
Taking Californians to the Cleaners

David L. Kirp and Eileen M. Soffer

SOME YEARS AGO, the California legislature considered a bill to prevent astrologers from practicing without a license. Presumably the point of the bill was to help the public distinguish legitimate stargazers from charlatans. After a hearing that sounded more like a cockfight than a scientific (or celestial) inquiry, the proposal was abandoned, providing a cheering bit of evidence that lawmakers are not yet intent on regulating everything under—or in this instance around—the sun.

But that happy ending is the rare exception in a state that requires more different groups of people to get licenses to do more things than any place else in the land. Fifty-two boards and commissions in the Golden State oversee the livelihoods of an estimated one-quarter of its adult population, including barbers, embalmers, appliance repair persons, and trainers of guide dogs for the blind. The licensing boards keep watch over cemeteries and auctions, check out the bona fides of horse races, and certify the skills of shorthand reporters. The landscape architects' board has even tried to create a special license for the people—all eight or so of them—who design golf courses.

Even as the idea of deregulation has come (and to some extent gone) in Washington, occu-

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pational regulation in California has managed to beget more regulation. Several years ago the Board of Cosmetology won a ruling from the state's attorney general that those who make a living by braiding others' hair have to be licensed. (The board went too far, though, when it tried to exclude those with dyslexia from the calling, on the theory that anyone who has problems reading letters straight should not be entrusted with bottles containing dangerous chemicals.) And the Board of Optometry, ever vigilant against the danger that patients might suffer heart failure from the strain of an eye exam, now demands that would-be optometrists be skilled at cardiopulmonary resuscitation.

Some of this regulatory activity makes good sense. The state's board of Medical Quality Assurance has a deserved reputation for trying to live up to its name. The Board of Home

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Furnishings' tests for furniture flammability and toxicity have been adopted by agencies across the country. Much of the rest of the regulatory apparatus consists of well-inten-

tioned, if often misguided, efforts to protect consumers from the perils of the marketplace. But the Board of Fabric Care, which watches over the dry-cleaning industry, is neither sensible nor well intentioned. It has spent its forty years taking consumers to the cleaners.

CALIFORNIA IS THE ONLY STATE that still licenses its dry cleaners. The industry is hardly a natural target for regulation. There is no danger of natural monopoly, no body of arcana that eludes all but the most sophisticated, and no reason why unhappy customers cannot take their business elsewhere—while dragging the real shrink artists to small claims court. Over the years the stated rationale for the existence of the Board of Dry Cleaners (later renamed the Board of Fabric Care in an attempt to spruce up its image) has repeatedly changed. In a legislative battle over expanding the board's duties back in 1956, the industry's representatives actually argued that regulation was needed to separate the clean clothes from the dirty. "We don't want garments that have been cleaned and pressed to be mixed with the ones that are dirty," said an industry representative. "We know that those that are coming back from being cleaned and pressed have no bugs with them. But those coming in do have all kinds and in times past there has been no great effort made to keep them separated."

In 1967, the California Dry Cleaners' Association beat back the first attempt to kill the board by invoking the specter of the Mafia, although there was as little evidence of organized crime infiltration as there had been of bug infiltration a generation earlier. The best the industry could come up with was a *Saturday Evening Post* article detailing how an East Coast crime empire was allegedly run from the dry-cleaning establishment of a Mr. Patriarcha. "We don't want this kind of gangster in the dry cleaning business in California," said a spokesperson for the dry-cleaners' association. "With present law we can prevent this from happening." One year—and another failed attempt to abolish the board—later, the dry cleaners trotted out a less specific but equally improbable threat. Without licensing, they insisted, dry cleaners might turn into fronts for "dope peddling, bookmaking and all this type of thing."

What lay behind these flights of fancy was much more prosaic. From the beginning, the

board's activities have been of pressing interest to the industry it regulates. Early on it tried to fix minimum prices for cleaning services. The state supreme court quashed that effort on the ground that lining the cleaners' pockets hardly furthered the board's mission of pursuing the "public health and safety." No matter: since then, the board has concentrated on restraining competition by making it harder for would-be dry cleaners to enter the field.

The major tools it uses for this purpose take the form of an elaborate system of licenses and exams. According to a Federal Trade Commission comment on the California industry (July 1985), the board has divided the industry into no less than eleven subspecialties, each with its own exam to determine which new applicants are fit to practice that trade. The available licenses are: plant operator (cleaning, spotting, and pressing), self-service plant operator cleaning and spotting (no pressing), dyeing plant operator, drapery plant operator (cleaning, spotting, and pressing), onsite operator cleaning and spotting (no pressing), spotting and pressing shop operator, press shop operator, fur cleaning operator, hat renovating operator, leather cleaning operator, and school or college instructor. To judge by the pass rates on these exams, which reportedly range as low as 40 percent, it is harder to become a dry cleaner in California than a lawyer.

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These examinations would hardly seem indispensable for product quality: dry cleaners probably turn out equally spiffy garments in, say, Washington, D.C., where a horde of anxious consumers demand spotlessness. Nonetheless, the difficulty of the exams has created a thriving subindustry of California dry-cleaning schools where aspirants can learn to distinguish grease from bubble gum. There are six such institutions in the state, more than any other state. And, more important, as the FTC comment asserts, the curtailment of new entry has kept prices and profits higher than they would have otherwise been.

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the board superintends some 17,000 dry cleaners, banishment from the trade is almost unheard of. The board handles its 150 monthly customer complaints by first trying mediation to iron them out, then sending the continuing disputes along to small claims court. Modest proposals to do more, such as publishing lists of dry cleaners who have been the targets of many complaints, have been vetoed as "unfair." Indeed, the board has been unwilling even to include a reference to small claims court in its consumer handbook.

Ever attentive to shifting public agendas, the Board of Fabric Care claims that it is developing expertise in handling the toxic wastes the industry generates. Yet in that undertaking the board's efforts are at best redundant (since there are toxic policemen galore), and at worst laughable. The board itself concedes that just a few years ago its inspectors knew so little about the area that their toxic inspections consisted of checking the license hanging on the wall, smelling the air for unusual chemicals, and calling it a day. So desperate has the board become to show some sign of consumerist activity that it is now trumpeting, as a Naderesque innovation, the fact that perusers of the yellow pages can now find it listed under "dry cleaners," instead of just "fabric care."

CALIFORNIA'S GOOD-GOVERNMENT TYPES have tried and failed for years to persuade legislators to stop conferring the powers and imprimatur of the state on what really is a trade association. In a 1967 report, the state's "Little Hoover" commission on efficiency in government pushed to get rid of the board, noting that

"it offers no significant public protection." Since then governors have joined the cause: both Ronald Reagan and Jerry Brown tried without success to terminate the board, as did the speaker of the state assembly during the late 1970s. Even the Department of Consumer Affairs, which oversees the board, has called for its abolition. All to no avail. Bill after bill has been defeated by astute lobbying and well-placed political contributions. Last year, the sponsor of the fifth try in two decades to kill the board was hard pressed even to find a member to second his bill.

Steamed up by the repeated criticism, however, the board has added a new wrinkle to its activities. It has recently made itself the scourge of illegality in the fabric care industry, pursuing violations of its regulations with a prosecutorial vigor that is elsewhere reserved for armored-car robberies. The offenses include practicing cleaning without a license and failing to post a \$1,000 bond to compensate customers in the event of bankruptcy. In one case, a seventy-five-year-old Orange County man who had been in the dry-cleaning business for half a century was carted off to jail and left sitting for six hours on a concrete floor because, in the belief that his place of business was about to be demolished, he had not renewed his bond. In another instance, a Los Angeles man who talked back to an investigator spent two days in jail awaiting trial for operating without a license. The same failure to secure a license landed a San Jose couple in jail overnight.

And things are going to get worse. At the behest of the Board of Fabric Care, the attorney general's office will soon be sticking unlicensed dry cleaners with fines of \$2,500 a day, amounts that truly soar into General Dynamics territory. There might be a reason for punitive fines, though surely not jail, if there were proof that any of these operators had fleeced their customers. Yet there is not a shred of evidence that a single consumer has been badly treated in recent years by an unlicensed cleaner. On the other hand, there is a great deal of evidence that consumers are badly treated by the board itself. To judge by past experience, we can predict that—unless the legislature decides to take action—the board will continue to put California's bemused consumers through the wringer. ■