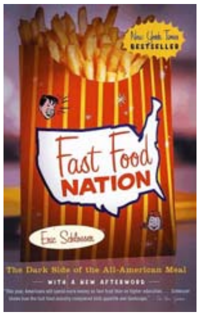

INTRODUCTION

Fast Food Nation
The Dark Side of the All-American Meal
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Cheyenne mountain sits on the eastern slope of Colorado's Front Range, rising steeply from the prairie and overlooking the city of Colorado Springs. From a distance, the mountain appears beautiful and serene, dotted with rocky outcroppings, scrub oak, and ponderosa pine. It looks like the backdrop of an old Hollywood western, just another gorgeous Rocky Mountain vista. And yet Cheyenne Mountain is hardly pristine. One of the nation's most important military installations lies deep within it, housing units of the North American Aerospace Command, the Air Force Space Command, and the United States Space Command. During the mid-1950s, high-level officials at the Pentagon worried that America's air defenses had become vulnerable to sabotage and attack. Cheyenne Mountain was chosen as the site for a top-secret, underground combat operations center. The mountain was hollowed out, and fifteen buildings, most of them three stories high, were erected amid a maze of tunnels and passageways extending for miles. The four-and-a-half-acre underground complex was designed to survive a direct hit by an atomic bomb. Now officially called the Cheyenne Mountain Air Force Station, the facility is entered through steel blast doors that are three feet thick and weigh twenty-five tons each; they automatically swing shut in less than twenty seconds. The base is closed to the public, and a heavily armed quick response team guards against intruders. Pressurized air within the complex prevents contamination by radioactive fallout and biological weapons. The buildings are mounted on gigantic steel springs to ride out an earthquake or the blast wave of a thermonuclear strike. The hallways and staircases are painted slate gray, the ceilings are low, and there are combination locks on many of the doors. A narrow escape tunnel, entered through a metal hatch, twists and turns its way out of the mountain through solid rock. The place feels like the set of an early James Bond movie, with men in jumpsuits driving little electric vans from one brightly lit cavern to another.

Fifteen hundred people work inside the mountain, maintaining the facility and collecting information from a worldwide network of radars, spy satellites, ground-based sensors, airplanes, and blimps. The Cheyenne Mountain Operations Center tracks every manmade object that enters North American airspace or that orbits the earth. It is the heart of the nation's early warning system. It can detect the firing of a long-range missile, anywhere in the world, before that missile has left the launch pad.

This futuristic military base inside a mountain has the capability to be self-sustaining for at least one month. Its generators can produce enough electricity to power a city the size of Tampa, Florida. Its underground reservoirs hold millions of gallons of water; workers sometimes traverse them in rowboats. The complex has its own underground fitness center, a medical clinic, a dentist's office, a barbershop, a chapel, and a cafeteria. When the men and women stationed at Cheyenne Mountain get tired of the food in the cafeteria, they often send somebody over to the Burger King at Fort Carson, a nearby army base. Or they call Domino's.

Almost every night, a Domino's deliveryman winds his way up the lonely Cheyenne Mountain Road, past the ominous DEADLY FORCE AUTHORIZED signs, past the security checkpoint at the entrance of the base, driving toward the heavily guarded North Portal, tucked behind chain link and barbed wire. Near the spot where the road heads straight into the mountainside, the delivery man drops off his pizzas and collects his tip. And should Armageddon come, should a foreign enemy someday shower the United States with nuclear warheads, laying waste to the whole continent, entombed within Cheyenne Mountain, along with the high-tech marvels, the pale blue jumpsuits, comic books, and Bibles, future archeologists may find other clues to the nature of our civilization - Big King wrappers, hardened crusts of Cheesy Bread, Barbeque Wing bones, and the red, white, and blue of a Domino's pizza box.

What We Eat

Over the last three decades, fast food has infiltrated every nook and cranny of American society. An industry that began with a handful of modest hot dog and hamburger stands in southern California has spread to every corner of the nation, selling a broad range of foods wherever paying customers may be found. Fast food is now served at restaurants and drive-throughs, at stadiums, airports, zoos, high schools, elementary schools, and universities, on cruise ships, trains, and airplanes, at K-Marts, Wal-Marts, gas stations, and even at hospital cafeterias. In 1970, Americans spent about $6 billion on fast food; in 2000, they spent more than $110 billion. Americans now spend more money on fast food than on higher education, personal computers, computer software, or new cars. They spend more on fast food than on movies, books, magazines, newspapers, videos, and recorded music - combined.

Pull open the glass door, feel the rush of cool air, walk in, get on line, study the backlit color photographs above the counter, place your order, hand over a few dollars, watch teenagers in uniforms pushing various buttons, and moments later take hold of a plastic tray full of food wrapped in colored paper and cardboard. The whole experience of buying fast food has become so routine, so thoroughly unexceptional and mundane, that it is now taken for granted, like brushing your teeth or stopping for a red light. It has become a social custom as American as a small, rectangular, hand-held, frozen, and reheated apple pie.

This is a book about fast food, the values it embodies, and the world it has made. Fast food has proven to be a revolutionary force in American life; I am interested in it both as a commodity and as a metaphor. What people eat (or don't eat) has always been determined by a complex interplay of social, economic, and technological forces. The early Roman Republic was fed by its citizen-farmers; the Roman Empire, by its slaves. A nation's diet can be more revealing than its art or literature. On any given day in the United States about one-quarter of the adult population visits a fast food restaurant. During a relatively brief period of time, the fast food industry has helped to transform not only the American diet, but also our landscape, economy, workforce, and popular culture. Fast food and its consequences have become inescapable, regardless of whether you eat it twice a day, try to avoid it, or have never taken a single bite.

The extraordinary growth of the fast food industry has been driven by fundamental changes in American society. Adjusted for inflation, the hourly wage of the average U.S. worker peaked in 1973 and then steadily declined for the next twenty-five years. During that period, women entered the workforce in record numbers, often motivated less by a feminist perspective than by a need to pay the bills. In 1975, about one-third of American mothers with young children worked outside the home; today almost two-thirds of such mothers are employed. As the sociologists Cameron Lynne Macdonald and Carmen Sirianni have noted, the entry of so many women into the workforce has greatly increased demand for the types of services that housewives traditionally perform: cooking, cleaning, and child care. A generation ago, three-quarters of the money used to buy food in the United States was spent to prepare meals at home. Today about half of the money used to buy food is spent at restaurants - mainly at fast food restaurants.

The McDonald's Corporation has become a powerful symbol of America's service economy, which is now responsible for 90 percent of the country's new jobs. In 1968, McDonald's operated about one thousand restaurants. Today it has about twenty-eight thousand restaurants worldwide and opens almost two thousand new ones each year. An estimated one out of every eight workers in the United States has at some point been employed by McDonald's. The company annually hires about one million people, more than any other American organization, public or private. McDonald's is the nation's largest purchaser of beef, pork, and potatoes - and the second largest purchaser of chicken. The McDonald's Corporation is the largest owner of retail property in the world. Indeed, the company earns the majority of its profits not from selling food but from collecting rent. McDonald's spends more money on advertising and marketing than any other brand. As a result it has replaced Coca-Cola as the world's most famous brand. McDonald's operates more playgrounds than any other private entity in the United States. It is one of the nation's largest distributors of toys. A survey of American schoolchildren found that 96 percent could identify Ronald McDonald. The only fictional character with a higher degree of recognition was Santa Claus. The impact of McDonald's on the way we live today is hard to overstate. The Golden Arches are now more widely recognized than the Christian cross.

In the early 1970s, the farm activist Jim Hightower warned of the *McDonaldization* of America. He viewed the emerging fast food industry as a threat to independent businesses, as a step toward a food economy dominated by giant corporations, and as a homogenizing influence on American life. In Eat Your Heart Out (1975), he argued that bigger is not better. Much of what Hightower feared has come to pass. The centralized purchasing decisions of the large restaurant chains and their demand for standardized products have given a handful of corporations an unprecedented degree of power over the nation's food supply. Moreover, the tremendous success of the fast food industry has encouraged other industries to adopt similar business methods. The basic thinking behind fast food has become the operating system of today's retail economy, wiping out small businesses, obliterating regional differences, and spreading identical stores throughout the country like a self-replicating code.

America's main streets and malls now boast the same Pizza Huts and Taco Bells, Gaps and Banana Republics, Starbucks and Jiffy-Lubes, Foot Lockers, Snip N' Clips, Sunglass Huts, and Hobbytown USAs. Almost every facet of American life has now been franchised or chained. From the maternity ward at a Columbia/HCA hospital to an embalming room owned by Service Corporation International - the world's largest provider of death care services, based in Houston, Texas, which since 1968 has grown to include 3,823 funeral homes, 523 cemeteries, and 198 crematoriums, and which today handles the final remains of one out of every nine Americans - a person can now go from the cradle to the grave without spending a nickel at an independently owned business.

The key to a successful franchise, according to many texts on the subject, can be expressed in one word: uniformity. Franchises and chain stores strive to offer exactly the same product or service at numerous locations. Customers are drawn to familiar brands by an instinct to avoid the unknown. A brand offers a feeling of reassurance when its products are always and everywhere the same. We have found out . . . that we cannot trust some people who are nonconformists, declared Ray Kroc, one of the founders of McDonald's, angered by some of his franchisees. We will make conformists out of them in a hurry . . . The organization cannot trust the individual; the individual must trust the organization.

One of the ironies of America's fast food industry is that a business so dedicated to conformity was founded by iconoclasts and self-made men, by entrepreneurs willing to defy conventional opinion. Few of the people who built fast food empires ever attended college, let alone business school. They worked hard, took risks, and followed their own paths. In many respects, the fast food industry embodies the best and the worst of American capitalism at the start of the twenty-first century - its constant stream of new products and innovations, its widening gulf between rich and poor. The industrialization of the restaurant kitchen has enabled the fast food chains to rely upon a low-paid and unskilled workforce. While a handful of workers manage to rise up the corporate ladder, the vast majority lack full-time employment, receive no benefits, learn few skills, exercise little control over their workplace, quit after a few months, and float from job to job. The restaurant industry is now America's largest private employer, and it pays some of the lowest wages. During the economic boom of the 1990s, when many American workers enjoyed their first pay raises in a generation, the real value of wages in the restaurant industry continued to fall. The roughly 3.5 million fast food workers are by far the largest group of minimum wage earners in the United States. The only Americans who consistently earn a lower hourly wage are migrant farm workers.

A hamburger and french fries became the quintessential American meal in the 1950s, thanks to the promotional efforts of the fast food chains. The typical American now consumes approximately three hamburgers and four orders of french fries every week. But the steady barrage of fast food ads, full of thick juicy burgers and long golden fries, rarely mentions where these foods come from nowadays or what ingredients they contain. The birth of the fast food industry coincided with Eisenhower-era glorifications of technology, with optimistic slogans like Better Living through Chemistry and Our Friend the Atom. The sort of technological wizardry that Walt Disney promoted on television and at Disneyland eventually reached its fulfillment in the kitchens of fast food restaurants. Indeed, the corporate culture of McDonald's seems inextricably linked to that of the Disney empire, sharing a reverence for sleek machinery, electronics, and automation. The leading fast food chains still embrace a boundless faith in science - and as a result have changed not just what Americans eat, but also how their food is made.

The current methods for preparing fast food are less likely to be found in cookbooks than in trade journals such as Food Technologist and Food Engineering. Aside from the salad greens and tomatoes, most fast food is delivered to the restaurant already frozen, canned, dehydrated, or freeze-dried. A fast food kitchen is merely the final stage in a vast and highly complex system of mass production. Foods that may look familiar have in fact been completely reformulated. What we eat has changed more in the last forty years than in the previous forty thousand. Like Cheyenne Mountain, today's fast food conceals remarkable technological advances behind an ordinary-looking façade. Much of the taste and aroma of American fast food, for example, is now manufactured at a series of large chemical plants off the New Jersey Turnpike.

In the fast food restaurants of Colorado Springs, behind the counters, amid the plastic seats, in the changing landscape outside the window, you can see all the virtues and destructiveness of our fast food nation. I chose Colorado Springs as a focal point for this book because the changes that have recently swept through the city are emblematic of those that fast food - and the fast food mentality - have encouraged throughout the United States. Countless other suburban communities, in every part of the country, could have been used to illustrate the same points. The extraordinary growth of Colorado Springs neatly parallels that of the fast food industry: during the last few decades, the city's population has more than doubled. Subdivisions, shopping malls, and chain restaurants are appearing in the foothills of Cheyenne Mountain and the plains rolling to the east. The Rocky Mountain region as a whole has the fastest-growing economy in the United States, mixing high-tech and service industries in a way that may define America's workforce for years to come. And new restaurants are opening there at a faster pace than anywhere else in the nation.

Fast food is now so commonplace that it has acquired an air of inevitability, as though it were somehow unavoidable, a fact of modern life. And yet the dominance of the fast food giants was no more preordained than the march of colonial split-levels, golf courses, and man-made lakes across the deserts of the American West. The political philosophy that now prevails in so much of the West - with its demand for lower taxes, smaller government, an unbridled free market - stands in total contradiction to the region's true economic underpinnings. No other region of the United States has been so dependent on government subsidies for so long, from the nineteenth-century construction of its railroads to the twentieth-century financing of its military bases and dams. One historian has described the federal government's 1950s highway-building binge as a case study in interstate socialism - a phrase that aptly describes how the West was really won. The fast food industry took root alongside that interstate highway system, as a new form of restaurant sprang up beside the new off-ramps. Moreover, the extraordinary growth of this industry over the past quarter-century did not occur in a political vacuum. It took place during a period when the inflation-adjusted value of the minimum wage declined by about 40 percent, when sophisticated mass marketing techniques were for the first time directed at small children, and when federal agencies created to protect workers and consumers too often behaved like branch offices of the companies that were supposed to be regulated. Ever since the administration of President Richard Nixon, the fast food industry has worked closely with its allies in Congress and the White House to oppose new worker safety, food safety, and minimum wage laws. While publicly espousing support for the free market, the fast food chains have quietly pursued and greatly benefited from a wide variety of government subsidies. Far from being inevitable, America's fast food industry in its present form is the logical outcome of certain political and economic choices.

In the potato fields and processing plants of Idaho, in the ranchlands east of Colorado Springs, in the feedlots and slaughterhouses of the High Plains, you can see the effects of fast food on the nation's rural life, its environment, its workers, and its health. The fast food chains now stand atop a huge food-industrial complex that has gained control of American agriculture. During the 1980s, large multinationals - such as Cargill, ConAgra, and IBP - were allowed to dominate one commodity market after another. Farmers and cattle ranchers are losing their independence, essentially becoming hired hands for the agribusiness giants or being forced off the land. Family farms are now being replaced by gigantic corporate farms with absentee owners. Rural communities are losing their middle class and becoming socially stratified, divided between a small, wealthy elite and large numbers of the working poor. Small towns that seemingly belong in a Norman Rockwell painting are being turned into rural ghettos. The hardy, independent farmers whom Thomas Jefferson considered the bedrock of American democracy are a truly vanishing breed. The United States now has more prison inmates than full-time farmers.

The fast food chains' vast purchasing power and their demand for a uniform product have encouraged fundamental changes in how cattle are raised, slaughtered, and processed into ground beef. These changes have made meatpacking - once a highly skilled, highly paid occupation - into the most dangerous job in the United States, performed by armies of poor, transient immigrants whose injuries often go unrecorded and uncompensated. And the same meat industry practices that endanger these workers have facilitated the introduction of deadly pathogens, such as E. coli 0157:H7, into America's hamburger meat, a food aggressively marketed to children. Again and again, efforts to prevent the sale of tainted ground beef have been thwarted by meat industry lobbyists and their allies in Congress. The federal government has the legal authority to recall a defective toaster oven or stuffed animal - but still lacks the power to recall tons of contaminated, potentially lethal meat.

I do not mean to suggest that fast food is solely responsible for every social problem now haunting the United States. In some cases (such as the malling and sprawling of the West) the fast food industry has been a catalyst and a symptom of larger economic trends. In other cases (such as the rise of franchising and the spread of obesity) fast food has played a more central role. By tracing the diverse influences of fast food I hope to shed light not only on the workings of an important industry, but also on a distinctively American way of viewing the world.

Elitists have always looked down at fast food, criticizing how it tastes and regarding it as another tacky manifestation of American popular culture. The aesthetics of fast food are of much less concern to me than its impact upon the lives of ordinary Americans, both as workers and consumers. Most of all, I am concerned about its impact on the nation's children. Fast food is heavily marketed to children and prepared by people who are barely older than children. This is an industry that both feeds and feeds off the young. During the two years spent researching this book, I ate an enormous amount of fast food. Most of it tasted pretty good. That is one of the main reasons people buy fast food; it has been carefully designed to taste good. It's also inexpensive and convenient. But the value meals, two-for-one deals, and free refills of soda give a distorted sense of how much fast food actually costs. The real price never appears on the menu.

The sociologist George Ritzer has attacked the fast food industry for celebrating a narrow measure of efficiency over every other human value, calling the triumph of McDonald's the irrationality of rationality. Others consider the fast food industry proof of the nation's great economic vitality, a beloved American institution that appeals overseas to millions who admire our way of life. Indeed, the values, the culture, and the industrial arrangements of our fast food nation are now being exported to the rest of the world. Fast food has joined Hollywood movies, blue jeans, and pop music as one of America's most prominent cultural exports. Unlike other commodities, however, fast food isn't viewed, read, played, or worn. It enters the body and becomes part of the consumer. No other industry offers, both literally and figuratively, so much insight into the nature of mass consumption.

Hundreds of millions of people buy fast food every day without giving it much thought, unaware of the subtle and not so subtle ramifications of their purchases. They rarely consider where this food came from, how it was made, what it is doing to the community around them. They just grab their tray off the counter, find a table, take a seat, unwrap the paper, and dig in. The whole experience is transitory and soon forgotten. I've written this book out of a belief that people should know what lies behind the shiny, happy surface of every fast food transaction. They should know what really lurks between those sesame-seed buns. As the old saying goes: You are what you eat.

Annotated Outline of Fast Food Nation

Chapter 1: The Founding Fathers

I. Carl N. Karcher, an industry pioneer
   A. Carl moved from Ohio to the agricultural area of Anaheim, CA in 1937.
      i) Carl first worked at Karcher's Feed and Seed Store then for Armstrong Bakery in LA.
      ii) Carl noticed many hot dog stands while doing his bakery deliveries. He soon decided to buy a hot dog stand of his own.

II. A new way of life emerged in California centering on automobiles.
   A. Automobiles symbolized independence and freedom to the people in California.
   B. The auto industry attempted to dismantle the U.S. trolley industry but were indicted with antitrust lawsuits and given small fines.
   C. Drive-in restaurants began as a result of the emerging "automobile" way of life.

III. Speedee Service
   A. Carl Karcher opened Drive-In Barbecue and did most of the restaurant operations himself.
   B. Due in part to the booming economy in Southern California after World War II, Carl's new business was successful.
      i) The federal government spent a large sum of money in and around Los Angeles.
      ii) Anaheim was growing to become a metropolitan area.
   C. McDonald's entered the market charging $0.20 less per hamburger than Carl.
      i) McDonald's was successful, but the owners weren't happy with many aspects of the business.
      ii) McDonald's closed its restaurants for 3 months and reopened with a new way of operating the restaurants.
         a) New "factory assembly" way of food preparation, two-thirds of items on the menu were eliminated and dishes and glassware were replaced with paper plates and cups.
      iii) Customers were not accustomed to self-service at first, but soon accepted it.

IV. Burgerville USA
   A. Carl Karcher responded to McDonald's by starting his own self-service restaurant: "Carl's Jr.".
   B. Many individuals, not large corporations, began restaurants similar to Carl's Jr. and McDonald's.
      i) Such competing restaurants included Dunkin' Donuts, Taco Bell, Insta-Burger-King, Wendy's, Dominos, and Kentucky Fried Chicken.
      ii) A number of other restaurants opened around the same time, but did not survive.
   C. New restaurants promoted technological progress in operations.
   D. Competition was extremely strong in the Southern California area.
   E. The leading chains began to grow nationwide.
      i) The Arab Oil Embargo in 1973 was a scare to the economy. The event threatened the automobile culture, therefore drive-in restaurants.
      ii) Wall Street invested in the restaurants and it became an industry.

V. Progress
   A. Carl Karcher Enterprises (CKE) experienced great success in the 1970s.
   B. The company however, had less success in the 1980s.
      i) CKE went public and expanded to Texas with new menu items in the 1980s.
      ii) The company did not do well in Texas and the stock price fell.
      iii) The SEC made accusations of insider trading against CKE.
   C. Most of the 1990s were tough for CKE.
      i) Many of CKE's real estate investments went bankrupt, resulting in lawsuits.
      ii) A new president was hired who decreased quality as well as prices, which drove away many customers.
      iii) Carl proposed partnering with The Green Burrito and serving Mexican food in its restaurants.
      iv) Carl felt that the company culture was changing.
      v) The board denied the Green Burrito partnership and fired Carl Karcher.
      vi) Eight weeks later, Carl and William P. Foley II regained control of the company, partnered with Green Burrito and the stock price began to rise.

Chapter 2: Your Trusted Friends

I. Walt and Ray
   A. Ray Kroc, the founder of McDonald's, enjoyed the art of selling.

        i) Kroc convinced the McDonald brothers to sell him the right to franchise McDonald's restaurants nationwide.
        ii) Kroc unsuccessfully attempted to make a deal with Walt Disney to put McDonald's concessions in Disneyland.
    B. Walt Disney in many ways was a role model for Ray Kroc.
        i) Walt Disney applied the techniques of "factory assembly" to movie making.
        ii) Labor disputes among Walt Disney and the animator's labor union occurred and as a result became very involved in many political groups and activities.
        iii) Ray Kroc separated himself from most politics except for one exception.
            a) Kroc donated $250,000 to President Nixon's reelection campaign.
            b) The donation prompted allegations that Kroc attempted to influence President Nixon's vote on the matter of several bills that McDonald's wanted passed.

II. Better Living
    A. During World War II, Disney relied on the government for much of the company's revenue.
    B. Disney created "Tomorrowland" to promote science and technology.
        i) Wernher von Braun, who worked for the German army during WWII helped produce Disney's "Man in Space" programs.
        ii) Heinz Haber, who also worked for the German army during WWII, produced Disney's show promoting civilian use of nuclear power.
    C. Walt Disney and its sponsors had access to the impressionable minds of countless children.
    D. Walt Disney pioneered the marketing strategy of synergy.
        i) Disney crafted television shows that ultimately promoted other Disney products.
    E. Ray Kroc shifted McDonald's strategy from a family restaurant to a children's restaurant.
        i) McDonald's utilized several mascots before deciding on Ronald McDonald with the help of Oscar Goldstein and Willard Scott.
        ii) Kroc entertained the idea of building an amusement part to rival Disneyland, but scrapped the idea. He instead built smaller "McDonaldlands" nationwide.

III. Kid Kustomers
    A. Disney and McDonald's were among the first to market to kids.
        i) In the 1980s many companies realized the opportunities of marketing to children.
        ii) Market research has shows that children often recognize a brand logo before they recognize their own name.
        iii) The goal is to get children to convince a third party, usually their parents, to make a purchase.
    B. Marketing research of children has greatly increased.
        i) Tactics that are used include surveys, focus groups, analyze artwork, observation, and dream research.
        ii) Children's clubs and the internet have become an important marketing tool.
    C. Although all mediums of advertising have increased, television continues to be the most important.
        i) In 1978, the FTC attempted to ban all television advertisements directed toward children, but failed.

IV. Perfect Synergy
    A. The key to attracting kids is with toys.
        i) McDonalds has partnered with many toy manufacturers to produce and give away small toys.
        ii) Fast food chains have also partnered with sports teams and Hollywood studios.
    B. In 1996, McDonalds and Disney entered into an agreement linking their global marketing activities.

V. The Brand Essence
    A. Recently, McDonalds has experienced decreasing sales and fewer loyal customers.
        i) The corporation began a campaign to make customers believe that the company is their "Trusted Friend".
        ii) McDonalds utilized the partnerships that were established with other brands to strengthen its own.

VI. McTeachers and Coke Dudes
    A. Fast food and beverage marketing has moved to elementary, middle and high schools.
        i) School districts in Colorado have implemented an advertising package to corporate sponsors.
        ii) Such corporate advertising has brought $11 million to Disctrict 11 in Colorado.
        iii) Soda companies (Pepsi and Coke) are using such school marketing programs to increase soda consumption among children.

iv) Fast-food companies gain from beverage marketing programs. Sodas are among the items with the highest profit margin sold in fast food restaurants.
v) Fast-food chains also run ads on Channel One—the network that is shown in high school classrooms.
vi) Additionally, fast food is now served in many schools across the nation.

B. Some school districts (San Francisco and Seattle) have not allowed any advertising in schools.

Chapter 3: Behind the Counter

I. Space Mountain
  A. The development of Colorado Springs mirrors that of Los Angeles.
    i) Government and military spending has boosted the economy in Colorado Springs.
    ii) Many individuals and businesses have moved from California to Colorado.
  B. The largest private employer in Colorado Springs is the restaurant industry.
    i) Because of sprawl in Colorado Springs, fast-food chains such as McDonald's are purchasing real estate for restaurants.

II. Throughput
  A. Most of fast-food employees are adolescents.
    i) The fast-food industry relies on teenagers because it is less expensive to hire them and they are easier to control.
    ii) Additionally, many employees are poor and do not speak English.
  B. Throughput – the speed and volume of flow – is very important in the industry.
  C. In 1958 consistency was the focus of Fred Turner, a McDonald's executive.
    i) The operating manual has specific instructions from the preparation of food to they way to handle customers.
    ii) If a franchisee does not follow the rules, they may lose their franchise.
    iii) The standardized products increase throughput.

III. Stroking
  A. Executives in the industry's leading companies agree that "zero training" of employees is a goal that can be met through improved technology.
  B. Federal programs exist that pay business owners to hire and train poor individuals.
    i) The fast-food industry employs the most minimum wage employees.
  C. Managers are encouraged to keep labor costs low.
    i) Stroking – praise employees – is used often because it doesn't cost anything.

IV. Detecting Lies
  A. McDonald's corporation takes little initiative in determining wage rates and other labor practices for franchisees.
  B. Since the 1960s, McDonalds has avoided the formation of long-term labor unions in its businesses.

V. Protecting Youth
  A. Finding employees for fast-food restaurants in Colorado Springs is very difficult because of the low unemployment rate.
  B. Teenagers that work more than 20 hours a week may be at risk for not graduating high school and may earn lower wages for the rest of their lives.
  C. Fast-food chains are now competing with clothing stores, full service restaurants and telemarketers for low-wage employees.

VI. Inside Jobs
  A. The number of robberies that occur at restaurants is high.
    i) Fast-food restaurants rarely use credit card machines and usually have a large sum of cash on premises.
    ii) Over half of robberies at fast-food restaurants involve current or former employees.
  B. OSHA issued voluntary guidelines to improve employee safety in the 1990s.
    i) The restaurant industry has fought mandatory guidelines, but has spent millions on new security measures.

VII. Making it Fun

A. Perhaps the most important issue in the restaurant industry today is labor.
   i) James C. Doherty suggests that the industry move from relying on a low-wage workforce to higher-wage, low turnover workforce.
   ii) David Novak, president of Tricon, suggests that to improve labor relations, the industry should make the work environment fun.

Chapter 4: Success

I. Devotion to a New Faith

A. The franchisor/franchisee relationship is based on reducing risks for each party.
   i) The franchisor expands the business while not spending its own money.
   ii) The franchisee is able to start their own business with an established brand, business plan and expertise.
   iii) When the franchisor and franchisee disagree, the franchisor almost always wins.

B. Franchises have existed since the nineteenth century. One of the first franchises was General Motors automobile dealerships.

C. Ray Kroc (McDonald's) perfected franchising in the food service industry.
   i) Kroc did not demand high franchise fees, he was more interested in expansion.
   ii) Kroc imposed strict rules on his franchisees. If they did not follow the rules, they were not allowed to own a second restaurant.

D. Jarry J. Sonneborn, Kroc's partner, came up with a new strategy to own the real estate in which McDonald's stores were located, and earn money through rent.

E. McDonald's has grown through franchise and company-owned stores.
   i) McDonald's has inspired expansion of businesses both in and out of the food service industry.

II. Free Enterprise with Federal Loans

A. There are ongoing arguments as to whether it is riskier to own a franchise or become an independent business owner.
   i) Conflicts between franchisees and franchisors have become more common.
   a) Encroachment is basis of many conflicts. Encroachment is the practice of putting restaurants belonging to the same chain close to one another.

B. Franchisors must provide disclosure statements to franchisees prior to a sale.
   i) The disclosure statements are typically lengthy documents with lots of small print.

C. Congressman Howard Coble proposed a bill in 1999 to put stricter regulations on franchisors.

D. The Small Business Administration, a government agency, supplies money to franchisees to help finance new restaurants.
   i) Such money was meant to help small, independent business owners.

Chapter 5: Why the Fries Taste Good

I. J.R. Simplot

A. Simplot began sorting potatoes for farmers when he and a partner bought an electric potato sorter.
   i) He began drying onions, and developed a way to dry potatoes as well.
   ii) He did business with the U.S. Amy during WWII.

B. When WWII ended, new technologies emerged.
   i) Simplot assembled a team that developed frozen french fries.
   ii) McDonalds (Kroc) made a contract with Simplot to buy his fries.

II. The Mistake of Standing Alone

A. Three major players in the potato processing industry: Simplot, Lamb Weston and McCain.
   i) The bulk of the profit margin in the industry goes to the processor.
   ii) Farmers get little profit margin – they are forced to get bigger or get out of the industry.
   a) Over the last 25 years, Idaho has lost half of its potato farmers while the land devoted to farming potatoes has grown.

B. About half of Idaho potato farmers are joining forces to gain some market power.
   i) The association, however, needs at least 2/3 of farmers in the state to join in order to have any real market power.
   ii) Many farmers are very independent, and do not want to join.

III. Food Product Design
   A. Most of the flavor in processed foods is destroyed during the processing.
   B. International Flavors and Fragrances (and other companies like it) sell flavors to restaurants.
   C. Aroma and memory are linked – fast food chains hope to play on that fact (the smells/tastes of childhood).
   D. Flavors are added to foods in very small amounts.
   E. Natural vs. Artificial Flavors
      i) Natural must originate from a plant or animal.
      ii) The two are essentially the same thing – chemical compounds – they derive them in a different way.
   F. Mouthfeel is an important consideration when making flavors for particular foods.

IV. Millions and Millions of Fries
   A. Lamb Weston is the largest supplier of potatoes in the United States.
      i) Lamb invented the Lamb Water Gun Knife to cut potatoes into french fries with precise characteristics.
      ii) Lamb Weston makes over 20 million french fries per day.
      iii)

Chapter 6: On the Range

I. A New Trust
   A. Over the last 20 years, half of the cattlemen in the U.S. have left the business.
      i) This has occurred due to rising land prices, stagnant beef prices, oversupply of cattle, increased imports of cattle, development pressures, inheritance taxes and health scares.
      ii) Growth of fast food chains has encouraged consolidation of the cattle industry.
      a) In 1970, the top 4 meatpackers slaughtered 21% of U.S. cattle, today they slaughter 84%.
   B. Large meatpackers have “captive supplies” to flood the market when prices get too high.

II. The Breasts of Mr. McDonald
   A. Beef producers fear that the industry will become like the poultry industry.
      i) Consolidation has caused small producers to become powerless.
   B. Post WWII, chicken consumption was rising.
      i) McDonalds, whose main line of food was burgers, wanted to develop a convenient, easy to eat chicken product – Chicken McNugget
   C. McNuggets appeared “healthy”, but were not.
   D. Tyson is the largest poultry supplier to the fast food industry.
      i) Tyson is a vertically integrated company.
      ii) The company does not, however raise the animals.
   E. Independent chicken growers feed and raise the animals, then sell them to processors such as Tyson.
      i) Independent growers make little profit.
      ii) If the growers are not happy with the contract, they cannot do much. They are virtually powerless.
      iii) Contracts many times have clauses that state that the grower is not allowed to sue the processor.

III. Captives
   A. Meatpackers claim that decrease in beef consumption is to blame for low prices.
      i) Consumption of beef in the U.S. has steadily decreased since 1976.
      ii) Although cattlemen argue that captive supplies are a strategy to lower prices, meatpackers disagree. Meatpackers claim that they ensure steady supplies to the company.
   B. Independent ranchers oppose cattle prices that are kept secret.
      i) Ranchers claim that prices are shared among competitors and price is set to keep it low for all meatpackers.

IV. The Threat of Wealthy Neighbors
   A. Colorado has lost approximately 1.5 million acres of ranchland due to development over the last twenty years.
      i) Most ranchers are land rich and cash poor.

ii) Inheritance taxes make it almost impossible for a ranch to be handed down to the next generation.

B. Additionally, the "American West" culture has disappeared from many parts of Colorado.
   i) The Colorado Cattlemen's Association created the first land trust in 1995.
      a) The land trust prohibits land from ever being developed, but remains private property.
   ii) Conservation easements preserve rural land and give tax breaks to the owners.
      a) Such easement usually only benefit large, wealthy landowners.
      b) The tax write-off usually does not benefit small, independent ranchers.

V. A Broken Link
   A. The suicide rate among farmers and ranchers in the U.S. is about three times higher than the national average.
      i) This could be due to the difficulty of trying to stay in business.
      ii) Additionally, many ranchers feel the pressure of keeping the business running for past and future generations.

Chapter 7: Cogs in the Great Machine

I. Greeley
   A. Greeley, Colorado was established by Nathan Meeker from New York City.
   B. The town became a small, successful farming town.
   C. Warren Monfort, a schoolteacher, bought inexpensive grain during the Great Depression to feed his cattle.
   D. He soon discovered that grain-fed beef was tastier than grass-fed beef.
   E. Monfort opened his own meatpacking plant.

II. Go West
   A. At the time Monfort opened his slaughterhouse, meatpackers were usually located in large cities, not small towns such as Greeley.
   B. The largest meatpacker at the time was located in Chicago.
      i) Working conditions were very bad in the plant.
      ii) After WWII, the job was still dangerous, but wages were relatively high.
   C. Swift & Company was the largest meatpacking plant until the 1960s.
   D. Currier J. Holman and A.D. Anderson, two former Swift executives decided to start their own meatpacking plant – Iowa Beef Packers.
      i) They applied the "assembly line" process to the meatpacking industry.
      ii) IBP was primarily concerned with throughput, efficiency, centralization and control.
      iii) IBP processed small cuts of meat, which eliminated the need for butchers in the markets.
      iv) IBP was left with byproducts that were useful for making dogfood.
   E. IBP had many labor problems.
      i) Holman strongly opposed unions and did not have any sympathy for striking workers.
      ii) When New York butchers were boycotting IBP's beef, Holman made a deal with a New York union leader.
      iii) Holman and IBP were convicted for bribery.
   F. Because of the success of IBP, Chicago meatpackers were forced to go west, or get out of business.
      i) Meatpackers were able to obtain cheap labor in the west.
      ii) The last of Chicago's stockyards closed in 1971.

III. Bags of Money
   A. Monfort experienced labor/union problems with Greeley slaughterhouse.
      i) He closed the plant in 1979.
      ii) The plant reopened in 1982…with no union, and low wages paid to workers.
   B. Meanwhile he bought a slaughterhouse in Nebraska
      i) Monfort signed a contract with National Maritime Union. The wages that they agreed to were very low.
   C. Consolidation in the industry concerned Monfort.
      i) Monfort sued Excel in the 1980s to prevent the takeover of Spencer Beef.
      ii) In the end, Excel did merge with Spencer Beef.
      iii) One year later, Monfort agreed to a friendly takeover by Con Agra.
   D. Con Agra became the leader in meatpacking and a variety of other industries.
      i) Charles "Mike" Harper motivated managers by challenging them to bring to him at the end of the year his "bag of money" plus some.

a) The company experienced legal problems. Managers were attempting to earn more money in illegal and unethical ways.

IV. The New Industrial Migrants
  A. Monfort largely employed immigrants and illegal aliens at the Greeley plant.
    i) There is a very high employee turnover rate at the plant.
    ii) Today, about 2/3 of employees at the plant cannot speak English.
  B. Some companies experience economies with a high employee turnover rate.
    i) This occurs because the company incurs less insurance and vacation expense.
    ii) There is less chance of unionization in a company that has a high turnover.
  C. Approximately ¼ of meatpacking workers in Iowa and Nebraska are illegal.
  D. The high turnover rate is due to low wages and poor working conditions.
  E. Large meatpackers have had the ability to change the tax code in Nebraska.

V. The Sweet Smell
  A. IBP changed the small town of Lexington, Nebraska simply by moving there.
    i) There is now a higher crime rate and more use of drugs.
    ii) These changes are largely due to low wage workers that need more money and will go about getting more money in illegal ways.

Chapter 8: The Most Dangerous Job

I. Sharp Knives
  A. Meatpacking is the most dangerous job in the United States.
    i) Most of the work is done by hand.
    ii) Lacerations are the most common injury among employees.
    iii) The faster the disassembly line runs, the more likely an employee will get hurt.
  B. Profit margins are very low at meatpackers.
    i) The speed of the disassembly line affects profits – profit increases, the faster it runs.
  C. Use of methamphetamines are somewhat common among employees at meatpackers.
    i) Drugs cause employees to feel energized and alert.
    ii) The use of drugs however, increases the danger to employees.
  D. Many injuries go unreported because the manager's bonuses are based on fewer injuries among workers.
  E. Most supervisors are white however, the number of Latino supervisors is increasing.
    i) Supervisors have enormous power in their area of the business.

II. The Worst
  A. Cleaning crews are not employed by the meatpackers, but by an independent sanitation contractor.
    i) Most employees of sanitation contractors are illegal aliens.
  B. Cleaning a meatpacking plant is perhaps the most dangerous job.
    i) Several incidents of serious injury and death have occurred while cleaning meatpacking plants.

III. Don't Get Caught
  A. During the Regan administration, OSHA's authority was reduced significantly.
    i) OSHA now had to see a company's injury logs before entering the plant.
    ii) If injuries were below the national average, inspectors were not allowed to inspect the plant.
    iii) This increased the number of unreported injuries.
  B. Many meatpacking companies engage in unethical practices so as not to report injuries.
    i) Many lawsuits occur as a result of such practices.

IV. The Value of an Arm
  A. In 1997, workers at the Monfort slaughterhouse in Greelee, CO had joined a union.
    i) High turnover is an obstacle to the union – they must convince new employees to join constantly.
  B. Colorado was one of the first states to pass a workers' compensation law.
    i) Eventually, workers comp benefits were cut and employers were given more power to choose doctors.
  C. Some are trying to educate workers on their rights to get compensation for injuries.
    i) Many workers are overwhelmed, and either do not know how or are afraid to file a complaint.
  D. Many congressmen and women are fighting to limit OSHA's authority.

V. Kenny

A. Many employees are injured repeatedly and return to work.
B. In the case of Kenny, he was injured many times, returned to work after each injury, then fired after 16 years of employment at Monfort.

Chapter 9: What's in the Meat

I. An Ideal system for New Pathogens
  A. About 200,000 people get ill from foodborne disease everyday.
    i) A fraction of those that get ill are diagnosed and reported.
    ii) Foodborne diseases can result in long term health problems.
  B. Diseases can spread more easily today than 20 to 30 years ago.
    i) Technology and centralization in the meatpacking industry enable faster spread of diseases.
  C. Contaminated meat is many times not recalled because meatpackers are very powerful.
    i) Large meatpackers donate large sums of money to Republican members of congress in order to sway their decisions.

II. The National Dish
  A. In the early 1900s, hamburgers were thought to be unsafe, "bad" meat.
    i) White Castle in the 1920s tried to rid hamburgers of their "bad' connotation.
    ii) McDonalds ultimately changed America's idea of hamburger.
  B. More parents fed their children hamburgers because they were convenient.
    i) In 1993, an outbreak of E. *coli* from Jack in the Box hamburgers killed four children.

III. A Bug that Kills Children
  A. Children under the age of five, the elderly and people with impaired immune systems are most likely to get ill from E. *coli*.
    i) E. *coli* is now the leading cause of kidney failure among children in the U.S.
    ii) Additionally, the pathogen can cause long term health problems in healthy adults.
  B. Antibiotics are ineffective in the treatment of illnesses caused by E. *coli*.
    i) E. *coli* is easy to transmit and has the ability to live under many conditions.
  C. The pathogen can be spread through water, swimming in a contaminated lake or water park, crawling on a contaminated carpet, or through many foods other than meat.
    i) The most common way of exposure is through contaminated ground beef.
    ii) Additionally, contact with a person that carries the virus can transmit the pathogen.
  D. The poor sanitation practices as feedlots and meatpackers may be to blame for E. *coli* outbreaks.
    i) Many times animals are fed contaminated feed.
    a) Some cattle feed contains animal waste or dead animals.
    ii) Improperly cleaned hides and spillage of digestive materials during slaughtering may cause E. *coli* contamination.

IV. All We Care to Pay
  A. In reaction to Sinclair's book "The Jungle" Roosevelt attempted to impart strict rules on the meatpacking industry.
    i) The Meat Inspection Act of 1906 was passed which was a watered down version of Roosevelt's original plan.
  B. The Meat Inspect Act was very out of date by the 1980s.
    i) The National Academy of Sciences warned that public health was at risk.
    ii) The Reagan and Bush administrations however, continued to cut public health spending.
    iii) The USDA launched the Streamlined Inspection System for Cattle (SIS-C) to allow meatpackers to inspect their own plants.
    iv) SIS-C was discontinued after the E. *coli* outbreak from Jack in the Box hamburgers.
  C. The Clinton administration instated stricter rules on inspections including microbial testing.

V. A Matter of Will
  A. Robert Nugent recruited several individuals, including David Theno to help Jack in the Box improve its image and food safety standards after the outbreak in 1993.
    i) Jack in the Box now requires its meat suppliers to inspect and test its meats for pathogens.
    ii) The fast food chain will not purchase meat from companies that continuously sell it contaminated meat.

VI. A Lack of Recall
  A. The meatpacking industry gave large donations to the Republican Party when it controlled Congress in 1994, under the Clinton administration.
  B. The USDA does not have the authority to demand a recall of meat. The agency can only suggest to the meatpacker that it be recalled.

i) Between 1996 and 1999 more than 1/3 of Class I recalls were not announced to the public.
C. Additionally, meatpackers were able to write their own press releases regarding the recall of meat. Today however, the USDA issues all press releases.
D. The Clinton administration attempted to give the USDA the authority to demand meat recalls and impose fines, but the legislation never made it through Congress.

VII. Our Friend the Atom
A. Clinton announced in 1996 that the USDA would adopt a science-based meat inspection system, but the legislation was watered down in Congress.
i) There are fewer USDA inspectors today than there were in the late 1970s.
ii) HAACP plans are only as good as the people running them.
B. Although the beef industry has resisted Federal regulation, millions of dollars have been invested in the improvement of food safety.
i) Some say that the improvement in food safety is simply to improve image.
C. Irradiation of meat shows some promise in preventing these pathogens.
i) Some argue that the use of irradiation will only allow unsanitary practices to continue.
VIII. What Kids Eat
A. In the 1980s and 1990s, the National School Lunch Program purchased the cheapest meat, regardless of food safety.
i) The USDA purchased meat from companies such as Cattle King, Bauer Meat Company, Supreme Beef and Northern States Beef and later found it to be contaminated.
IX. Your Kitchen Sink
A. The Federal Government, in the 1990s applied stricter rules to meat on fast food restaurants than on the meat it purchased for schools.
i) Fast food restaurants have enormous buying power and can demand “clean” meat.
B. The food safety at any restaurants ultimately depends on the people in the kitchen.

Chapter 10: Global Realization
I. Plauen
A. Plauen is located in East Germany, only nine miles from where the Berlin Wall once stood.
B. In 1990, McDonalds began construction of a restaurant in Plauen, the first new building in the town since the fall of the Berlin Wall.
II. Uncle McDonald
A. McDonalds, as well as many other fast food chains, look to expand overseas and primary markets for growth.
i) McDonald’s and KFC earn the majority of their profits outside the U.S.
B. Fast-food chains are often the first multinational companies to enter a country when it opens its markets.
i) The U.S. State Department assists these companies in finding overseas partners.
ii) McDonald’s represents “Americana and the promise of modernization” to many outside the U.S.
C. Systems of agricultural production are often imported prior to the establishment of a U.S. chain.
D. As in the U.S., fast-food chains market to young children.
i) Young children are less likely to be attached to traditions.
E. Germany is one of McDonald’s most profitable overseas markets.
i) In general, German’s were fascinated with the U.S. post WWII.
ii) McDonald’s Deutschland, Inc. is the largest restaurant company in Germany today.
III. An Empire of Fat
A. The Soviet Union was the last big obstacle in spreading “Americanization” throughout the world.
B. The U.S. as well as some foreign countries have experienced higher rates of obesity.
i) The rate of obesity among American adults is twice as high today as it was in the early 1960s.
ii) The fast-food industry makes high fat, inexpensive food more readily available.
iii) Portion sizes at fast-food restaurants have greatly increased over the last several decades.
C. Obesity is among the leading causes of death in the United States.
i) Obesity rates are increasing in foreign countries as well as the U.S.

ii) Prevention of obesity is more attainable than curing it – it is difficult to change a person's taste for fat that was developed as a child.

IV. McLibel

A. American fast-food chains are now the most likely target of demonstrations overseas, compared to embassies and oil companies several years ago.

B. McDonalds sued London Greenpeace for libel in 1990 for the distribution of "anti-McDonald's" pamphlets.

i) Although McDonalds won the lawsuit, it was a public relations disaster for the company.

ii) As a result of appeals and new lawsuits, the McLibel lawsuit is still in the courts today.

V. Back at the Ranch

A. Residents of Plauen, Germany have experienced difficulties, post Communism.

i) Plauen's unemployment rate is twice that of Germany as a whole.

B. The Voigts, an affluent couple under the Communist regime, now own a McDonald's store in Plauen.

i) They are now among the wealthiest people in the town.

C. People in the Plauen area do not feel that McDonald's is "foreign".

i) The "American West" is popular among young and old in the Eastern Germany town – exemplified by the popular dance club, "The Ranch".