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WHAT'S WRONG WITH AMERICAN SODAS?

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The tongue is a discerning instrument; in the hands of a traveled soda aficionado, it is capable of leading to insightful truths about politics. To the drinker who has imbibed foreign sodas, this truth stems from the peculiar, yet incontrovertible fact that American soda is not so hot.

Though some blame this phenomenon on the use of aluminum cans over glass bottles, even the most elegant dress won't make a homely girl comely. Instead, to the trained tongue, the answer is clear: American soda is sweetened with artificial-tasting high fructose corn syrup, while foreign sodas are made with natural cane sugar.

Why would the American public accept such a mediocre substitute?

Whenever the public doesn't get what it wants and consumer demand is subservient to corporate interest, the most likely culprit is government policy. On the free market, consumers drive production, whereas under a system of protectionist corporatism, politicians and bureaucrats guide the market. With free competition, companies best able to satisfy consumer demand are the ones that expand production and stay in business; the consumer is king.

When a government guarantees profits to those large corporations with powerful lobbies, the market loses its natural regulating mechanism. Instead of weeding out the most inefficient companies, the state subverts the consumer and keeps these companies propped up with corporate welfare. This is particularly true with respect to the agricultural industry.

In the absence of tariffs, importation quotas, and subsidies, the natural tendency of the market would be to produce cheap sugar, which soda manufacturers would then import to sweeten their product. Domestic farmers are naturally opposed to this system because they cannot compete with more efficient foreign firms. So, instead of competing for the dollar votes of the millions of individuals who form the free market, these large corporations employ the power to lobby a select group of politicians to confer them with special privilege. When a businessman tries to secure his profits not through free competition, but through state privilege, he is not acting as a market 

entrepreneur, but rather as a political, rent-seeking one.

In this case, the political entrepreneur was Archer Daniels Midland, a company that lobbied Congress to pass draconian quotas on sugar importation. But why would ADM, a corn producer, want to artificially raise the price of foreign sugar? A basic lesson of economics is this: when the price of a good is raised, all other things being equal, people cut back on their consumption, and (depending on the elasticity of demand) they look for substitutes.

High fructose corn syrup, which is made from cornstarch (which ADM produces) is such a substitute.

Venal politicians gave ADM what it wanted when Congress passed the restrictions in 1982. So now, in addition to manipulating the country's tariffs, the Office of the United States Trade Representative sets limits by country on the tonnage of sugar that can be imported annually.

John Barnes of the *New Republic* points out, "In 1979 the entire corn sweetener industry produced just 1.7 million metric tons. Since the imposition of the sugar quota, industry production has soared to 5.5 million metric tons, more than 80 percent of it accounted for by ADM."

Furthermore, as James Bovard notes, "At least 43 percent of ADM's annual profits are from products heavily subsidized or protected by the American government. Moreover, every \$1 of profits earned by ADM's corn sweetener operation costs consumers \$10."

While the public has been forced to suffer inferior product, large corporations reap the benefits. The ubiquitous use of high fructose corn syrup did not freely come about on the market, but was rather a product of the protectionist schemes of the federal government.

The story could end here, as it usually would, with the populace swindled because of the state, but thankfully it doesn't. In spite of the morass of anti-market policies, companies like Jones Soda have sought to satisfy a consumer demand for potable, domestic soda.

In January of 2007, the company switched from high fructose corn syrup to cane sugar. Though it cost the company over \$1 million to alter its machinery, CEO Peter van Stolk defended the new sweetening agent, "because it tastes better and they [consumers] feel better about it because it's pure; it's sugar. They know what it is."

Though there has been a controversy over a link between high fructose corn syrup and obesity, van Stolk is a CEO who has little interest in babysitting his clients. Instead, his rationale for the switch was simple: he saw that his customers had been demanding a change in the product, so to make more money, he gave them what they wanted.

The company's entire product is now made with natural cane sugar, and they have managed to limit the rise in price a modest 5 percent.

Jones Soda is the kind of company that would arise if the state would divorce itself from the economy. Unlike the mega-corporations Coke and Pepsi, Jones caters to the individualist spirit of

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America. Along with continually changing the photographs on its labels, Jones soda allows customers to individualize their own twelve packs with whatever picture or message they choose. Similarly, with over 64 flavors, including Caramel Cream and Lemon Drop Dead, Jones embodies the personal nature of free enterprise.

Under a system of tariffs, subsidies, and restrictions, we get companies like Coke and Pepsi producing collectivist drinks for the masses. There is nothing exciting about these products because

there is nothing exciting about the system that produces them. Interventionism is restrictive; it confines the innovative human mind, while the *laissez-faire* economy unleashes it.

In the absence of sugar quotas, Jones wouldn't have to suffer financially for its decision to give people what they want. It would be allowed to give us more flavors, like Bohemian Raspberry flavored with delicious cane sugar. But instead we are confined to brown, industrial strength soda. Ultimately, this is always the choice society must make. ■

THE MASS MURDERER OF THE CENTURY

Llewellyn H. Rockwell, Jr.

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A student searching for the conventional wisdom on Mao Zedong will find that he was a controversial figure who modernized China but at some cost, and thus does his legacy remain undecided. And so books reciting his “wisdom” can be found in most bookstores, and shirts with his image still sell in countercultural bookstores. Every department of modern history hosts at least one faculty member who will defend Mao and attack his accusers. And the debate rages.

This is exceedingly strange, given the indisputable facts about this man and the extreme communism he tried to establish in China. How many died as a result of persecutions and the policies of Mao? It could be as low as 40 million. It could be as high as 100 million or more. In the Great Leap Forward from 1959 to 1961 alone, figures range between 20 million

to 75 million. In the period before, 20 million. In the period after, tens of millions more.

As scholars in the area of mass death point out, most of us can't imagine 100 dead or 1,000. Above that, we are just talking about statistics: they have no conceptual meaning for us. And there is only so much ghastly information that our brains can absorb, only so much blood we can imagine. And yet there is more to why China's communist experiment remains a hidden fact: it makes a decisive case against government power, one even more compelling than the cases of Russia or Germany in the twentieth century.

The horror was foreshadowed in a bloody civil war following the Second World War. After some 9 million people died, the communists emerged victorious in 1949, with Mao as the ruler. The

land of Lao-Tzu (rhyme, rhythm, peace), Taoism (compassion, moderation, humility), and Confucianism (piety, social harmony, individual development) was seized by the strangest import to China ever: Marxism from Germany via Russia.

It was an ideology that denied all logic, experience, economic law, property rights, and limits on the power of the state on grounds that these notions were merely bourgeois prejudices, and what we needed to transform society was a cadre with all power to transform all things.

The communization of China took place in the usual three stages: purge, plan, and scapegoat. First there was the purge to bring about communism. There were guerrillas to kill and land to nationalize. The churches had to be destroyed. The counterrevolutionaries had to be put down. The violence began in the country and spread later to the cities. All peasants were first divided into four classes that were considered politically acceptable: poor, semi-poor, average, and rich. Everyone else was considered a landowner and targeted for elimination. If no landowners could be found, the “rich” were often included in this group. The demonized class was ferreted out in a country-wide series of “bitterness meetings” in which people turned in their neighbors for owning property and being politically disloyal. Those who were so deemed were immediately executed along with those who sympathized with them.

The idea was that there had to be at least one person killed per village. The number killed is estimated to be between one and five million. In addition, another four to six million landowners were slaughtered for the crime of being capital owners. If anyone was suspected of hiding wealth, he or she was tortured with hot irons to confess. The families of the killed were then tortured and the graves of their ancestors looted and pilaged. What happened to the land? It was

divided into tiny plots and distributed among the remaining peasants.

Then the campaign moved to the cities. The political motivations here were at the forefront, but there were also behavioral controls. Anyone who was suspected of involvement in prostitution, gambling, tax evasion, lying, fraud, opium dealing, or telling state secrets was executed as a “bandit.” Official estimates put the number of dead at two million with another two million going to prison to die. Resident committees of political loyalists watched every move. A nighttime visit to another person was immediately reported and the parties involved jailed or killed. The cells in the prisons themselves grew ever smaller, with one person living in a space of about 14 inches. Some prisoners were worked to death, and anyone involved in a revolt was herded with collaborators and they were all burned.

There was industry in the cities, but those who owned and managed the firms were subjected to ever tighter restrictions: forced transparency, constant scrutiny, crippling taxes, and pressure to offer up their businesses for collectivization. There were many suicides among the small- and medium-sized business owners who saw the writing on the wall. Joining the party provided only temporary respite, since 1955 began the campaign against hidden counterrevolutionaries in the party itself. A principle here was that one in ten party members was a secret traitor.

As the rivers of blood rose ever higher, Mao instigated the Hundred Flowers Campaign for two months in 1957, the legacy of which is the phrase we often hear: “Let a hundred flowers bloom.” People were encouraged to speak freely and give their point of view, an opportunity that was very tempting for intellectuals. The liberalization was a trick. All those who spoke out against what was happening to China were rounded up and imprisoned, perhaps between 400,000 and 700,000 people, including 10 percent of the well-educated

classes. Others were branded as right-wingers and subjected to interrogation, reeducation, then kicked out of their homes, and shunned.

But this was nothing compared with phase two, which was one of history's great central planning catastrophes. Following collectivization of land, Mao decided to go further to dictate to the peasants what they would grow, how they would grow it, and where they would ship it, or whether they would grow anything at all as versus plunge into industry. This would become the Great Leap Forward that would generate history's most deadly famine. Peasants were grouped into groups of thousands and forced to share all things. All groups were to be economically self-sufficient. Production goals were raised ever higher.

People were moved by the hundreds of thousands from where production was high to where it was low, as a means of boosting production. They were moved too from agriculture to industry. There was a massive campaign to collect tools and transform them into industrial skill.

Mao had the idea that he knew how to grow grain. He proclaimed that "seeds are happiest when growing together" and so seeds were sown at five to ten times their usual density. Plants died, the soil dried out, and the salt rose to the surface. To keep birds from eating grain, sparrows were wiped out, which vastly increased the number of parasites. Erosion and flooding became endemic.

Tea plantations were turned to rice fields, on grounds that tea was decadent and capitalistic. Hydraulic equipment built to service the new collective farms didn't work and lacked any replacement parts. This led Mao to put new emphasis on industry, which was forced to appear in the same areas as agriculture, leading to ever more chaos. Workers were drafted from one sector to another, and mandatory cuts in some sectors were balanced by mandatory high quotas in another.

In 1957, the disaster was everywhere. Workers were growing too weak even to harvest their meager crops, so they died watching the rice rot. Industry churned and churned but produced nothing of any use. The government responded by telling people that fat and proteins were unnecessary. But the famine couldn't be denied. The black-market price of rice rose 20 to 30 times. Because trade had been forbidden between collectives (self-sufficiency, you know), millions were left to starve. By 1960, the death rate soared from 15 percent to 68 percent, and the birth rate plummeted. Anyone caught hoarding grain was shot. Peasants found with the smallest amount were imprisoned. Fires were banned. Funerals were prohibited as wasteful.

Villagers who tried to flee the countryside to the city were shot at the gates. Deaths from hunger reached 50 percent in some villages. Survivors boiled grass and bark to make soup and wandered the roads looking for food. Sometimes they banded together and raided houses looking for ground maize. Women were unable to conceive because of malnutrition. People in work camps were used for food experiments that led to sickness and death.

How bad did it get? There are firsthand reports of parents swapping children in order to eat them. How many people died in the famine of 1959–61? The low range is 20 million. The high range is 43 million. Finally in 1961, the government gave in and permitted food imports, but it was too little and too late. Some peasants were again allowed to grow crops on their own land. A few private workshops were opened. Some markets were permitted. Finally, the famine began to abate and production grew.

But then the third phase came: scapegoating. What had caused the calamity? The official reason was anything but communism, anything but Mao. And so the politically motivated roundup began again, and here we get the very heart of the Cultural Revolution. Thousands of

camps and detention centers were opened. People sent there died there. In prison, the slightest excuse was used to dispense with people—all to the good, since the prisoners were a drain on the system, so far as those in charge were concerned. The largest penal system ever built was organized in a military fashion, with some camps holding as many as 50,000 people.

There was some sense in which everyone was in prison. Arrests were sweeping and indiscriminate. Everyone had to carry around a copy of Mao's *Little Red Book*. To question the reason for arrest was itself evidence of disloyalty, since the state was infallible. Once arrested, the safest path was instant and frequent confession. Guards were forbidden from using overt violence, so interrogations would go on for hundreds of hours, and often the prisoner would die during this process. Those named in the confession were then hunted down and rounded up. Once you got through this process, you were sent to a labor camp, where you were graded according to how many hours you could work with little food. You were fed no meat nor given any sugar or oil. Labor prisoners were further controlled by the rationing of the little food they had.

The final phase of this incredible litany of criminality lasted from 1966 to 1976, during which the number killed fell dramatically to “only” one to three million. The government, now tired and in the first stages of demoralization, began to lose control, first within the labor camps and then in the countryside. And it was this weakening that led to the final, and in some ways the most vicious, of the communist periods in China's history: the period of the Red Guard. They roamed the country in an attempt to purge the Four Old-Fashioned Things: ideas, culture, customs, and habits. The remaining temples were barricaded. Traditional opera was banned, with all costumes and sets in the Beijing Opera burned. Monks were expelled. The calendar was changed. All Christianity was banned. There were to be no pets

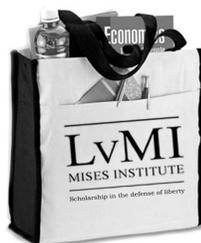
such as cats and birds. Humiliation was the order of the day.

A massive party purge began, with hundreds of thousands arrested and many murdered. Artists, writers, teachers, scientists, technicians: all were targets. Pogroms were visited on community after community, with Mao approving every step as a means of eliminating every possible political rival. But underneath, the government was splintering and cracking, even as it became ever more brutal and totalitarian in its outlook.

Finally in 1976, Mao died. Within a few months, his closest advisers were all imprisoned. The reform began slowly at first and then at breakneck speed. Civil liberties were restored (comparatively) and the rehabilitations began. Torturers were prosecuted. Economic controls were gradually relaxed. The economy, by virtue of human and private economic initiative, was transformed.

Today China is one of the greatest economic success stories ever recorded. In three decades, the society went from domination by communist poverty, prisons, and killing fields to a thriving font of production, all due to a change in ideology that freed people from socialist tyranny. Socialists today would like us not to notice this transformation, but anyone concerned about human freedom cannot afford to forget it. ■

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