NOTES from FEE

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SOCIALIZED SUGAR

THE STATE OF ALABAMA has authorized the city of Mobile to float a bond issue (tax exempt, of course) to build a $12,000,000 sugar refining plant – another first for socialism. Government has not heretofore been in the sugar refining business in the U.S.A. – at least, not directly.

With government's foot in this narrow-margined business, the end of private production can be foreseen. Margins on sugar are not sufficient to enable private enterprise to compete with socialized, that is, with subsidized operations.

The case of socialized sugar is no more objectionable than socialized anything else. It has special significance only because the socialization, in this instance, is not accompanied by the usual socialistic excuses.

For example, the original excuse for the now sprawling TVA was "a yardstick" against which government might check private enterprise pricing and efficiency. No one has the nerve to offer, again, this lame plausibility for socializing such a consistently low-priced item as sugar.

Water and sewerage systems, education, subways, and a host of other activities have been socialized on the thoughtless excuse that "government should do for the people what the people are unable to do for themselves."[1] To apply such a cliché to sugar is to joke. For years our government has had laws backed by police force – quotas and tariffs – to keep sugar from flowing too freely into our country. Few if any foods are easier to produce and refine than sugar. So-called under-developed countries produce sugar with the greatest of ease.

Nor does the Marxian nonsense – "from each according to ability, to each according to need" – apply. For is it not the "needy" of the world who can produce sugar? And, we must ask, who in Mobile is suffering from lack of sugar?

National defense is often used as the excuse to socialize an industry. For decades we have subsidized our own beet and cane growers on the grounds that we should not risk a reliance on foreign suppliers during hostilities. And all for naught! As World War II got under way, the sugar beet growers who had been subsidized to assure us a wartime sugar supply deserted to more profitable crops. No, the people in Mobile are not using national defense as the excuse for their new excursion into socialized sugar refining.

SOCIALISM is the government ownership and control of the means of production. Municipal government is no less government than is the federal apparatus, nor is socialism any the less socialism because it is at the municipal level.

About 1,900 municipalities have socialized power and light. There may be as many as 700 communities where water and sewerage services are still privately supplied; in all the rest – thousands of towns and cities – these services are socialized. Cities are now operating hotels, growing wheat, producing fertilizer, marketing milk, producing asphalt and cement, operating parking lots, and even running cocktail bars![2]

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[1] See FEE's "Cliché of Socialism," Number 3.

[2] "Cities in Business," *The Wall Street Journal*, September 14, 1961.