the separate instances which have unnecessarily interfered with your work the past year, but it is necessary to report that none have been too small for our attention, not too large to challenge.

For the twofold purpose of reporting and recording, it pleases us to report the full cooperative support of our U. S. Department of Agriculture, Wis. Department of Agriculture, our State College, members of Wisconsin's Congressional delegation, Governor Goodland and the members of Wisconsin's Legislature,—they have earned honorable mention. **We regret we cannot name officials of OPA, who permit the continued discrimination against Wisconsin and who have the power to remove it.**

Let us hope the action you may take at this Conference will succeed in securing early relief,—but may it be said to your everlasting credit that until this war is won, you will continue your excellent record of production and receive the recognition being given soldiers on the "Foot Front" which many have already received.

The splendid moral and financial support of the Active and Associate members is the yard stick by which we measure our progress,—past, present and future. The cheese industry, yes the dairy industry, is indebted to each single one, because each has multiplied his opportunity for good by joining with others in a common cause.

**PRESIDENT KOPITZKE:** I certainly want to thank you Mr. Mooney. The applause certainly tells how much they like you.

Now, how about the amendments? Mr. Mooney will read the amendment that was adopted yesterday at the council meeting.

**MR. MOONEY:** A resolution recommended for adoption at the annual meeting.

"Resolved, That Article IV of the Articles of Incorporation of the Wisconsin Cheese Makers' Association be amended increasing the Board of Directors from five to nine members, three to be elected each year for the term of three years, (except the 1943 election shall elect four new directors for respective terms necessary to balance the expirations); and that the officers of the corporation shall be elected by the Board of Directors following the Annual Meeting:

"That when so amended, Article IV shall read as follows:

#### ARTICLE IV

'Section 1. The Board of Directors shall consist of nine members, three of whom shall be elected each year for the term of three years. The election of Directors shall be by ballot.

'Section 2. The general officers of the Corporation shall consist of a President, Vice President, Secretary and Treasurer, who shall be elected annually by the Board of Directors.' "

PRESIDENT KOPITZKE: This was read yesterday. Do you have any questions you want to ask about the amendment to the article? Any discussion?

I wonder if the members of the Resolutions Committee have any announcements they want to make?

MR. MULLOY: Mr. Chairman, the Resolutions Committee have taken that up with me and they are to meet immediately after the banquet in Room 342.

THE PRESIDENT: What is your pleasure with reference to the amendments to the articles?

MR. RAASCH: Mr. President, do I understand you are going to vote on that resolution today?

MR. MOONEY: You cannot vote on it today.

MR. RAASCH: Ladies and gentlemen: I have been a member of the association and I represent a certain group of cheese makers in the northern part of the state, and I think we should have ample time to think this over. You heard the speaker here this afternoon, what the association has done, and I believe we should continue to build it up. Every big corporation is doing the same thing about its board of directors and they in turn elect the officers between themselves. In the big corporation you invest your money and after that they determine whether they are going to have six representatives or eight representatives. Are we going to lose control of our state organization?

The reason I said this—we built up this organization up to the present time to what it is today. Are you going to tear it down. They must have been satisfied with the present set up. I want to say this: We have run this association 52 years. Are we going to run it now on a different basis? Certain members from my district are not in favor of it and they are afraid to speak up, and I am here to tell you the way I think about it and the way certain cheese makers think about it. They are satisfied with this present set up and I wish that all the members before they vote consider this. I still believe that the resolution there calls for a recommendation and that recommendation should be discussed here today and voted on tomorrow. I make a motion that we table that resolution.

(Motion seconded by a member).

PRESIDENT KOPITZKE: A motion has been made and seconded but we are glad to have some more discussion. If anybody has any views on this, I would like to hear from them. I know last night I was criticized,

whether we were going to try to centralize this power. I believe we should go slow in a movement like this and don't do something that will not have the approval of the members. We want to hear from you whether you are for or against this. I am glad to get your views on that.

MR. ZIETLOW: I can't see how it makes any difference. I think that power you should have; I can't see where it makes any difference.

PRESIDENT KOPITZKE: Any one else? It has been moved and seconded that this be tabled. Are you ready for the question? Do I hear any more discussion.

MR. MARTIN: I think there is no one in the room that would be for it. It is a job that took 52 years to build up and we certainly want to put our shoulders to the wheel and keep on building up. If I know anything about parliamentary rules, every officer is according to the by-laws a director. If I was an officer of the organization you would have a right to vote me out if I wasn't doing the right thing. It doesn't make any difference to me whether this resolution is adopted or not but I think it is only fair as the president said that we should give it consideration and not be too hasty.

PRESIDENT KOPITZKE: I feel the same way. I don't care which way it goes, but I don't like to see anything done in a hurry today. I feel it would be wiser to move rather slowly.

MR. FRED HEIN: Ladies and gentlemen, I appear for a group of makers in Dodge county. This all came kind of sudden yesterday. We had a little bit of a time to talk it over and think about it and we are opposed to changing this thing for the simple reason we cannot elect a president that we would like to have, and I don't believe that any of the cheese makers would like to have that taken away from them. It don't make no difference, may be any man on the board makes a fine president but we don't want to have to stand back in future years and holler we want this fellow or that fellow or something like that, and I talked to these boys and I believe it should be tabled. I thank you.

PRESIDENT KOPITZKE: Thank you, Mr. Hein. Any more discussion? If not, it has been moved and seconded to table it. Any more discussion on it? If not, all in favor say aye?

VOICES: Aye.

PRESIDENT KOPITZKE: Contrary?

(None).

PRESIDENT KOPITZKE: Motion to table the resolution is carried.

MR. MOONEY: The council meeting yesterday recommended a readjustment of the dues. We passed out the schedule at the council meeting and here is what it means. The licensed cheese maker employed



by an operator would be reduced from \$25 to \$12.50 and the \$12.50 would include the Cheese Reporter and the dues in the local association of one dollar. The next step from zero to 1.5 million pounds is raised to 2 million at \$25.00. The bracket that starts at 3 million for \$50 is raised to 4 million. The bracket which stopped at 7 million for \$75, over 3 to 7 at \$75 is now 6 million, \$75; from 6 to 8 would be \$100. Then from 8 million up to 18 million pounds of milk per year at the plant would be \$25 for each two million pounds. So the changes are the larger plant over 7 million is graduated and over 18 million and below that has been a reduction in dues. Adoption of this schedule was recommended by the council meeting yesterday.

**PRESIDENT KOPITZKE:** I think it was a good recommendation too. That was endorsed unanimously yesterday and the last board meeting did so, too. We felt it was a more fair schedule of dues.

**MR. EMIL MARTIN:** I move the adoption of that motion, Mr. President.

Motion seconded.

**PRESIDENT KOPITZKE:** It is moved and seconded that this motion just read by Mr. Mooney be adopted. All in favor say aye.

(Motion carried).

**PRESIDENT KOPITZKE:** There was something brought up yesterday about the ballot, just the method of balloting. You can ballot anytime. The ballots are prepared, I understand, and if you want to you can use them.

**MR. MARTIN:** The reason for that was that some of the makers may be able to attend this convention just the first day and not the second day. Supposing the meeting is held on the last day or the last session, a lot of them can't be hear and that is the reason that is recommended.

**PRESIDENT KOPITZKE:** Do I hear from somebody else on that?

**MR. MULLOY:** I would like to say just a word Mr. Chairman, this is the recommendation made by the board of directors after careful study. A lot of you fellows get here for the council meeting and you are here today but you have to get back tomorrow before the business session. And naturally you don't have any voice. The adoption of this resolution would make it possible at future conventions—we would be able to open that ballot box and any member who has got to leave can cast his ballot and they would have their nominees in there. That would make it possible for anybody attending the convention to cast his ballot before he goes home. It is too late for this convention. If it is adopted here we could open the ballot tomorrow morning. That is up to you. I would like to see that amendment to the by-laws put over here to give us all an opportunity to vote at future conventions.

PRESIDENT KOPITZKE: Did you make that motion before?

MR. MARTIN: Yes.

PRESIDENT KOPITZKE: Is there a second?

(Motion seconded).

PRESIDENT KOPITZKE: It has been moved and seconded we adopt that system of balloting. Would you want that effective tomorrow?

MR. MARTIN: Yes.

(Motion put to vote and carried).

(After awarding of door prizes, which see elsewhere, the meeting adjourned to Thursday morning, November 11, 1943, at 10:30 A. M.)

### BANQUET

About 500 members and their ladies attended the convention banquet in the main ballroom of the Retlaw Hotel.

With President Kopitzke presiding, the introduction of distinguished guests was followed by the evening's program which was one long to be remembered.

The Kraft Choral Society of sixty voices under the direction of Thos. Bailey furnished a program of song which was more than appreciated, and left the stage with the audience calling for "more."

The speaker of the evening Rev. C. Parry Jones of Sheboygan gave one of those after dinner talks on the problems facing society which have already made him famous with his listeners and a growing radio audience.

The evening continued with dancing to the tunes of Walter Blankschien's Orchestra, until "Home Sweet Home" informed a capacity crowd at midnight, we have reached the end of a perfect day.

### Thursday, November 11th, 1943

PRESIDENT KOPITZKE: Gentlemen, will you please come to order. I am really surprised to have as many here this morning after the dance. I understand that some of the boys didn't have enough dancing and they went out on the concrete.

We will first have the drawing of the \$10 door prize offered by the Northern Produce Company of Manitowoc.

(The following names were drawn:

- C. W. Stange, Elkhart Lake.\*
- Harold Schmidt, Cascade.\*
- Val. Kahlman, Malone Wis.\*
- Erwin M. Neth, Fredonia.\*
- Paul Viktora, East Dubuque.\*
- John Inabret, Randolph.\*
- Ed. Lensmire, Cascade.\*
- Martin H. Stecker, Manitowoc.\*
- Otto Olm, Malone (The winner) (\*Absent).

Now gentlemen, you know for sometime, at least a lot of you know, that some of the federal men seem to think we don't have the right kind of a grading system in Wisconsin, although we do think the world of it. We have been thinking of changing those grades for a great many years. I was talking to J. W. Moore last night and when I think back at least several years Mr. Moore at that time showed me some tentative grades that they planned on putting into effect. It has started again and the U. S. has some tentative grades and are thinking about making them permanent. We have had different meetings in the past on this and we felt it should be left at least for the duration and until proper hearings were held where members interested in it could be heard.

We are fortunate, indeed, to have a man down at the University of Wisconsin, whom we all know, who made a very careful study of this and we are fortunate in having him with us this morning, he is going to explain the federal grading set up. I am presenting to you Dr. Price of the University of Wisconsin.

### U. S. TENTATIVE GRADES

Prof. W. V. Price

I want to congratulate you men on the type of war problems conference you are holding. I have heard a lot of comments about it just in the short time I have been here this morning. I am sorry that I wasn't able to be here yesterday. I feel that I missed a great deal.

It is always a privilege to be here with this group, and it is an especial privilege to talk to you. I see a lot of my former students in this group today. I am going to leave it to them to start cheering at the proper time.

I want to talk to you about these tentative grades. I talked to a number of groups in different parts of the state already this fall. I know that some of you people were there at one or another of these meetings and that you heard me say some of the things I want to say today. That perhaps ought to cause me to apologize for carrying on. On the other hand it doesn't. If there were a half dozen people in this room who have not considered these tentative grades before, I still consider the trip and the time it takes to come and talk to you about these matters more than worth while.

This whole business, so far as I am concerned, started last April. About the middle of the month I was in Chicago and I met Mr. Harry Wilson, who is now with the Food Distribution Administration, at a small group meeting there. In the course of our conversation Harry—I feel I am entitled to call him Harry because he is a good friend of mine—pulled out a typewritten copy of the tentative grades and showed it to me, and said: "What do you think of these grades?" I thumbed through five or six pages of typewritten material and ventured a few casual remarks and

asked him what he is going to do with them. Well, this is something I haven't mentioned before. Harry said, I am taking them around and showing them to fellows to criticize (these grades) and I am going to publish them.

At the end of the month, April 29th, the tentative grades were published, and in the meantime Harry had been in the state frequently. He had seen perhaps, Oh, I should think three or four people in the state whom he talked with about the grade, apparently not much more in detail than he had talked with me about them, and I didn't think that was enough. A manuscript of that length is nothing to talk about briefly. It is something that has to be studied. So on April 29th, 1943, the Food Distribution Administration released these tentative grades. How long was it before you saw them. I bet you never saw them until the Cheese Reporter or the Cheese Journal published them in the last month. They were not distributed; they were not shown to the industry that is concerned with those grades more than anybody else. I think that was a serious omission on the part of the Food Distribution Administration which prevented the people most concerned from seeing the type of rules and regulations which now or later or now and later they will be expected to operate under.

These tentative grades, as I see them, are a revision of the U. S. D. A. grade. They were published back in 1933. They were not used, however, until they were revised and shortened and their revival, I feel, was primarily the result of the grading mess, if you want to call it that, and I do, which we were in a year ago last summer or spring.

These tentative grades consist of four grades, each grade with two names, and in addition to the four grades a "no grade". Each grade has three subdivisions, specifications in each of these grades, the cheese of different ages. The grades do not include Colby or soft curd cheese. They are just for straight American cheddar. Some of you men and women are interested in the Swiss cheese business. You say these grades are only for American cheese; I am not particularly interested in that. Don't fool yourselves. I talked to Harry Wilson about ten days ago and he casually stated that he was visiting in the Swiss cheese areas and was getting ready to write specifications on Swiss cheese and on Brick cheese just the same way, I judge at least, that the grades were written for this American cheese industry. If you had any idea as a Swiss or Brick maker that you were not concerned with this tentative idea, then just listen to what we have to say.

When they released these grades they said, let's have the comments of the industry because the recommendations should be useful in the making of these grades. So I would like to state these comments, favorable and unfavorable, because I have some things I want to tell you that I like about these grades as well as things I don't like. I would like to say

then without any bitterness and some congratulations to Harry Wilson, who for a single man did a splendid job in writing up these specifications, but this is not a one man job.

I think you all admit grades are necessary. We have got to have them. We need them because first of all they establish the value of cheese. No one wants to take on a cheese that isn't going to stand up in storage. Grades help us in quality and value. These U. S. tentative grades, there are four grades and the no grade, as I said, they do not match our Wisconsin three grade system.

Should we have four grades? Personally I think we can use four grades. That may not be your personal opinion. Now then, there is every reason in the world why you should get along with three grades rather than try to institute the fourth. We have no place to go if we wanted to establish the fourth grade so far as our price is concerned because we couldn't get any more for it, but I still think we should have four grades. In that respect I am in accord with the outline of the United States tentative grades.

But if we have four grades and are arguing for four grades, what are we going to do with Wisconsin's three-grade system. Are we going to alter it or are we going to ask for a change in the tentative grades to make a three-grade instead of a four grade system. I suggest we have a three-grade system here in the state operated in conjunction with the four-grade system for cheese sold outside the state. It just means one thing: You sell on three grades and the cheese that moves into commerce on four grades, in the top grade there is an up-grade which will be responsible for a difference in price, we assume, if it is permitted to go on. I tell you why: U. S. No. 1 minimum requirements are practically identical to the minimum requirements of the Wisconsin State Brand. Above U. S. No. 1 in the tentative grades is the fancy grade, and this fancy grade comes out of our Wisconsin state brand.

We are in, as I see it, for some fancy arguments if the dealers buy on a Wisconsin three-grade system and sell on a U. S. 4-grade system. I don't think the people in the state are going to take it very nicely. It is a problem for you and for the men to administer. It is a problem for all of us who are concerned with this particular situation. We have the alternative, we can accept the U. S. grade, we can accept the up-grade if that is in order, or accept just the Wisconsin grades.

Now, I would like to ask you this question: What is the idea in the tentative grades or having two names for every grade. U. S. No. 1 is also a U. S. A, and U. S. fancy is also U. S. AA grade. In that same connection, what is the idea of including a medium short aged as well as fresh cheese specifications in these tentative grades. Friends, the only thing I can see behind the letter names attached to the grade, including the medium and aged cheese specifications is an attempt to make consumer grades a practical

thing and attempt to make consumer grades practical. The issue as I see it is this: can we define consumer in the same grades or terms as we define the value of cheese for industrial uses. I don't believe that you can.

The fellow who wants to eat an open cheese, if he knows what the letters mean insofar as real quality is concerned, is not going to be satisfied with the grade that is put on the open cheese. Do you think so? If a man wants an off-bodied cheese to eat, is he going to be satisfied with the inferior grade letter on that particular grade? He won't like it. You can furnish your own examples of what the reaction of the industry would be under such a circumstance.

The next issue is, can we use the same grade marks for the primary mark, that is the cheese from the factories to the dealer—can we use the same grade marks when we try to identify the cheese for consumer uses? I don't believe we can. One reason alone we can't do it is because the cheese must be marked and when it is graded for moving from the factory to the dealer there are changes in grades sometimes when that cheese is held in storage. Then comes the problem of changing the grade mark on the brand to suit the other classification. What are you going to do with the old mark. That mark is put on the bandage to identify the cheese. It is so marked that there won't be an illegitimate trade somewhere along the line, whether it is buyer or seller. That grade mark is on there to stay. I don't believe we can have the same grade marks apply both to the cheese grades that are put on it for the market and the cheese grades used for the consumer. The alternative should be this—let's forget the consumer at this time in writing these specifications. I think consumer grades are all right so we can identify them. I am satisfied with that if there were a way to define the cheese so that we can do that. With this sort of a system I would be satisfied. I don't see with these specifications we have how that can be made to work.

I would like to ask you: Are these grades practical; are they easily remembered; are they useable. Our Wisconsin grades can be printed on a piece of paper that size. There are only three—they are brief, they are useable, and easily remembered. You men working with these Wisconsin grades can almost repeat the definition. The U. S. tentative grades occupy five pages of printed material about that size, and then there are three pages more, printed pages of matter.

Last year we had some of the best graders working—not theoretical graders—working at cheese, in different parts of the state. We might expect with the training and the experience which these men have had that they would be quite unanimous in their opinion of the cheese which was exposed to their view. That was not so. About one-third of all the judges or graders who looked at that cheese disagreed with the majority who looked at it. That, gentlemen, is on the set of specifications which occupied no more space than that, which includes three grades with two borders.

Now, we have four grades and in addition to that in each of these four grades we are going to have three subdivisions with two borders in between for argument and disagreement. I believe these grades can be simplified.

Perhaps one of the excuses for my talking on this program is because of the fact that I happen to be chairman of the committee on cheese of the American Dairy Association. Some of us are more concerned about tentative grades. We talked it over and decided that something should be done about it. We invited members of the industry, some of them members of the association and some not, to meet with us at Columbia, Mo. and discuss this matter. Harry Wilson was there as well as some of the other men from the Food Administration. We argued quite a bit but didn't agree on very much but we did agree on some things. First of all, we agreed that the four of the tentative grades was too complicated—that they should be simplified. The agreement wasn't unanimous, of course. Secondly, the majority agreed that there should be the same number of grades on the primary and on the consumer markets, if the consumer grade was to go through, and they did. The group asked that hearings be held to write the specifications of these grades. These recommendations were sent to Dr. Tom Stitz of the Food Administration and he accepted them and said that they should prove useful in their consideration.

This committee or committees, because there were two of them, a committee on cheese and a committee on judging dairy products, drew up with the aid of the members of the industry a simplified form of grade and this simplified form has been reproduced in some of the trade journals and in the Butter and Cheese Journal, and so forth. That simplification indicates the possibility of taking a complicated grading system and reducing it to a minimum or reducing it to a form which can be given on a sheet about that size and include all the necessary specifications apparently that are required.

Your association has been active in this particular field. There has been considerable interest apparently in the local meeting. There has been a definite interest on the part of the directors of your association and these meetings, this conference and this interest has resulted in an approach to the authorities at Washington by the officers of your association. They were sure that these grades would remain tentative for the duration—but what then?

It seems to me that the agreement or the assurance that these grades will remain tentative is simply a period of grade, if you choose, during which it is up to you as members of the industry to take any action that you think is necessary, any action that you choose to register your approval or your disapproval or to make any recommendations that you may have in mind concerning these tentative grades. We would like to see personally the grades and specifications set the democratic way. This cheese family

is not all one happy family. At some of the meetings which were held that was illustrated very well. Men representing different branches of the industry come together ostensibly and for the purpose of sharing their ideas of clearing the atmosphere of disagreement or coming to some common base or understanding concerning these grades. The results were not so fortunate and not so happy in the meeting of the mind—or put it this way: there was a lack of meeting of the minds, all of us afraid of offending the person over here, even though their interests were not the same. Meetings like that are useful; they are necessary but they do not correspond to the type of hearings which are held in the formulation of differentials of our Food and Drug act. These grades do not come under that act—I don't mean to say that, but the hearing which is held to formulate differentials for foods can be held directly to the setting up of these tentative grades. There should be hearings at which you and I and different people who may not come to this meeting today, the consumer, the men in our state regulatory bodies can all get together and say this is my idea. I think this is the way it should be done, though he might disagree absolutely with the next man who appears at the hearing, he still had his say and the arbitrator at that meeting can then take those facts and put them together and make a set of specifications which come from you—and by you I mean the industry as a whole, not from one group or from another small group, but from every one concerned who has been working under these grades. That is the democratic way of doing it.

After those things have been brought together from the bottom, if you choose, and developed and grown, then they can be published and corrections made in an orderly fashion if it is necessary to do so. That is what I call the democratic way of getting at these things, to have a system of grades embodied or given to us. Taking it away is not the democratic way of doing it.

PRESIDENT KOPITZKE: I certainly want to thank Dr. Price and we are very fortunate in having some one like that working on this. Have you any questions to ask Dr. Price on these grades? For instance, the age process or undergrade got me. Will you tell a little about that one, Doctor. There are three or four grades for the undergrade?

DR. PRICE: Three.

PRESIDENT KOPITZKE: I don't know whether we want to specify grade for undergrade.

DR. PRICE: That came up at this meeting. It can be simplified if they don't set the requirements for the upper grade.

PRESIDENT KOPITZKE: Then they also have no grades.

DR. PRICE: That is a funny one. It is labelled, this cheese may be edible or inedible with no grades on and an inclusion in that grade of cheese which has only one flavor, kerosene, gasolene, and so on. I don't know whether you consider that edible or not, but there are other cheeses inedible and that was a long definition too.



PRESIDENT KOPITZKE: Have any of you any questions to ask Dr. Price? I think it was a very good suggestion to offer that recommendation and I thought it would be a good idea to have a resolution along that line. We did have a resolution in Milwaukee on August 25th not to make it permanent until after the war, and then have a proper hearing. We don't want to have something happen like 289 where they said numerous hearings were held. When Mr. Mooney and I were in Washington at one of our trips and discussed this, we asked them to name just one conference and we are still waiting but we haven't received the date and place where that conference is to be held. We don't want that to happen with grading.

I want to say again, Doctor, we are mighty glad to have you as chairman of this American Grading committee of the Dairy Science Association. I want to thank you again.

DR. PRICE: You are welcome. Just one other suggestion: I would suggest that this group might furnish a committee or get together a committee of cheesemakers or members of the association who might want to consider this plan and make changes and eventually when you are ready to hold a hearing you may have as a result of these committee conferences definite recommendations to present to such a hearing. I wouldn't let the matter go too long. The tentative grades are tentative, that is true, but the tentative grades of today are the permanent grades of tomorrow and they could make them permanent just like that—nothing there could stop them.

PRESIDENT KOPITZKE: Now we have two more men on our program but as you notice that a lot of the fellows weren't here, both of these men are with the federal departments in Chicago and I would like to know though what your pleasure is. It is ten to twelve and whether we should have those speakers this forenoon or rather wait until this afternoon. I have heard both of them, it doesn't take them very long and I would like to have a few more men meet them. If you have any problems on subsidy or number one reports, talk to our good friend Mr. Goltz, who is manager of the Dairy Products Marketing Association, and we also have Mr. Blood, who is deputy administrator of the Food Distribution Administration, with us. If anyone has any problems, get in touch with them. I would like to ask them to rise at this time, if anyone hasn't seen them before.

Without any further adieu I am happy to present to you Mr. Goltz, Manager of the Dairy Products Marketing Association. I want to say it is a pleasure to work with Mr. Goltz and I know you will like him.

#### ADDRESS

Howard Goltz, Manager Dairy Products Marketing Association  
Thank you, Mr. Kopitzke. It has always been a pleasure to work with you.

Since last January, Dairy Products Marketing Association has been receiving for inspection and payment the applications of Cheddar cheese factories for subsidy. In those 10 months with a staff of 10 people DPMA has handled 18,896 individual applications covering a total production of 640 million pounds, about 95 percent of the entire output of Cheddar cheese.

For the past year the market values of Cheddar cheese have been frozen at a disadvantage to other manufactured dairy products and in that year the subsidy on Cheddar cheese has become the key to whether or not Cheddar cheese is to be produced.

Under present circumstances, the subsidy must be considered not an incentive payment to encourage output, nor a bonus nor parity payment, but a basic part of the producers income from his production. Actually, the subsidy payment is not a subsidy at all but a payment of the balance due under present marketing circumstances. Without it there could be very little cheese produced.

DPMA, therefore, has always regarded its function of handling the cheese subsidy applications as one of the most basic factors in the cheese production problems.

It has sought eagerly for ways and means to keep the program operating efficiently and with a minimum of inconvenience or delay in the dispatching of the actual payments.

In many ways DPMA has been successful in finding those ways and means. During the past month of October, for example, there were 2112 claims received. Of the total 1250 were promptly approved and drafts in payment were dispatched within 24 hours. 348 more were honored within 48 hours. But on the other hand, 514 had to be returned for further correction or explanation.

It is certainly the basic job of DPMA to carry out an efficient and prompt payment program but there is a further consideration. There is the strictest obligation behind every approval of an application to interpret the provisions of the subsidy offer as accurately as possible. There is also the strictest obligation to conserve the funds of Commodity Credit Corporation. And there is also the obligation to prevent the competitive influences from among cheese factories that might be created by overpayments, underpayments, or even just late payments.

It was for those reasons that 514 claims, nearly 25 percent of all the applications received, had to be returned during the month of October. Not that every one of the 514 was hopelessly incorrect. They were not. By far the largest number were returned for relatively simple corrections or adjustments, changes that could be made quickly and easily, that probably would not have occurred had the cheesemaker been a little more careful in making out his report. In any event, practically all the applications can be approved after one correction or adjustment.

Although first of all it is necessary that the subsidy program work smoothly and efficiently, it is just as important that each payment be accurately appraised, that overpayments and underpayments alike be prevented by the most careful auditing of the claim presented. It is extremely desirable to prevent the subsequent difficulties that inescapably follow an overpayment or the confusion that necessarily follows an underpayment. Such difficulties necessitate auditing of the plants books and records, the delay of compiling the reports—a situation that no plant wants to go through—and one that DPMA certainly hopes to avoid wherever it is possible.

DPMA's subsidy department is laid out like an assembly line. In the first days it was planned differently. It was planned so that each claim as it was received would be assigned to an individual man and he would see it clear through to final payment. But, of course, the process was slow. Each man needed not only a thorough understanding of the operations of a cheese factory, but he needed an adding machine. It was easier to provide the information on cheese factories than it was to provide the adding machine. In fact, we soon ran out of adding machines. It wasn't much later that we ran out of men. And in the meantime, we ran out of time.

To overcome some of these difficulties the department was rearranged, and each operation broken down into specific, mechanical terms. When your application reaches DPMA it goes directly to a coding desk where it is checked in, its different copies stamped, and any accompanying correspondence noted and held out for immediate reply.

From the coding desk the two copies of the blank move down the line to computing machine operators, one copy goes to one operator, the second copy to another. Independently, they check each addition or subtraction on the page, calculate the butterfat content of the cheese manufactured, the yield from the amount of milk used, and the payments made in the distribution of the last month's subsidy. Both copies are then received at a matching desk where two proof readers check the figures and computations on one copy with the figures and computations on the second copy. Any discrepancies are ironed out before the claim goes any further.

From the matching desk the application, attached to the file of all previous applications, is handed over to an auditor. Beginning with the previous subsidy application, the auditor reasons out the operations reported in the current month and if he finds everything in order, he approves the claim for payment, and the application is sent on to another line where the figures are again checked and a draft issued in payment. Of course, if the auditor finds anything out of order, he passes the claim to a correspondent who writes you a letter about it.

Through this adaptation of the assembly line process, DPMA has been able to speed along the payment of the subsidy claim with the most efficient use of men and machines. It has enabled it to hold the administrative costs down to less than  $\frac{1}{4}$  of one percent of the amount expended.

Still with us after a year, however, are some of the same problems with which we started and, of course, we are not very proud of the fact that in some cases we have not been able to find effective answers. For example, the subsidy program is designed to operate on a calendar month basis, and any other basis is bound to cause complications. There are, of course, no objections to operations on a four week basis, nor to operations on a weekly basis. But naturally the figures just don't check out. We found one factory operating on a four week basis this summer, that over a period of time had fallen more than three weeks behind and, of course, it took time and a lot of worry to get each application corrected to bring the operation back in line.

We have, too, many another case in which the individual operations of the particular factory vary so much from the standard that we encounter difficulties with each claim. I'm afraid that in some cases we always will. Naturally, the program must be designed to fit the most normal operation and it therefore will not fit the abnormal perfectly, in spite of all we can do to make it fit.

Our other trouble has been technicalities. Sometimes I think we have been too technical but, of course, an operation based on an assembly line set-up must necessarily be technical. It is difficult to get good judgment and common sense discrimination out of an assembly line. At other times, though, perhaps we haven't been technical enough, and in those cases we have to go back and make audits, correct all the claims, and spend far too much time and manpower in the process.

For these individual cases that have proved difficult, we have open here a conference room for the purpose of discussing any problems that may have arisen in the handling of the subsidy. We will be glad to see you there anytime during the convention, and I assure you we will be glad to do all that can be done to make things work as well as we want them to work.

**PRESIDENT KOPITZKE:** Thank you, Mr. Golz. If you have any questions to ask, we would like to have you ask them now. Now, if any of you have any problems—you have seen him now, just get in touch with him and he will be glad to help you. We asked him to be up here for at least the two convention days which he was glad to consent to.

Gentlemen, it is twelve o'clock. Will you bring up the box here for the door prizes, Mr. Brick.

(Drawing for Prizes)

**MR. MULLOY:** The first five tickets will be awarded a year's subscription to the Butter and Cheese Journal, and you need not be here and the subscription will be mailed to you.

## WISCONSIN CHEESE MAKERS' ASSOCIATION

(The following tickets were drawn)

F. J. Krueger, Marion  
 Louis Wrensch, Menasha  
 Anton Frigo, Lena  
 Leo Roegner, PoySippi  
 H. Barlet, New Holstein

\$2.50 door prize donated by Arcade Bowling Alleys)

Henry Metzger, Fremont (absent)  
 Adolph Heburn, Kewaskum (absent)  
 Roy Benske, Denmark (absent)  
 Otto Hemming, Kiel (absent)  
 Oscar Neuser, Brillion (absent)  
 J. N. Olm, Reedsville (Winner)

(Electric clock donated by Topp Oil & Supply Co.)

Stanley Day, West DePere (absent)  
 Rudolph Streit, Juneau (absent)  
 George Ruppel, Shawano (absent)  
 Charles M. Schneider, Medina (absent)  
 Harvey Doescher, Barneveld (Winner)

(Recess until 2 P. M.)

(Door prizes awarded at the conclusion of the first session)

(One year's subscription to Butter and Cheese Journal)

A. H. Graf, Zachow \*\*  
 Gerhard Lau, Brillion \*\*  
 Leon Greinder, Gilman \*  
 Paul Sartori, Plymouth \*  
 A. J. Rice, Conrad \*\*  
 Atlee Maedke, Sawyer \*\*  
 Elmer Teske, West DePere \*  
 Frank P. Baker, St. Cloud \*\*

(\* Absent) (\*\* Winner)

(Two Steak Dinners, donated by Statson's Cafe)

John Fischer, Boaz

(One Carton of Cigarettes, Arcade Bowling Alleys)

G. C. Riedel, Potter (Absent)  
 Ed. Lensmire, Cascade (Winner)

(Bag of TSP donated by Topp Oil & Supply Company)

Henry Metzger, Fremont \*  
Stanley Day, West DePere \*  
Bernard Schmidt, Elkhart Lake \*  
Otto P. Krueger, Tigerton \*  
Abdon Kolbeck, Kiel \*  
Hubert Bartel, New Holstein \*  
Earl Wood, Chilton \*  
Paul Viktora, East Dubuque \*\*

(\* Absent) (\*\* Winner)

#### Thursday Afternoon Session, 2:30 P. M.

PRESIDENT KOPITZKE: All right friends, we will come to order please. Our first speaker we have on this afternoon I told you a little something about him this forenoon. I want to mention again he is the Deputy Administrator of the Food Distribution Administration, and we are very happy to have him with us and he can probably tell you something about these number one and set-aside reports. I say it has been a pleasure to work with him in the past year as well as it has been with Mr. Golz and others, and we are very happy he is here with us and I am going to present him to you at this time, Mr. Frank Blood of Chicago.

#### ADDRESS

Frank Blood, Deputy Administrator,  
Food Distribution Administration

Mr. President and ladies and gentlemen: I am not very much of a story teller but I did pretty good up at Shawano. You know Mr. Kopitzke is making quite regular trips to Washington and train reservations are pretty hard to get these days, so at the last minute various complications enter in. On his last trip down to the big city Len had a little trouble getting reservations but he came the last minute and got his ticket and by the time he got on his train it was rather late in the evening and they had all the berths made up and he went up and showed his card and he had lower 8. All the curtains were drawn and everything was very quiet. So finally he gets up to 8 and pulls the curtains aside and pulls them back again. There were two girls in lower 8. He looks at the card again and it was 8. So he goes back again and pulls the curtains aside and says, Well, I am very sorry but I am Leonard Kopitzke; I am president of the Wisconsin Cheese Makers' Association and a member of the local Kiwanis Club, a member of the school board and an elder in the church. I am a very respected citizen. He says, one of you girls will have to get out of here.

I don't have a speech to make. I certainly have enjoyed the opportunity to be here at this meeting and meet with so many of you that I have talked with you over the telephone; we have written letters to you and we have had letters from you.

In talking over our problem, the major problem today seems to be the reports. When you say reports to a cheese maker you immediately get a reaction. We have tried to simplify this report requirement just as much as we possibly can and still give us the information we need. It has been unfortunate that the order had been started so quickly without the amount of preparation that we should have been able to put in it but, being as they are, we tried to do the best job we can.

I would just like to point out one thing that does not seem to be generally understood and that is your whole set of reports that go into box 5910A in Chicago, which is in reality one report with amendments to satisfy the reporting requirements of three agencies, the Bureau of Agriculture Economics, Office of Price Administration, and Food Distribution Administration. If we didn't have this one consolidated report you would have to make a report as outlined by OPA to satisfy their needs. There would be a lot of duplicity on those reports whereas here you file only one set of production figures and then you break down depending upon your operations, two for butter, three for cheese and four for ice cream. That is the background of those reports as they are today.

We have just been able to get into the position where we have been able to cross check factory and assembly reports, set-aside, number one reports, number one reports and subsidy applications, and I think we have covered just about every point we can think of in our last letter to factory operators and their cheese assemblers.

There are two major points being made at the present time, one where your set-aside percentage varies from one month to another. The inventory from the first month is cheese that was set aside during that month and must be delivered in total amount, not carried forward to the next month and apply the net difference in the two set-aside percentages against that inventory. That is the major one.

What does that mean to the cheese factory. It means just one thing, that he is going to have to make sure that his assembler separates his cheese shipment in the new month into those two points and give him set-aside on the previous month's make against that month's report.

The other problem which we ran into but which is not necessarily as large is where they are taking sales on cheese which is disposed of into some other channels than to the assembler. In those instances the assembler has to be notified of the amount of cheese disposed of in that manner in order that he can adjust the amount of cheese that he must set aside to credit to your factory.

Now, those are the two problems. They are hard to discuss in letters. We have had much better results in sitting down and talking to those people that are making those mistakes. The assemblers have notified us of their cooperation in this matter. We have gotten a great deal of these points straightened up but there are always a few that are left that haven't taken care of it. So to facilitate that movement we send out with that factory letter what we call a work sheet. That work sheet is not a required report. If your reports have been made correctly they even up and they come out and balance, then you can forget the work sheet. However, if you will fill out that work sheet, putting your production for each month, calculate your set-aside amount, put in there the amount delivered to the assembler as evidenced by your delivery certificates, add your deliveries and subtract that from the sum of your set-aside column, that should give you the inventory which appears on your report at the end of the last month that you have used on that work sheet. That is one way you can check to find out whether or not your reports are in the balance. We have got a lot of those work sheets back here. There was no necessity of filling them in and sending them back. You don't have to pay any attention to those work sheets if your reports are correct, whereby if you had letters you can correct each monthly report on one sheet and not have to eventually make out each individual monthly report all over.

Now, those reports are going to have to be correct, so let me tell you what we would like to do, is get that cleaned up now and this report requirement can become a routine matter. Please don't hesitate, if you have got any problems, any questions on this reporting procedure or any phase of it, to write us. I find the more correspondence we can get from the people in the field the better our program is understood. Now, we are down here to help you and I think probably every one that has come to us we have been able to solve their problems one way or another, and just remember that is what we are there for.

**PRESIDENT KOPITZKE:** I certainly want to thank you, Mr. Blood. Now gentlemen, have you any questions you would like to ask Mr. Blood? If there is something you want to take up with him after the meeting is over, that will be all right too.

**MR. RAASCH:** Mr. President, I want to ask Mr. Blood a few questions. Do I understand you correct, the problem number one that you mentioned is that where they set aside 70 per cent for the months of June and July, and the factory reported their percentage, supposing it was 10 thousand pounds of cheese and you delivered 9 thousand and one thousand is subtracted the next month from the inventory at the end of the month. That goes into the next month and the next month you reduced the set-aside by 60 per cent. Would that throw off your report or unbalance your report if the assembler reports on 60 per cent instead of 70 per cent and you already have reported the 70 per cent but not the 60 per cent? Is that the duty of the plant operator to specify the amount to be taken off the 70 per cent or the 60 per cent?



MR. BLOOD: That is right. It is your responsibility to notify your assembler at that time that your inventory was one thousand pounds at the end of that month. He will have to set aside that one thousand pounds out of your first shipment to him that next month but that will apply back to cover your inventory. Now why I say that is another good point where we found that there was a lot of those mistakes occurred was the factory over a period of months had never contacted this assembler and the assembler had never contacted the factory. Therefore the assembler was going wrong on the assumption he was getting every pound of his cheese and the assemblers have made a mistake. I don't mean to throw the responsibility entirely on the factory. In fact, the assemblers make mistakes, too. But what you are going to have to do is to segregate that first shipment in the next month between the prior month's production and current month's production, and use their percentages applicable to each month of each part of that shipment. That sounds a bit complicated but once we can get that thing running easily that will merely become routine but it does require close contact between the factory-operator and the assembler at the end of the month in order that both of their records jibe.

MR. RAASCH: Thank you; that answers it. That is the way I understood it, but there was another question I would like to ask and that is this: how about the OPA reports you have to make. Where I made a mistake is, I made my report on delivery sheet on the "P" report but on the OPA I made it on production. Is there any connection between the OPA and the other reports?

MR. BLOOD: By OPA report you mean your report to them.

MR. RAASCH: On production.

MR. BLOOD: You are talking about the number one report. That report is entirely separate.

PRESIDENT KOPITZKE: That is on the points, Mr. Blood.

MR. BLOOD: I don't know a thing about that.

MR. RAASCH: I would like to answer that partly, that simply couldn't be the same on your report if you do what I do. I sell a lot of Swiss and Limburger cheese, that has nothing to do but those figures couldn't jibe. On this other question I think when your work sheet is filled out—I know that I reported exactly as you did and my figures or at least for set-aside was always the same as it was on my set-aside and I mean my deliveries on the same day was always the same as on the set-aside and on the number one report. I filled out that work sheet and they find it raised from 50 per cent to 70 per cent. They will owe me some cheese. I think if you make a report that way for several months and actually find you don't owe any cheese, will that be all right?

MR. BLOOD: That is right.

MR. RAASCH: If you have one on delivery you should have all on delivery and still use your production figures. I tried it last month and it didn't come out.

MR. BLOOD: I am afraid I don't get that.

MR. RAASCH: Let's see, how much was the set-aside last month?

MR. BLOOD: 50.

MR. RAASCH: Now it is 60.

MR. BLOOD: No, 50 last month and 25 now.

MR. RAASCH: On the small amount of cheese I had now, I just took 50 per cent on that so that would be short this month, but when you set-aside, didn't they go up from 50 to 75 per cent one time? Then you will find we set aside too much from May to June, whatever it was. I was only supposed to take 50 per cent of my inventory but we did take 70 per cent. That work sheet you are talking about there—

MR. BLOOD: You may have a credit coming, that is true, but that will merely reduce your inventory by that much credit. We would be glad to give you a credit to get our reports correct. Regardless what it is, whether it is a credit or debit, you still have got an inventory there you can work on and it will only mean our assemblers will have to correct the last report and you won't have to correct those things except the inventory on your last report.

MR. RAASCH: Wouldn't it be much easier if this report also was on deliveries and set-aside, that one figure could be the same on the amount you are supposed to set aside. That cheese is sold in the month where you are supposed to take out the 50 per cent or when it goes up to 70 per cent again, or number one, or the deliveries all could be the same.

MR. BLOOD: Well, you are getting into a technicality for which your government is famous. The order reads you can't set aside a certain percentage for each month's production, and you are not doing that when you apply the new percentage or the difference in percentage against the inventory you are taking over. It may seem a bit cumbersome but we have discussed it with quite a few people and we find when they put that in operation there is nothing to it. Once that understanding is there why it is just a matter of calculating two or three figures and your report is finished. The rest of it the assembler furnishes the basis for.

We have always asked for suggestions in any way so that we could simplify it and still get the figures we need. There is a possibility that could be put into effect but I think that would be a recommendation you might possibly be able to make at the next committee meeting.

PRESIDENT KOPITZKE: Thank you, Mr. Blood. Are there any other questions? If not, I can assure you it has been a pleasure to work with you Mr. Blood.

One of the things here that has caused a great deal of confusion among cheese makers is the trucking of milk is the three per cent transportation tax. I know some of you thought the association was wrong when they made the statement it didn't apply to cheese factories.

Well, last December I figured out the amount of transportation tax which I thought I owed the federal government and I sent in a check with an explanation that I picked up the milk at the farm and I was responsible for that milk if I would tip over and spill that milk. I promptly got a letter back saying that the transportation tax didn't apply to me. I got my check back. A little later they made a new ruling at Washington, and they ruled it did apply to cheese factories. We are very fortunate to have with us this afternoon the Deputy Collector of Internal Revenue, Mr. Hanrahan.

### THREE PER CENT TRANSPORTATION TAX

Leo Hanrahan, Deputy Collector of Internal Revenue

Thank you very much, President Kopitzke, and good afternoon ladies and gentlemen. The subject I am to discuss today as most of you know is a very dry one. The previous gentlemen on the program talked about something to eat, and if they are good story tellers they probably talked about something to drink. However, my subject is taxation, and you put me on a beautiful spot on this program. The previous speaker did a swell job when he talked to you about the reports you had to make out and now I come along and give you a double doze on tax returns.

When I talk about a dry subject I am reminded of an old Irish man down in Boston who heard they were going to try to make Boston a dry town. He had been quite a toper for a number of years and he didn't want that to happen. So there were two factors and they got to working on this thing. One wanted the town dry and the other wanted it wet. So they decided to compromise. They figured if they started shortening the tavern hours they would eventually close them up; so they decided to close the taverns at 12 o'clock. So they thought, the wets did, that this old Irishman would be on their side and they went to him and said: You are very well known, we want you to try to keep those taverns open, so they won't close them up at 12 o'clock. Mike said, I am absolutely agin it. I want them to close at 12 o'clock. Well, they were very much astounded at his attitude and they asked him why. He said: Be jeepers, anybody that can't get drunk by 12 o'clock shouldn't try it.

I have during the last two weeks given talks to farm groups throughout Fond du Lac and Green Lake counties on the problem confronting them on or before December 15th. It has been very commendable the way the farm groups have come out. They indicated their interest in this program by attending the meetings.

During the last few years you and I, every one who has an income, everyone who does anything, everyone who is in business, is confronted with reports and more reports, taxes, and more taxes. They tell us there are two things in this world that we are definitely assured of, one of them is taxes and the other is death, and I don't suppose it makes a great deal of difference whether they tax us to death or we die a natural death. But you can see from that statement my subject is absolutely sound. What I do with it is probably another thing, but the subject is one of fact.

Your president has told you this transportation problem, transportation tax has been giving you some trouble and I know that it has because I have been in contact with a number of cheese makers throughout the territory that I represent. I hope by this time you will have them all straightened out. However, we have not been able to contact them all because of the amount of work we have, especially now during this income tax period.

I am going to give you a word of advice here. If you do feel after you hear this discussion this afternoon that you may be a borderline case as to whether you have a tax liability or not, that you contact your nearest internal revenue office. Make the determination now so that if you are contacted two years from now that there won't be penalties or interest which you will be obliged to pay for a delinquent return.

Now, I can only high-light on the law this afternoon. This subject to be well covered would take two hours, but however the entire subject does not apply to the cheese industry. I am going to refer to the law so that there will be no misinterpretation and if any of you people want to discuss your problem with me here, I will be here until the close of your meeting this afternoon. I am not going to burden you with a lot of technical phraseology; I am going to pick out the high-lights of the law for you.

The section of the law on the transportation tax is Section 3475 of the revenue code, type of transportation. The type of transportation which comes under the act is transportation of property by rail, motor vehicle or air, from one point in the United States to another. The rate of the tax is three per cent of the amount so paid, excepting in the case of coal which is four per cent per short ton.

Now I know at the inception of this law people didn't know just exactly where they fitted in the picture. In a number of cases where the situation was probably borderline and also technical and not covered by law, we asked those individuals to submit their case to the collector of internal revenue for Wisconsin, who submitted it to Washington for a ruling, and I am heartily in favor of that procedure as to whether you have a taxable liability, for this reason: you may go to someone and get a verbal statement and feel assured they are correct. The reason why I asked for a definite ruling myself is this: you get something in your file in answer to

your request. You will have something definite in writing in your file in answer to a request and if a case ever comes up you will bring up your file and the answer you got or the definite ruling from either the commissioner or the deputy commissioner is your protection.

Now, to cover the high-lights of the law I am going to go through these briefly as they appertain to your industry. The first one, of course, is the effective date of the law. The effective date of the transportation law was December 2nd, 1942. Any transportation that was done after that date for hire was subject to the tax. Now, the first item I want to bring up here is the item of registration. Every person engaged in the business of transporting property for hire on or before January 30, 1943, or within 60 days after first engaging in the business of transportation of property for hire, shall file application for registry on form 800. All this amounts to, ladies and gentlemen is that if you have a truck for hire you must register this truck on form 800 with the collector of internal revenue. Another form, 800A, the collector returns to you and goes to your place of business showing you have registered. All trucks operated for hire should have a registry, so keep that in mind.

Now we get over here to the examination of books. That is one of the high-lights of this law. You must necessarily keep records, and the Lord knows, I can imagine how tired you are of keeping records, with this set-aside business and subsidies and all other things you are required to do. However, it is important and let me stress where it is going to be important over a period of years to keep definite records, because you are going to have to refer to them very frequently. So it is just as important to keep your records pertaining to your transportation tax and your income tax and other taxes as it is to know how much you earned or what you expect to earn. And of course, the statute of limitations is four years on those taxes, so you will be required to keep those records pertaining to taxes for four years. And this item here on the examination of your books merely states that the collector of internal revenue or one of his field men may at any time ask for your books so that proper examination can be made.

Then we come to the item, Duty to Collect, Return, and Pay tax. This is very brief. Every person receiving any taxable payment for the transportation of property must collect the tax from the person making such payment at the time the payment is made.

Now, in other words, if you hired a truck or in other words, suppose you are a cheese maker and that you went out and collected milk from the farmers at so much per hundred and you collected the tax from the farmer, you of course, would be obliged to make a return. You are the one who is receiving payment for that. The returns on this tax—the return to be made out is very simple. It is just a small form; it comes in triplicate. You need one copy for your files and you forward the other two copies to the collector of internal revenue or to the local office showing under the trans-

portation of property just the total amount. In other words, three per cent of the total amount that you received for hire. The return itself is very simple. The only thing you have to do is to keep records to show how you arrive at any amount of tax.

Now, I am not going in this afternoon to discuss transportation of persons because you are not involved in that particular item in the industry. You are concerned with the transportation of property. There are a number of people in the cheese industry that have written Washington asking to have a clarification of the situation. I have the rulings submitted to the cheese makers of Wisconsin. In one case a cheese maker wrote in and said that he had owned a truck and he went out and collected milk from a farmer for which he paid 8 cents per hundred and took the milk to his factory. Then he found, he went on to say, when the cheese was manufactured, he transported this cheese to a certain destination and he wanted to know whether the tax applied on either operation. The answer to that, of course, was that in picking up the milk that operation was considered trucking for hire and a tax was levied. However, the second operation where he was transporting his own property, in other words, transporting his own cheese to a certain destination, the tax was not taxed. So you can see from just that one ruling you may have a dozen technical questions entering into situation, and I hesitate at any meeting to give snap judgments on any situation. I would want to know the facts.

Then we have a number of questions come up—some your president brought up here a while ago, where the determination was made that the title to this particular milk in this case passed at the farm and the milk became the property of the cheese maker. Now, that of course was explained before by your president and it has been ruled out. However, there is this contingency and that is this: it has been felt because of the facts in most cases the cheese maker still reserves the right to reject that milk at his place of business, and then the title has not passed.

Now of course, those are all controversial questions and you can only apply them as each individual case fits into the situation. Now, the returns as I said before, you just show the three per cent of the amount you received for hire under the heading of "Transportation of Property". There are a number of items on here. You submit your return in duplicate to your collector of internal revenue properly signed and notarized, and then it says here, if the tax is ten dollars or less you can have two witnesses sign this return; if the tax is over ten dollars it can be notarized in our office or before any notary. So as to the actual return itself there isn't a great deal to it and of course the obligation is on the taxpayer to get the return in so he don't have to pay interest and penalties. That is always a headache.

All taxes are due and payable to the collector of internal revenue with the assessment by the commissioner, and by the commissioner there I mean the commissioner of internal revenue on notice from the collector,

and the reason I make this point—it has been raised a number of times that the taxpayer hasn't received a blank. That doesn't relieve you of the liability to make a return. We fully realize in a lot of these new taxes that come into the picture, probably a lot of the people were misinformed. So taxes are due and payable to the collector of internal revenue at the time fixed for filing the return. It is a matter of a monthly basis. If you run through November you would file in the month of December and pay the tax. You have always one month after which the liability is incurred to file and remit the tax. In other words, the transportation report is a monthly report, not a quarterly report. It is a monthly report. If the tax is not paid when due there shall be added—and this is always bad—if the tax is not paid when due there shall be added as part of the tax interest at the rate of 6 per cent from the time the tax becomes due to the actual date of payment.

There is one thing I want to advise you, if some of you cheese makers have determined that you have a tax liability but you have not collected the tax, and if you will so state when you make out your return to your local internal revenue collector, that will be given some consideration, if you have not collected the tax. So keep that in mind. If you find you have neglected it for a number of months and you have not collected the tax, make that known to your collector of internal revenue when you file your returns, and I would suggest, gentlemen, that if you feel you have been delinquent, move right in and make your return. Once you get started there is nothing to it.

I don't like to discuss penalties in this discussion except to say that penalties in this case are practically the same as any other federal income tax law. In other words, 5 per cent a month. If you are delinquent for two days over one month the penalty is 10 per cent of the tax, and so on. As I said before we don't take any great pride in collecting penalties. Our job is to so serve people who pay taxes that we will try and have them all on a current basis. So much for the transportation tax. If you have any questions after this meeting I will be here to answer them.

You know the effective dates. I will repeat it again, December 2nd, 1942. The return tax is 3 per cent; the returns must be filed monthly and if current, of course, there is no interest or penalties attached.

I want to thank your officers of your association for the interest they have taken in bringing this message and I know they realize it is a problem to you. If you have any other tax problems, my suggestion is that you contact your local internal revenue office. We have some of our own statisticians here from Green Lake County and our office is open to you at all times and I want to extend a welcome to you.

**A MEMBER:** I would like to ask—last summer I see a letter from the Attorney General which says, a cheese maker who is an operator in his own plant and hauls his own milk is exempt from the tax from the farm to the factory. According to the statement made here, that wouldn't be right.

MR. HANRAHAN: Well, there again I wouldn't give snap judgment on that. I would be glad to talk it over with you, but answering yes or no on some of these problems, I should hesitate to do so. You gentlemen are going to rely on the information you get from our department. I know you are sincere and we are sincere. I don't want to say no to a question that I don't have all the facts on and find later on I may have to reverse my position. I think you gentlemen will appreciate that. So if you have questions I will be here the balance of the afternoon and we will try and get the facts and I will give you the true answer.

PRESIDENT KOPITZKE: In the case where I paid my tax and they sent the letter back with the check, I was a little disappointed. I was very busy the morning the district man came in and I didn't waste much time, and I signed, whether it is a man from the government or who it is from, I would like to see them make me pay a penny of penalty after I sent in the tax.

MR. HANRAHAN: As mentioned before, penalties and interest has always been a headache to our department. We don't take any pride in collecting except we follow regulations the same as you do in your business. Pertaining to the question your President brought up, there is an affidavit that accompanies a delinquent return which if properly executed and stated thereon a reasonable cause may excuse you from a specific penalty which can be assessed by the Commissioner of Internal Revenue, if he determines after reviewing your affidavit that your cause is a reasonable one. Now, of course, that is subject to controversy. They have set up in the regulations pertaining to income taxes and other forms of taxes approximately eight reasonable causes and of course, the primary one is illness. Another one is out of the state on official business, and there are other causes. I said there were eight, but those are some of the reasonable causes that will be accepted on affidavit, if of course, they are a fact. As I said before, these penalties and interest are set, they are in the law and unless you have a reasonable excuse they must be assessed, but as to having anybody come in and ask a man to sign something without explaining it, I know that wouldn't be done in the office I represent.

I might refer to this ruling I have here, that was submitted as of February 8, 1943—that is the date of the ruling, signed by the deputy collector internal revenue. This refers to a Wisconsin cheese maker. It doesn't give his name. Mr. So and So states he is the owner of a cheese factory and owns his truck which picks up milk. A charge of 8 cents per hundred is made and deducted from the farmer. Mr. So and So also hauls cheese from the factory to the cheese company for which the company pays 25 cents a hundred. It is Mr. So and So's understanding his operations are exempt from the tax. Advice in the matter is requested.

This is the answer. Tax on transportation of property applies only to amounts paid to a person engaged in the business of transporting for hire



to the extent that Mr. So and So regularly calls for and transports milk for the farmer, and makes a charge for transportation. He is considered to be engaged in the business of transporting property for hire and the tax will apply to the amounts deducted from the purchase price of milk. However, to the extent that Mr. So and So delivers his own product in his own truck he is not regarded as being engaged in the business of transportation for hire even though a separate charge for delivery is made to the customer.

PRESIDENT KOPITZKE: May I ask the date of that ruling?

MR. HANRAHAN: February 23rd, 1943.

A MEMBER: We have had a dealer and we have had a lot of questions from the shipper and we would like to have the matter settled as soon as we can. I know we have made some payments. We have had several auditors going in the factories and they insist that the payments be made and when they have we have made payments in return to the factories. It seems to be a major question and just as you state, the longer you let it go the more mess there will be when it is settled. We ought to have a settlement of this right away.

MR. HANRAHAN: I would suggest and as I said, I will be glad to give you a copy of this ruling. I wouldn't make a snap judgment. If there are any other rulings that I have a copy of, I will be glad to let you have a copy of so that you have first hand information.

MR. MOONEY: Mr. President, the sooner federal officials consult with the members of an industry that operates on a complicated basis such as the dairy industry does, before they make official interpretations the sooner they will have compliance with their orders. I know of no intentional violations. This three per cent transportation tax has forced the collector of internal revenue or the commissioner at Washington to take an about face three times in 1943 prior to May first.

I don't know, Mr. Hanrahan, where the February 23rd ruling fits in. It does read as you just read from that statement, and I think the cheese maker's question was properly stated. The ruling was not in compliance with the facts. He who hauls his own product on his own truck and makes a charge for the service is not considered a hauler with a truck for hire. Is that correct?

MR. HANRAHAN: That is right.

MR. MOONEY: Does your office and the collector's office understand that the cheese maker in a big percentage of the cases in Wisconsin is not the title owner of the cheese being hauled? Am I right, cheese makers? Cheese makers have asked me that question. It was further complicated only two months ago when the National Canners Association issued a bulletin. That bulletin ruled that it was not subject to tax—speaking of canning operations when the farmer was hauling peas and beets.

Now then, the evaporated milk association picked up that ruling and they in turn instructed the cheese makers they have been wrongly informed. Now, I ask you and the commissioner to put yourselves in my position to correctly and safely advise the cheese makers who do want a civil answer to the question—are you the actual owner as a matter of law of the cheese you haul to market unless you originally bought and paid for the milk?

Then let's go on with the next step. There is a ceiling price on cheese. I am going to ask this man back here a question: Are you paying the ceiling price for the cheese?

MEMBER: Yes.

MR. MOONEY: Certainly he is and he is paying more than that if you don't call it a transportation charge. Now, are you paying above the ceiling price or paying the trucking? If that is the case, my ruling to the cheese makers has been, and I tried to follow the one referred to based on the Washington report to the Milwaukee office as of the latter part of May or June, and we in turn prepared forms for the cheese makers in order to avoid the interest and penalty, because Washington reversed itself three times.

Our position in the issue is this, and I want to announce it in the presence of members, unless you are the owner of the cheese and you become that by the purchase of the milk before you make it into cheese—if you do that you can even haul milk and deduct 8 or 10 cents per hundred pounds and you are not liable for the tax, when you pick up at this farmer's yard for \$2.40 a hundred, when you remit to him. And the farmer who hauls to the factory gets \$2.50,—it merely means an F.O.B. farm price and F.O.B. factory price, and you bought the milk, and before you deduct the trucking allowance you have an understanding with that farmer as to the price he was to receive for the milk.

But moving on now,—he doesn't buy the milk in the big percentage of cases, and he is hauling this cheese which is the farmer's cheese and he got so much per pound for converting milk into cheese. Isn't that generally the arrangement, men? (Voices—Yes). There is the proof that he is not the owner. If he was the owner of that milk it wouldn't be any of your business what he was charging for making that milk into cheese. It would be his milk and he could make anything out of it he wanted to. Therefore he is not hauling his product to the market as referred to in that letter and I have ruled that where the dealer or assembler pays the cheese maker 25 cents per hundred to haul it in,—that that is a transportation charge paid the cheese maker for hauling some one else's cheese, and he is subject to the tax. I can name you many cheese makers in Wisconsin who have been paying the three per cent which he has not been getting from the assembler or warehouse. My ruling is he is entitled to collect it from the assembler or dealer to whom he hauls the cheese. Am I right or wrong?

MR. HANRAHAN: You are right. I want to take just a moment to commend your Executive Secretary for the fine constructive talk he just has been giving. He has the situation in hand and he knows what he is talking about. I want to say this transportation tax has been one of our biggest headaches. He told you, and we know very well the decision has been reversed three times and as soon as some other situation enters into it, it may be reversed again. Those are some of the situations your officers are up against. There is no intent, I know, on his part to put me on the spot. I realize that, because I don't write the rulings. If I did, I think Mooney and I would get along very well, and so would the officers of the cheese industry. We get so mad that we would like to take the old brief case and throw it out the window, but as I said, we have to take them as they come, but I will assure you that if we have continuous contact, and I know we will have with the cheese industry, and I know your Executive Secretary gets to Washington and gets first hand information, I know you will be apprised of all of the rulings.

Now, he may have some rulings that we don't have because he is vitally interested in the cheese industry. We cover all types of taxes. I don't profess to be an authority, I can't; I know a little about all of them. Thank you again.

PRES. KOPITZKE: I want to thank both Mr. Mooney and Mr. Hanrahan for your explanation. It looked as though the fellows had been misinformed by the Cheese Makers Association but those are the facts. As long as there were three different rulings made since January 1st, all we could do was to give you the latest one which is sometime in May.

MR. MARTIN: Mr. President, I have a letter similar to that effect from the collector of internal revenue although my letter was dated later than that. And under that ruling I figure that I do not come under the tax of transporting cheese, my own product. I do not come under it. I know a man that went to consult an attorney on it and this attorney turned him down. He says, you got that thing bawled up. It is getting about time we know where we are at. We have taken it up with Mr. Mooney and the internal revenue collector and still don't know where we are at. Are we going to pay a penalty for all the transportation on cheese; would that be fair for the fellows who are innocent and didn't figure they come under the ruling for transportation of cheese and now be penalized for that. I think it is about time we get down to business and know what we are after.

MR. MOONEY: May I say, I advised no cheese maker since June first other than I stated here today.

PRESIDENT KOPITZKE: I will appoint at this time as tellers Mr. C. C. Brick and Arthur Zorn and Aetlee Maedke. I would like to appoint those three gentlemen as tellers.

Now, at this time we have another prize to be given away, a big rocker, that was offered by the Western Condensery Company, and we have our good friend with us who was secretary for the organization for a good many years who is now with these people, Mr. Charles Ebert.

MR. MULLOY: The conditions of the drawing will be this: We will draw one ticket if the cheese man is here and qualifies as a licensed cheese maker, that is the end of it. It is his chair, but if not we will draw the second ticket and in case the Western Condensery Company should find that the first award drawn is held by a man who doesn't qualify, the second ticket is the winner, and so on with the third, and the first ticket is the winner if he is qualified.

(The name of Fred Winger, Juneau, was drawn)

We know Fred Winger is a licensed cheese maker and a paid up member of our association and I see no reason for drawing a second ticket.

PRESIDENT KOPITZKE: Well, gentlemen, about a year ago or a little over most of us were called into county seats at meetings to work out ways and means of saving tires and gasolene. It was mostly tires at that time because the gasolene shortage wasn't so bad around here yet, but we have a gentleman with us today who can possibly tell us quite a bit about this, a man from the office of Defense Transportation, Mr. Jasper, who has been appointed by Mr. Eastman and I would like to call on Mr. Jasper at this time.

#### ADDRESS

By Mr. Jasper, Office of Defense Transportation

Thank you, Mr. President, ladies and gentlemen: The president started this little statement of mine in very good shape when he said you people were called into various county seats to discuss the ways and means for the conservation of motor equipment. The office of Defense Transportation has always taken the position that it doesn't know a great deal about the actual industries that need transportation. As a consequence its inclination has been to appoint committees and to have these appointed by the industry to regulate itself. The ODT generally and with very few exceptions, has merely apprised the industry of the predicament we are going into or we are actually in and then asked them to do what they could consistent with the industry's practice of doing business.

In the transportation of milk in particular we found a great deal of them during war time and particularly with the shortage of rubber and equipment, might be termed waste mileage. Under ordinary circumstances the average trucker, cheese maker, or other receiver of milk might not consider it waste mileage but in these times even they were willing to concede that the mileage was wasted. For the most part the plans that have

been sent in to Washington and approved by the Office of Defense Transportation and Attorney General's office have been county wide in nature. Those plans have been proposed and presented by a committee representing the farmers, the truckers and the processors and I believe in practically every instance the cheese industry is well and ably represented on these committees.

I have been working with transportation in this state for a good many years, but I am frank to admit that while I know a good many truckers in this state and have some idea of the economy of transportation, I am frank to admit I wouldn't feel qualified to go out and reroute a bunch of milk trucks. I am not altogether sure if I did that that I would live very long. We take it for granted when these plans have been submitted by representatives of the farmers the truckers and the processors, that the plan is in keeping with sound transportation and is in keeping with the milk industry as a whole.

Now, a great many miles have been saved. As an example the plan that was submitted in connection with Fond du Lac county alone saves 474 thousand truck miles per year. Now, I will admit, gentlemen, that sometimes figures lie badly. We say 474 thousand miles a year, and I suppose we can say there is at least five trucks that have been saved; that might not necessarily be true because you might not be able to distribute that mileage and consolidate it in such a manner as to reduce those five trucks, but I believe we must all be fair in admitting that the saving of millions and millions of miles in one industry can't help but have beneficial effects.

I believe the plans are in and approved for almost every county of the state of Wisconsin. I believe that most of you are sufficiently familiar with how they were presented, and that it would be a waste of time to go into that. I would rather just take a moment or two and tell you what happens as the plan is made and after it is placed into effect.

To start with, this industry-advisory committee must be consulted with respect to every change that takes place in that county after the plan has been placed into effect. I think there is one big criticism of that and it hasn't come to me from any party yet but there is a great lapse of time between the time the farmer wants to change from John's factory to Smith's factory and the time he is authorized to make the change. That is an unfortunate condition but I just present it to you as an industry. How often can we improve upon these committees, those men and the district I am personally charged with. We have a meeting once every month and sometimes oftener. Unfortunate—however, for the most part the people on these committees are on every other committee in the county and there are plenty of them. But there is quite a lapse of time and I suggest to you as an industry when you get back home, if you find that prevalent in your territory, there isn't a good deal of use in writing us about it. I think it is a

good thing to go to the advisory committee and see if the committee can meet once a week. We will be there. Frankly we have the jurisdiction to make those changes, where the farmer wants to change from John's factory to Smith's, where there is no change in mileage or flow of milk. We tell the trucker to go ahead until the advisory committee gets a chance to advise me. But I certainly would be inconsistent if in the first instance they suggest to present a plan and we turn around and permit all kind of changes in the industry until in six months it would have no resemblance to the original plans.

Whatever the farmer and trucker wants in his county they are going to get. If you feel the plan in your county is not working out properly, your industry has ample means of changing it. However, I do think that these committees have met for weeks and weeks, yes, for the last year and a half and they are to be congratulated on the hard work they have put in. It is hard work and several times when I had people come in my office complaining, I suggested that they go on one of these committees.

The fact is, however, ladies and gentlemen, that I think we have something today that is even more important than that. The institution of these dairy and livestock plans have done much for the conservation of motor equipment, but I am certainly a bad news carrier today and have been for some time. Ordinarily I don't come before a group with a big long face like John Barleycorn but I just can't help doing otherwise. I believe I know a little bit about the transportation requirements so far as motor carriers are concerned in the state of Wisconsin. In my humble opinion I believe the ton and a half truck is as important to the farm economy and to you cheese makers as the cheese boxes or rennet or anything that goes to make cheese, and we are all out of those trucks, or practically out.

Here is the actual inventory of new trucks in the United States on August 21st. Light weight trucks, 9497. By light weight truck we mean the little pick-up job, four to five cans of milk. The intermediate trucks, the light ton and a half and two and a half ton, there were 15,026 of those on hand on August 21st of this year. Heavy trucks, that is the large unit, there was 538 of those. Three weeks later there were no heavy trucks left in the United States. Now, at the rate of allocation that has been going on for the past year, we couldn't see where there were more than thirteen weeks of these ton and a half or two ton trucks left in the United States. So as of about today I doubt that there are ten thousand of those trucks left in the United States.

Now, I don't believe we can take the past year's allocations as being a basis for the utilization of those 15 thousand trucks and I am sure you will all agree with me because you know for the past year the trucks have not been maintained. It isn't your fault, for the most part it is not the truckers' fault and it surely isn't the farmer's fault. The fault lies in the

fact they haven't been able to get maintenance parts. As a rule these trucks are traded in at 60 thousand miles and today they are getting consistently 75 thousand miles and those trucks probably do have a useful life of 120 to 125 thousand miles with high maintenance, but if you can't put in a ring gear or pinion or bushing, the truck is bound to go and go in a hurry. As a consequence the ODT has maintenance specialists in its offices and any operator of a truck may call on that specialist and we have been able to put every truck on the highway that has come to our office at Madison, but I am not so happy to admit in the future and I am not so sure of being able to put them on. The other day we looked for an under-sized bearing and finally found one in Dubuque. It just adds a little humor to the situation.

Our maintenance specialist avails himself of parts from other trucks quite often and sometimes a Chevrolet part will fit into a Ford and he even found a part from a thrashing machine that took care of a small part in an International truck.

Up until a year ago or so the average man in the trucking business had only one thing in mind and that was making money, but frankly that man operating that truck or your own—a man operating for hire must realize that the breakdown of that truck is going to affect the industry in his neighborhood. You can see, therefore, that a trucker today owes an obligation to the farmer in the first instance, and all the people along the line to the consumer.

I am frank to admit I am going to be very hard boiled with any trucker I find misusing his truck. We have gone around to some of the milk plants to view the condition of the truck and in fourteen milk plants my maintenance specialist advises me that not over two of them will be on the highways three months from now. If that is correct that particular plant is going to be in a good deal of difficulty. As a consequence we called the superintendent in and pointed out the condition of the truck, showed him what the record of mileage was and showed him the condition of the truck and that fellow just really lost some weight and added some years of gray hair in a hurry.

We find that the maintenance parts are supposed to start rolling along pretty shortly now, but if the maintenance parts come out as rapidly as the new trucks have, I don't want to promise you much in June or July of next year. The War Production Board has promised the release of 45 thousand trucks and promised they would be allocated to civilian purposes. This is November; they cut it down to 7500 and the actual fact is we doubt they will release 1500 in July of this year.

If I haven't given you a really big shock, I will come to a real blue one now—rubber, which is really the critical item. Very few people know it but up until about the first of September there was always a secret reserve

from which the essential industries got their supplies. In fact, the rubber director in Washington could put his fingers on some tires here or some other place. In other words, if in your county your allotment is completely used up and four or five milk truckers are absolutely out of tires and had to have tires, the rubber director in Washington or the men in the office of Price Administration that handle the rationing of tires had a place where they could put their fingers on some rubbers to boost up that county allotment. That is all through; that was all over the first of October.

The actual demand for tires from August 1st to January 1st of this year is 3,075,000 truck tires. We actually have on hand or having manufactured between August 1st and January 1st 1,975,000 truck tires, leaving us a shortage for that period of 1,100,000 tires. Ladies and gentlemen, those are not paper figures; those are absolute figures. Those figures are not only the result of an investigation made by the Office of Defense Transportation but they jibe considerably with the investigation made by the American Trucking Association. So those are actual figures; therefore it becomes necessary as I see it for the people in each industry to police the useage of motor vehicles if you are going to continue in the business. Sure, we have the principles of the cheese industry at heart but I ask you how good they are if the driver of a truck thinks he is a cowboy driving over the plains and almost throws himself out of the window by the application of his brakes. When that truck goes out there is just no replacement today and if any of you people will show me how you are going to operate your industry without these trucks, I wish you would let us know about it but I am sure you can't.

Mr. Chairman, there are a good many other things we could go into but I have painted a blue enough picture and it is a picture I prefer not to stand up here and paint. I have suggested to a good many people that if the truckers would apply to the truck the same situation that the railroads apply to rail cars, we would have very little difficulty. There is a vigilante committee, and if you hold a railroad car one hour more than it is necessary, you will have this man from the vigilante committee on your neck.

I thank you, Mr. Chairman.

**PRESIDENT KOPITZKE:** It certainly seems good to have men like Mr. Jasper come up and talk to us. You can tell he is a real friend of the industry. There is just something about that, he can't do anything about.

I made the announcement here a while ago that the ballots would be closed. If anybody hasn't voted, we would like to hear from you. If not, we will declare the ballot closed.

Now, there has been a lot of talk for paying for milk on a basis of fats and solids. We have had a lot of talk about Dr. Babcock and he certainly did contribute something worthwhile to the dairy industry but



we feel in certain cases where tests are not as high as five and six, that the payment of straight fat is not quite fair, so that it would be much better to pay on a fats and solids basis. For instance, if you have a three per cent testing milk, you possibly get a yield of  $8\frac{1}{2}$  pounds of cheese per hundred. According to that if you had milk testing 6 per cent you should get 17 pounds of cheese out of that same quantity of milk which we know is absolutely impossible, and therefore we are very fortunate now in having Mr. Hardin who has worked out a plan which would be more satisfactory, and by the way, some of the larger companies are paying on this basis.

I am happy to present to you Mr. Clifford M. Hardin of the University of Wisconsin.

MR. HARDIN:

#### PAYING PRODUCERS FOR FAT AND SOLIDS-NOT-FAT IN MILK\*

One year ago today, almost to the hour, I had the privilege of speaking to you from this same platform—and on the very same topic.

In one sense I feel a bit apologetic about speaking to you a second time on the same subject, because with a topic as specific as this one, it is necessary to recover much of the same ground. On the other hand, I do feel that this matter of an equitable and fair way of paying for milk is one which is important enough to merit repeated consideration and discussion and we are very glad that your officers have asked that it be discussed again. Also in the past year we have had a great deal more experience with this new method of paying for milk and are more confident as to its general workability and the ability of farmers to understand and accept it.

The problems of paying for milk are as old as the commercial handling of milk—and I think it is fair to say that these problems have existed longer and more persistently in connection with cheese than with any other branch of the dairy industry, although with the increased recognition of the value of the solids-not-fat in milk, the problems of paying for milk are just as acute among creameries, condenseries and other types of markets.

If you will permit me, I should like to review a little history. To begin with milk was purchased on a weight or volume basis. Then it became known that all milk was not alike—that some milk would make more cheese or butter than other milk. Watering and skimming on the part of producers were practiced.

It was in this atmosphere that the Babcock test for fat was developed about 1890. In the ensuing 50 years this test has come to be almost uni-

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\* Presented at annual meeting of Wisconsin Cheese Makers' Association, Fond du Lac, Wisconsin, November 11, 1943

versally used as a basis for paying producers for milk delivered to dairy plants. That Babcock recognized the limitations of the straight fat basis of payment at cheese factories is emphasized by the following quotation from one of his own reports which was published in 1895 †

“This latter plan has been very generally adopted by creameries and has been an important factor in preventing fraud and in improving the quality of milk; it has, however, made slow progress in cheese factories and in many sections there appears to be strong prejudice among dairymen against its introduction. The argument always advanced against it is that the yield of cheese is not proportional to the fat and that consequently the patrons supplying the poorest milk are defrauded.”

I believe that anyone who has spent much time around a cheese factory will recognize the truth of this latter statement—that the yield of cheese per pound of fat declines as test of milk increases. If we will turn to Chart 1 we can see the reason for this. Six percent milk contains twice

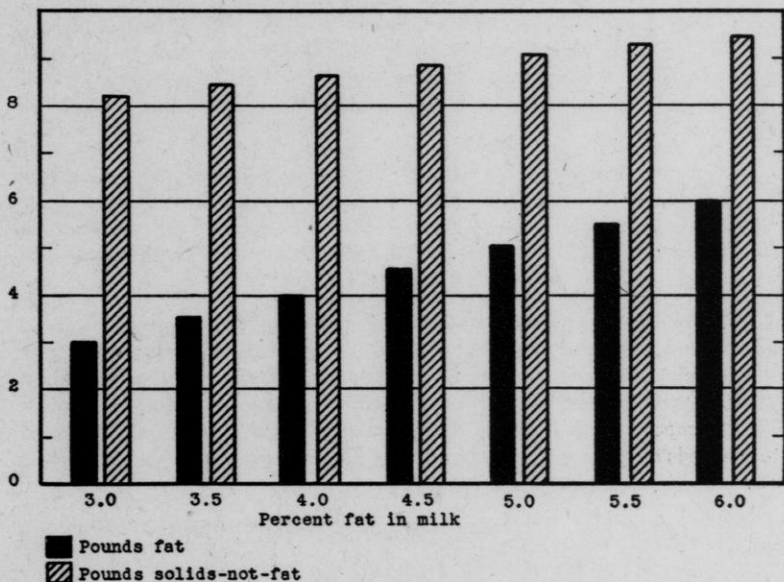


Figure 1—Pounds of Fat and Solids-Not-Fat per 100 Pounds of Milk of Specified Butterfat Tests

† Twelfth Annual Report of Agricultural Experiment Station, University of Wisconsin, June 30, 1895, pp. 113-116.

as much fat as 3% milk, but only  $1/7$  more of the solids-not-fat. This relationship can be stated in still another way—as the fat test increases 0.1% (or one point) the solids-not-fat increase only .04%. We will make use of these figures later.

Dr. Babcock went ahead in the report from which I quoted a moment ago, and attempted to develop a plan of payment which in his own words, would “give each patron approximately the same amount of money which he would obtain if his milk was manufactured by itself.” This plan, unlike his famous test, never was widely used.

Since that time several other plans have been advanced for dealing with the same problem. Most well known among these are the “fat plus 2” method, the “fat plus casein”, and the “fat plus 0.6” method. All of these were developed exclusively for cheese factories, but none have achieved wide and continued usage. Probably the main reason that these schemes did not come into more general use is that they were applicable only to cheese factories and it was confusing for the patron when he tried to compare his returns with what he could obtain in a different market. Secondly all of these schemes, with the exception of one that was developed in New Zealand, failed to recognize that higher testing milk is a more concentrated product and as a result, the handling costs per unit of ingredient are less. Finally, these plans failed to give consideration to the whey cream. So much for history.

The problems of paying for milk at other types of plants, as I stated a moment ago, became more acute with the increased recognition given to the value of the solids-not-fat in the milk. The demand for solids-not-fat has increased greatly with the war, but the trends were there before, and will undoubtedly continue when the war is ended.

When Professor Froker and I began working on this problem about two years ago, we believed that it should be possible for producers of high testing milk and producers of low testing milk to deliver to the same plant and the same market and all be assured of fair and equitable treatment. We attempted, first of all, to develop a plan which would be uniform as to methods of quoting prices throughout the whole industry. More specifically we wanted a plan which would:

- (1) Pay for all the ingredients in milk that have commercial value,
- (2) Reflect to the high test producers the full benefit of the lower handling costs resulting from delivering a more concentrated product.
- (3) Provide a uniform pricing pattern for the whole industry, yet be flexible enough to cover the entire range of plant operations, prices, costs, and kinds of products, and, finally, to have a plan which is simple and practical enough for efficient plant use.

The plan was worked out about a year and a half ago. Since then a substantial number of plants have begun using the plan. Several of them have now been operating over a year and we have had a chance to watch them, to see how their patrons reacted to it, and how it worked out as far as their office work is concerned.

Without exception, I think, the reaction has been good; patrons have accepted it as the equitable and fair way, and the bookkeepers report that it is actually easier for them to make out a pay roll than with straight fat. All told about 4 million pounds of milk per day are now being bought this way.

The general plan of payment has two parts:

- (1) Determination of the price per hundredweight for milk of a given test, and
- (2) The calculation of a differential or adjustment to be made for each .1% change in the fat test of the milk.

In the calculation of the differential we must rely on the average relationship portrayed in Chart 1, because we do not as yet have a test for solids-not-fat which is sufficiently simple and inexpensive for practical plant use. To be sure there is some variation in this relationship—between individual cows and between seasons. However, when we consider that we are dealing with herd averages throughout a period of time, these average relationships do very well, and they are the best we can do at the present time.

With this background I think it might be well to work through the pay roll for a cheese factory for one pay period. The necessary calculations are shown on Chart II, and I should like to mention at this point that we worked very closely with Prof. Price in the adaptation of our general plan to fit the needs of cheese factories and that we are indebted to him for many helpful suggestions.

### CHART II

#### Calculation of Cheese Prices Necessary Data

Milk.....	300,000 lbs.	Average fat test .....	3.8%
Net money.....	\$8,325	Direct costs:	
Price of cheese per lb.....	27c	Cheese.....	2.5c
Price of whey cream per lb. fat.....	52c	Whey cream.....	1.0c

Step 1—

Net money	+	cwt. of milk	—	Price per cwt. at average test
\$8,325		3,000		\$2,775

## Step 2—

.23	(Cheese — direct price costs )	+	.004	(Whey cream — direct prices costs )	—	Fat differential
.23 27	— 2.5	+	.004 52	— 1	—	Fat differential
	5.635c	+		.204c	—	5.839c

## Step 3—

Price at average test	—	(Points over 3.5%)	x differential )	—	Price per cwt. for 3.5% milk
2.775	—	3	x 5.08	—	\$2.601

The first step in determining the pay roll is to determine the price per hundredweight for milk of the average plant test. This is done by dividing the total amount of money to be distributed by the total hundredweights of milk. When this is done we obtain a price of \$2.775 per hundredweight for 3.8% milk.

The second step is to calculate the differential or adjustment to be made in this price as the test changes. A moment ago I stated that as the fat test varied .1% the solids-not-fat changed .04%. This same .1 lb. of fat and .04 lb. of solids-not-fat will result in .23 lb. more cheese. In other words, a 100 lbs. of 3.5 milk will make 9.45 lbs. of cheese. One hundred pounds of 3.6% milk will make .23 lb. more cheese or 9.68 lbs. Then if we take the price the factory gets for its cheese or 9.68 lbs. Then if we take the price the factory gets for its cheese and subtract plant costs, we can arrive at the value to the plant of the extra fat and solids-not-fat in terms of the additional .23 lb. of cheese. But we also get .004 lb. of additional whey cream as the fat test increases 0.1%, and we must determine the value of that in the same way.

A moment ago I told you that we were going to give the high test his full break in handling costs for delivering a more concentrated product—and we do that with our direct costs.

I think perhaps the easiest way to explain these direct costs is to imagine two cans of milk—one testing 3.5% and the other 3.6%. Now the total amount of work and costs involved in handling those two cans of milk are the same until we get the milk into curd form in the vat. But we get a little more cheese out of one can than we do the other—so from that point on there will be a little more cost involved in processing one can than the other. This extra cheese then must carry those costs which it actually incurs, but we are going to give it a “free ride” until it is ready for the hoops, and assess only those costs incurred from that time forward. These costs are the direct costs and normally will amount to about two-thirds of the total cost.

This step sounds complicated, but in actual operation it is very simple. Once you have estimated the costs, and know the price, you can read the differential directly off a table that is provided in the back of University of Wisconsin Research Bulletin 143.

Working through Step 2 of Chart II we come out with a differential of 5.8c, and are now ready to adjust the hundredweight price to a 3.5% basis. The 3.8% average test is 3 points above the 3.5 standard, so we multiply 3 x 5.8 and subtract the total from our \$2.775 price for 3.8% milk to get our \$2.60 price for 3.5% milk.

We are now ready to make out our pay roll. This is illustrated in Chart III. A table is made showing the price per hundredweight for each test of milk. Then the producer who delivers 3.2% milk receives \$2.426 multiplied by the number of hundredweights of milk delivered. The process is continued for all patrons. You will note that it is not necessary to determine the pounds of fat for each patron and this computation can be eliminated.

Some idea as to how prices for milk of various tests under the new plan compare with those under direct ratio may be obtained in Chart IV. In the second column we find the price per hundredweight for milk of selected tests under direct ratio. In the next column we have the prices per hundredweight for milk of the same tests under the new plan. You will note that for milk of the average test, 3.8%, the price is the same under both plans. For 3.0% milk, direct ratio would pay \$2.19 per hundredweight and the new plan \$2.31, a difference of 12 cents. At 5%, direct ratio gives us \$3.65 per cwt. and the new plan \$3.47 per cwt., a difference in the opposite direction of 18 cents.

In columns 4 and 5 the same comparison is made in terms of price per pound of fat. Here again, milk of the average test, 3.8%, brings the same price 73 cents per lb. fat under both plans. Direct ratio, of course, means 73 cents per lb. fat for all tests. Under the new plan the price per lb. of fat would range from 77 cents for 3.0% milk to 69.4 cents for 5.0% milk.

There is another important lesson to be learned from this chart. Imagine two cheese factories which are equally efficient as far as operations are concerned, one of which receives milk averaging 3.5% and the other 4.5%. If both get normal yields of cheese, the 3.5% plant will be able to pay producers 74.3 cents per lb. of fat and the 4.5% plant will be able to pay only 70.7 cents per lb., a net difference of 3.6 cents.

Under the new plan both plants would quote the same price for 3.5% milk and will also pay identical prices for any other given test of milk. This will tend to place competition among plants on the basis of real operating efficiency.

## CHART III

## Making Payments to Individual Producers

Price: \$2.60 per cwt. for 3.5% milk and 5.8c  
per point above and below 3.5%

Test	Price	
3.0	\$2.31	
3.1	2.368	Producer A
3.2	2.426	Milk Test 7540 lbs. 3.2%, 75.40 x \$2.426—\$182.92
3.3	2.484	
3.4	2.542	
3.5	2.60	
3.6	2.658	Producer B
3.7	2.716	Milk Test 9132 lbs. 3.7%, 91.32 x \$2.716—\$248.03
3.8	2.774	
3.9	2.832	
4.0	2.89	
4.1	2.948	
4.2	3.006	
4.3	3.064	Producer C
4.4	3.122	Milk Test 6235 lbs. 4.4%, 62.35 x \$3.122—\$194.66
4.5	3.18	

## CHART IV

## Comparison of New Plan with Payment in Direct Ratio

Percent fat	Value per cwt.		Value per lb. of fat equivalent	
	73c fat	5.8c differential	Direct ratio	New Method
3.0	\$2.19	\$2.31	\$.73	\$.77
3.5	2.555	2.60	.73	.743
3.8	2.774	2.774	.73	.73
4.0	2.92	2.89	.73	.722
4.5	3.285	3.18	.73	.707
5.0	3.65	3.47	.73	.694

Now let us summarize and see what we have done:

- (1) We have paid each producer for what he delivers in terms of cheese and whey cream.
- (2) We have given the higher producer the full break on handling costs for delivering a more concentrated product.

- (3) We have provided a basis of quoting prices which makes it possible for factories to buy any test of milk and still quote a price which will reflect their true efficiency.
- (4) We have provided a scheme which is uniform for all branches of the industry. We have only discussed cheese here, but for other kinds of plants and markets the only difference is in the formula for determining the differential.
- (5) And finally, we have provided a plan which we believe is simple enough for efficient plant use.

A question that is frequently raised concerns the best way to start using the new plan—and I think the answer depends a great deal on the local competitive situation. In the past we have not urged cheese factories to try this alone—thinking that it was better for some of the larger plants to take the lead. Now, however, the plants that are using the plan are becoming spotted around in a number of places and it should be easier to inaugurate the new plan. Professor Froker and I have indicated to your officers that we will be glad to meet with some of your plants, either individually or in groups, and give you what help we can in working out your own local problems.

I have here a few copies of Research Bulletin 143, which discusses the plan in detail for all kinds of operations, and also a supply of leaflets which contain a discussion of the plan for cheese factories. I will leave some here at the platform and will place some at the registration desk for those of you who may want copies.

I have enjoyed the opportunity of meeting with you again to discuss this problem.

**PRESIDENT KOPITZKE:** Now, we have a couple of letters here which we feel rather proud of. We sent invitations and notices of this convention to our Honorable Governor and the President. Here is a letter from the White House which sends greetings and here is one from the Governor.



(The letters follow).

THE WHITE HOUSE

Washington

November 8, 1943.

Dear Mr. Mooney:

The President sends cordial greetings to all who attend the annual meeting of the Wisconsin Cheese Makers Association. He hopes the gathering will be successful in every respect and that its deliberations will help solve the many problems which confront the members in these busy days.

Very sincerely yours,  
Stephen Early,  
Secretary to the President.

Mr. George L. Mooney,  
Executive Secretary  
Wisconsin Cheese Makers' Ass'n.  
Plymouth, Wisconsin.

STATE OF WISCONSIN

Executive Office, Madison

November 8, 1943.

Mr. George L. Mooney,  
Executive Secretary,  
Wisconsin Cheese Makers' Ass'n.  
Rohde Building  
Plymouth, Wisconsin

Dear Mr. Mooney:

At the request of Governor Goodland I am writing to thank you for inviting him to attend the 52nd Annual Meeting of the WCMA at Fond du Lac on November 10th and 11th.

The Governor regrets that he will not be able to be present. However, he sends his best wishes for a most successful meeting.

Very truly yours,  
Roy L. Brecke,  
Executive Secretary.

**ADDRESS OF DR. ED. M. SEARLS**

**Department of Economic Entomology, University of Wisconsin, Madison, Wisconsin, to the Council Meeting of the Wisconsin Cheesemakers' Association, Fond du Lac, Wis., Nov. 9th, 1943**

(Open to Licensed Cheesemakers only)

This study has seemed to fall naturally into two different phases,—the study of the origin of insects in dairy plants and the study of the control of insects in dairy plants. While these two parts of the study are somewhat related it seems desirable to consider them separately. These studies have been financed in a large part by funds provided for the purpose by the National Cheese Institute.

It should be said, at this time, that for the present we are interested only in the insects of dairy industry. It is quite true that other industries have insect problems even more severe than those of dairy industry. In some cases these industries appear to be passing without notice from agencies which are quite critical of dairy industry. This may seem an unfair situation, but at present we are only concerned with our own problem. To point out that other industries are similarly affected or even more affected, and still escape critical notice, is of little avail to us. Our problem is to face our own situation squarely and, as soon as possible, to get our own house in order without reference to others.

I am convinced that we have come a long way in this direction. In the course of a year I visit many dairy plants. During the past five years I have had an opportunity to see the change which has come over these plants. Today I can state that the condition of the average dairy plant in Wisconsin is, as far as insect control and exclusion is concerned, on about the same level as the best dairy plants of four years ago. The cheese makers and the factory owners may take some real satisfaction from this and continue the good work with the knowledge that real progress is being made and that the credit for the progress belongs mostly to them.

**The Study of the Origin of Insects in Dairy Plants**

Two surveys have been made of general conditions in cheese factories. These surveys were made for the double purpose of, at first hand, discussing the cheesemakers' insect problems with him and making suggestions for control, and for the purpose of learning from many factories the causes of most of the insect problems. During 1941, with the assistance of two trained men, the soft type cheese factories in the vicinity of Monroe were studied. During 1942, with the assistance of three men, hard type cheese factories throughout the State were studied. In all, about 600 factories were examined for conditions which would contribute to insect problems and the cheesemakers instructed as to best methods of dealing with their particular problems.

In the course of the studies lantern slides have been prepared which show the conditions under which insects find their way into cheese factories and the conditions under which insects live and breed within the factories. Conditions which showed the best methods of avoiding insect breeding places have also been photographed and made into lantern slides. These lantern slides have been exhibited about 25 times to cheesemakers' groups about the State and in neighboring states. During the exhibition of the pictures talks were given explaining the pictures and giving information on the best control measures. It has been found that a few conditions have been chiefly responsible for the occurrence of insects in cheese factories.

### **Separate Intake Necessary**

Lack of a separate intake has been found one of the most common causes of insects in cheese factories. When the intake is not separated from the make room it is easy for insects attracted by the odors from within the factory to enter the factory while milk is being taken in. The odors from cheese factories seem to be particularly attractive to a great many species of insects, and strenuous efforts must be made to keep these insects from entering the factories. Leaky whey tanks and poorly constructed cess pools have been found as the breeding places of great numbers of insects which could find their way into dairy plants. Within the factories rough, uneven walls and ceilings and ceilings which were broken or loosely constructed were found to harbor many insects where they could not be reached by the usual sprays. Cheese shelves which were fixed in position and not removable for washing and cleaning and which were fastened to the walls in such a way that the cheese maker could not clean behind them were also found to be serious sources of insects within the factory. During the course of the surveys these conditions have been pointed out to both cheesemakers and factory owners, and it is with genuine pleasure that it can be stated that in most instances these conditions have been corrected. Some studies have been made in dairy barns where the procedures followed by farmers in milking and the care of the milk have been noted. Farmers have been instructed in the selection and use of fly sprays for the control of flies in dairy barns. In many cases where other insects were found in numbers, the farmers have been instructed as to the best method of dealing with these insects. The single service pad for straining milk at the farm has been emphasized. The chief emphasis in every case, however, has been to the cheese maker on the necessity for a separate intake and an efficient apparatus such as a filter or clarifier at the intake for the removal of all extraneous material before the milk or cream enters the factory.

### **The Control of Insects in Dairy Plants**

In this study it has been found that the exclusion of insects from dairy products must begin at the farm. Whenever possible, the necessity for the control of insects at the dairy farm has been emphasized and farmers

instructed in the selection and use of the most efficient fly sprays and methods of removing or treating insect breeding places on the farm. The chief emphasis on insect control has been directed in and about the dairy plant. The use of borax for the purpose of killing insects at their breeding places about the plants has been widely recommended where it has not been possible to remove the cause of these breeding places. The effectiveness and use of borax within dairy plants has been emphasized on every possible occasion, although equal emphasis has been placed on the necessity of keeping borax away from dairy products, since there is real danger of borax becoming extraneous material in the finished product.

It seems inevitable that in the average dairy plant flies must be a constant problem during the summer months until dairy plants are so constructed as to make the entrance of flies practically impossible. Even then it is probable that some methods of fly control will be necessary. The great importance of the use of the best grade of fly sprays for the control of flies and other insects in dairy plants has been emphasized whenever possible. The necessity of selecting only "AA Grade" odorless sprays has been mentioned on every occasion. It has also been pointed out that even when the best grade fly sprays are used effective control of insects will not be obtained unless the greatest care is used in the application of the sprays.

Various types of sprayers have been exhibited to both farmers and cheesemakers and the use and desirability of the various types explained. The absolute necessity of spraying carefully into cracks, crevices, breaks in walls and ceilings and all places which might serve as a hiding place for insects has been mentioned to all cheesemakers with whom we have come in contact. The studies have shown that under average conditions "AA Grade" fly spray carefully applied may be depended upon to hold insects within a cheese factory at a satisfactory minimum. This, however, means that special care must be taken in the application of the sprays. While a general spraying about the buildings will control flies readily, the utmost care and painstaking effort is necessary to kill the hiding type insects which are seldom found exposed in the factory.

During the past season and to a lesser extent during 1942 we have been particularly fortunate in having an opportunity to study the use and effectiveness of methyl bromide as a fumigant in dairy plants. Working in co-operation with the Dow Chemical Company, methyl bromide has been tested under a wide range of factory and warehouse conditions. It has been found that methyl bromide used at the rate of about one pound to 1,000 cubic feet will kill all insects and insect-like creatures in the dairy plant provided the plant is well constructed and a temperature of 65°F. is maintained during the fumigation. While fly sprays may be depended upon for insect control under ordinary conditions, it is thought that methyl bromide may be very useful to cheesemakers in completely destroying all insects within a dairy plant under emergency conditions.

The control of rats and mice in dairy plants has also come under this study. Here again methyl bromide has been found a quick and easy way of killing all rats and mice in the cheese factory. Where the factory is reasonably well built with little leakage of the gas, rats and mice may be killed in five hours with methyl bromide used at the rate of 1/5 pound per thousand cubic feet. Methyl bromide has been quite safe to use as far as injury to dairy products or dairy equipment is concerned, provided a few simple rules are followed. It is, however, poisonous to humans and should not be used except by trained men.

As a part of the study of rat and mouse control a study of the source of so-called rodent hairs in dairy products has been made. While it is quite true that many of the rodent-like hairs appearing in dairy products are in all probability actually rat or mouse hairs, this study has indicated that it is quite probable that most of the rodent-like hairs found in dairy products are cat hairs. It is exceedingly difficult to distinguish between the fur hairs of rodents and cats. Cats are commonly found in the make room and curing room of cheese factories and are even more commonly found in the homes of cheesemakers living in the factory buildings. **EVERY CHEESEMAKER IS STRONGLY URGED TO DISPOSE OF ALL CATS IN AND ABOUT THE FACTORY.** Harsh as this recommendation may seem, in the interest of producing cheese free from rodent-like hairs, cheesemakers will have to remove all cats from cheese factories or run the risk of having rodent-like hairs discovered in their product with a result of loss in cheese and other losses when the hairs are discovered by inspection agencies.

#### **Available Published Information on Insect Control in Dairy Plants**

A booklet entitled "The Control of Insects in Dairy Plants" may be obtained by writing to the Mailing Room, College of Agriculture, University of Wisconsin, Madison 6, Wisconsin. A more complete booklet entitled "War on Insects" may be obtained by writing to the firm to which you sell your cheese or to the secretary of your organization. Information on the use of methyl bromide may be obtained from the Dow Chemical Company of Midland, Michigan. Information on specific problems in insect control may be obtained by writing to me at the College of Agriculture, University of Wisconsin. In cases where direct assistance is necessary, when time permits, I shall be very glad to journey to your cheese factory if you will write either to me or to the secretary of your organization. In any case, I assure you that all members of the Wisconsin Cheesemakers' Association are quite welcome to either visit at or write to the University for assistance in their problems in insect control.

**PRESIDENT KOPITZKE:** I want to say I never have seen such an attentive bunch as these people for the last three days. It has been a fine meeting all the way through, and as far as I am concerned, it certainly was splendid.

We will now have the report of the Resolutions Committee by the chairman, Mr. Marvin Guth of Phillips, Wisconsin. I want to thank the members of this committee as well as the nominating Committee for the work they have done and especially the Resolutions Committee. I know every night while the rest were having a good time these boys were up there working very hard, and we certainly appreciate the work they do. I am very happy to present to you a very faithful member of this organization, Mr. Marvin Guth.

#### RESOLUTION NO. 1

Whereas, the 52nd Annual Meeting of the Wisconsin Cheese Makers' Association has again enjoyed the hospitality of the city of Fond du Lac,

BE IT RESOLVED, That we convey to the Mayor, businessmen, and citizens of Fond du Lac, an expression of full appreciation for the hospitality which they have extended for our enjoyment and which we have taken advantage of, in a manner that will long be remembered, and

FURTHER RESOLVED, That we extend to those who have contributed their time and talent on our program and to all who have in any way assisted in making our 52nd Annual meeting one which has apparently met with the approval of those in attendance.

MR. GUTH: Mr. President, I move the adoption of this resolution.

(Motion seconded and carried).

#### RESOLUTION NO. 2

WHEREAS, during the past year our Creator has removed the following members from our midst:

P. H. Kasper, who during his lifetime, made an enviable reputation because of his skill in the manufacture of quality cheese.

Arthur F. Zelm, who for a number of years was treasurer of our State Association.

Jos. Ledvina, who at the time of his death was President of Kewaunee County Cheese Makers' Association.

Fred Jung, a member of this Association for years, all of whom made their contribution to the industry and gave their support to Association activities;

THEREFORE, BE IT RESOLVED, That we extend to the respective families of these deceased members our sympathy and record our loss which will follow the passing of these outstanding cheese makers of Wisconsin, who possessed the skill and ability of leadership, and may their memory continue the high ideals which they have set.

BE IT RESOLVED FURTHER, That this resolution be spread upon the permanent records of the Association and copies be sent to the respective families of these members.

MR. GUTH: Mr. President, I move the adoption of this resolution.  
(Motion seconded and carried).

### RESOLUTION NO. 3

WHEREAS, Maximum Price Regulation No. 289, by its several provisions, discriminated unfairly against the cheese industry of Wisconsin in that price ceilings have resulted in the discouragement of cured or aged Cheddar cheese, as well as the manufacture of small styles, and the Plymouth Plus provision imposing a dollar and cent penalty on all Cheddar cheese manufactured in Wisconsin;

THEREFORE, BE IT RESOLVED, That the Wisconsin Cheese Makers' Association, representing a large percentage of the nation's cheddar cheese, hereby pleads with OPA officials to promptly correct these discriminatory provisions by effecting prompt amendment of said order MPR 289,

- (a) Increase the differential on small styles of Cheddar cheese.
- (b) Making provision for a price ceiling on cured Cheddar cheese and
- (c) Increasing the ceiling on Wisconsin Cheddar cheese after such adjustments, by one-half cent to more equitably compensate for the "Plymouth Plus" provision which causes a sharp price break at the State line.

MR. GUTH: Mr. President, I move the adoption of this resolution.  
(Motion seconded and carried).

### RESOLUTION NO. 4

WHEREAS, Tentative United States grades and specifications for Cheddar cheese have been established with the reported intent of making them permanent, and

WHEREAS, The members of the Wisconsin Cheese Makers' Association oppose the establishment of any permanent grades for cheese until opportunity for study and public hearing can be given,

THEREFORE, BE IT RESOLVED, That the members of the Wisconsin Cheese Makers' Association in annual meeting, after being advised as to their terms, provisions and their application, hereby oppose the establishment of such grades as permanent grades for the duration, and then only after public hearings and approval by the Industry.

MR. GUTH: Mr. President, I move the adoption of this resolution.  
(Motion seconded and carried).

## RESOLUTION NO. 5

RESOLVED, That we commend President Leonard Kopitzke and all of the officers and directors of the Wisconsin Cheese Makers' Association for their efficient service during the past year;

BE IT FURTHER RESOLVED, that we recommend to the Directors that the President's salary be raised to \$1500. plus the present allowed expenses and per diem for the next year.

MR. GUTH: Mr. President, I move the adoption of this resolution-

(Motion seconded).

VICE PRESIDENT PETERS: Ladies and gentlemen, you have heard the reading of Resolution No. 5. What is your pleasure? It has been moved and seconded. All those in favor of this signify by saying aye.

(Motion carried).

PRESIDENT KOPITZKE: Well, ladies and gentlemen, I want to thank you. I don't know exactly what to say but as I told you the other day, it has been taking a lot of my time but the reason I didn't say anything is the reason I knew I had a Board of Directors and a group of officers to work with that would realize what the experiences were and that that would be taken care of. I didn't expect there would be anything up here on the resolutions committee. I am certainly happy to know that men feel the way the officers and Board of Directors did and I thank you very kindly.

When we started last year there was no telling how many members we would have in, and I have been so interested in keeping all the cheese makers and factories alive, and I didn't know just how we would come out, but for sometime the people I have seen indicated that the results would be very gratifying and that there would be plenty money there to pay the expenses and a fairly decent salary. I want to thank you again.

Has any one any resolutions they would like to present from the floor? If not, is the chairman of the nominating committee or the tellers present to give the results of the ballots?

MR. BRICK: Your teller, Mr. President, hereby makes the following report of the election. There were 85 votes cast for president; Leonard Kopitzke received 85.

For Vice President E. E. Peters received 79; no opposing candidate.

For Secretary, Mr. Graf received 82; for treasurer George Hernke received 84 and Mr. Horn received 81 for director for the next three years.



PRESIDENT KOPITZKE: Thank you Mr. Brick. Thank you ladies and gentlemen. I thought for sure I had at least one opponent but that certainly does make me feel pretty good. I want to thank you.

We have a lot of door prizes if there is nothing else to bring up.

DOOR PRIZE of one Electric Clock

Donated by the Topp Oil & Supply Company.

Mr. Ed. Knaus, (Winner)

MR. MULLOY: Mr. President, that is all the door prizes we have for this occasion.

PRESIDENT KOPITZKE: According to that that will be the end of the convention for 1943. I want to thank you again for the attention and we will have the directors meeting after the close of this one in room 343. (Whereupon the 1943 convention adjourned).

A. J. Kemper,  
Official Convention Reporter  
McFarland, Wisconsin.

Geo. L. Mooney, Executive Secretary,  
Rohde Building, Plymouth, Wisconsin.

## CHEESE SCORES

## WISCONSIN CHEESE MAKERS' ASSOCIATION

## ANNUAL MEETING AND WAR PROBLEMS CONFERENCE

Fond du Lac, Wisconsin

November 9 - 10 - 11, 1943

All prize money was pooled and permitted the payment of \$4.25 per full point to exhibitors, commencing with 92 score

## CLASS 1—AMERICAN CHEESE

Made before 1943

No.		Score
101	John Babler, Campbellsport.....	97.00
102	L. E. Kopitzke, Marion.....	96.10
103	Ronald Johnson, Plymouth.....	96.10
104	Emil H. Peters, Sugarbush.....	97.10
105	W. A. Zietlow, Marion.....	98.30
106	Edward J. Kust, Oconto Falls.....	98.10
107	Vernon Gerbig, Marion.....	96.30
108	Val Kohlman, Malone.....	96.30
109	Emil Sonnenberg, Cato.....	96.10
110	Milford Peters, Plymouth.....	97.30
111	Albert Reiss, Conrath.....	95.50
112	Erwin E. Schreiber, Cecil.....	98.30
113	J. W. Olm, Reedsville.....	93.80
114	John F. Lensmire, Marathon.....	96.00
115	Leroy Schuricht, Plymouth.....	96.60
116	Louis B. Kohlman, St. Cloud.....	95.30
117	Armin Hernke, Hilbert.....	94.30
118	Erhart Brandt, Kewaunee.....	99.10
119	Henry J. Loehr, Calvary.....	94.30
120	John J. Kleinhans, Campbellsport.....	94.50

## CLASS 2—AMERICAN CHEESE

Made in 1943 before August 1

201	M. H. Parsons, Dorchester.....	93.00
202	Emil C. Hoppe, Abrams.....	96.00
203	Arnold Ohlrogge, Denmark.....	94.60
204	Ronald Johnson, Plymouth.....	90.60
205	E. H. Schroeder, Glenbeulah.....	95.30
206	Steve Suidzinski, Denmark.....	99.00
207	Gus E. Plate, Brillion.....	94.30
208	Art H. Woldt, Reedsville.....	95.00

209	Henry J. Loehr, Calvary.....	96.00
210	Thomas Kobes, Denmark.....	92.50
211	Albert J. Reiss, Conrath.....	91.60
212	Gilbert G. Englebert, Brussels.....	97.00
213	Wilford Retzlaff, Brussels.....	94.80
214	Edward J. Kust, Oconto Falls.....	97.80
215	Roman Birkholz, Black Creek.....	94.60
216	Fred A. Luethy, Fond du Lac.....	94.00
217	Arno W. Sass, Plymouth.....	93.30
218	E. E. Peters, Plymouth.....	94.00
219	Earl Schneider, Algoma.....	92.00
220	A. G. Olm, Waldo.....	91.00
221	Paul Viktora, East Dubuque.....	97.10
222	John Babler, Campbellsport.....	96.00
223	Wm. J. Kusta, Bonduel.....	95.60
224	L. E. Kopitzke, Marion.....	94.30
225	Emil L. Sonnenberg, Cato.....	96.50
226	Martin H. Stecker, Manitowoc.....	96.50
227	Vernon Gubig, Marion.....	93.30

## CLASS 3—AMERICAN CHEESE

## Made in 1943 after August 1

301	Fred Krummenacher, Kaukauna.....	94.00
302	Alvin Hammer, Chilton.....	91.00
303	Louis J. Horn, Hannibal.....	91.30
304	Emil C. Hoppe, Abrams.....	96.00
305	Ronald Johnson, Plymouth.....	96.80
306	Wilfred Retzlaff, Brussels.....	90.30
307	Chas. L. Webb, Glenbeulah.....	90.00
308	Hugo C. Kielsmeier, Kingston.....	96.00
309	Albert J. Reiss, Conrath.....	92.00
310	Wm. A. Zietlow, Marion.....	95.20
311	Henry J. Loeht, Calvary (Comp.).....	93.00
312	Henry J. Loehr, Calvary.....	93.80
313	Richard A. Lensmire, Whitelaw.....	92.00
314	Arnold Ohlrogge, Denmark.....	97.50
315	Milford Peters, Plymouth.....	95.10
316	E. H. Schroeder, Glenbeulah.....	96.30
317	Ray H. Grebe, Glenbeulah.....	92.30
318	Victor F. Herrmann, Whitelaw.....	92.00
319	M. A. Lensmire, Cascade.....	90.60
320	M. H. Parsons, Dorchester.....	94.60
321	Edw. F. Lensmire, Cascade.....	92.00
322	John F. Lensmire, Marathon.....	93.30

323	Steve Suidzinski, Denmark.....	95.80
324	Thomas Kobes, Denmark.....	95.50
325	Gilbert G. Englebert, Brussels.....	95.50
326	Edw. J. Kust, Oconto Falls.....	97.80
327	Emil H. Peters, Sugar Bush.....	92.00
328	Louis A. Ringel, Shawano.....	95.80
329	Adolph Kolarik, Algoma.....	94.10
330	John Babler, Campbellsport.....	95.80
331	Wm. Kraus, Fond du Lac.....	93.00
332	E. E. Peters, Plymouth.....	98.50
333	Arno W. Sass, Plymouth.....	97.50
334	Emil K. Sonnenberg, Cato.....	95.00
335	Val Kohlman, Malone.....	93.60
336	John Babler, Campbellsport (Comp.).....	93.50
337	Erhart Brandt, Kewaunee.....	90.00
338	Vernon Gerbig, Marion.....	95.30
339	L. E. Kopitzke, Marion.....	95.30
340	Wm. F. Preuss, Seymour.....	96.10
341	H. J. Roegner (Daisy Dairy), Poy Sippi.....	95.80
342	Leonard Stecker, Chilton.....	93.80
343	Gus E. Plate, Brillion.....	92.20
344	John F. Hinz, Cleveland.....	91.30
345	Paul Viktora, East Dubuque.....	97.30
346	Melvin Mullens, Edgar.....	92.30
347	C. W. Stange, Elkhart Lake.....	92.00
348	A. M. Kanstrup, Livingston.....	92.60
349	Edwin J. Conger, Plymouth.....	95.30
350	Art. H. Woldt, Reedsville.....	96.00
351	Leroy Schuricht, Plymouth.....	96.50
352	Peter H. Eiler, De Pere.....	95.60
353	Jake Muetzenberg, Burnett.....	94.00
354	Richard Martin, Ingram.....	93.00
355	Norman Stecker, Reedsville.....	92.60
356	Alois M. Thiel, Menasha.....	92.00
357	Reinhold Pipping, Glenbeulah.....	95.00
358	Bernard Herold, Denmark Star Rt.....	94.30
359	Earl Bentle, Hortonville.....	90.30
360	Leland Pagel, Denmark, Rt. 2.....	95.00
361	Ed. Decker, Granton.....	93.60
362	Ed. Decker, Granton (Comp.).....	93.30

## CLASS 4—SWISS CHEESE

401	Alex Amman, Juda.....	98.50
402	Albert J. Gafner, Prairie Farm.....	98.00
403	John Stettler, Clayton.....	94.50

## WISCONSIN CHEESE MAKERS' ASSOCIATION

404	Robt. Herrmann, Prairie Farm.....	98.70
405	Fred Buob, South Wayne.....	94.00
406	Walter Jegerlehner, Darlington.....	99.00

## CLASS 5—LIMBURGER

501	Christ Gimmel, Fox Lake.....	95.50
502	Fred Gurtner & Son, Hartford.....	96.50

## CLASS 6—BRICK

601	Walter Huegli, Woodland.....	95.00
602	Fred Bleuer, Cambria.....	93.50
603	Fred Balmer, Juneau.....	94.30
604	Gust Drachenberg, Watertown.....	93.50
605	Ernest W. Jung, Juneau.....	89.80
606	Adolph Gurtner, Rubicon.....	93.60
607	Fred Wenger, Juneau.....	92.00

## CLASS 7—MUNSTER

701	John Schmid, Beaver Dam.....	90.00
702	Walter Huegli, Woodland.....	95.80
703	Fred Wenger, Juneau.....	90.80
704	Ernest W. Jung, Juneau.....	90.00

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CHEESE MAKERS AND BUTTER MAKERS**

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Elwood Mitchell, Clintonville.....	Vice President
Erwin Schreiber, Cecil.....	Secretary
Allen Stemper, Clintonville.....	Treasurer
A. H. Graf, Zachow.....	Director
Henry Gipp, Suring.....	Director
L. E. Kopitzke, Marion.....	Director

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Fred Bleuer, Cambria.....	President
Werner Wuethrich, Columbus.....	Secretary
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