THE MORNING OREGONIAN, TUESDAY, AUGUST 3, 1920



for N

ay all 100 10 wore

We promised to expose the inner workings of the "Milk Trust" organized by Alma D. Katz, the agent of the Mutual Life Insurance Company of New York, and now president of the "Trust" --- the Oregon Dairymen's Co-operative League.

Here Are the Facts:

For all that follows we hold absolute proof in the form of Original Documents or Sworn Affidavits or the Testimony of Competent Witnesses.

AND THEN comes the celebrated By-Products Corporation, organized under the Commercial Laws of Oregon. All the above by a great stretch of the imagination might be labeled co-operation.

About two years ago Alma D. Katz and his associates launched among the dairymen a campaign for memberships using the most extravagant promises, misrepresentation and often times intimidation as well as vicious attacks upon the integrity of Oregon Companies engaged in the milk and milk product business. These tactics have continued up to the present day.

Dairymen were repeatedly told:

That by "Joining the League" they could control the market and force prices to unheard-of levels.

That the "League" had been a huge success in California and other states, etc., etc. Promises that could not be kept-statements that were not true.

In hundreds and hundreds of cases dairymen were induced to join because they were told all their neighbors had joined or that,

The company to whom he was selling had signed up with the league and that unless the dairyman joined he would have no market for his milk, or that,

The truck-driver hauling his milk would hereafter haul only for "League members," or that His friends and neighbors had all joined and they would blacklist and ostracize him unless he joined.

To further their ends these "Co-operators" repeatedly told, wrote and published that the dairyman had been "Robbed and cheated" for years by those to whom he sold his milk.

And this is the way members were induced, cajoled and browbeaten into joining the "League," that the promoters now tearfully say is necessary "to save" the dairy industry from disaster. So much for promotion-now the organization.

In the beginning the foundation of this scheme—the contract the dairymen signed was based upon the pattern of the California leagues, but as 5 California leagues are now facing 5 suits brought by the Attorney General of that state to dissolve them for violations of law, usurpations of authority, restraint of trade and price fixing and manipulation, Katz and his asso-ciates reorganized the league into its present form in an attempt to legalize their Oregon scheme. The contract is a finely printed document of ten pages. It would take an attorney hours to unravel its legal technicalities but the dairyman is often

rushed off his feet into signing or his wife induced to sign in his absence, which the league claims binds him.

This contract attempts to bind the dairyman for five and one-half years to do the following:

Surrender all control of his milk-to deliver his milk to the league or its order.

To accept for his milk whatever the league gives him.

To pay all costs and 5c per gallon if his own league sues him.

- This contract provides the league has power to do what it will, when and how with the milk of members.
- That it shall pay the dairyman what it pleases.

That it may acquire plants, factories, agencies, etc.

That it may borrow money upon the personal credit of its membership.

But when the relations of this Disguised Co-operative Scheme to the Undisguised By-Products Corporation stands revealed in its true light, the sinister character of this whole promotion becomes clearer.

Article 11, section D, on page 4 of the contract, provides that the preferred stock of the By-Products Corporation

"MAY BE sold to the dairymen or any other person, firm or corporation whatsoever."

AND THEN the supplementary Marketing Agreement signed at the same time by the farmer, provides in section 15, on page 9:

"The dairymen hereby expressly authorize the league to deliver to the Oregon Dairymen's By-Products Corporation any or all of his milk for handling, processing and manufacturing into by-products, etc. There you have it. The "Katz" are out of the bag at last.

The dairymen tied up for 5½ years. The dairymen have agreed to accept as low a price as the league may wish to give him. The dairyman has "expressly" permitted his milk to be sold at such price to the By-Products company.

Any person, firm or corporation desired by the promoters may own and control the stock of the By-Produces company. And that company in turn may sell the products for as high a price as it sees fit.

Is this co-operation?

Why such fear on the part of the promoters? Why the necessity of such 5½-year "cinch" agreements.

BY C. M. GREGORY, Mgr.

Where Do Either Farmer or Consumer Get Off? Is This Not Exploitation of Both?

Advertising Committee Portland Milk Dealers.