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# INSPECTION OF IMPORTED LIVESTOCK PRODUCTS

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## HEARINGS

BEFORE THE

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### SUBCOMMITTEE ON LIVESTOCK AND GRAINS

OF THE

## COMMITTEE ON AGRICULTURE HOUSE OF REPRESENTATIVES

NINETY-FIRST CONGRESS

SECOND SESSION

ON

### H.R. 17444, H.R. 17537, H.R. 17972, H.R. 18453, H.R. 19233, and S. 3942

SEPTEMBER 16, 17, AND 25, 1970

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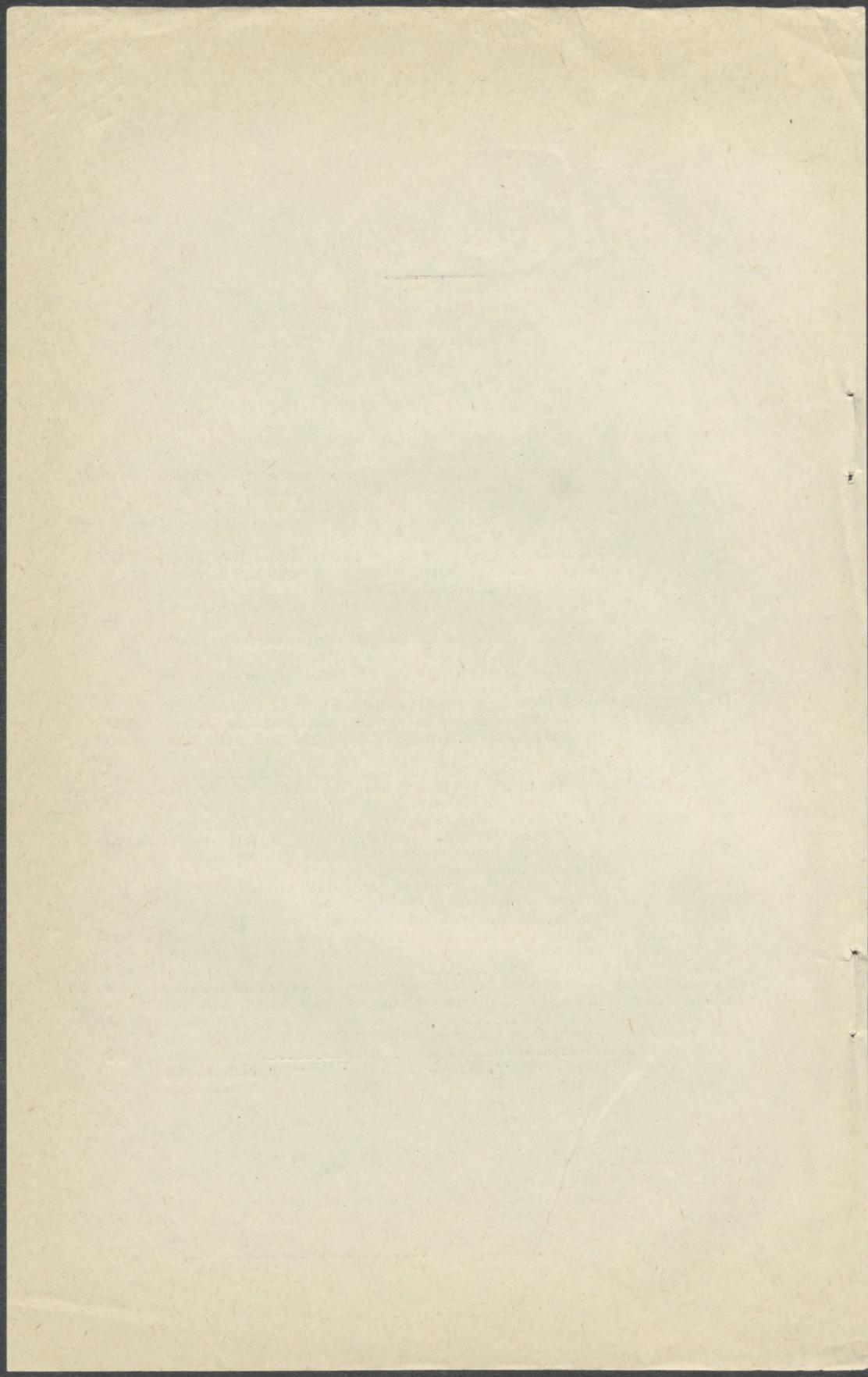
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# INSPECTION OF IMPORTED LIVESTOCK PRODUCTS

WEDNESDAY, SEPTEMBER 16, 1970

HOUSE OF REPRESENTATIVES,  
SUBCOMMITTEE ON LIVESTOCK AND GRAINS  
OF THE COMMITTEE ON AGRICULTURE,  
*Washington, D.C.*

The subcommittee met, pursuant to notice, at 10:05 a.m. in room 1301, Longworth House Office Building, Hon. Graham Purcell presiding.

Present: Representatives Purcell, Montgomery, Melcher, May, Mayne, and Zwach.

Also present: Mrs. Christine S. Gallagher, chief clerk; and Lacey C. Sharp, general counsel.

Mr. MONTGOMERY (presiding). The committee will come to order.

I am Congressman Montgomery, and this is Congressman Melcher. I am sure you will have no objection if we start the committee hearing, which is supposed to start at 10 o'clock.

(H.R. 17444, the text of which follows, was introduced by Mr. Melcher and is similar to H.R. 17537, introduced by Mr. Olsen; H.R. 17972, introduced by Mr. Andrews of North Dakota; H.R. 18453, introduced by Mr. Sebelius, Mr. Shriver, Mr. Skubitz, Mr. Mize, and Mr. Winn; H.R. 19233, introduced by Mr. Hansen of Iowa; and S. 3942. The Department's report on H.R. 17444 also follows:)

[H.R. 17444, 91st Cong., second sess.]

A BILL To provide for thorough health and sanitation inspection of all livestock products imported into the United States, and for other purposes

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled.* That the Secretary of Agriculture is directed to establish a system of thorough examination and inspection of all livestock products imported into the United States, including all fresh and frozen or chilled meats after thawing, providing for such examination at the time of entry or before any processing or offering for sale to consumers, to prevent the entry of any disease or distribution of any unwholesome products. The Commissioner of Customs shall levy on such animal products entering the United States, in addition to any tariffs, a charge or charges set by the Secretary of Agriculture, sufficient to defray the costs of such examinations and inspections and of United States surveillance of all establishments abroad slaughtering animals or processing animal products for export to the United States.

DEPARTMENT OF AGRICULTURE,  
OFFICE OF THE SECRETARY,  
*Washington, D.C., July 16, 1970.*

Hon. W. R. POAGE,  
*Chairman, Committee on Agriculture,  
House of Representatives.*

DEAR MR. CHAIRMAN: Thank you for your request of May 12, 1970, for a report on H.R. 17444, "A bill to provide for thorough health and sanitation

inspection of all livestock products imported into the United States, and for other purposes."

The Department does not recommend passage of this bill.

The Department supports the goal of ensuring a wholesome meat supply to the public. However, this bill would not significantly improve the Department's capacity to do so. For several reasons, the bill might make inspection of imported meat and meat products more difficult.

First, the language is too broadly drawn. The bill would direct the Secretary to provide a system of ". . . thorough health and sanitation inspection of *all* livestock products imported into the United States. . . ." [emphasis supplied] This provision would apply in three ways. It would require inspections for animal disease, for which this Department already has sufficient authority (Attachment A describes existing statutes and activities in detail). It also would require inspection of edible livestock products other than meat or meat products, such as butter, nonfat dry milk, cheese, and so forth. Finally, it would require inspection of inedible animal byproducts. Such breadth of language would make the proposed legislation very difficult to administer.

Next, the wording of the bill is unclear as to intent. The bill directs inspection of imported livestock products, ". . . including all fresh and frozen or chilled meats after thawing. . . ." This phrase could be interpreted as requiring that *every piece* of imported meat be individually defrosted and inspected. Such defrosting of large quantities of frozen meat would actually add to potential problems of unwholesomeness. On the other hand, it could be interpreted as requiring only that a sound statistical sample of imported meats be defrosted and inspected. This is the procedure now used under the authority of the Wholesome Meat Act of 1967.

Additionally, we have concluded that this bill directs itself only to the examination and inspection of imported products within the United States. The bill appears not to contemplate increased surveillance of overseas slaughtering or processing establishments.

Finally, the system of reimbursement charges proposed in the bill could lead to inequities if such charges were based on volume of imports. For example, a foreign country with an excellent inspection system requiring little foreign review, but having relatively large exports to the U.S. would pay a disproportionate share of the cost. On the other hand, a foreign country with a poor system of inspection—and hence high costs to the Department due to the intensive foreign review needed—but relatively low exports to the U.S. would pay very little. Also, such charges could be viewed as an indirect constraint on foreign trade. However, if such charges are to be levied, they should be based on the actual cost of surveillance in each foreign country.

The Office of Management and Budget advises that there is no objection to the presentation of this report from the standpoint of the Administration's program.

Sincerely,

J. PHIL CAMPBELL,  
Under Secretary.

Enclosure.

USDA STATEMENT ON STATUTES AND ACTIVITIES FOR PREVENTING INTRODUCTION  
OF ANIMAL DISEASES

The Tariff Act of 1930, as amended (19 U.S.C. 1306) contains an absolute prohibition against the importation of all ruminants and swine (except wild zoo animals) and fresh, chilled or frozen meats of such animals from countries declared by this Department to be infected with foot-and-mouth disease. Under very stringent restrictions including authority for permanent post-entry quarantine, wild ruminants and swine may be permitted entry under the Act when such animals are solely for exhibition at an approved zoological park from which they cannot be moved except to another approved zoological park.

Provisions in the Act of February 2, 1903, as amended (21 U.S.C. 111) and the Act of July 2, 1962 (21 U.S.C. 134 *et seq.*) provide additional authority to prohibit or restrict importation of livestock and poultry, meat, and other articles in order to prevent the introduction and dissemination of foot-and-mouth disease and other destructive animal diseases and pests such as African swine fever, rinderpest, exotic ticks, and African horse sickness.

These statutes are implemented by extensive and strict regulations in 9 CFR Parts 92, 94, 95, and 96, with respect to importation of animals, meats, animal

by-products and related materials such as hay, straw, forage, etc., from countries of the world where foot-and-mouth disease exists, as well as other countries. These regulations are based on the best scientific information available, including the research being done at our Plum Island Animal Disease Laboratory, Long Island, New York.

During the 91st Congress, 2nd Session, the Congress passed S. 2306, which became Public Law 91-239 on May 6, 1970. This Act provides the authority for establishing and operating an off-shore animal quarantine station. The above described statutes notwithstanding, animals could be imported through such station, under adequate safeguards for the purpose of improving livestock breeds in this country. The station would be under the complete control of this Department.

Foot-and-mouth disease is one of the principal foreign animal diseases against which these statutes afford protection. North America, Central America, some of the Islands in the Caribbean area, Greenland, Iceland, Norway, Ireland, Northern Ireland, Channel Islands, New Zealand, Japan and Australia are the only major land areas which this Department considers to be free of foot-and-mouth disease. The disease is widespread in Europe, Asia, Africa, and South America. Under the Tariff Act of 1930, this Department established and maintains continuously through public notice a list of countries declared infected with foot-and-mouth disease.

A country is removed from the prohibited list only when this Department is convinced that foot-and-mouth disease has been eradicated in a given country. In making this determination, we consider the length of time elapsed since an outbreak of the disease last occurred; trade association with other countries still infected; presence or absence of the disease in neighboring countries; availability of adequate veterinary services; whether or not foot-and-mouth vaccine was used; disposition of infected animals, etc. We do not rely solely on data and evidence obtained from any given country in question. Additional data and views are obtained from International trade and health organizations, veterinary officials of other foreign countries and from other sources. Finally, on-site inspections are conducted by scientific personnel of this Department before an infected country is declared free of foot-and-mouth disease. We do not take lightly the removal of a country from the list of those countries which have been declared infected with foot-and-mouth disease. If a country is removed, the first report of a recurrence of the disease immediately places the country back on the prohibited list.

We are waging a day-by-day battle to prevent the introduction of destructive animal diseases and pests from foreign countries, including foot-and-mouth disease. An inspection force of professional and trained inspectors is on duty at air, ocean, and land ports-of-entry, enforcing agricultural inspection and quarantine measures designed to prevent the introduction from abroad of diseases and pests capable of causing severe economic damage to livestock production in this country. In addition, the Bureau of Customs, the Immigration and Naturalization Service, the Public Health Service, and the Military Services are cooperating in the never-ending struggle to keep out unwanted diseases and pests.

Constant vigilance is the price that must be paid to keep the United States free of the dreaded animal plague—foot-and-mouth disease. The expansion of world trade and travel adds to the importance and remaining ever alert to the increasing threat of the disease gaining entry into the United States. The Congress has supported this Department in these efforts by making available additional appropriations to strengthen and expand the inspection force at ports-of-entry to meet increased inspection workload.

Mr. MONTGOMERY. Our first witness will be Mr. Raymond A. Ioanes, Administrator of the Foreign Agricultural Service, U.S. Department of Agriculture. Mr. Ioanes.

#### STATEMENT OF RAYMOND A. IOANES, ADMINISTRATOR, FOREIGN AGRICULTURAL SERVICE, U.S. DEPARTMENT OF AGRICULTURE

Mr. IOANES. Mr. Chairman, thank you very much.

I am pleased to have the opportunity to appear before this committee and to present Department's position on H.R. 17444—a bill

to require specific and detailed inspection of livestock products imported into the United States.

This bill would require U.S. inspection of all imported livestock products—canned, processed, fresh, frozen, or chilled. In the case of frozen or chilled meats, this inspection would take place after the entire shipment had thawed. A charge would be levied upon such imports to cover the costs of U.S. surveillance of all establishments abroad slaughtering animals or processing animal products for export to the United States.

We do not believe that this legislation should be enacted. We are greatly concerned about the provisions of this bill because of two points: (1) Existing authorities provide for inspection procedures for imported meats that are comparable to those provided for meat produced domestically, and the proposed bill offers few or no advantages with respect to wholesomeness and animal health; (2) the bill would introduce a clear-cut risk to U.S. agricultural exports, which are now at an alltime high in terms of commercial sales.

Dr. Steinmetz of the Consumer and Marketing Service, who is with me today, will explain in his testimony that present authorities provide equal assurances as to the acceptability of import meat as those which would result from the application of this bill. I will address myself to the trade implications.

Our present system of inspection is a good one. It insures wholesomeness of the meat that this country imports, and it protects the health of our livestock population. Before a country can export meat to the United States, it must demonstrate that it has an inspection system that is equal to our own Federal program. Once this is established we accept that country's certification as to wholesomeness and animal health, subject to verification by visits to exporting countries and by examination of incoming shipments as they arrive at our ports. In the same way, the United States wants its certification to be accepted in international trade, and by and large it is accepted.

It is true, of course, that we have problems with certain other countries' inspection. For example, West Germany requires that every imported animal liver be thawed and reinspected by them. This system inhibits trade; it is costly and, in our opinion, unnecessary.

But for the most part our certificates are accepted by other countries. We have a good reputation as far as wholesomeness and health considerations are concerned. For example, a U.S. grain inspection certificate has almost universal acceptance among the principal importing countries of the world. Shipments accompanied by such certification are accepted by virtually all governments, which means that such restrictions as exist are based on other considerations.

These certificates are based on sampling procedures. The U.S. Grain Standards Act requires inspection and grading for wheat, corn, sorghum, barley, oats, rye, flaxseed, and soybeans being exported from the United States. This inspection is done on a sample basis by inspectors licensed and supervised by USDA personnel; they are not USDA employees.

In the case of U.S. fruits and vegetables that are exported, all inspections are on a simple basis except where there is voluntary continuous inspection for grade by the Consumer and Marketing Service. The Food and Drug Administration makes spot check inspections.

The point is that the requirements for U.S. commodities to be exported are comparable to the system already in use for meat that is imported into this country. Our inspection system, and our certification, are accepted by virtually all countries without question as to wholesomeness of the product or concern about animal or animal health.

But there is no guarantee the U.S. assurances of product wholesomeness will continue to be accepted by other countries, if we introduce a system that provides for overly rigid inspection procedures for meat imported into this country.

If we set an example, by requiring inspection of each and every piece of meat we import, we can expect similar treatment in the world market. Moreover, we can expect that such restrictions would have a serious effect on the volume of our farm exports in future years.

I might say that in the fiscal year just ended, American farmers exported a near-record \$6.6 billion worth of farm commodities—an outlet that is essential to maintaining the U.S. agricultural plant at today's level. Of this total, between \$5.6 and \$5.7 billion were commercial exports for dollars, and this is a new alltime high. This represents an increase of almost a billion dollars in commercial sales above the preceding fiscal year.

All of us want to see this upward trend continue. There are a great many problems facing us in world trade—problems that are economic and political. These problems are serious, and we are working diligently to overcome them and minimize their effect on U.S. trade. We believe it would be a mistake to add to these problems by adopting new restrictions as to health and wholesomeness—restrictions that seem not to be needed.

Here is an example of the kind of reciprocal action we might expect if this legislation is enacted.

Our neighbor to the north, Canada, has the same inspection requirements for meat that we have. Their requirements, like ours, are based on sampling procedures. Now, if we were to subject every piece of Canadian beef to individual inspection, we could in all fairness expect that Canada might give our products the same treatment.

For instance, approximately 40 percent of our exports of fruit and vegetables are to Canada—a \$200 million market. That country presently has the same system of sample inspection that we do. The United States and Canada maintain excellent working relations. Each country accepts the other's phytosanitary certification and grade inspections. Several of the United States and Canadian grade standards have been mutually agreed as comparable, and differences in interpretations of standards or regulations can and usually are settled by a telephone conversation between officials at the working level.

But should we act to restrict Canadian meat through restrictive health requirements, we could expect Canada to inspect every can of U.S. peaches for wholesomeness. We could expect the Canadians to open every bag of beans that we ship, and to thaw every turkey carcass before inspecting it. We could expect a host of new difficulties with this major U.S. market.

Importing countries could enforce regulations which could seriously impair our trade in soybeans and products. U.S. exports of soy-

beans and products this marketing year will amount to 400 million bushels or more—an alltime high for this commodity which is the top dollar earner among all U.S. farm exports.

We export substantial quantities of poultry meat—mostly frozen. The markets we sell to accept our certification, and supplement it with spot checks of the frozen birds upon arrival. Imagine the harassment to our trade which could occur if every bird had to be thawed and examined.

This situation could be repeated for other commodities, which move in a variety of container sizes or even in bulk. In the case of lard, exports are made in bulk tanks as well as in consumer packages. The same is true for concentrated orange juice. The inspection problems that could be generated for these commodities would seriously hamper our trade.

In short, the Department believes that the mandatory and detailed inspection requirements of this bill would have serious trade effects, and that these effects should be weighed by the members of this committee in their judgment of the bills. These provisions would jeopardize part of the U.S. farm product exports—which just in the past year have begun to recover from a 2-year decline.

The trading partners of the United States recognize the importance we attach to our foreign marketings of wheat, feedgrains, soybeans, rice, and other commodities. We have been exporting over a third of our wheat crop, 40 percent of our soybeans, and about 60 percent of our rice. These high percentages make us particularly vulnerable to retaliatory action by other countries. It is not fair to our agriculture, dependent as it is on exports, to adopt for one commodity a system of sanitary restrictions that are overly rigid and which we believe are not needed.

Mr. Chairman, that is the basis for the Department's position on H.R. 17444.

Mr. MONTGOMERY. Thank you very much for your comprehensive testimony.

Dr. Melcher, have you any questions?

Dr. MELCHER. Yes; I have, Mr. Chairman.

Mr. Ioanes, I notice on the first page of your testimony, in the fourth line from the bottom, you say, "Existing authorities provide for inspection procedures for imported meats that are comparable to those provided for meat produced domestically." I think you are well aware that it is not comparable any more. It is equal.

Mr. IOANES Equivalent.

Dr. MELCHER. Equal. That is the law, right?

Mr. IOANES. Yes, sir.

Dr. MELCHER. In your subsequent testimony you did use the word "equal."

Mr. IOANES. I did, sir. I noticed the same thing.

Dr. MELCHER. It strikes me that you are trying to relate grain products to livestock products all through your testimony, talking about wheat, talking about rice, talking about soybeans.

Of course, would you not think there would be quite a bit of difference if you were talking about, for instance, flour and the standards for flour as compared to standards for wheat?

Mr. IOANES. Could I divide your comment into two parts in my answer?

Dr. MELCHER. Certainly.

Mr. IOANES. Our point here was if we are unable to convince foreign countries that the actions we take to protect ourselves are truly needed, then there is the question of whether foreign countries in their zeal to protect themselves move on to standards——

Dr. MELCHER. You are not saying that the standards which are set by contract on a wheat sale are not being met by our exporters, are you?

Mr. IOANES. No. No. What I am saying is that foreign countries would introduce changes in their requirements which we could not meet with our own standards. That is what I am trying to say.

Dr. MELCHER. Have you had any complaint directed at the standards that are set, for instance, for wheat contracts?

Mr. IOANES. Of course.

Dr. MELCHER. You have had complaints?

Mr. IOANES. Of course.

Dr. MELCHER. Yet they are set by contract.

Mr. IOANES. Well, the standards are set according to the regulations that we put out, and we issue our certificates based on those standards. There are many times when foreigners would like to tell us how to run our standards.

Dr. MELCHER. I think this is evading the point.

Mr. IOANES. I do not mean to evade the point.

Dr. MELCHER. When Japan says they want to buy some of our wheat, they are buying it on the basis of some contractual form; are they not?

Mr. IOANES. I am glad you mentioned wheat, because we did exactly run into this kind of problem with Japan 2 years ago.

Dr. MELCHER. I understand.

Mr. IOANES. We sold them some Western white wheat according to U.S. grades and standards, but our standards did not detect a problem that was present in the wheat. We had a wet crop in the Northwest extending all across to the Midwest about 2 years ago. That affected the usability of the wheat, and the fact that we certified to the product under our standards still did not meet the Japanese requirements.

As you will recall, we finally had to find a way to settle our differences with the Japanese and make them a cash payment in recognition of the problem which was created.

This is exactly a case in point where our certification did not meet the situation, nor did it meet the Japanese requirements. This had to do really with quality and usability of the product.

Dr. MELCHER. That was wheat. It was not in the form of flour.

Mr. IOANES. It was wheat, the bulk product.

Dr. MELCHER. The wheat was going to be treated and made flour, right?

Mr. IOANES. Yes, sir.

Dr. MELCHER. It was not the consumer who was complaining, but the Japanese grain trader who said the United States did not meet its own requirements or its own certification. It was not the consumer, was it?

Mr. IOANES. It was the baker in Japan. It was the man who was going to take the flour——

Dr. MELCHER. The point is, wasn't there an intermediate person there? Wasn't the wheat milled?

Mr. IOANES. No. Most of it was not milled.

Dr. MELCHER. Was it sold for feed? Then it did not go to the consumer and it is not really a corollary of what we are talking about.

Mr. IOANES. It was in the stream on the way to the consumer. Once the problem was revealed through the baking process, then the miller refused to buy the remaining quantities that had been contracted.

Dr. MELCHER. Does it not strike you that there is quite a bit of difference between wheat, or some other grain that must be processed after it gets there to make it into a food form, and a meat product? The bill does refer to more than meat, but you have been talking about meat in your testimony. Isn't there a great deal of difference in the meat product which is going to be taken in 60-pound frozen chunks and chipped and nobody looks at it, and then it is put in hotdogs or bologna for the consumer? Isn't there a great deal of difference?

Mr. IOANES. I think there is a difference in degree but, as you notice, in my testimony I talk about consumer products. I talk about poultry which would be thawed and sold abroad to the consumer.

Dr. MELCHER. Then you talk about apples and oranges.

Mr. IOANES. I was talking about apples and oranges, yes, sir.

Dr. MELCHER. Isn't there a great deal of difference, again, in an apple that goes to the consumer and he looks at it and he holds it in his hand and decides whether or not it is wholesome? Isn't there a great deal of difference between that and a hotdog? The consumer has never had the opportunity to learn what went into the hotdog before the casing was put around it.

In other words, the consumer can look at that apple, or he can look at that frozen turkey if it is thawed out, but how can the consumer in this country look at the meat that is in a hotdog or in bologna?

Mr. IOANES. I would assume that your point here has to do with visibility.

Dr. MELCHER. What you are telling us is that the consumer should take it for granted that what is in that casing in the bologna has been looked at adequately, and that is comparable to the consumer in Canada who can look at the apple and decide whether or not he thinks it is wholesome. I do not think there is any correlation between the two. I do not think they are comparable.

Mr. IOANES. Mr. Congressman, I am not sure I understand what you are saying.

Dr. MELCHER. I think the consumers can understand it.

We have had quite a little talk about how serious it would be to the trade; but if this meat is so good, it could withstand any type of inspection and would never be rejected. So, how would that interfere with the trade?

Mr. IOANES. Again, sir, my testimony is that our system today does give the protection of which you are speaking in your bill, and that protection is adequate.

Dr. MELCHER. If it does give that protection, why was mutton from Australia banned?

Mr. IOANES. Because no system is perfect. Plants were closed in Australia. Plants have been closed here.

Dr. MELCHER. Mr. Ioanes, I think you are familiar with the fact that the plants were closed about 2½ years ago, the effective date for the Wholesome Meat Act. If everything was good, if the procedures were so good and the inspection was equal, why did it take us 2½ years to arrive at that point where we banned the Australian mutton?

Mr. IOANES. I think it goes back to the fact that any time you put a system into effect as we have in the Wholesome Meat Act, whether in the United States or abroad, it takes time in both countries to come up a perfect position, and in neither area have we come to a perfect position as yet.

Dr. MELCHER. Is that what is visualized in the Wholesome Meat Act?

Mr. IOANES. Could I ask Dr. Steinmetz for his comments?

Dr. MELCHER. We will get to him in a few minutes, after we have disposed of your comments.

If it takes 2½ years to arrive at banning mutton from Australia after it was evident that they were not meeting our standards in any way, shape, or form in the whole proceeding, do you not think that our consumers are entitled to complete protection from all this? We have 1,100 plants that are licensed to sell their meat products here, have we not?

Mr. IOANES. There are hundreds of plants. I am not sure of the exact number.

Dr. MELCHER. These 1,100 licensed plants are getting ready to meet our standards and, as you say, to take the time that it takes to come up to the Wholesome Meat Act. Would it not be well for us to assure our consumers that they are getting the adequate protection of complete inspection of these products?

Mr. IOANES. Obviously, my testimony suggests that they are getting that protection now.

Dr. MELCHER. We will let that go. We will get to Mr. Steinmetz later.

The idea that you are presenting in your testimony is that if we do not accept what has proved to be unwholesome and unsanitary meat, then there might be trade retaliation internationally with some grain products.

Mr. IOANES. No, sir, that is not my point at all. There is nothing in my testimony which says we should accept unwholesome meat, nothing at all.

Dr. MELCHER. Let us put it this way. Your testimony is to the effect that there isn't any unwholesome meat and there isn't any need to make sure that there isn't unwholesome meat because it is all taken care of, and if we do go a step further and assure the consumer complete protection, complete wholesomeness, we are going to jeopardize world trade.

Mr. IOANES. My point, Mr. Congressman, is that the Wholesome Meat Act is a good act and there is no question that it has resulted in tightened procedures in both the United States and abroad, and that there will be instances where it is necessary, once a plant has been certified, to close it down. The human factor is present in these situations. We are saying that it is our judgment that we are catching those cases as they arise where closures are necessary, and that the system as now in effect is catching those instances where we would be endangering the health of our consumers.

The other point I make in my testimony—

Dr. MELCHER. Do you want just to say the health of the consumer, or do you want to say wholesomeness?

Mr. IOANES. Health and wholesomeness, yes, sir.

My point in the testimony is, we cannot define the boundaries of inspection and relate them only to health and wholesomeness. The whole issue of foreign trade, as I tried to say in my testimony, does not end with our definitions. You are right in assuming that I talked about grades and standards as well as safety of the product. I do not think it unreasonable of other countries where they are concerned, just as you are, about health and wholesomeness, to assume that if we believe it necessary to thaw and inspect every piece of meat that comes in, there are going to be terrific pressures from other countries to say, "If the United States thinks this is necessary, then we ought to apply it at least to the consumer-type products that come from the United States, too." I do not think I have overdrawn it at all.

Dr. MELCHER. You have stated that you do not know how many plants there are abroad.

Mr. IOANES. That are certified?

Dr. MELCHER. That are licensed to sell meat here. Of course, there are over 1100. Not in your testimony but in our give and take here, you have said of course it takes time to come up to the standards of the Wholesome Meat Act and, of course, it is a good act and it is an adequate protection.

Well, if it takes time, Mr. Ioanes—and I agree that it takes time—but since it does take time to come up to these standards and it is obvious they have not yet come up in many instances, I think your remarks have reflected that. Then what you are saying is that there is no need to go beyond the usual procedures in spite of the lag in meeting standards, that everything is all right and the consumers are in great shape. Then you are going to compare the livestock products, the meat in particular, to grain products.

I cannot find there is really much comparison, and I would not want any country taking a product from the United States if they were not completely confident that it was wholesome and it was sanitary. If they have any idea that our insisting on complete inspection of their product is bad, then I would say that they are on the wrong side of foreign trade, not us.

Mr. IOANES. Would you accept their definition of what is good and bad?

Dr. MELCHER. Would I accept their definition of what is good and bad? They are the customer. I certainly would.

Thank you, Mr. Chairman.

Mr. PURCELL. Mrs. May?

Mrs. MAY. Mr. Ioanes, I would like to have you go further into your statement regarding the Department's concern about the impact or influence a step like this would have on our export of farm commodities. On page 4 of your statement you said in the fiscal year just ended, we exported almost a record, over \$6 billion worth of farm commodities. If this retaliation which you fear came about, what would be your projection of what might happen to that export situation?

Mr. IOANES. Mrs. May, that is a very difficult question to answer. I responded to Mr. Melcher, who asked what the additional cost might be of inspection, and that will come later. I can only give it to you in terms of degree. I think the result would be major over a period of time, because it is certainly true of some items on our list here that our position is so strong that it would take time for other sources of supply to become available.

I would take one that might be familiar to you, and that would be the case of wheat and our problem with Japan of about 3 years ago. I cannot think of anything more drastic than the complete cutoff of trade. That is what occurred to us, not simply for Western wheat but for hard and spring wheat as well, for a period of about 90 days until we could find a way, not to guarantee, but to reasonably assure to Japan that the new shipment would not contain the same quality that the earlier harvest of Western White wheat contained.

That 90-day pause in our sales to Japan cost us millions of dollars and gave our competitors the opportunity to sell in our place.

In that case I think we came to a compromise with the Japanese. I do not think we could guarantee them 100 percent that the result would be completely free, but they were satisfied we had done the best we could.

That was a case where the usability of the product was involved.

Mrs. MAY. As I recall, in that case, Mr. Ioanes, we paid what might be called almost an indemnity price, and there always has been great speculation as to whether it was the true value of indemnity or maybe a little on the high side.

Mr. IOANES. I might describe it as customer relations.

Mrs. MAY. Public relations.

Mr. IOANES. Public relations.

Mrs. MAY. I ask this point, Mr. Ioanes, because I am deeply concerned. I have more than the usual interest in this bill in behalf of my own cattlemen. I have certainly discussed this with them. At the same time, I have seen the result of retaliatory overrigid inspection.

I might tell you, Congressman Melcher. I represent a large fruit-growing area which has had more than an unusual interest in exporting apples to Japan, and they have used—well I won't use the word "phony"—may I complete my statement, please. Mr. Purcell and I were there last year on a committee trip, and this whole question was discussed. They were using rigid protective standards, but in a way that certainly was an application of an inspection standard that was not legitimate, to our way of thinking, to keep a product out on the basis of overrigid standards.

We know why. It is because it is a protective trade thing.

Mr. Ioanes, I was trying in this point to get some idea of what we might expect if, indeed, your statement is correct of the potential to our export of farm commodities. The export of agricultural products is crucial to our balance-of-payment problem.

I do not think any of us want to tip that balance and make it any worse than it is.

I am not drawing any conclusions yet, Mr. Melcher, but I think this is something we have to study very carefully.

Now I yield. I am sorry.

Dr. MELCHER. I would like to make the point right here that of course I do not think Mr. Ioanes has tried to imply that Japan exports any wheat or any meat to the United States.

Mr. IOANES. Almost none.

Dr. MELCHER. And you are not attempting to imply that we sell any amount of wheat to New Zealand or Australia or Argentina.

Mr. IOANES. No, sir; I am not trying to imply that.

Dr. MELCHER. So, when you are talking about retaliation, you are talking about a rather narrow field, are you not, Mr. Ioanes?

Mrs. MAY. European.

Mr. IOANES. I am talking mainly about the importing countries of the world, Mr. Congressman, all of whom have the same kind of drives to protect domestic producers against trade.

Mrs. MAY. I think we are using Japan only as an example of how the trade policy can be affected. Probably a better example would have been that several members of this committee attended the Agricultural Attaches' meeting in Germany, and this subject of meat inspection was discussed and related to exporters of meat in the European Common Market, and what would happen if we insisted on a more rigid inspection. We were very firm at that time, as Mr. Ioanes will remember—as a matter of fact, we were quite critical at the time that the Department was not inspecting rigidly enough under its present standards.

We understood the difficulties. Some countries had no trouble with inspection under our standards. Some countries had a great deal of trouble. But we are encouraging them to make far more rigid in-country inspection under the present system. Again the question now arises how far can we go in legislation without tipping the balance the other way unfavorably on the export of agricultural products. This is the big question in my mind.

That is all, Mr. Chairman.

Mr. PURCELL. Mr. Mayne?

Mr. MAYNE. Mr. Ioanes, perhaps I am not sufficiently familiar with the abbreviations of the Department but I notice you use the term "soybeans and products."

Mr. IOANES. Yes, sir.

Mr. MAYNE. That, I take it, means soybeans and soybean products wherever it appears in your testimony.

Mr. IOANES. Yes, sir; it does.

Mr. MAYNE. I note you say that American farmers exported \$6.6 billion worth of farm commodities in the last fiscal year. Could you state for the record what portion of that was in soybeans and soybean products?

Mr. IOANES. \$1 billion to \$1.2 billion, about 20 percent of the total.

Mr. MAYNE. Was that the largest item?

Mr. IOANES. Yes, sir, the largest single item we exported.

Mr. MAYNE. What was the next closest?

Mr. IOANES. Feedgrains, sir, just under a billion dollars.

Mr. MAYNE. So, soybeans and feedgrains are the two largest items of American agricultural exports?

Mr. IOANES. Yes, sir.

Mr. MAYNE. How do our American agricultural exports rank with our other exports?

Mr. IOANES. Sir, let me put it this way: Our agricultural exports run around 20 percent of our total exports of commodities. So, obviously, we are not first, but we are trying.

Mr. MAYNE. Could you give me a breakdown of approximately what part of that \$1 billion to \$1.2 billion is soybeans and what part is soybean products, and what products are you talking about?

Mr. IOANES. We are talking about three items in particular. We are talking about beans as beans, we are talking about soybean meal, and we are talking about soybean oil. I would guess that the meal would run around \$300 million as meal, and the oil would run around \$100 million, which would leave a balance, if my arithmetic is correct, of \$800 million for the beans.

Mr. MAYNE. Then when we get to the figure in your testimony of commercial exports for dollars, which was between \$5.6 billion and \$5.7 billion last fiscal year, how much of that figure is in soybeans, soybean meal, and soybean oil?

Mr. IOANES. About \$1.1 billion.

Mr. MAYNE. Practically all of our soybean and soybean product exports are for dollars?

Mr. IOANES. Yes, sir.

Mr. MAYNE. To what countries do these exports of soybeans go? Who are our principal soybean customers?

Mr. IOANES. Primarily Western Europe and Japan, with some very strong markets in between. We have a good market in Taiwan for our soybeans, we have a healthy market in Canada for our soybeans, and a host of smaller countries around the world. The bulk of our sales go to Western Europe and Japan.

Mr. MAYNE. Would you be willing to supply, for inclusion in the record following your testimony, a breakdown of the countries receiving our exports of these items?

Mr. IOANES. Yes, sir.

Mr. MAYNE. I ask unanimous consent that it be received for the record when received from the Department of Agriculture.

Mr. PURCELL. Without objection, it is so ordered.

(The information referred to above, follows:)

UNITED STATES: EXPORTS OF SOYBEANS, QUANTITY AND VALUE, FISCAL YEARS 1968-69 AND 1969-70

[In millions of bushels]

	1968-69	1969-70
<b>Soybeans:</b>		
Belgium-Luxembourg.....	11.0	16.1
France.....	3	3.4
Germany, West.....	32.4	37.1
Italy.....	17.1	25.8
Netherlands.....	40.1	55.0
<b>Total, European Community.....</b>	<b>100.9</b>	<b>137.4</b>
Canada.....	36.1	61.7
Denmark.....	13.4	16.2
Norway.....	4.2	4.7
Spain.....	32.4	35.5
United Kingdom.....	4.6	7.9
Taiwan.....	16.7	19.6
Israel.....	6.6	9.4
Japan.....	70.4	95.3
Others.....	5.4	17.1
<b>Total.....</b>	<b>290.7</b>	<b>404.8</b>
<b>Value (in millions of dollars).....</b>	<b>784.8</b>	<b>1,068.9</b>

Source: Bureau of the Census.

## UNITED STATES: EXPORTS OF SOYBEAN MEAL QUANTITY, AND VALUE, FISCAL YEARS 1968-69 AND 1969-70

[In thousands of short tons]

	1968-69	1969-70
Soybean meal:		
Belgium-Luxembourg.....	184.9	176.7
France.....	508.5	559.2
Germany, West.....	610.1	823.7
Italy.....	222.6	290.7
Netherlands.....	514.6	588.2
Total, EC.....	2,040.7	2,438.5
Canada.....	240.9	279.6
Mexico.....	1.1	2.0
Denmark.....	17.7	29.6
Ireland.....	26.9	47.1
Spain.....	67.8	76.8
Switzerland.....	52.5	108.7
United Kingdom.....	38.9	37.9
Bulgaria.....	22.3	53.6
Czechoslovakia.....	2.2	17.8
Hungary.....	25.6	139.0
Poland.....	108.4	112.1
Yugoslavia.....	140.3	182.5
Japan.....	29.7	52.5
Philippines.....	39.9	50.5
Others.....	135.3	125.4
Total.....	2,990.2	3,753.6
Value (millions).....	\$248.5	\$309.2

<sup>1</sup> Source: Bureau of the Census.

## UNITED STATES: EXPORTS OF SOYBEAN OIL, QUANTITY AND VALUE, FISCAL YEARS 1968-69 AND 1969-70

[Million pounds]

	1968-69	1969-70
Soybean oil:		
Germany, West.....	0.3	1.9
Netherlands.....	.4	.2
Other EC.....	.1	.2
Total EC.....	.8	2.3
Canada.....	30.4	40.5
Dominican Republic.....	21.0	26.9
Panama.....	0.3	11.5
Haiti.....	18.4	19.3
Brazil.....	8.3	9.4
Chile.....	7.8	28.7
Colombia.....	6.4	15.7
Ecuador.....	9.1	9.6
Peru.....	10.3	37.2
United Kingdom.....	1.4	11.5
Poland.....	8.0	5.9
Morocco.....	49.7	25.7
Tunisia.....	48.6	82.9
Iran.....	47.8	78.7
Israel.....	48.0	27.7
Turkey.....	.3	6.5
Laos.....	.3	.2
Vietnam, South.....	42.5	10.6
India.....	242.3	234.9
Pakistan.....	166.5	340.3
Others.....	73.8	138.9
Total.....	892.0	1,164.9
Value (in millions of dollars).....	89.7	138.7

Source: Bureau of the Census.

Mr. MAYNE. With regard to the foreign marketing of feed grains, which is our second largest agricultural export, without going into

each of these questions, I wonder if you could give me a similar breakdown on feed grains, what these particular feed grains are and where they are going.

Mr. IOANES. I would be glad to.

We are talking here of a number of approximately \$1 billion. We are talking here primarily of corn and grain sorghums and barley. The major markets, again, are the same ones as for soybeans, the reason being these items are exported to support livestock production, and the largest areas of livestock production are in the developed countries of the world which are relatively prosperous, Western Europe and Japan. By Western Europe, I mean most of the countries of Western Europe, but especially the Common Market, the United Kingdom, Spain, Greece, some behind the Iron Curtain to Eastern European countries, and extremely large sales to Japan. One-third of the total goes to Japan.

Mr. MAYNE. How much corn did we export last year?

Mr. IOANES. As I recall, about 600 million bushels.

Mr. MAYNE. How much in dollars?

Mr. IOANES. I would guess that would be three-quarters of the total, sir. I would guess it would be around \$700 million to \$750 million.

Mr. MAYNE. How do these figures on soybean exports and feed grain exports compare with the previous year? I notice you say that farm commodities were at an all-time high. Can you give us a little better idea of what the trend has been in recent years?

Mr. IOANES. Yes. The increase in soybeans over the previous year would be on the order of \$250 million to \$300 million. The increase in feed grains would be probably around \$100 million to \$150 million over the previous year.

Mr. MAYNE. You have expressed the hope that this upward trend will continue. We are not very far into this fiscal year, but what do the results thus far indicate as for the prognosis for this fiscal year?

Mr. IOANES. It is a difficult question to answer at this point, not because I want to evade an answer, because I will give you one, but because, as you know, the crop report on corn showed somewhat of a downturn in our production for this year below last year, and the market has advanced quite a bit for corn over where it was a year ago. The sales up to that point had been very good, running ahead of last year, and our outlook was for an export year as good or somewhat better for feed grains, corn particularly, than last year.

I think a lot of people are waiting for a further analysis of our own crop before rejudging the entire situation. I think all of us hope that we have already caught in the crop estimate the major part of any reduction in the crop. If that is so—and I sincerely think it will be—then our reserve supply will be more than adequate to cover the difference in the crops in the 2 years, but you could have somewhat more expensive feedgrains this year than you had last year, and that tends to stifle demand somewhat.

On soybeans we look for a better year than last year, although we are starting to see some reentry into the market, for example, of Russian sun oil, and we are starting to see some reentry of Peruvian fish meal. There is tremendous health in this market for bean meal, and we look for further expansion.

Mr. MAYNE. I gather from your testimony, Mr. Ioanes, that you feel if this bill we are considering today were to become law, it would in some way jeopardize our export of farm commodities, including soybeans and corn. Like Mrs. May, I am deeply concerned about the very essential and important cattle feeding segment of the economy in my district, but we also grow a good deal of the soybeans and corn being exported from this country.

Would you spell out for me in a little more detail just how it is that you would anticipate an adverse effect on soybean and corn exports if this bill were to become law?

Mr. IOANES. Yes, sir. Let me take soybeans first. There is a controversy among us and the Europeans about the presence of salmonella in soybean meal, and a lot of people in Europe would love to place a tax on meal. They would like very much to say: "You have salmonella. Salmonella is a danger to health. Keep your meal at home. Keep your beans at home."

They haven't done that yet. I would hate to give them an excuse for doing it. I would hate to have them say: "We are going to put on that tax because you have salmonella in your product. We have found it and it is our judgment and we will make the judgment and we will say your product is not acceptable."

That is as cold and hard and as direct as I can give it to you.

Then on grains, there are some chemicals we use in the treatment of our grains. We have to do it. Our system requires us to do it. If you have been in Europe, you know they are great for natural treatment of commodities. The natural growth of commodities was almost a religion in some areas. They could very well pass a regulation which said the chemicals we use for treatment cannot be used and they will not accept commodities treated with those chemicals. It is a danger to health.

That is the kind of problem we see when each country in its judgment says, "We do this to protect our consumers," when there is great controversy among us as to whether it is needed to protect consumers.

Mr. MAYNE. In the latter part of your answer you talked about "grains." I want to be sure that I understand to what grains you are referring. To be more specific, what impact do you anticipate this bill would have on corn exports?

Mr. IOANES. I tried to give you the example that I had in mind, the treatment of corn with chemicals which other countries would say "We will ban if you continue to use them because the chemicals you use are a danger to human health."

Mr. MAYNE. Thank you, Mr. Ioanes.

Mr. PURCELL. Mr. Zwach?

Mr. ZWACH. Mr. Chairman and Mr. Ioanes, when this subcommittee wrote the present Meat Inspection Act and went through long hearings and tremendous months of development, we had a great many facts presented to us of poor inspection. What really is involved here with regard to this bill and our present meat inspection law is that we want wholesome meat for our people.

The only reason this bill is here is for the purpose of being sure that we have wholesome meat for our consumers.

I am a livestock producer, and I think we can produce plenty of meat for our people, but we import a meat that we do not grow so

much, the grinding meat, the hamburger meat. Would it be correct to assume that is the meat that, perhaps above all else, is the part that is hidden and people do not see when they buy, and therefore we want to be sure that our grinding meat is properly inspected? Would that be true?

Mr. IOANES. In the Wholesome Meat Act?

Mr. ZWACH. Don't all of us desire to be certain that grinding meat is properly inspected because the housewife can look at the steak and look at the chop but she cannot look at the meat which she buys when it is ground into hamburger? We want to be sure that hamburger meat is properly inspected. Would that be true?

Mr. IOANES. I would defer to almost anybody else in the room on this question. I would assume that in the whole area of consumer protection, the Wholesome Meat Act and this amendment, there is absolutely no intent to bypass the fresh product in the judgment of wholesomeness. I would assume that all of us would be just as much concerned about the fresh product and its wholesomeness as we would about the processed product or even the frozen product.

Mr. ZWACH. Our Wholesome Meat Act takes care of American producers and processors and packers.

Mr. IOANES. The whole field.

Mr. ZWACH. Since the passage of this act in America, we have spent a great deal of money upgrading our entire structure. Even our local locker plants have had to go to tremendous expense in order to upgrade the wholesomeness of our meat.

The Congressman from Texas, Mr. Price, wrote a section in the bill that requires that foreign meat products be just as religiously inspected as American-produced meats. This protects the American consumer.

In America, we have gone to a great deal of expense. I have not seen anywhere that your Department has required the upgrading and keeping the same wholesomeness with regard to foreign shipments as we have with regard to domestic meat production.

I think at that time there were 13 meat inspectors covering foreign plants. How many do you have now?

Mr. IOANES. Dr. Steinmetz is here. I think the number of supervisory personnel is—

Dr. STEINMETZ. Fourteen.

Mr. ZWACH. You have added one person in the entire foreign structure.

Dr. STEINMETZ. I must point out—

Mr. IOANES. May Dr. Steinmetz answer that question?

Mr. PURCELL. Yes, he may.

You may come forward, Doctor.

Mr. ZWACH. I had better ask that question of Dr. Steinmetz if he is to testify. I am very much concerned, and I want you to know I have not seen where you have applied the same standard with regard to foreign meats that you have very religiously applied on the American side. When the time comes, I am going to want to have a very clear presentation.

Mr. IOANES. Would you like us to comment on that point right now?

Mr. ZWACH. I think the chairman would prefer it later, wouldn't you?

Mr. PURCELL. Go ahead now.

Dr. STEINMETZ. With respect to the inspection carried out in the 1,140-some-odd foreign plants for export to the United States, I would like to point out that these men we have as part of our foreign inspection program who actually travel to these foreign countries that export to the United States, are not intended to carry out the inspection of the plants. They are overlooking the conduct of the foreign inspection program.

In these roughly 1,140 plants certified for export to the United States, those foreign countries have those plants staffed with approximately 7,500 inspectors. The foreign country is doing the inspection. They have these plants staffed with veterinarians and inspectors to carry out the inspection process, just as within our system we are staffed with USDA employees, veterinarians and inspectors, to carry out the specific inspection requirements, routines, techniques and the application of the rules of the game, so to speak.

I think it is an important point to make that we do not do the inspection in foreign countries. This is done by the inspection system of the particular country involved.

Mr. ZWACH. Are you saying that the facilities, the plants, the width of the doors, the height of the ceilings, all of these very rigid things that apply to our American people thereby increasing costs, are also applied to those that ship products into the United States?

Dr. STEINMETZ. The same general facility requirements are being applied. Judgment is being made as to the way in which these foreign plants conform to them. Again, to be perfectly frank on a subject of this sort, when we talk about exactly the same width of doors and things of that nature, there has to be the recognition that within the industry right here in the United States these plants that are in the meatpacking business were constructed at different times, when different materials were available, different abilities to come up with the type of equipment that we now have in meat plants, that there are some variations, and with respect to plants in the United States affected by the Wholesome Meat Act we expressed what has come to be identified as a rule of reason. We express criteria and guides for what we think are the most desirable types of facilities and equipment in packing plants.

We accept in our own system some variation from those standards under what I have identified as a rule of reason, but there is no compromise in this with respect to the ability of a plant to operate in a sanitary manner, with respect to the ability of a plant to produce a clean, wholesome product, and as to those plants, for example, in the United States that had to be covered by inspections as a result of the Wholesale Meat Act, they are making and will continue to make continual progress toward achieving the highest possible standards in plant facilities and equipment.

Mr. ZWACH. The same upgrading of slaughtering and processing facilities is going on in foreign countries that ship in here as is going on in our own country?

Dr. STEINMETZ. Yes, sir. When we inspect the foreign plants if we think in our survey visits to a particular plant that they do not have an acceptable facility in terms of a room or in terms of the equipment that must be in a room that, in our judgment, is absolutely necessary so that they can produce a clean, wholesome product and maintain

a sanitary operation to meet our standards, then we express to them that this must be corrected.

Mr. ZWACH. And you feel that by adding one person to the 13 that were there, and I thought tremendously inadequate, you have assured American consumers of as wholesome a meat from foreign countries as they get from their own country?

Dr. STEINMETZ. Well, with our knowledge of these foreign inspection systems, the way in which they are organized, the way in which they are staffed, the way in which they assign veterinarians and inspectors to these plants, and our individual visits to these plants, yes, sir, we have a high level of confidence that with this surveillance by this group of veterinarians we are accomplishing the task.

Mrs. MAY. Will the gentleman yield?

Mr. ZWACH. Yes.

Mrs. MAY. Dr. Steinmetz, as I understand it, there has also been another major and a first move by the Department of Agriculture. We have had these 14, more or less, roving veterinarians that have gone into the various countries. I understand that you have now for the first time given permanent stations overseas to some of those veterinarians. Is that correct?

Dr. STEINMETZ. This is correct. That just recently shook out.

Mrs. MAY. How many are you stationing permanently in the foreign countries?

Dr. STEINMETZ. We have been able to come up with eight slots for these men in overseas countries, and I was going to make reference to that in my statement.

Mrs. MAY. You will include that in your statement?

Dr. STEINMETZ. Yes, ma'am.

Mrs. MAY. This means they are on the home ground, so to speak, all the time overseeing the some 7,000 foreign inspectors?

Dr. STEINMETZ. That is correct.

Mrs. MAY. Thank you.

Mr. ZWACH. Mr. Chairman, I will withhold further questioning, then, until we have his testimony because I think we can speak to the points better.

Mr. PURCELL. I have a few questions, Mr. Ioanes. In regard to West Europe and particularly Germany, Mr. Ioanes, and also in the Asian area, Japan and maybe some other areas, is it not true that our shipment of fresh meat is on the increase and that this is an area where we stand to make as much gain as any other? I know we are behind now, but we are beginning to get our kind of heavy beef into these more affluent countries; is this not true?

Mr. IOANES. This is true, Mr. Chairman. The numbers are not yet big enough for us to brag about them but we have made progress in the last couple of years.

Mr. PURCELL. And potentially this is one of our biggest opportunities?

Mr. IOANES. These are the richest countries of the world who have the consumer demand for a type of product they don't produce themselves, so these are the places for our better quality beef cuts.

Mr. PURCELL. And, in reference to Germany particularly, it is my understanding that they have suggested, and can claim, that their meat inspection is more rigid than ours. Getting back to building

requirements and all, would it not cause a greater hardship for our own packers who are shipping, say to Germany, to have to comply with some of the regulations the Germans have enacted regarding packing house construction?

Mr. IOANES. That is right. It happens, Mr. Chairman, that West Germany is one of the better markets for our livestock products, and since on the return their shipments to us are small they have us in exactly that position, where their requirements are such if they turn the screws just a bit more they could shut us out, so we have to be careful at all times.

Mr. PURCELL. Then again, in reference to Germany, do we not ship quite a significant dollar value of our animal parts, let me say, to Germany that they then process and we received back again, at least our ratio of whatever they are shipping out, or at least they buy from us and process and make into sausage and various things of that kind?

Mr. IOANES. That happens in Europe. I think what you were thinking of more there was France which does take our liver and then the product comes back here in the form of paté. Yes, that does happen.

Mr. PURCELL. But our livers are shipped to Europe, or wherever they go, frozen, by and large, are they not?

Mr. IOANES. Yes, sir.

Mr. PURCELL. And if we were placing the same requirement that this bill would suggest we are putting on the Australian beef and all of it, if we were going to put it on one place, this would have a beneficial or detrimental effect on our shipping of livers to Europe?

Mr. IOANES. That is correct, sir. My testimony so indicates, that with respect to all the lines that are frozen products, whether it is beef or pork or whether it is poultry, in our judgment it would have a major detrimental effect if each piece of our product had to be thawed and reinspected.

Mr. PURCELL. In passing, let me say for whatever it is worth that I am very impressed with the progress you have made in regard to bringing the standard of cleanliness and wholesomeness of the product put out from these foreign plants up to a standard that approaches ours very favorably, in my judgment. I realize full well when we talk about the few numbers of foreign inspectors we are talking about supervisory people, people who can cover many, many plants as do our supervisory people here cover many plants. And then our system of licensing by these numbers—and all we have to do is suspend the use of that number—is a very effective way of keeping the attention of all these people, and I think properly so. I am certain no one wants unwholesome or unclean meat but, by the same token, we have to be very careful and be practical about the way we enforce it, in my judgment.

Mrs. MAY. Mr. Chairman, if you will; Mr. Ioanes in reference to this subject of inspection methods, method for cleanliness and wholesomeness to keep this up to protecting consumer standards, will you have a witness today that can answer questions or give us the techniques that you use in your inspections, how you go about your job more in detail? Do you have someone?

Mr. IOANES. Yes, we have someone here that can do that; yes, we do.

Mrs. MAY. Thank you. That is all.

Mr. PURCELL. Any other questions?

Dr. MELCHER. Mr. Chairman, I would like to ask Mr. Ioanes a couple of questions. You mentioned Germany, and I think it should be clarified in your testimony, to repeat, that Germany now requires all American livers to be thawed out and inspected by their own people; isn't that true?

Mr. IOANES. That is exactly true.

Dr. MELCHER. Which would be comparable to what we are talking about in the bill?

Mr. IOANES. And we think what they are doing is wrong.

Dr. MELCHER. And they have their reasons for doing that, and perhaps you are familiar with why they are doing that.

Mr. IOANES. That is a good point.

Dr. MELCHER. Are you familiar?

Mr. IOANES. With their reasons for doing it?

Dr. MELCHER. Yes.

Mr. IOANES. I am not; no, sir.

Dr. MELCHER. You, I think, have answered partially one question for me. I had a question here about whether there had been any complaints on sanitation or wholesomeness of all the products that you have been speaking about, wheat, soybeans, corn, what have you.

Mr. IOANES. The answer is yes.

Dr. MELCHER. There have been?

Mr. IOANES. Yes.

Dr. MELCHER. And part of that answer would be that some countries have said that they are skeptical of salmonella?

Mr. IOANES. Yes.

Dr. MELCHER. In soybeans?

Mr. IOANES. In soybeans, yes.

Dr. MELCHER. And they are skeptical about some of the chemicals that might be used in the grains?

Mr. IOANES. Yes, sir.

Dr. MELCHER. Mr. Ioanes, do you really think that any country that is skeptical about salmonella infection in humans or chemical contaminations of grain that would harm humans is seriously going to consider buying those products from us?

Mr. IOANES. Mr. Chairman, a lot of these things are a matter of judgment. What you and I have been talking about also is a matter of judgment.

Dr. MELCHER. If, in their judgment, it is harmful to human beings they are not going to buy the products, are they, Mr. Ioanes?

Mr. IOANES. Obviously, if they have come to that final conclusion they are not.

Dr. MELCHER. Right.

Mr. IOANES. There are continuing arguments between us as to whether or not the product that they are talking about with the treatment that is given is injurious to human health. Each nation will come to its conclusions. What we are trying to do is to keep the lines of discussion open.

Dr. MELCHER. Mr. Ioanes, I think you have answered the question. You said if, in their judgment, the salmonella or the chemicals might be harmful to human health they would refuse to buy the product because it is their judgment that is going to determine it. Now, should the acceptance or the rejection of this bill, then, be on the basis of

adequate inspection, thorough inspection, for wholesomeness rather than on the basis of what it might do to world trade?

Mr. IOANES. Yes. I would not be here today if it were the Department's judgment that this bill would add to the safety with respect to health and wholesomeness. Therefore, we put our emphasis on the trade implications because we do not think the bill is necessary.

Dr. MELCHER. Mr. Ioanes, your testimony is vague on the implications of international trade but you would agree that, whether we accept or reject the bill, it should be on the basis of thorough and adequate inspection?

Mr. IOANES. Absolutely, absolutely, absolutely.

Dr. MELCHER. Then it is your testimony that the question of world trade is not as important as whether or not we have adequate inspection and thorough inspection?

Mr. IOANES. Certainly.

Dr. MELCHER. You are testifying that we have thorough inspections; is that right?

Mr. IOANES. Yes, sir. I am testifying that our present system is satisfactory.

Dr. MELCHER. And that the question of thorough inspection should be the focal point, not whether it is going to affect world trade?

Mr. IOANES. Yes, sir.

Dr. MELCHER. Thank you, Mr. Ioanes.

Mr. IOANES. Absolutely.

Mr. PURCELL. To follow up on that, I think you are also saying that an unnecessary deliberate effort to protect domestic producers could trigger a retaliation that would be more damaging than many anticipate. Is that right?

Mr. IOANES. Yes, sir; I am saying that also. That is correct.

Mr. PURCELL. That is all I have. Thank you, sir. If you can, Mr. Ioanes, if you would stay here, there are two or three other people who want to speak directly to you, whether you are sitting at that seat or not.

Mr. IOANES. I would be pleased to stay, sir.

Mr. PURCELL. All right, sir. At this time I want to allow or ask a very distinguished Member of the Congress who apparently at this time is in agreement with the gentleman from Montana in regard to this bill to testify. Then we will call you next, Dr. Steinmetz.

Mr. Mark Andrews, whom we could introduce elaborately or briefly, is on the wrong side of this bill but we will hear from him and give him every chance to convince us before we make our decision.

#### STATEMENT OF HON. MARK ANDREWS, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NORTH DAKOTA

Mr. ANDREWS. I appreciate the generosity of the introduction of my good friend from Texas.

Mr. PURCELL. We always wait until the accused testifies before we render judgment, Mr. Andrews, so we will wait until then.

Mr. ANDREWS. Mr. Chairman, I would like to be very brief and bring out a specific set of facts that I think may have been overlooked in explaining the need for this bill.

I want to express my deepest gratitude to you for allowing me to appear before your committee in support of legislation I have introduced, calling for thorough health and sanitation inspection of all livestock products imported into the United States. I truly believe that this type of legislation is long overdue for the protection of the American consumer.

During my recent studies on this matter I have come up with some rather startling facts which I would like to share with the members of this committee.

The United States will import slightly over 1 billion pounds of meat in 1970. Of this amount, only 5 percent, or about 50 million pounds, is inspected by U.S. inspectors at port of entry. From January 1 of this year to June 30, a total of 8,663,856 pounds of meat that came into the United States was rejected by inspectors at port of entry. We must remember that at the present time we are inspecting only 5 percent of the meat coming into this country and, of that amount, 8 million-plus pounds were rejected. However, you add this up it comes to be close to 15 to 20 percent of the meat that came in that was inspected was indeed rejected. This makes one wonder how much of the 95 percent of the uninspected meat is contaminated.

For your information, I am including in my testimony a breakdown of the poundage of meat rejected, the type of meat, and what country it came from.

[In pounds]

	Beef	Veal	Mutton	Total
Australia.....	4,046,293		1,738,695	5,784,988
Canada.....	355,955	101,370	135,060	592,425
Costa Rica.....	199,050			199,050
Honduras.....	120			120
Ireland.....	615,240			615,240
Mexico.....	99,300			99,300
New Zealand.....	938,377	206,881		1,145,258
Nicaragua.....	48,004			48,004
North Ireland.....	160,560	18,911		179,471
Grand total.....				8,663,856

In 1967, as you are well aware, the Congress passed the Wholesome Meat Act which was, and is, designed to assure the consumer that the meat he purchases at the corner grocery store, supermarket, or his local locker plant is indeed clean. The Congress, by passing this legislation, demonstrated its deep concern for the public's well-being. And I know of what Mr. Zwach was talking when he mentioned a while ago do you ask these foreign plants whether they have high enough ceilings or wide enough doors or the right kind of equipment like we are asking our own producers. Obviously, you don't because if the Department of Agriculture did we wouldn't have this turndown of 8 million-plus pounds of beef of the 5 percent that was inspected. The Congress must surely continue its role in protecting the consumer by passing legislation covering meat that is brought in from foreign countries—meat that moves in the same market channels as our domestic products. Imported meat must be made to come under the same strict regulations as our domestic products if the consumer is to be protected.

Additionally our farmers should be given a fair break. How can our farmers compete if they are forced to sell in competition with meat

that is substandard, masquerading as pure, wholesome beef. So there are two sides to this coin: Consumer interest and being fair to our farmers whom we are asking to maintain a high quality product at a high cost of production, at a high cost of processing, and then compete in the marketplace with a billion pounds of substandard meat that is brought in from outside. It patently isn't fair.

That, in a nutshell, is the purpose of this legislation, guaranteeing the consumer, who should have the right to be assured that all the meat he buys, whether foreign or domestic, is clean and fit for human consumption, and giving our farmers a fair break with their competition in the marketplace.

With this in mind, I urge this committee and the Congress to take immediate action in passing this legislation.

Mr. PURCELL. Any questions of Mr. Andrews?

Mrs. MAY. Mr. Andrews, you are talking about inspection at point of entry where the rejection took place; is that right?

Mr. ANDREWS. That is right.

Mrs. MAY. That is all I wanted to establish.

Mr. PURCELL. Any other questions?

Dr. MELCHER. I would like to commend our colleague for a very fine statement and for bringing out some very pertinent and current points on the amount of rejection for the first few months of this year.

Mr. MAYNE. I would also like to commend our colleague on his usual fine contribution to the deliberation of this committee.

Mr. PURCELL. Mr. Zwach?

Mr. ZWACH. I want to voice the same sentiment and, in addition, I want to say to the Congressman that the reason I am here is I haven't made up my mind as to whether you are on the right side or the wrong side of this issue. I have some serious questions and I am awaiting testimony to make the decision as to what is the broad best interest of the consumers and the health of our people. I want to also say that you say the imports are a little over 1 billion pounds. That is only what comes under the fresh meat provisions. There is about a half billion or more in addition that comes in as cured, processed, canned, and so on, that isn't included in these figures, and I am also very interested as to the inspection of this segment that is outside of the total to which you refer.

I appreciate very much your presentation.

Mr. ANDREWS. Congressman Zwach, I appreciate your pointing that out and let me add just momentarily that when legislation is introduced, you know, there are always a number of reasons for introducing it, and I suspect that some of the people that I find myself in company with are introducing this as a way of getting around to what they would like to do, which is cut back or limit imports of meat into this country. I am not in that group. I am a free trader.

I think the only way American agriculture can compete and can succeed is through free trade. I think our farmers can compete. I think our farmers can produce wheat and grain cheaper and better than most other farmers any place in the world. I think that when you see the price of wheat in Europe at \$3.50 a bushel, the thing we need is not more trade restrictions but less trade restrictions, but here, on the other hand, whether our farmers are forced to compete against restrictive tariffs getting into Europe or phony wholesome meat laws on meat

coming into the United States, it is an unfair disadvantage against our farmers and it is for this reason that I have introduced this legislation and not for the reason of restricting trade, which I certainly don't think is in the best interests of the American farmer, and I would like to make that point very clear.

Mr. PURCELL. Do you think the American meat producer can ever produce meat as cheap as the Australians who feed them nothing but grass and march them about 800 miles on the hoof and then sell this lean beef as a main item of their beef production, compared with our kind of meat production?

Mr. ANDREWS. Quality for quality, pound for pound, taking into account shipping costs, taking into account good processing techniques, sure, we can compete with them. Their type of beef doesn't compete with the type of beef that we are turning out from our feed lots. As a matter of fact, their type of beef can supplement the type of beef we produce in America. What I am talking about is quality fed cattle—beef that brings \$3 a pound in Japan, for instance.

Mr. PURCELL. Do we not need some of the supplementary cheaper hamburger beef to properly balance our heavier beef supply?

Mr. ANDREWS. Certainly we do if we are going to market more of ours, but it ought to come in clean, and this is the problem, and if they can shave a nickel or so a pound by cheap, unwholesome processing techniques they are not competing. They are not being competitive. This I think is the question.

Mr. PURCELL. The testimony of the only man who is in the area of working with that inspection system says that it is wholesome.

Mr. ANDREWS. Well, their own figures on what they have rejected of the 5 percent that they have inspected leads me to question that.

Mr. PURCELL. To me, this means that it is a pretty good system or they wouldn't have caught it.

Mr. ANDREWS. It is an excellent system and they did catch it, but the point is they only inspected 5 percent and if they caught and turned down over 15 percent of the 5 percent they inspected how many tens of millions of pounds of meat would have been turned down if they would have inspected the other 95 percent?

Mr. PURCELL. We will bring that out, I am sure, from the other witnesses, but I believe you will find that when meat is turned down they not only turn down that carton or that package but the whole lot that it comes from.

Mr. ANDREWS. That is right.

Mr. PURCELL. The term "lot" may not be the correct trade term but the whole shipment that is earmarked that way is then turned down, and then, further, with respect to whatever meat is inspected there that is processed, the processing plants are further inspected and it is looked at again, and any breaking plant, any fabricating plant, or whatever they call them, is under the same inspection then as our meat that originates in this country. So I just think the system sounds pretty good if they are catching that amount of meat that needs to be turned down.

So that those who are here may not get the wrong impression, Mr. Mark Andrews and I are very, very dear friends and we agree on about 99 percent of the things we do. Once in a while it is his preroga-

tive to get off on some kind of a situation that I don't agree with, but he will be all right.

Mr. ANDREWS. I appreciate the chairman's caution and disciplinary words but I hope he doesn't take it out on this bill.

Mr. PURCELL. Are there any other questions? Thank you very much, Mark.

Mr. ANDREWS. Thank you.

Mr. PURCELL. Without objection, at this point in the record we will insert the statements of two of our colleagues, Congressman Chester L. Mize, and Congressman David R. Obey.

STATEMENT OF HON. CHESTER L. MIZE, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF KANSAS

Mr. Chairman and Members of the Subcommittee—

I appreciate this opportunity to testify in behalf of legislation to improve health and sanitation inspection procedures for imported livestock products.

There is widespread bi-partisan support for comprehensive inspection of meat and meat products to be consumed by the American people. The public health must always be "top priority" for Congress and the several States; since meat and meat products are particularly vulnerable to contamination, Congress for most of this century has required the inspection of meat entering the interstate market.

Mr. Chairman, under your leadership this subcommittee compiled an outstanding record in consumer protection during the 90th Congress. The Meat Inspection Act and Wholesome Poultry Products Act constitute landmark legislation and will protect the health of our mobile population for the remainder of this decade—probably for the remainder of this century and beyond. These acts underscore the growing realization that in today's world, all meat products, directly or indirectly, enter "interstate" commerce.

This month the processing plants of Kansas are undergoing their "final examination" for compliance with the provisions of the Meat Inspection Act. Some 45 plants will be selected at random and inspected for health and sanitation. Our processing plants have made every effort to provide consumers with the finest in wholesome meat products.

Since requirements for cleanliness and procedures of inspection are standardized and national in scope, no State or plant has an opportunity for competitive advantage by "short-cutting" on essential health measures.

In the United States we have 7,050 inspectors on the Federal payroll to keep constant watch on some 1,062 slaughterhouses and meat processing plants, plus countless State inspectors. These inspectors continually review the domestic meat and meat products entering our economy, with comprehensive antemortem and post-mortem inspection. The American people have every right to be completely confident that the domestic meat they consume is wholesome.

IMPORTED MEAT PRODUCTS

Mr. Chairman, I was distressed to learn that imported meat products do not meet inspection standards that Congress and the States have set for domestic meat.

We import one billion, six hundred million pounds of meat per year from over 1,100 licensed plants around the world. To review all this volume of imports, we have only 15 "foreign review officers" charged with the responsibility to "inspect" over 1,000 plants abroad, plus the equivalent of some 75 full time inspectors in the United States to check meat products as they are landed in this country.

I congratulate Congressman Bob Price of this subcommittee for calling attention to this gross inadequacy over three years ago during hearings on the Meat Inspection Act. I congratulate all others on the subcommittee for their efforts this year to develop legislation that will insure comparability in inspection of foreign and domestic products.

Because I believe that foreign inspection procedures upon which U.S. consumers must depend are below our standards, especially in Australia, I have co-sponsored H.R. 18453 with the other members of the Kansas delegation. This

legislation, if enacted, should provide for thorough health and sanitation inspection of all livestock products imported into the United States, regardless of country of origin.

Mr. Chairman, Kansas meat processors do not expect any special favors. Foreign meat processors should not expect special favors—they have a right to equal treatment, but no right to special favors.

Mr. Chairman, the legislation before your subcommittee provides both surveillance abroad and inspection at the port of entry. The bill is comprehensive in scope and no doubt would be effective in application.

But I would add this word of caution—this legislation should be considered as consumer legislation, to protect the health and welfare of the consuming public, and not as an indirect barrier to trade.

I am confident your subcommittee ultimately will report legislation that provides for adequate inspection of all meat products entering the U.S. marketplace, without discrimination in favor of any particular processor or source of production. The Meat Inspection Act had as its strongest point an absolute absence of discrimination among the States. This legislation should have the same high purpose and legitimate effect among suppliers worldwide.

Perhaps an increase in the number of "foreign review officers", coupled with surprise ante-mortem and post-mortem inspection by U.S. veterinarians abroad, would serve to insure full comparability of inspection procedures, standards of cleanliness, and sanitation.

We have quota-legislation on the books which controls the volume of foreign meat products allowed access to our market. There is compelling evidence to indicate that meat import quota legislation should be reviewed to determine whether excessive meat products are entering our market in competition with U.S. producers. The question of import-volume, however, is separate and distinct from the issue before this subcommittee today.

I believe thorough health and sanitation inspection of foreign meat products is essential—and essential this year.

I appreciate this opportunity to testify, Mr. Chairman, and am confident you will continue to study this issue until a bill that is both adequate and fair is developed for consideration by the full committee and the House.

Thank you.

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STATEMENT OF HON. DAVID R. OBEY, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF WISCONSIN

MR. CHAIRMAN: I would like to express to this Committee my support for H.R. 17444 introduced by Congressman John Melcher to provide for health and sanitation inspection of livestock products imported into the United States. I respectfully recommend to the members of this committee that S. 4120, introduced by Senator Gaylord Nelson and providing for the inspection of imported dairy products, be added as a dairy title to this bill.

THE NELSON BILL

S. 4120 would establish stricter regulations to prevent unsanitary or contaminated foreign dairy products from coming onto the American market. It would do so by prohibiting dairy products imported into the United States unless they had been inspected and found wholesome and unless inspection and sanitation standards for foreign farms and plants in which these dairy products were produced, manufactured or processed are comparable to such standards set for dairy products manufactured and sold in the United States.

There is need for this legislation for two reasons:

First, because it is essential that we protect the American consumer from imported dairy products which have in the past been found to contain any number of impurities, and which therefore may provide a potential threat to the health of American citizens; and,

Second, because by requiring domestic dairy producers to comply with tough sanitary standards while not requiring the same standards for imported products we are placing an undue burden on the American dairy industry.

CONTAMINATION FOUND IN DAIRY IMPORTS

When he introduced his legislation in the Senate, Senator Nelson pointed out that figures from the Food and Drug Administration indicate that nearly 10 percent of the dairy products now inspected are rejected because they are con-

taminated or otherwise unfit for consumption. Furthermore, often less than 10 percent of incoming dairy products are even checked at all—leaving the American consumer with little more than a hope that the foreign dairy products he is consuming are sanitary and uncontaminated.

Let no one doubt, either, that the contaminants which have been found in imported dairy products pose a potential danger to the health of the American public.

In the past few years, imported cheese has been found to contain poisonous substances and pesticides like DDT, dieldrin, and benzene hexachloride. In the first nine months of 1969, 1.7 million pounds of imported cheese, worth \$2.5 million, was impounded by inspectors at the Port of New York because it was found to contain pesticide residues.

Other examples abound. Some imported dairy products have been found to be infested with live mites. Others have been found to contain fly eggs and maggots, insect fragments and manure, unsafe food additives and animal dung.

I seriously doubt if there is anyone here who looks forward to even the remote possibility of serving such products on his dinnertable!

#### AMERICAN SANITARY STANDARDS

Mr. Chairman, for many years American dairy farmers and processing plants have had to meet stringent standards to assure the consumer that dairy products sold in this country are sanitary and wholesome. While no one can object to the idea of sanitation standards for food products sold to the public, the fact remains that meeting these standards means a great production expense for our domestic dairy industry.

Dairy farmers, for example, make investments worth thousands of dollars in pipeline milkers, bulk tanks, coolers and milk houses. In addition to this large investment in their milking systems, farmers and processors pay thousands of dollars annually for inspections of these systems to make sure they meet State, local and Federal sanitation standards.

In a recent survey by the USDA, for example, it was revealed that fluid milk plants paid regulatory sanitation authorities an estimated \$3.4 million in 1967. Other inspection-associated expenditures cost an additional \$.5 million, or an average cost of just over \$1,300 in fees per plant. During that year each plant was inspected an average of 23.9 times.

It is in my opinion grossly unfair that American dairy farmers and processors are saddled with large production expenses to meet standards which safeguard the purity of domestic dairy products while these same standards do not apply to imported dairy products.

#### DAIRY IMPORT INSPECTION NEEDED

The legislation which I recommend to this committee would rectify this situation by simply requiring foreign dairy farms and processing plants producing dairy commodities for U.S. consumption to meet sanitary standards set by the USDA.

I recommend this legislation also, because I believe we have a responsibility to the American consumer to insure that he will not have to worry about contaminants being found in dairy products imported from other countries. We have a responsibility to the American dairy industry, also, to make certain that we put an end to a double standard which has allowed foreign dairy producers to sell products on the American market which do not meet the standards for purity and wholesomeness we set for our own producers.

Mr. PURCELL. Dr. Steinmetz, you are next on the list and if you will take the chair you may present your statement, and then we will have questions.

#### STATEMENT OF H. M. STEINMETZ, DEPUTY ADMINISTRATOR FOR CONSUMER PROTECTION, CONSUMER AND MARKETING SERVICE, U.S. DEPARTMENT OF AGRICULTURE

Dr. STEINMETZ. Thank you. Mr. Chairman, members of the committee: Meat prepared in foreign countries for importation into the

United States is equivalent to that produced under Federal inspection in our country with respect to wholesomeness, sanitary quality, and freedom from disease and adulteration. This is required by the Wholesome Meat Act of 1967. The agency of the foreign government which inspects the animals, carcasses, parts, meat food products, and the facilities in which they are produced must enforce standards equal to our own in the following essentials:

1. The inspection of the living animal and its carcass and parts must be thorough and complete and the dispositions resulting from this inspection must be the same as in U.S. plants.

2. Subsequent reinspections throughout the manufacturing process to insure wholesomeness and freedom from adulteration must be conducted with the same frequency and thoroughness as in U.S. plants.

3. The construction and sanitary maintenance of the plants and their facilities and all other essential elements of environmental sanitation must equal that of U.S. plants.

4. Product must be handled in a sanitary manner to prevent all avoidable contamination during dressing, transport, and storage.

To assure compliance with these standards the United States limits imports to specially designed plants located in countries whose export meat inspection system has been determined to be equal to that of the Federal system in the United States. Forty-four countries are currently eligible to export meat products to the United States. In these eligible countries there are 1,140 plants certified to us as meeting U.S. requirements. These 1,140 plants are staffed with approximately 7,500 inspectors. Further, Department representatives visit all such plants as often as possible, but at least once annually, to confirm from a first-hand observation that the foreign inspection system is in fact enforcing all U.S. requirements. If their findings are to the contrary the plant or, if indicated all plants in the system are rejected until each time as they do meet U.S. standards. Temporary embargoes on the importation of specific categories of product are also imposed by the United States if review findings are unfavorable.

Fourteen veterinarians have the assignment of travel to those countries approved for export to the United States, observing their inspection system in actual operation and visiting the individual plants certified for export. We have recently approved the stationing of eight of these veterinarians overseas. These men will be located in Australia (2), New Zealand, Argentina, West Germany, Denmark, The Netherlands, and Austria. We believe this will strengthen our surveillance of the foreign inspection systems and plans. It will mean there can be closer ongoing relations between foreign officials and our veterinarians, greater flexibility in their ability to respond to problems that might arise and elimination of detailed advance scheduling of visits to the exporting plants.

In addition to the inspection and reinspection which takes place prior to leaving the country of origin, each shipment of fresh and frozen or chilled meat is given an additional thorough inspection in this country prior to its release for processing or sale to consumers. If the sample does not meet requirements, the entire shipment is refused entry and must be reexported from the United States or destroyed for food purposes. Reconditioning or sorting of rejected shipments is not permitted.

The inspection is an objective one and is based on a study made of domestic meat produced under good manufacturing practice. Defects are classified as minor, major, and critical, and criteria set for acceptance and rejection. The regulations require that the inspection given to foreign product must be the same as that given domestic product.

We make the inspection on a randomly selected sample which varies in size in accordance with the size of the lot from which it is drawn. We are convinced that this approach provides at least the same, if not more, assurance in the accuracy of our findings than 100 percent piece-by-piece inspection. The validity of such an approach will be explained more fully by Mr. Bartlett of our statistical staff.

While, in our judgment, defrosting of entire shipments and the examination of every piece not only does not provide a better basis for a decision on the acceptability of a shipment, it could have serious harmful effects on the quality and wholesomeness of the product. Although a fast, water defrost system is available for sample inspection, such a system would not be feasible for defrosting all products. Air defrost could require immense areas be set aside to allow spreading of cases and a minimum of 48 to 72 hours for defrosting. Even if space were available, there would be at the least a vast drop in quality, and in all likelihood some loss of product through spoilage. Most important would be the incipient spoilage due to bacterial growth which went undetected but would be passed on to the ultimate consumer with the hazard of food poisoning outbreaks ever present.

Thank you. If I might, I would like to have my testimony completed by Mr. Bartlett of our statistical staff.

Mr. PURCELL. I would like, without objection from members of the committee, to have Mr. Bartlett now submit his testimony and then we will question both witnesses at the same time.

**STATEMENT OF RICHARD P. BARTLETT, JR., DIRECTOR, STATISTICAL STAFF, CONSUMER AND MARKETING SERVICE; C. E. MOOTZ, CHIEF, FACILITIES, EQUIPMENT, AND FOREIGN PROGRAMS BRANCH; AND IRWIN FRIED, CHIEF, PLANNING BRANCH, PROCESSED FOODS INSPECTION DIVISION, CONSUMER AND MARKETING SERVICE, U.S. DEPARTMENT OF AGRICULTURE**

Mr. BARTLETT. Mr. Chairman, members of the committee, the objective of this bill is to assure that clean, wholesome, and healthful meat goes to the consumer. Stating this in a more general way, the objective is to assure an "acceptable" end product. If all products were checked, piece by piece, it is a well-established fact that on the average 15 to 25 percent of the defects would be missed, and consequently reach the consumer. The following quotations from well-known experts in the field of sampling and piece-by-piece examination support this belief.

1. "Samples less than 100 percent will often produce results speedier and cheaper than a complete coverage; and in most cases, the sampling results are more reliable."

From: "On the Contributions of Standards of Sampling to Legal Evidence and Accounting"—W. Edwards Deming, Reprinted from Current Business Studies No. 19, October 1954 page 18.

2. "There is no way known, whether by sampling or by detailed (human) inspection, to be 100 percent sure that the material accepted is entirely free of defects. Sampling involves the risk that the sample will not reflect conditions in the lot. Detailed inspection, aside from its expense, involves the risk that inspectors will not find all defects."

From: *Quality Control Handbook*—J. M. Juran, McGraw Hill Book Co., Inc., 1962, section 13, page 70.

3. "It is misleading to consider complete counts as being without error and differences between complete counts and samples as reflecting the difference between truth and approximation."

From: "Sampling Applications in Censuses of Population and Housing" (Technical Paper No. 13) by Joseph Waksberg, and Robert H. Hanson. U.S. Department of Commerce, Bureau of the Census, 1965.

It is obvious that sampling can result in errors because one is not examining the entire lot; however, it is not so apparent that 100 percent inspection can result in even more errors. Some errors that are more prevalent in 100-percent inspection follow:

1. The increase in workers that 100-percent inspection requires would make it more difficult to uniformly enforce the inspection procedures.

2. Chances for more damage from an increased amount of handling would arise.

3. One hundred percent inspection leads to more fatigue due to the monotony of the task. It gives the inspector a feeling of complacency and causes the clearness of the inspector's judgment to suffer. On the other hand, since sampling has greater consequences on the entire lot and establishment, the inspector realizes his decisions have more weight. Thus he develops a feeling of greater responsibility toward both the consumer and industry and is motivated to be more alert, responsible, and conscientious. How the inspector views the importance of his work is most critical in determining the quality of his work.

4. An inspector may feel that he is not doing his job unless he reports a certain number of defects. Therefore, he may imagine defects exist, when in actuality they do not. Similarly, the inspector may be influenced by previous lot quality in making his piece-by-piece decisions of current lots under 100 percent examination.

Another disadvantage in piece-by-piece inspection is the waste of time and cost on examination of poor product. The poorer the product (and most likely, the less effort put forth by the establishment), the more time needed for piece-by-piece "sorting." However, in our sampling program, we stop examination after a certain number of defects are found. Time is not wasted in looking at poor quality. We estimate the cost of examining the meat only (not including cost of opening cartons), thawing and handling, for an average size lot of 27,500 pounds would be \$431 compared to our present cost of \$3. On an annual basis, assuming 1.7 billion pounds are imported, the piece-by-piece examination cost would be \$26,643,558 compared to a cost now of \$185,454 using the sampling plans.

The time required just for examining the meat is now one-half hour (actually 28 minutes) for an average lot. This would be increased to 71.8 hours. On an annual basis we now use 29,055 man-hours, whereas

for piece-by-piece examination we would need 4,438,532 man-hours. When considering all inspection duties, 100-percent inspection would require an additional 7,590 inspectors plus a few hundred supervisors and support personnel over the present staff. This increase would double the entire staff we now use for all meat and poultry work.

Realizing the unavoidable errors in both sampling and 100 percent inspection, our management philosophy in C. & M.S. is directed at putting the responsibility on the industry to make the product clean and wholesome, at the source—not to let industry offer “dirty” product and rely on us to screen out the “dirty” pieces at destination. The cost in time and labor that sampling saves should be spent seeing that plants are meeting the requirements of the meat inspection regulations.

One very effective way of getting industry to take this responsibility has been to reject entire lots of product based on sampling plans; 100-percent inspection would defeat this approach and result in “dirtier” and more costly product. The internationally famous statisticians, Harold Dodge and Lloyd Knowler, made this clear when they said:

1. “One trouble with 100-percent inspection is that the inspector merely cleans up the faults of others, sorting the good from the bad, and the production man takes it as a matter of course if just individual articles are returned to him for repair. But, if a whole lot is returned to him, he must get busy go find the cause and eliminate it to avoid further rejections.”

From: “Administration of a Sampling Inspection Plan,” by Harold Dodge (Industrial Quality Control, November 1948, p. 13).

2. “\* \* \* quality must be built into a product: It cannot be inspected into it.”

From: “Fundamentals of Quality Control,” Lloyd A. Knowler. (Industrial Quality Control, July 1946, p. 8.)

Let's turn now to the current sampling plans and AQL's. It should be noted that we arrived at the AQL's (acceptable quality levels) by what is known as a process capability study of our own domestic meat. (The AQL's are 1 critical defect per 3,000 pounds, 1 major defect per 400 pounds and 1 minor defect per 30 pounds.) A process capability study is a means of obtaining the level of defects (critical, major, and minor in this case) that remain in or on the end product after it has been carefully processed in a good, clean, well-managed establishment. Therefore, the AQL's set for import are in effect saying we expect finished imported lots to be equally as clean and wholesome as domestic lots.

The use of AQL's does not mean, as some have mistakenly thought, that one is willing to accept, for example, 1 critical defect per 3,000 pounds. On the contrary, we prefer no defects of any kind, especially major and critical, but of course this is impossible. Use of AQL's is like saying “We know that even under the best of conditions defects will occur, and should they occur to the level of the AQL (which is maximum acceptable level) such lots would have a 90-95 percent chance of passing.” Of course, we fully expect the majority of lots to be better than the AQL's and the record shows they are.

Generally, there is some confusion regarding the size of sample in relation to the lot size. The ability to detect an excessive number of defects in any lot is dependent upon sample size per se; it is not dependent on sample-size-lot-size ratio. (Lot size does affect the sample

reliability when the sample is a significant portion of the lot, say, at least 10 percent. But, in this program the sample sizes would never be that large.) Most sampling programs prescribe different sample sizes with different lot sizes because of the time and cost required. We would desire the reliability of the largest sample size for all lot sizes, but there has to be some tradeoff between reliability and time and cost. Therefore, we (as does everyone) take a smaller sample for small lots so as to keep the time and cost of doing the job realistic and yet well balanced with the risks so that they are not great.

In summary, we believe that sampling of imported meats is better than 100-percent inspection, and it can be done at a fraction of the time and cost of 100-percent inspection. The requirements and techniques of inspection for imported meats are the same as those for domestic reinspection. Should you conclude that 100-percent inspection is needed for imports, logic would dictate that we do likewise for domestic product, with the cost, time and manpower increasing accordingly. Finally, we are confident that the meat imported and cleared for moving on to the consumer is clean and wholesome and that our port reinspection program is a reliable adjunct to our foreign review program. Thank you.

Mr. PURCELL. Any questions of this witness?

Dr. MELCHER. Yes. Dr. Steinmetz, the whole point of having all these various 1,140 plants meet the Wholesome Meat Act; why was the mutton banned from Australia? Would you explain that to the committee?

Dr. STEINMETZ. The mutton ban involved the Australian inspection system for this species of animal, certain aspects of their permitted operating procedures and inspection procedures. We came to the point where we could not have the confidence, we felt, that their inspection job, their processing procedures, met the U.S. requirements and at that point we informed the Australians that for an indeterminate period mutton shipments would not be accepted into the United States, and the Australians are now in the process of correcting what we found as deficiencies with respect to our requirements for the dressing process, and so forth.

Dr. MELCHER. One of the deficiencies that you found was the fact that they did not correlate the viscera with the carcass; isn't that right?

Dr. STEINMETZ. There were some questions with maintaining throughout the kill-dressing process the certainty of identity of the various parts of the carcass.

Dr. MELCHER. Now, Dr. Steinmetz, just so everybody understands, this wasn't something that they started doing. This was something that they had always done, isn't that true, not maintaining the identification of the viscera with the carcass?

Dr. STEINMETZ. Well, no; I think really in this thing you get into the same sort of thing that you get into about every matter that you are involved in when you deal with differences of viewpoints. I think the Australians felt that in terms of inspection for determining wholesomeness their procedures were doing the job that was necessary, and I say it was our judgment that they were not maintaining this identity up to a point where that satisfied us, so there were differences between the judgments expressed, and with our responsibilities on this meat

coming into the United States we had to express that, although they felt differently in certain respects, we, nevertheless, had to require that it strictly meet the U.S. requirements.

Dr. MELCHER. Dr. Steinmetz, the point I am trying to establish is that they did not identify the viscera with the carcass to satisfy our standards?

Dr. STEINMETZ. That is correct.

Dr. MELCHER. And the next point, Dr. Steinmetz, this is not something that they changed. It is something that they never had, isn't that true?

Dr. STEINMETZ. I personally can't address myself to that point in those exacting terms.

Dr. MELCHER. Doctor, aren't there records available to you that indicate that they were not identifying the carcass and the viscera to satisfy our standards going back to the time when the Wholesome Meat Act was supposed to take effect in relation to Australian or any foreign plant?

Dr. STEINMETZ. I don't know whether there was that indication all that way back. I am not sure. Perhaps one of my colleagues can answer that.

Dr. MELCHER. For the record, Dr. Steinmetz, I have discussed the matter with Dr. Pals. Dr. Pals was aware of it many years ago, and I would assume that your 13 or 14 inspectors, whatever they were, had been duly reporting that fact to you, Doctor.

Dr. STEINMETZ. They do report on their findings of the products inspected.

Dr. MELCHER. Dr. Steinmetz, it wasn't banned as something that had just been started, though, that occurred this week or last week; it had been a continuing discussion with you and Australia?

Dr. STEINMETZ. Yes; there had been discussions between us and the Australians.

Dr. MELCHER. And for how long, Doctor, to your knowledge?

Dr. STEINMETZ. I don't have any specific knowledge on that point, the length of time.

Dr. Mootz, do you have any knowledge on that?

Mr. MOOTZ. There had been continuing discussions with the Australians as with all countries in trying to coordinate exactly the inspection procedures used to attain an end result. The first of these discussions, I think you are probably aware, started with Dr. Pals when he visited that country in 1963, but at that time his, let's say, survey of their procedures was minimal, and we have been over a period of time gaining a continuing and increasing realization of the problems that were involved. When we felt we knew exactly where we stood on the subject we took the action that you are aware of.

Dr. MELCHER. It was how many years after the Wholesome Meat Act went into effect, Doctor, that the action was taken?

Dr. STEINMETZ. That was about two and a half years.

Dr. MELCHER. Two and a half?

Dr. STEINMETZ. Yes.

Dr. MELCHER. Doctor, despite your testimony, you are aware that the General Accounting Office is looking at the procedures that you are following?

Dr. STEINMETZ. Yes.

Dr. MELCHER. Both domestically and in foreign plants?

Dr. STEINMETZ. That is correct; yes, sir.

Dr. MELCHER. And they are looking at them, Doctor, for what reason?

Dr. STEINMETZ. Well, this falls into the sphere of responsibility to overlook the conduct of Federal programs.

Dr. MELCHER. It would be fair to say that they are looking to see whether the job is being done properly?

Dr. STEINMETZ. Yes.

Dr. MELCHER. In the defense of this random selection, are we to assume that the consumer should eat these defects like cysts and hair and ingesta and blood clots?

Dr. STEINMETZ. What we are saying I believe is that the ultimate state of perfection with respect to meats, and that would be no defects, just does not exist. We are saying it does not exist for our domestic program and we are saying that the same criteria on which we judge our domestic program are carried out on our import inspection of the foreign meats. I think this is what we are saying.

Dr. MELCHER. What you are really saying is that you really have a wonderful system of inspection of the imported meat, and yet that system is based on making the determination as to whether or not we have a wholesome product right on the docks, which is probably the worst place in the world to be doing a technical job. I assume, Doctor, that you are quite familiar with the entire procedure of the inspection on the docks, are you not?

Dr. STEINMETZ. Yes, sir.

Dr. MELCHER. I have pictures here from one little excursion I made over to Philadelphia and I was amazed to find out that the broken cartons, for instance, with the meat exposed to the air, the dirt, the filth on the docks, were being stamped "Philadelphia, U.S. Inspected and Passed." Are we to believe by your testimony that you don't want this inspection improved?

Dr. STEINMETZ. We want this inspection to be the best possible inspection that it can be.

Dr. MELCHER. Nowhere in your testimony is there any suggestion on how to improve it. I have to assume that you have concluded that this is the best that can be done so we shouldn't do any more.

Dr. STEINMETZ. We believe that our sampling inspection provides a high level of confidence as a basis for judgment as to the acceptability of a lot of meat and we are doing the same essential thing in our domestic program on inspecting, reinspecting as we identify it, domestic lots of such things as mutton.

Dr. MELCHER. We are talking about the imported product and it is on the docks. It has broken cartons and you are going to inspect it there among the insects, flies, dust, dirt and confusion of the docks, taking a tiny sample. Are you going to tell us that that is the best we can do and that this assures the consumers of complete wholesomeness of all the products?

Dr. STEINMETZ. The presence of a broken box in a lot of boxes of meat, whether it be imported or domestic, is a regrettable circumstance. It should not be, but it does occur in shipment, and certainly if there is the detection of a box that is broken with exposure of its contents to air, then steps should be taken with respect to that article.

Dr. MELCHER. I think that is the point, doctor, that the steps aren't being taken, and you are not suggesting any improvement. These steps are not being taken. The box is stamped "Philadelphia, U.S. Inspected and Passed," and it goes anywhere then. That is a free ticket to anybody's hot dog.

Dr. STEINMETZ. And under the realistic facts of life with respect to the way in which a product must move about, must be transported, must be handled by people, and so forth, a circumstance of that sort can occur. Yes, it can occur in the imported shipments and it can occur in a broken box of products.

Dr. MELCHER. The fact is, doctor, though, that once it has occurred there is nothing in your system, there is nothing in your inspection, to remove it. It is stamped and passed and moved after the fact, after it has been broken.

Mr. BARTLETT. Mr. Melcher, we have a condition of container examination that does eliminate entire lots based on broken containers. We have a system there set up similar to the check for wholesomeness, and we also I believe prestamp some of these cartons so it is possible what you saw could have been prestamped and then the lot could have been rejected, and then this voided.

Dr. MELCHER. Mr. Bartlett. It wasn't rejected.

Mr. BARTLETT. It wasn't?

Dr. MELCHER. It wasn't rejected. Nothing was done.

Mr. BARTLETT. But we do have a container check.

Dr. MELCHER. Which is a different program?

Mr. BARTLETT. Yes.

Dr. MELCHER. And it is not involved in this particular program?

Mr. BARTLETT. It is, on the import cartons.

Dr. MELCHER. At what point, Mr. Bartlett?

Mr. BARTLETT. At the port.

Mr. MELCHER. At what point is it done?

Mr. BARTLETT. At the port.

Dr. MELCHER. At the port?

Mr. BARTLETT. Yes, sir.

Dr. MELCHER. But the lot that I just happened to see wasn't given this container check? Is that what I am led to believe, then?

Mr. BARTLETT. No; I am not saying that. I have no way of knowing that. It should be that each lot is subjected to this condition of container check.

Dr. MELCHER. Who does that, Mr. Bartlett?

Mr. BARTLETT. Our inspectors.

Dr. MELCHER. I would suggest, Dr. Steinmetz, there is considerable room for improvement of your system because I don't believe your people know of the container check. It is obvious that they don't, in Philadelphia.

Now, Mr. Bartlett, you say that:

An inspector may feel that he is not doing his job unless he reports a certain number of defects. Therefore, he may imagine defects exist, when in actuality they do not.

Now, I have a list of defects: bone fragment, cartilage, ingesta, blood clots, hair, wool, pathological lesions. Would you tell me how anybody is going to imagine those things?

Mr. BARTLETT. I wasn't implying that they would imagine those types of defects, necessarily.

Dr. MELCHER. What defects, then?

Mr. BARTLETT. Well, a defective piece.

Dr. MELCHER. What is a defective piece, then?

Mr. BARTLETT. This is the point. The piece could not be defective but culled out as being defective.

Dr. MELCHER. Defects are identified by regulation. They are not something imagined by anybody. The form is there. These inspectors have to find the defects. What defects are they going to imagine along the lines of blood clots, ingesta, and so on?

Mr. BARTLETT. The point I am trying to make, Mr. Melcher, is this: that if you are sorting piece by piece it is very likely that a good piece could be put into the bad pile. This has been demonstrated. We have run products through production lines and had the people on the line sort. They have sorted perfect products as good and bad, because once a person is told he is sorting good from bad, he is going to sort.

Dr. MELCHER. That isn't my question. It is how you can imagine people's material, or ingesta or a cyst or a blood clot that isn't there?

Mr. BARTLETT. This is not what I meant by that statement.

Dr. MELCHER. But the defects you do know and you are testifying to the fact that the defects are the basis for either rejecting or accepting the whole lot?

Mr. BARTLETT. And I would add to that that if you go to piece-by-piece—

Dr. MELCHER. Are you or are you not?

Mr. BARTLETT. On the sampling program.

Dr. MELCHER. Yes.

Mr. BARTLETT. But if you go to piece-by-piece, there will be "sorters" saying this piece is defective and it will be set aside as non-acceptable when if you looked at it you would find it was a good piece, no defect at all.

Dr. MELCHER. Mr. Bartlett, if you look at every piece in a carton why would you change the rules?

Mr. BARTLETT. We wouldn't change the rules. This would be a fallout, if you like, of telling somebody that "You are there looking at every piece. Put this in the bad pile and this in the good pile."

Dr. MELCHER. You are telling us in quality control procedures that are done in our own plants that if people get tired they are not going to do a good job?

Mr. BARTLETT. Yes, sir.

Dr. MELCHER. Perhaps you are interested, then, in what we are doing on the docks. Don't you think that the inspectors that are there for 10 and 14 hours are tired before the end of the day even though they have riding on their judgment whether or not they are going to accept 30,000 or 100,000 shipments? Aren't these men tired?

Mr. BARTLETT. They are tired, yes, I would imagine so.

Dr. MELCHER. You are saying, in defense of the system, that 14-hour man is not going to be as tired as the 8-hour man?

Mr. BARTLETT. I would say not as tired of the task as the 8-hour man, and that is the difference, a big difference.

Dr. MELCHER. I certainly wouldn't understand that. Maybe you can explain it.

Mr. BARTLETT. The task of piece-by-piece inspection would be more tiring than examining a sample, so, therefore, the piece-by-piece examiner is more careless.

Dr. MELCHER. Are you inferring that those inspectors are not looking at those samples that they have to look at piece-by-piece?

Mr. BARTLETT. No, I didn't mean to imply that at all. I am saying that the fact that an inspector on a sampling program has other duties, he doesn't have to spend every second of his time looking at meat, per se.

Dr. MELCHER. What are his other duties?

Mr. BARTLETT. He selects his sample boxes, he——

Dr. MELCHER. Mr. Bartlett, I don't find that to be true. I find that different inspectors have selected the boxes, that these are taken to the point of inspection, that there are different inspectors there that are examining piece after piece after piece after piece of that thawed-out meat, and that they get done whenever the entire boatload that is sitting on that dock has been sampled so they can move that meat. It was two boatloads at Philadelphia. I am not finding what you are saying to be true. I wonder if you are completely familiar with the procedure.

Mr. BARTLETT. I am not completely familiar with the details; no.

Dr. MELCHER. Yet between the man who works 8 hours in a domestic plant and the man who works 10 to 14 hours on the dock, you are testifying that man will be more alert and more bright than the man working 8 hours.

Mr. BARTLETT. I am saying if an inspector does not have to spend his hours doing one job——

Dr. MELCHER. I am saying that is not the case; that the inspector does have to spend his hours doing the job.

Mr. BARTLETT. I would like to call on Mr. Fried on that. I believe the inspector does trade off. He does not every day, every hour, look at just meat.

The inspector who picks that sample has this as part of his job in addition to looking piece by piece.

Let me ask Mr. Fried.

Mr. FRIED. There is an inspector interplay.

Mr. BARTLETT. He is not solely looking at meat.

Dr. MELCHER. Are you talking about interplay within a day or a week and they do something else sometime during the week?

Mr. FRIED. It depends upon the length of the day and the amount being inspected during that day.

Dr. MELCHER. Let us have Mr. Fried testify if he can answer the question for us.

Mr. FRIED, you are saying what about this interplay? What do you mean by interplay?

Mr. FRIED. There are various jobs being done when a ship unloads, and the inspectors will change jobs during the day, depending upon the amount of product being examined and the amount of work to be done.

Dr. MELCHER. May I say, Mr. Fried, if you are sure of the facts, that this was not being done where I was. Mr. Bartlett's testimony

as to who gets hired and who does not get hired is very dubious from my own observation. It is obviously much more difficult to do a job of inspection on the docks in Philadelphia than it would be in a domestic plant where the atmosphere was better, where it was clean, where there was less confusion.

Going on to other points of Dr. Steinmetz' testimony, first of all, before we get into random selection, I would like, Doctor, to establish the point whether or not you think the job could be better done away from the docks rather than on the docks.

Dr. STEINMETZ. No; I do not think it is necessarily better done away from the docks, with the proviso that the facilities used for conducting this sample inspection at the docks afford the proper environment and the proper facilities and the proper equipment to carry out the sample inspection.

Dr. MELCHER. We are not talking about equipment. We are just talking about a bandsaw and a couple of tables and a place to thaw out the product to do the inspection. We are talking about all the confusion that is on the dock, the stevedores bustling all over the place with their little trucks to move products of various kinds. The stevedores move the product over to the point on the docks that it is to be inspected. Would you prefer to have it done on the dock or in the domestic plant?

Dr. STEINMETZ. We do in actual practice carry it out both places. In some instances imported meat shipments go under customs custody to an inland point, and a sample inspection is carried out there.

I think that the import inspection can be properly carried out in the dock area with the provision of suitable facilities in that area for the handling of the samples.

Dr. MELCHER. Do you prefer the dock or prefer the status quo? Which is it?

Dr. STEINMETZ. It is not a matter of preferring the status quo. It is a matter of determining can this job be done acceptably in the dock area. Can the facilities and the environment necessary for the handling of food be provided in such an area.

Dr. MELCHER. You think it is best to have it done where it is not screened, where the dust can blow in?

Dr. STEINMETZ. No. These points where the samples are examined should be protected from such things as flies and dust, and so forth. That is what these facilities should be. If they aren't, they should be corrected.

Dr. MELCHER. Philadelphia is one place where that is not done.

On the random selection which is defended by Mr. Bartlett, the meat is thawed out, the tally sheet is added up, and you say this isn't too bad and we will take it, and you throw that piece of meat back into the carton.

Two things arise. First of all, you have found defects, whatever they are, but you put the meat back in the shipment. Is this defensible?

Dr. STEINMETZ. Defects should not go back in the shipment.

Dr. MELCHER. But that is the procedure.

Dr. STEINMETZ. That is not the procedure if defects are found. It should be removed to the extent defects are found.

Dr. MELCHER. Doctor, your system has no method for removing it.

Dr. STEINMETZ. Mr. Fried, do we put defects back in shipments when they are found?

Mr. FRIED. It is not a matter of whether we specifically put them back in or do not. It is a matter of acceptability of the lot. I believe in many instances the importers themselves want to examine the defects that are found, in which case they have their men there who gather up these defects for examination. In other cases, a minor defect, simple little blood clot, a small bruise, something of this nature, yes; it could very well wind up back in the lot.

Dr. MELCHER. Of course, I do not know anything about the importers looking at it, because that is not my experience. Nobody is looking at it but the inspectors and the stevedores. When this 12-pound piece of meat is thrown back in that box—you mentioned in your testimony thawing out meat and refreezing it and the bacterial problems involved—are you assured that this is a good practice?

Dr. STEINMETZ. Permitting the defrosted piece to go back into the shipment?

Dr. MELCHER. Yes. After being brought to about 75° to 85° temperature, it is thrown right back in the same carton.

Dr. STEINMETZ. Of course, the problems you can have with respect to bacterial growth relate to a combination of temperature and time. I think what we are trying to say here is that in our sample examination, yes, the samples are defrosted, but they are not exposed to the combination of temperature and time over the period of time that would be the case when you had to defrost an entire lot.

Mr. FRIED. May I comment on that. When we first evolved this procedure, we were naturally bothered by the mishandling that can take place when product is defrosted. So, our procedure does try to regulate the temperature to which the water is heated, the tempering of the product rather than complete defrosting, and then the placing of the product back between the rest of the frozen blocks so refreezing is very rapid.

At the very beginning we ran some bacteriological analyses on the product to see what effect this could have. It was found to be a very acceptable procedure.

Dr. MELCHER. Mr. Fried, I take it what you are trying to say is that you thawed the meat out to about 80°, but really it wasn't thawed out to 80°. What do you mean by that? You are saying it was thawed out, but it really—

Mr. FRIED. I am saying our procedures called for a tempering of the meat, where, in quite a few of the pieces, very often, not always, but very often, there are still ice crystals within the inside of the meat and the surface can be examined because it is free of ice crystals. This doesn't always happen—

Dr. MELCHER. We are looking at only 1 percent of this lot. I think Dr. Steinmetz will agree with me that you are going to look at that 1 percent very thoroughly, which would mean it is completely thawed out. If I am mistaken on that, Dr. Steinmetz, I would like to be told.

Dr. STEINMETZ. I think we are talking about perhaps the difference in the way people use terms. The meat is defrosted with warm water to the extent that an examination can be made to determine whether any defects exist in the sample.

Dr. MELCHER. Looking at the list of defects—bone, cysts, blood clots—looking for a great number of things, it would be necessary to have the product thawed; would it not?

Dr. STEINMETZ. Thawed to the point where he can make the examination that is needed.

Dr. MELCHER. To feel right through the piece?

Dr. STEINMETZ. He should be able to palpate the piece.

Dr. MELCHER. To be able completely and adequately to palpate it.

Mr. Fried, you are saying that you are going to throw that back in the box. That is exactly what is done. It is between frozen chunks. You are saying it is going to be quickly refrozen, but under the conditions that exist on the dock; is that true?

Mr. FRIED. I am sorry, sir. I do not understand the question.

Dr. MELCHER. This meat is not under your control except as it sits on the dock and has been identified by the stamp, "U.S. Inspected and Passed."

Mr. FRIED. Right.

Dr. MELCHER. It is part of the lot. So, how long it sits on that dock is really not under your control.

Mr. FRIED. To the extent we do not insist upon when it is loaded; that is right.

Dr. MELCHER. Can you tell me with assurance that the 12-pound chunk of meat from the middle of the carton is completely thawed out so it can be palpated? I won't get into the difference of what complete thawing is, but at least thawed to the point that it can be completely and thoroughly palpated. And when it is put back in the carton and it sits there on the dock, it is immediately refrozen?

Mr. FRIED. No. I said it takes place very quickly due to the fact that it is being held with another 48 pounds of product.

Dr. MELCHER. Under these conditions, where the temperatures vary and the conditions vary and the time consumed on the docks varies before it is put into refrigeration again, how can you be assured that it is being refrozen very quickly?

Mr. FRIED. We cannot be assured, but we do know that it happens. At least, it is held under good temperature control.

Dr. MELCHER. You are not going to see that box again; are you?

Mr. FRIED. Our inspectors will.

Dr. MELCHER. When?

Mr. FRIED. When it arrives at the plant for processing.

Dr. MELCHER. When it arrives at the plant for processing? What are they going to do with it?

Mr. FRIED. They are going to examine the lot entering into an official establishment.

Dr. MELCHER. How are they going to examine it? Under what conditions are they going to examine this lot again?

Mr. FRIED. They are going to look for external conditions that might indicate unhealthy shipping conditions. They are going to examine a couple of cases of products. Because of the fact that it is stamped "accepted and passed, they have assurance that it has been looked at and accepted. They are going to examine further samples to make sure that it in fact is acceptable.

Dr. MELCHER. Mr. Fried, there is not going to be any particular examination of that carton that was opened, is there?

Mr. FRIED. Not necessarily that carton; no.

Dr. MELCHER. There would be even less of an inspection than they had on the docks; is that true?

Mr. FRIED. That is true.

Dr. MELCHER. Even less than the scant 1 percent that was looked at at the docks would be looked at again by somebody in the processing plant?

Mr. FRIED. I do not know about that 1 percent figure, Mr. Melcher.

Dr. MELCHER. It is less than 1 percent that is actually looked at and palpated. But there would be even less than the inspection given on the docks.

Mr. FRIED. That is right, at the point of arrival; yes.

Dr. MELCHER. So, there isn't any assurance that the carton that was opened and the meat that was thawed out will ever be seen by any inspector again.

Mr. FRIED. Complete assurance, no; but don't forget that again it will be looked at while it is being processed further into hamburger or sausage.

Dr. MELCHER. I understand it goes to the chipper and it takes less than 1 minute for the carton to be put in a line, and there is no recognition of it from then on.

Mr. FRIED. It is then ground, and then probably emulsified. It is then stuffed into sausage. All along these lines, inspectors are passing by and examining the product for wholesomeness.

Dr. MELCHER. I do not think you will find any blood clots or cysts after it goes to the chipper, and nobody is looking for them.

Mr. FRIED. No. That is right.

Dr. MELCHER. Getting back to the point whether or not it is good to thaw the meat and leave it alone afterward, what about the quality of the meat that has been thawed out and refrozen? Isn't this something that we would like to avoid?

Mr. FRIED. We cannot make any really exact judgment on what happens to the quality, because the mere defrosting and refreezing does not of itself mean that the quality has changed to any great extent. The handling, the defrosting, how quickly it is refrozen, all play a part in the final acceptability of the product.

Mr. PURCELL. It is time for us to recess for today.

Dr. MELCHER. Thank you, gentlemen.

Mr. PURCELL. I thank all of you.

At this point in the record we will insert the statement of the Danish American Trade Council, Inc.

STATEMENT OF KNUD SORENSEN, PRESIDENT OF THE DANISH AMERICAN TRADE COUNCIL, INC.

Mr. Chairman, and members of this Committee: My name is Knud Sorensen and I am President of the Danish American Trade Council, Inc., New York, N.Y. The Trade Council's membership of approximately 120 consists largely of U.S. corporations and individuals striving to encourage and promote the two-way trade between the United States and Denmark. It is the only organization in the United States engaged mainly in the important task of promoting that trade.

H.R. 17444 and related bills provide for thorough health and sanitation inspection of all livestock products imported into the United States and for other purposes.

We are naturally in favor of adequate health and sanitation inspection to assure that meat and meat products consumed by the American population are

sanitary, wholesome and nutritious. We applaud the Wholesale Meat Act of 1967 which in part requires that canned meats produced in other countries for export to the United States be subject to standards of inspection that are at least equal to what is required from the U.S. plants that are under Federal inspection with respect to freedom from disease and adulteration, wholesome quality and sanitary cleanliness.

The bills and the legislative history in connection with these bills appear to mean piece-by-piece inspection at port of entry of at least the great majority of the meat and meat products, for instance, such as canned hams in bulk tins, shipped to this country.

Such piece-by-piece inspection at port of entry would be an impossible task, not only from a manpower viewpoint but also from an economical viewpoint, and would render the products removed from the cans unusable in commerce. Consequently, passage of such law would immediately lead to an abrupt halt of these shipments. Furthermore, and equally as important, such overly rigid and unworkable inspection requirements at port of entry are certainly not necessary to assure the American consumer of sanitary and wholesome meat products from abroad.

In the case of Denmark, exports of canned meats to U.S.A. in 1969, for instance, amounted to approximately 59,000 tons—which roughly estimated amounted to between 50 and 60 million cans.

Denmark, with a population of less than 5 million people, slaughters about 11 million pigs per year and is the world's largest exporter of pork products. As a matter of fact, over 30 percent of Denmark's total world exports constitute farm products. For many years Denmark has and still enjoys a high degree of good will in importing countries and therefore has a vested interest in ensuring the highest standards of quality, sanitation and wholesomeness of the products produced.

Denmark's meat inspection started about 1850 and converted to compulsory federal inspection by 1905. Changes and improvements, of course, have taken place over the many years since then.

The inspection includes antemortem, postmortem, as well as plant and processing inspection performed by graduate veterinarians. There are in Denmark about 770 meat inspectors covering slaughterhouses and meat processing plants, i.e., 168 facilities authorized by the Danish Meat Inspection Service. This compares with 3,958 slaughterhouses and plants processing red meat in the U.S. covered by 4,637 inspectors, figures provided by Mr. Melcher in the Senate hearing.

Furthermore, the USDA veterinary officer residing in Denmark reviews each plant at least once a year—in most cases, 3-4 times annually.

It may also be of interest to this committee to learn that the Danish Agricultural Research Laboratory, on a weekly basis, judges samples of canned hams and other Danish canned meats from each packer for appearance, texture and quality. Samples checked are selected at random from each plant by the research laboratory staff.

In addition to the thorough and continuous inspection of the slaughtering, the plants and the production of canned hams, etc. in Denmark by the Danish veterinarians—reviewed periodically by the USDA veterinary officer, the products are again most effectively examined at the port of entry in U.S.A.

As per USDA's statistics for fiscal year 1969, a total of approximately 120 million pounds of canned ham and other canned specialties from Denmark were passed for entry into the USA, with a rejection ratio of less than 1%.

It is important to note in this connection that, by far, the greatest portion of this quantity was rejected because of dented cans and other damage caused during transport from Denmark to this country, and because of other technical reasons such as labeling, etc.—and not because of the products being unsanitary or unwholesome.

Danish food in general and Danish canned hams in particular are recognized in this country as well as all over the world for their high quality, commanding higher prices than those of similar products produced in other countries.

If H.R. 17444 and like bills are to be interpreted as requiring unnecessary and overly costly testing procedures in excess of that required of U.S. federally inspected produced canned meats, they must be construed as a subterfuge to introduce a nontariff barrier for Danish canned hams, other Danish canned meat products, and meat and meat products from other countries.

We are naturally concerned because in that situation the legislation will properly be considered still another effort to restrict free world trade rather than an effort to protect the consumers.

Foreign trade is even more important to Denmark than it is to the United States. In 1969, Denmark exported over 23% of its gross national product as compared with approximately 4% for the U.S.A.

U.S. exports of farm products constitute 15.9% of the total U.S. exports as compared with Denmark—31% of whose exports are farm products. Despite the fact that Denmark relies so heavily on export of its farm products to support its trade with other nations, its purchases of farm products from the United States in 1967 exceeded \$79 million.

Trade between the United States and Denmark has shown a steady increase, as the combined exports and imports between the two nations have grown from approximately \$259,000,000 in 1959 to about \$540,000,000 in 1969. In every year the trade balance has been in favor of the U.S., to the tune of \$32,500,000 in 1959 and \$45,500,000 in 1969.

In 1969, Denmark bought \$292,600,000 worth of products in the United States—the leading commodities being oil seeds, grain, feeding products, fruit and vegetables, tobacco, nonelectrical machinery, transport equipment, electrical machinery, textiles, clothing, etc.

Denmark is a small country but its 1969 purchases in the United States of about \$293,000,000 corresponds to every Dane buying approximately \$60.00 worth of American products.

The United States, with a population of over 200 million, bought from Denmark in 1969 about \$247,000,000 worth of products, which on a per capita basis means that each American only bought \$1.25 worth of Danish products.

It is thus easy to see that if an important segment of Danish exports to the United States such as canned hams and other canned meat specialties is placed in jeopardy, Denmark by sheer necessity could have no alternative to a revision of its trade policy vis-a-vis the United States.

For the various reasons set about above, particularly that Danish meat inspection adequately, and in conformity with U.S. requirements, assures wholesome and sound meat products from Denmark, it is our view that the proposed legislation is unnecessary. Furthermore, the legislative history to date does not indicate any need for enlarged inspection of canned meat products, particularly canned pork products. Consequently, we urge that any bill reported out by the Committee exclude all canned meat products, or at least all canned pork products.

We appreciate the opportunity afforded the Danish American Trade Council to present our views.

Mr. PURCELL. Do you want the Department people back here tomorrow?

If those of you who are now testifying can be here tomorrow, we will recess now until 10 o'clock in the morning.

(Whereupon, at 12:20 p.m., the subcommittee recessed, to reconvene at 10 a.m., Thursday, September 17, 1970.)

## INSPECTION OF IMPORTED LIVESTOCK PRODUCTS

THURSDAY, SEPTEMBER 17, 1970

HOUSE OF REPRESENTATIVES,  
SUBCOMMITTEE ON LIVESTOCK AND GRAINS  
OF THE COMMITTEE ON AGRICULTURE,  
*Washington, D.C.*

The subcommittee met, pursuant to adjournment, at 10:10 a.m., in room 1301, Longworth House Office Building, Hon. Thomas S. Foley presiding.

Present: Representatives Foley, Jones of North Carolina, Rarick, Zwach, and Sebelius.

Also present: Mrs. Christine S. Gallagher, chief clerk; and Lacey C. Sharp, general counsel.

Mr. FOLEY. The Subcommittee on Livestock and Grains will come to order. The subcommittee meets to continue hearings on H.R. 17444 by Dr. Melcher of Montana; H.R. 17537 by Mr. Olsen; H.R. 17972 by Mr. Andrews of North Dakota, and H.R. 18453 by Messrs. Sebelius, Shriver, Skubitz, Mize and Winn.

The Chair will state I think my understanding was that Mr. Steinmetz and Mr. Ioanes had not completed questioning on the part of the committee; is that correct?

Mr. IOANES. This is what the chairman indicated as we closed the meeting yesterday.

Mr. FOLEY. Would you like to return to the Chair? Do any of the members of the committee have any questions for Mr. Ioanes?

Mr. ZWACH. Yes.

Mr. FOLEY. Mr. Zwach.

Mr. ZWACH. I would like to refer to the figures in the testimony given by Congressman Andrews of North Dakota. I wonder if you have that material? He says "The United States will import slightly over 1 billion pounds of meat in 1970" and he must be speaking just about the 1964 law because imports, of course, are considerably more than that when you take all the processed, canned and so on.

### FURTHER STATEMENT OF H. M. STEINMETZ, DEPUTY ADMINISTRATOR FOR CONSUMER PROTECTION, CONSUMER AND MARKETING SERVICE, U.S. DEPARTMENT OF AGRICULTURE

Mr. STEINMETZ. Yes.

Mr. ZWACH. Then he says, "Of this amount, only 5 percent or about 50 million pounds is inspected by U.S. inspectors at port of entry. From January 1 of this year to June 30, a total of 8 million pounds of meat that came into the United States was rejected by the inspectors at port of entry. We must remember at the present time we are inspect-

ing only 5 percent of the meat coming into this country and, of that amount, 8 million pounds were rejected. This makes one wonder how much of the 95 percent of the uninspected meat is contaminated."

Then he lists the countries, and I am not going to read them, the countries and the amount of rejection. I would like your comments on this statement because this seems to be not very flattering to imports.

Mr. STEINMETZ. I would like to express that we inspect all foreign meats and meat food products that come into the United States at time of entry. The inspection is done on the basis of a sampling program and then dependent upon our sample findings, if our sample indicates that the criteria for acceptance are not met, we do not—I would like to make this very clear—do not just reject the sample that we have examined, but the entire lot of product that this sample represents is refused entry into the United States.

Though one might have had the impression that we are just examining a very small portion of these incoming shipments and that we only reject what we have examined, if we determine that the sample is not acceptable, that is not the case. If the sample doesn't meet the requirements, the entire lot that is represented by that sample is refused entry into the United States.

Mr. ZWACH. Might it be a whole shipload?

Mr. STEINMETZ. Well, it could be if a whole shipload is a lot.

Mr. ZWACH. Usually it doesn't come in this large an amount?

Mr. STEINMETZ. Some of it will. You could have a lot, let us say, of 30,000 pounds, and if we conduct our sample inspection and find that it does not meet the criteria on the basis of that sample inspection, the 30,000 pounds is not permitted entry into the United States.

Mr. ZWACH. Do you only take one sample of say a 30,000-pound lot and find that faulty and then you automatically reject all of it, or when you find a faulty one, do you make further inspection?

Mr. STEINMETZ. There are specific instructions, and instructions vary somewhat as to the size of the sample, depending upon the size of the lot. These are statistically based determinations as to what sample size is needed to give us confidence in our findings.

Mr. ZWACH. What happens to the meat that is rejected?

Mr. STEINMETZ. There are basically two things that can happen to that. I might point out that up until the time that we pass the meat it is under custody of customs, so it is under complete control. If we say it is not acceptable, it must either be reexported, and it is held under customs custody until it is, or in certain instances if they don't choose to do that the meats can be denatured and decharacterized, and then used for other than human food purposes.

Mr. ZWACH. It could be used for tankage?

Mr. STEINMETZ. Yes, sir; and this type of thing, but it could not get into human food channels.

Mr. ZWACH. It would mean a tremendous loss to the shipper.

Mr. STEINMETZ. Yes; it does, and, of course, even reexporting without actual destruction of that sort means a loss.

Mr. ZWACH. Five percent amounted to 8 million pounds. Do you think that you caught more than 5 percent of the unsatisfactory meat then by your inspection process?

Mr. STEINMETZ. We are talking in a total way.

Mr. ZWACH. I am serious in this. You inspected 5 percent and found this much. Were you tipped off to some extent in finding this, or is this about normal? Would full inspection find 20 times this much?

Mr. STEINMETZ. No, sir. In our judgment the sampling we do and the fact that when our sample findings do not meet our criteria we take action against the entire lot, this to us is the most effective possible way of handling this.

Mr. ZWACH. Are there lots that would be unwholesome to our consumers that would perhaps slip through uninspected?

Mr. STEINMETZ. No, sir. We are confident that if there is something wrong with the lot, where it should be rejected for entry into the United States, that our sampling inspection is going to find that.

Mr. ZWACH. You are confident that you catch it as well as we catch it in our own country?

Mr. STEINMETZ. Yes. I might point out that in our domestic program meat continues to move through trade channels. It continues to move through different processing procedures. It is transported. It is moved about, so things happen in our own domestic program too so that a total meat inspection program has to go beyond just ante mortem and post mortem inspection to determine the presence of disease or abnormality. In our own domestic program we have what we identify as reinspection of meats as it moves through the channels of the industry and in our own domestic program we sample again after our basic post mortem inspection and we find instances where, for one of a number of reasons, poor handling, refrigeration failures, improper actions at some point, where domestic product, on reinspection has to be condemned.

Mr. ZWACH. With regard to our own, with regard to the meat that I sell, the livestock that I sell, this is always preinspected and post inspected?

Mr. STEINMETZ. Yes, sir; ante mortem and post mortem.

Mr. ZWACH. So if it isn't found wholesome there, it is rejected?

Mr. STEINMETZ. That is true.

Mr. ZWACH. With regard to that meat, anything that would be beyond that would be a deterioration of some kind?

Mr. STEINMETZ. Yes.

Mr. ZWACH. Nothing wrong with your original inspection?

Mr. STEINMETZ. Nothing wrong with the original inspection in terms of its wholesomeness and fitness for food at that time, but, as I say, things can happen after that point in time so there is the need for looking at it again, looking at it when it moves from a plant of origin to another plant for processing, looking at it while it is in the processing stage.

Mr. ZWACH. You are really looking for deterioration?

Mr. STEINMETZ. Yes; primarily, or evidence of mishandling somewhere along the line.

Mr. ZWACH. Bad handling?

Mr. STEINMETZ. Yes, sir; that is correct.

Mr. ZWACH. With regard to foreign meat, your inspection there, according to evidence yesterday, was for cysts and for blood clots and various things. Is the foreign inspection generally inferior to our pre and post inspection?

Mr. STEINMETZ. No, sir.

Mr. ZWACH. How would it come about then that in the meat coming in we find these things?

Mr. STEINMETZ. Perhaps the simplest way to respond to that is that in our reinspection of meat derived from carcasses—you must remember these are carcasses—the whole animal that has passed ante mortem and post mortem inspection—as they move things happen and we find defects in domestic meat, too. That is why we reinspect domestic meat.

Mr. ZWACH. You do find things that were missed by the regular inspector?

Mr. STEINMETZ. Well, we will find things that maybe result from operator carelessness in how a product is handled, and we do occasionally find some things that you cannot find on the post mortem inspection of the entire carcass. This happens to a very limited extent, but it can and does occasionally happen.

Mr. ZWACH. If all of the meat were inspected, what do you think this total might be, this 8 million that you found in a 5-percent inspection?

Mr. STEINMETZ. Sir, I think it would be the same.

Mr. ZWACH. You think it would be the same.

Mr. STEINMETZ. Yes, sir; in terms of actions that have to be taken on the basis of reinspection to determine if there are any defects. We think that the judgments on these lots would be the same if we examined every piece, perfectly examined.

Mr. ZWACH. The percentage of rejection you think would be the same?

Mr. STEINMETZ. Yes, sir. That is what our sample inspection provides us with.

Mr. ZWACH. Isn't that bragging a little?

Mr. STEINMETZ. What I am trying to indicate again is really our very sincere confidence that the sampling inspection, on this reinspection process, is a completely meaningful one and method of determining the condition of product. This is what I am trying to indicate.

Mr. ZWACH. You know the one thing that bothers me a little is that I have a feeling that you folks think you are pretty perfect.

Mr. STEINMETZ. No.

Mr. ZWACH. And I know from previous evidence about kangaroo, horse, and all other things that got by you folks in some way, and I am a little concerned that you are so sure. If you aren't sure, I would like to know. I would really like to know your suggestions as to how this might be sensibly improved rather than just saying that it is perfect. "We need nothing more. We added one inspector to 13. We have got a perfect system."

I would like to know what improvements you think can be made.

Mr. STEINMETZ. Let me clarify this. No, we are not perfect, and we don't think we are, and some people have pointed out instances to us where we are not perfect. We want to do a good job and let me say this without question.

If we come up with the judgments that there are better and more effective ways to do this job, if we would come up with the judgments that we would need additional staffing on the way in which we look at

the foreign plants, we won't be bashful about accomplishing what we feel is necessary to do the job.

Mr. ZWACH. Those are all the questions I have, Mr. Chairman.

Mr. FOLEY. Mr. Sebelius.

Mr. SEBELIUS. No questions.

Mr. FOLEY. Thank you very much, Mr. Ioanes and Mr. Steinmetz. I don't think we have any further questions at this time. The Chair may wish to recall you at a later time.

The next witness is one of our colleagues and a member of this subcommittee, Congressman Keith Sebelius.

#### STATEMENT OF HON. KEITH G. SEBELIUS, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF KANSAS

Mr. SEBELIUS. Mr. Chairman, there is nothing more important to consumers and to those who produce meat in this country than the purity, wholesomeness, and sanitary quality of the meat and animal products offered consumers.

For many years, the standard of inspection in the United States has been the finest in the world. This increased confidence coupled with a higher standard of living has increased per capita consumption of beef from 85 pounds in 1960 to 110 pounds last year, and of all meats from 161 pounds to 183 pounds per person.

In U.S. plants, we have 7,050 inspectors on the Federal payroll to keep a constant eye on 1,062 plants which slaughter and/or process either meat animals or poultry. That does not include State inspectors.

The 7,050 inspectors includes 945 full-time veterinarians and 654 food inspectors who work intermittently, or part time.

Some domestic inspection requirements seem somewhat excessive and burdensome on the local community locker facility; however, these consumer standards of excellence are required by the Wholesome Meat Act established by Congress. This legislation has been termed necessary to protect the interests of consumers and beef producers.

Yet, there is a great contrast between the domestic inspection system and the inspection system for imported meat. This is true although the Wholesome Meat Act of 1967 requires meat inspection standards, subsequent reinspections, and building construction standards in foreign meat plants exporting to the United States to be at least equivalent those in our Nation's federally inspected meat plants.

We have only 14 men who travel the globe to make sure that more than 1,100 foreign packing plants in 40 foreign countries are designed and operated to meet our sanitation requirements, and that the day-to-day inspection as it moves down the packinghouse lines is equal to the inspection standards and requirements that we maintain.

Because of the distances involved, the inspector's annual plant inspection is scheduled in advance. Although massive changes in plant procedure are not possible, information indicates that substantial corrections are made in the operation of plants to meet sight inspection requirements. We must not only increase the frequency of these visits, but they must be unannounced spot inspections. To provide this additional protection regarding the quality of meat imports, inspectors must live where meat imports originate and the size of the inspection team must be increased significantly.

In addition to foreign plant inspection, approximately 75 inspectors on the Federal payroll receive and inspect, through a system of random selection, the 1.6 billion pounds of meat which enters this country. They make a random selection of the boxes and blocks, while the meat is sitting on the docks. In short, less than 1 percent of this imported meat is actually examined by a Federal inspector. This random inspection method rejected more than 20 million pounds or more than 1 percent of the meat shipped to us. Rejection of the sample results in rejection of the entire lot.

To allow a more reliable inspection and more wholesome guarantees, imports requiring dockside inspection should be packaged in consumer size containers to allow extensive analysis without appreciable loss and the need for refreezing. A defect tolerance level should be established and additional inspection of lots containing samples exceeding this limit should be required. Meat import inspection at the product's destination in the interior of the United States should be encouraged. Although this would not replace a visual inspection at the docks for torn cartons and proper identification and distribution, I feel that inspection at the processing plant would be more reliable and would provide more protection for the consumer.

To further encourage high quality foreign meat imports, any additional inspection expense should be paid by the producing country and rejected imports included in the country's annual meat import quota. Most minor defects could be corrected by reworking the pieces of meat to produce a wholesome product. Meat which could not be made entirely fit for food would be destroyed.

This eliminates the pressure of a decision affecting units with values running into five and six figures. It seems that foreign countries could be receptive to inspection procedure that would accept or reject all meat on its individual merits rather than reject a volume based on excessive defects in a random sample.

Since significant change in foreign meat inspection requirements did not follow congressional action requiring standards equal to domestic inspection requirements in 1967 when our trade position was strong, any change in procedure now must be substantiated and administered in an acceptable manner to avoid trade retaliation. I feel that these suggestions are certainly justified and will not result in a financial burden to countries with acceptable sanitation standards if costs are related to inspection requirements and violations as well as import volume.

There is absolutely nothing more important to the livestock industry and the consumer than complete confidence and absolute assurance that the meat sold in retail stores is healthful, sanitary, and wholesome.

Those objectives are all that is involved in the bill before you today. This bill and the suggested inspection procedures will guarantee that the intent of the Wholesome Meat Act of 1967 regarding equivalent standards will be satisfied.

I respectfully request that a letter from Mr. George Fritz, president of the Kansas Livestock Association, regarding meat imports be inserted and made a part of the hearing record.

Mr. FOLEY. Thank you, Mr. Sebelius. Without objection the letter from the Kansas Livestock Association will be inserted in the record at this point.

KANSAS LIVESTOCK ASSOCIATION,  
*Medicine Lodge, Kans., August 31, 1970.*

Congressman KEITH G. SEBELIUS,  
*House of Representatives,*  
*Washington, D.C.*

DEAR KEITH: I am real happy that you are supporting legislation to obtain better inspection on imported meats. I believe that we should have the same inspection for imported meat (fresh, frozen and canned) to be adequate and comparable to the standards with which the United States packers within the continental United States have to contend. During the last twenty years, the per capita consumption of meat has doubled. This is a direct result of the high quality, wholesome, clean product. If we are going to continue to supply the American consumer with a high quality product, we must do it with a product that meets all the same rigid inspection requirements. American people are the best fed people in the world. I know that the meat producers and processors want to continue to play their parts in supplying consumers with the very best product available.

Recently Congress saw fit to tighten and improve inspection standards in this country. From the country lockers to the largest packing houses, millions of dollars have been spent to meet these standards, primarily for the protection of our consumers. This given confidence to the consumers in this country that they can go to a grocery store and pick up a wholesome product with care and quality all wrapped up in one package.

Since we have no labeling of foreign meat, the consumer is often completely unaware that he is buying a product produced beyond the reach of our inspectors. This needs to be corrected.

There are numerous testimonies and documented reports indicating that imported meat does not meet the same rigid inspection as does our American produced and processed meat. There is a shortage of veterinarians in foreign countries. Hence, what little inspection involved is done by unqualified people. A large share of imported meat comes to us frozen, and because of inadequate refrigeration on trucks, flat cars, flat bet type trailers, other modes of transportation, and in warehouses, meat is constantly thawed and re-frozen before arriving at the retail outlets in this country. Such handling as this involves hazards for our customers in the growth of bacteria, regardless of the original condition. Certainly distance does not improve the quality of meat.

The time has come to invoke the same rigid standard on imported meat that we have here in the United States. The trade can not stand a double standard. The consumers are entitled to better treatment than they are getting when it comes to buying foreign produced and processed meat. Why should this imported unclean meat be allowed to enter our trade channels without the same standard of our domestic produced and processed meat?

If it takes United States inspectors around the world in greater numbers to assist in meeting the same standard as ours, make the importers pay for it. They have no right to undermine confidence in the product that they are selling here by escaping the same rigid inspection that our producers and processors must stand.

Trusting that you will give this your careful attention, I am,

GEORGE H. FRITZ,  
*President, Kansas Livestock Association.*

Mr. FOLEY. The next witness will be John Mohay, executive vice president of the National Independent Meatpackers Association.

**STATEMENT OF DANIEL O'CALLAGHAN, DIRECTOR OF PUBLIC AFFAIRS, NATIONAL INDEPENDENT MEATPACKERS ASSOCIATION**

Mr. O'CALLAGHAN. Mr. Chairman, Mr. Mohay has been detained today.

Mr. FOLEY. You are Mr. O'Callaghan?

Mr. O'CALLAGHAN. Yes. He is detained today with a meeting of his executive committee and asked me to read his statement.

Mr. FOLEY. We will be glad to hear you.

Mr. O'CALLAGHAN. My name is Dan O'Callaghan of the National Independent Meatpackers Association, the offices of which are located at 734 15th Street, NW., Washington, D.C.

We wish to thank the subcommittee for this opportunity to present to it this statement expressing the official opposition of the National Independent Meatpackers Association to the bill, H.R. 17444, introduced by Congressman Melcher of Montana.

Our association is comprised of several hundred meatpacking plants located in all parts of the United States, which plants are engaged in virtually every aspect of meatpacking industry operations. The word "independent" in the title of our association's name in general—although there are exceptions—indicates that our members operate a single plant serving a community or region in contrast to meatpackers whose products have national or near national distribution.

At the outset may I say that traditionally and historically it has been the policy of this association and its members to seek to provide consumers of meat with nutritious and wholesome products produced under sanitary conditions, accurately and truthfully labeled, honestly and fairly packaged, and sold at the lowest prices economically feasible. This long-standing policy was in effect long before the concept of consumer protection took on the added political and social force it presently enjoys.

While we understand, appreciate, and agree with the stated objective of the Melcher bill—that being the assurance of the wholesomeness of all imported meat products—we do not believe that the approach which is embodied in the Melcher bill is practical, and that its likely side-effects would be the creation of a health hazard, the elimination of the statistical sampling technique, the establishment of a trade barrier, and the loss to American meatpackers and processors of valuable overseas markets due to retaliation by foreign governments.

Mr. Melcher's bill would direct the Secretary of Agriculture to establish a system of "thorough examination and inspection of all livestock products imported into the United States, including all fresh and frozen and chilled meats after thawing, providing for such examination at the time of entry or before any processing or offering for sale to consumers, to prevent the entry of any disease or distribution of any unwholesome products." Also, the bill provides that the exporting country would pay for the cost of this inspection.

During hearings on the Senate side on identical legislation, Mr. Melcher mentioned that it was his intention that, in the case of meats, "thorough examination and inspection means piece by piece inspection of all chilled and uncooked meat, piece by piece inspection of cooked meat which arrives here in paper or plastic wrappers, piece by piece inspection of meat in bulk cans after they are opened and before us, and at least a thorough sampling of the contents of consumer packages, including canned meats."

We agree with the Department of Agriculture that there is a serious drawback to 100 percent thawing and inspection. The USDA has stated that "the time interval and the exposure of some areas of all of the products in a shipment to elevated temperatures would provide ideal situations for microbial growth," and that "a serious health hazard could result."

Piece by piece inspection would also preclude the technique of statistical sampling, which the food industry has long recognized as being a valuable and proven method of inspection consistent with the protection of the public health. Last year's White House Conference on Food, Nutrition and Health recommended that there be a maximum use of statistical methods and similar techniques that would improve the overall efficiency of the inspection procedures.

This association believes that piece by piece inspection of imported meats is an unnecessary, costly and burdensome procedure.

Also of great concern to us is the inevitable retaliation that would be taken by foreign governments on the livestock and meat products which we export. It is inconceivable to us that foreign governments would not view as burdensome, costly and restrictive, the inspection procedure contemplated by H.R. 17444. We can only suppose that reprisals might be taken against U.S. exports of animals and animal products, which in the last fiscal year rose 6 percent to \$773 million. The gain was accounted for by sharp advances in exports of inedible tallow, hides and skins, and lard. Exports of U.S. hides and skins advanced to \$157 million in 1969-70 from \$136 million in 1968-69. Our industry has labored hard in foreign marketplaces to obtain and maintain acceptance for our products. The U.S. Government and U.S. agribusiness interests have combined their talents in the promotion of American farm products, and the creation and expansion of new markets. The result has been an effective and profitable partnership for all concerned. Continued success depends upon the destruction of trade barriers, not the construction of new ones.

As mentioned earlier, we understand, appreciate, and agree with the stated objective of the Melcher bill and we suggest to the subcommittee that this objective may be accomplished by alternative measures which will not produce the adverse side effects which we described. It is our firm belief that the requisite of the Wholesome Meat Act that foreign plants exporting carcasses or meat or meat products to this country must comply with requirements at least equal to all the inspection, building construction standards, and all other provisions of the act, is not being satisfactorily accomplished in foreign meat plants. It is gratifying to note that a new directive of USDA published in the Federal Register of last October 14 will henceforth require at least monthly visits and reports by each exporting country's own supervisory inspectors. This is hopefully a step in the right direction, but until there is a continuous semimonthly personal inspection by a USDA inspection supervisory official of each foreign plant, the discriminative nature of this inspection laxness will remain. The USDA inspectors should have at least 20 hours aggregate inspection time each month in each foreign meat plant or the inspection approval of that specific plant should be withdrawn. Obviously this would entail an increase in the number of USDA meat inspectors traveling abroad.

It is our understanding that the USDA has 14 roving meat inspectors in approximately 40 foreign countries in which more than 1,100 plants are producing meat for export to this country. The USDA approves the system under which these meat products are produced and merely makes periodic checks at the plant level. This appears to us to be a tremendous workload and a herculean task for 14 men to accomplish and be satisfied—even with the random sampling for

inspection purposes carried on at point of entry—that the 1.6 billion pounds of meat which entered this country last year was afforded all the same safeguards for sanitation and wholesomeness as that produced under our own Federal and State systems, as required by the Federal Meat Inspection Act. Through a substantial increase in the numbers and surveillance activities of the staff of USDA's foreign review officers, we believe we could accomplish the objectives of H.R. 17444.

Mr. FOLEY. Thank you, Mr. O'Callaghan.

Mr. Rarick.

Mr. RARICK. Mr. O'Callaghan, I would like to ask just a few questions. Is your organization or are members of the organization you represent engaged in the export of U.S. meats?

Mr. O'CALLAGHAN. Not the association itself, sir, but many of our members are involved in exporting products to foreign countries.

Mr. RARICK. Have you any definite statement from any of the foreign countries that you export to that they are going to retaliate?

Mr. O'CALLAGHAN. No, sir; we have not. This is a supposition on our part.

Mr. RARICK. This is based upon supposition?

Mr. O'CALLAGHAN. Yes, sir.

Mr. RARICK. Would you agree that in many instances some of the foreign countries that are importing into our country have adopted superior methods of meat examination than others, would that not be a fair statement?

Mr. O'CALLAGHAN. I think we here in the United States have the best meat inspection system in the world.

Mr. RARICK. But are there not variations in standards between the various foreign countries?

Mr. O'CALLAGHAN. In their systems?

Mr. RARICK. No, in their own meat inspection systems in their country, in their slaughterhouses?

Mr. O'CALLAGHAN. If I understand the question, you say there is a varying degree of inspection techniques from country to country?

Mr. RARICK. Among the foreign countries themselves.

Mr. O'CALLAGHAN. I would have no knowledge of that, sir.

Mr. RARICK. You indicate on page 3 of the testimony you read that "the present Wholesome Meat Inspection Act in foreign countries does not meet satisfactory——"

Mr. O'CALLAGHAN. Our review of those systems, if we only have 14 men inspecting 1,100 plants in 40 countries, you just assume that they can't possibly be giving the same type of inspection which our domestic products are under as in the foreign countries.

Mr. RARICK. You favor the statistical sampling?

Mr. O'CALLAGHAN. Yes.

Mr. RARICK. Even though it would be based upon a 5-percent sampling from each country?

Mr. O'CALLAGHAN. I am sorry? Even though it would be based on——

Mr. RARICK. In other words, if we receive beef from Russia, we examine 5 percent of all Russian beef and if we receive beef from England we would only examine 5 percent of each foreign country's imports?

Mr. O'CALLAGHAN. Yes, sir.

Mr. RARICK. You feel that that would be satisfactory to protect the American consumer?

Mr. O'CALLAGHAN. I think the concept of statistical sampling has proven itself to be a very good method. I have full confidence in that.

Mr. RARICK. Have you any idea of the amount of meat exported from the United States to foreign countries last year?

Mr. O'CALLAGHAN. No. I could get it for you very easily, sir. I could supply it for the record.

Mr. RARICK. The reason I asked, in your testimony you indicate the dollar and cents value of meat, but you don't indicate the poundage. Yet your last paragraph reads "U.S. exports of animals and animal products was \$773 million." In the last paragraph on imports of foreign meat you put it in pounds, 1.6 billion pounds of meat. Can you give us some idea of either the value of foreign meat being imported, or the pounds of U.S. meat being exported?

Mr. O'CALLAGHAN. I am sure those figures are available, sir. I just didn't use them in my own statement.

Mr. IOANES. We could answer that question if you would like us to.

Mr. FOLEY. Yes, without objection.

Mr. IOANES. The number of meat products, the total, is roughly 700 million pounds. If you would like further details, we would be glad to give them to you here or supply them for the record.

Mr. RARICK. That is 700 million pounds of U.S. meat that is being exported to foreign countries?

Mr. IOANES. Yes, sir; meat and meat products.

Mr. RARICK. As against 1.6 billion pounds being imported from foreign countries?

Mr. IOANES. Correct.

Mr. RARICK. Then it would appear to me, Mr. O'Callaghan, that if our foreign friends retaliated and shut off U.S. imports the American meat producers still stand to gain a greater market right here at home.

Mr. O'CALLAGHAN. I would say they would have a better market.

Mr. RARICK. So any fear of foreign retaliation would be like cutting off their own nose to spite their face?

Mr. O'CALLAGHAN. I am sorry?

Mr. RARICK. If foreign meatpackers export to the United States 1.6 billion pounds while the U.S. meatpackers are only exporting 700 million pounds, U.S. packers would gain a greater market in our own country. Any retaliation would have more of an adverse effect on their meatpackers than ours.

Mr. O'CALLAGHAN. We are exporting hides, skins, and what have you, and we are importing a different product entirely. We are importing beef.

Mr. RARICK. Mr. Chairman, I wonder if I might ask of the Department representative if these figures include hides?

Mr. IOANES. No. These figures that I gave you did not include hides and skins. These are meat and meat products, not hides and skins.

Mr. RARICK. Do your figures jibe with his, on the foreign imports of 1.6 billion pounds of meat?

Mr. IOANES. That is the figure that is approximately correct for not only beef and veal and the cured and canned items which go beyond the figure that Congressman Andrews used. He was only

talking about fresh and frozen beef, veal, mutton, and I assume goat meat, so he was using a more limited definition of imports.

Mr. RARICK. Do you have any further breakdown at the Department as to what percent of the U.S. exports are in actual free trade, and further how much of our exports are being sent out of the country under Public Law 480, or used in charity programs?

Mr. IOANES. None of the figures I have given you would be sent out of the country under 480 or charity programs.

Mr. RARICK. I have no further questions, Mr. Chairman.

Mr. FOLEY. Mr. Zwach?

Mr. ZWACH. Mr. O'Callaghan, your organization is the Independent Meat Packers Association. What members do you have in the Midwest? Give us a little picture. Do you have any membership in the Midwest, in Minnesota?

Mr. O'CALLAGHAN. Yes, sir. I don't have a list of our members right now, but I know we do have them throughout Minnesota and the Midwest.

Mr. ZWACH. How many members do you have?

Mr. O'CALLAGHAN. We have about 300 packers.

Mr. ZWACH. 300 packers that are members. I take it from your testimony that you feel this bill is too severe. It is more severe than necessary to adequately protect our consumers?

Mr. O'CALLAGHAN. Right, sir.

Mr. ZWACH. But you do have some definite suggestions. You do feel that our inspection is not adequate; is that correct?

Mr. O'CALLAGHAN. Yes, under the foreign program.

Mr. ZWACH. With regard to the foreign inspections?

Mr. O'CALLAGHAN. Yes, sir. We feel that the foreign review, the number of foreign review officers should be increased.

Mr. ZWACH. Will you spell out what you think ought to be done, from your experience, with regard to the foreign inspection service? What are the things we need, 1, 2, 3, so that we could be thinking about them in legislation? In your experience, what is necessary to make foreign inspection as wholesome and as safe as is domestic inspection?

Mr. O'CALLAGHAN. Generally put, sir, we would be more than happy if the USDA supervisory people, the foreign review officers, could spend at least, as I mentioned in the testimony, 20 hours a month in a plant exporting to this country.

Mr. ZWACH. You think a U.S. inspector should spend 20 hours a month in a foreign plant?

Mr. O'CALLAGHAN. Yes, sir; using and applying our own inspection techniques.

Mr. ZWACH. They now inspect them once a year; is that correct?

Mr. O'CALLAGHAN. When you look at the number of inspectors being 14, at least that was my understanding, that there are 14 foreign review officers approving the systems and doing the inspection, whatever inspection is required under the foreign review program of 1,100 plants in 40 countries, we just feel it is a very large task for 14 men to accomplish. We wonder whether or not the inspection over in those countries is being satisfactorily accomplished with that amount of men.

Mr. ZWACH. Has your association done any personal checking?

Mr. O'CALLAGHAN. No, sir.

Mr. ZWACH. In this area?

Mr. O'CALLAGHAN. No, sir; we have not.

Mr. ZWACH. These are recommendations that you make from just your own knowledge, without really checking foreign plants and checking the inspection, seeing how it compares to our own?

Mr. O'CALLAGHAN. Yes, sir.

Mr. ZWACH. I am happy to have your suggestions with regard to this matter. You are definitely of the opinion that this inspection is not comparable to our inspection so far as the U.S. inspection system is concerned?

Mr. O'CALLAGHAN. Yes; we feel our system is the best in the world and we would like all other foreign governments exporting to this country to be up to par with us.

Mr. ZWACH. That is all, Mr. Chairman.

Mr. FOLEY. Thank you, Mr. O'Callaghan. We appreciate your testimony.

Mr. O'CALLAGHAN. Thank you.

Mr. FOLEY. The next witness will be Mr. Max N. Berry representing the Meat Products Group of the American Importers Association, New York City. I believe you are accompanied by Dr. Pas; is that correct?

**STATEMENT OF MAX N. BERRY, ATTORNEY, MEAT PRODUCTS GROUP, AMERICAN IMPORTERS ASSOCIATION, ACCOMPANIED BY DR. HAROLD H. PAS, CONSULTANT; AND HENRY GREENBAUM, MEAT PRODUCTS GROUP, AMERICAN IMPORTERS ASSOCIATION**

Mr. BERRY. That is correct, Mr. Chairman, and also Mr. Henry Greenebaum, chairman of the meat products group, who is in Washington today, and with the committee's permission I would also like to have him appear.

Mr. FOLEY. Very happy to have you, sir.

Mr. BERRY. Thank you very much.

Thank you, Mr. Chairman and members of the committee for this opportunity to testify on behalf of the Meat Products Group of the American Importers Association in regard to H.R. 17444, H.R. 17537, H.R. 17972, and H.R. 18453, all of which are related and concerned with the inspection of imported meat. This testimony is chiefly concerned with imported canned hams and other canned pork specialties from certain European countries.

My name is Max N. Berry and I am an attorney in private practice. Seated on my right is Dr. Harold H. Pas, formerly with the Meat Inspection Division of the Department of Agriculture, and presently a private consultant on agricultural matters. Dr. Pas is available to assist in answering technical questions which the committee may have.

As I stated earlier, Mr. Greenebaum is also here to assist in any questions that the committee may have.

The membership of the meat products group, a part of the American Importers Association, is composed exclusively of U.S. importers who have a vested interest in seeing that U.S. consumers obtain imported canned hams and other canned pork specialties which are wholesome, healthy, and sanitary as well as being the very highest in quality and flavor. Our testimony will be limited to a discussion of how the instant proposed bills relate to these specialty, high quality ham

products, which enter the United States in cans, ready for the consumer.

We believe that existing fact establishes that imported canned hams are presently undergoing a thorough sanitary inspection in the country of origin prior to their being exported to the United States. In fact, the present inspection methods and procedures, with regard to imported canned hams produced in USDA-approved foreign plants, are at least as thorough and stringent as inspection standards which presently exist in this country for similar domestic canned meats. Both the domestic and imported canned hams are inspected at time of slaughter and during the process of canning. It is of significance to note, however, that imported canned hams are further inspected at the port of entry.

The imported canned ham product is:

1. Examined, under the review of our Department of Agriculture, to verify that it is sanitary at the time of slaughter and production in the foreign country.

2. Further examined, on a representative sampling basis by means of the most efficient statistical methods found, by the U.S. Department of Agriculture to again verify that it is sanitary upon arrival at the port of entry in the United States.

3. Examined, like domestic products, a third time, when transmitted for further processing to a U.S.-inspected meat plant.

We realize that a meat inspection system, even if it contained 10 steps, is only as good as it is thorough. The present existing inspection methods for imported consumer canned meats are thorough and strictly enforced by foreign countries. We applaud the Wholesome Meat Act of 1967 which requires, in part, that canned hams prepared in foreign countries for exportation to the United States be at least equal in wholesomeness and cleanliness to those produced in the United States under Federal inspection standards. This inspection in the foreign country is conducted under the review of the Department of Agriculture.

Veterinarians in foreign countries play an important role in this inspection procedure. They are competent at their profession, otherwise they would not be approved by a foreign government or recognized by the USDA to inspect meat plants and the products produced therein. It must be remembered that these veterinarians maintain the same degree of high professional standards and competence as our own veterinarians possess in this country. As in the United States, it is the skilled veterinarian who performs the ante mortem, post mortem and processing inspection upon foreign animals and their carcasses prior to their becoming a consumer canned ham product. His work is constantly checked and supervised by qualified inspectors employed by the foreign governments which desire to export consumer ham products of the highest quality to the United States.

The Department of Agriculture has certified 1,100 frozen meat plants to export their product to the United States. That Department has issued statistics to indicate that approximately 7,500 inspectors exist within these plants, employed by foreign governments, to assure that only a quality, wholesome meat product is exported to this country. Simple mathematics reveal that, on an average, these USDA statistics indicate that today there are approximately seven meat inspectors for

each plant approved for exporting meat to the United States. This high ratio of foreign meat inspectors per foreign meat plant is increased even more so when one considers that these inspectors are under the direct review of USDA veterinarians who check their actions. In this country there are approximately 8,000 Federal inspectors to supervise 4,000 plants which slaughter and/or process meat animals or poultry.

There are those who sincerely feel that the 14 or 15 or 13 USDA veterinarians who presently review the 1,100 foreign meat plants, and the 7,500 qualified "subordinates" contained therein, are not enough and that, therefore, more USDA veterinarians should be employed for this purpose. In line with this observation, it has been pointed out that some foreign meat plants are reviewed four times a year by USDA veterinarians while others are only inspected once. This, however, does not mean that canned meats in foreign plants are inspected only when USDA inspectors review these plants. They are under continuous inspection by the foreign government's 7,500 inspectors who, in turn, are reviewed periodically by our USDA veterinarians.

It is submitted that the USDA veterinarians are performing their function in a competent manner. This is verified by the fact that there is no available evidence that unsanitary canned hams are entering this country to the detriment, healthwise, of the U.S. consumer.

The following table shows the amount of canned pork products which entered the United States from certain foreign countries during calendar year 1969 and the amount of these imports which were refused.

With the chairman's permission, I would like to have this chart included within the record of the testimony and I would not have to read all of the statistics.

Mr. RARICK. Without objection, it is so ordered.

(The chart follows:)

IMPORTED CANNED PORK PRODUCTS,<sup>1</sup> CALENDAR YEAR 1969

[In pounds]

Country	Passed for entry	Refused entry
Denmark.....	97,334,711	763,217
Netherlands.....	77,502,333	366,853
Poland.....	44,794,271	222,535
Yugoslavia.....	10,426,955	162,716
Other countries.....	3,301,181	48,886
Total.....	233,360,181	1,564,007

<sup>1</sup> Percentages of entries refused, 0.6.

Mr. BERRY. Thank you very much, Mr. Chairman.

To summarize the chart, the four leading countries are mentioned and other countries are grouped together to show the total amount of canned ham pork products entering the United States was slightly over 230 million pounds and those refused entry came to an amount slightly over 1,500,000 pounds. Therefore, the total amount of imported canned pork products refused entry in calendar year 1969

amounted to far less than 1 percent of those products entered or, to be more exact, to only six-tenths of 1 percent.

These figures are taken from the Secretary of Agriculture's report to this committee and the Agricultural Committee in the Senate.

It is important to note that in discussing this low rejection ratio with the Meat Inspection Division of the Department of Agriculture, it was established that the overwhelming majority of rejected canned hams were rejected solely on the basis of labels, dented cans, or other minor causes due, in part, to rough shipment, and not because the canned hams were unsanitary, unclean or unwholesome.

Our calculated estimate indicates that in 1969, the amount of canned hams rejected on the basis of unsoundness amounted to the minute figure of approximately eight-hundredths of 1 percent of the total amount of these products imported into the United States.

This highly respectable record has continued in 1970. The Department of Agriculture has advised our group that of approximately 120 million pounds of imported canned pork products offered for entry into the United States during the first 6 months of 1970, that less than one-hundredth of 1 percent of this amount was refused entry because of even possible unsoundness.

Therefore, the facts clearly indicate that the imported canned ham is truly a sound, quality product which is unexcelled in wholesomeness and cleanliness.

This testimony desires to state, however, for the record, that we have no objection to the number of USDA veterinarians being increased from the present 14 or 15 to whatever number the U.S. Government feels is desirable. We are confident that the foreign meat plants producing canned hams are willingly open for USDA inspection at any time, and, if a larger force of U.S. veterinarians is deemed necessary, our group has no objection to this taking place.

This testimony also agrees with those who believe that common-sense dictates that USDA veterinarians, whatever their number may be, should reside in the particular foreign country of their interest and not in the United States.

The bills under discussion appear to suggest that each canned ham entering the United States be opened and inspected at the port of entry. If this were the law, or if this were how the law, subsequent to its passage, was interpreted and administered, one can immediately realize that it would lead to the abrupt termination of imported quality canned hams from entering the United States. This would be unjustified and would create, in effect, a nontariff barrier of the worst extreme. This result would also add fuel to inflation in the United States. It is important to note that imported canned hams are substantially higher in price than similar domestic products. However, if imported canned hams disappeared entirely, or to a large extent, from the U.S. marketplace, domestic canned ham products, in our opinion, would increase in price, thus adding to the problem of inflation. This would create a sad state of affairs for the American consumer.

In particular, canned hams from Europe are known throughout this country and the world to be of the highest quality. These products establish a high standard for canned hams produced outside of Europe, even in our own country. An article which appeared in the

June 1969 edition of Farm Journal, entitled "Hog Business Shoots for Even Better Pork," written by John Russell, recognized this fact; that European canned hams are the highest in quality in the world today. This article states that European canned hams are " \* \* \* an amazingly uniform product with the kind of quality housewives like." This article further states that one finds " \* \* \* evidence everywhere in Europe \* \* \* of more coordination from breeding to breakfast table, of efforts to match quality with the Danes—the standard of all Europe." It suggests that a minority of consumers are willing to pay a higher price for European canned hams because they are superior in quality to similar domestically produced products. The theme of the article is to encourage the U.S. farm producer to strive to match the quality found in these well-respected European canned hams.

With the belief that it is not intended that H.R. 17444, and its related bills, should exclude foreign canned hams and other canned pork specialties from entering the United States because of a 100-percent inspection procedure at the port of entry, we suggest that these bills be amended by this committee in order that an exception be made in the case of these quality, imported canned products.

It is logical that, in the case of foreign canned hams, any new inspection procedure which may be envisioned by this committee should take place in the country of origin for these products prior to and including their canning for the consumer market. This suggestion would, for instance, directly relate to the previously discussed opinion of those who feel that more USDA veterinarians should be employed in various countries so that foreign plants can be inspected more often by our own Government. If this were accomplished, the spirit and apparent intention of these bills would be fulfilled and, at the same time, these specialty canned ham products would remain, deservedly so, in the U.S. marketplace. There would be more frequent USDA inspections abroad plus the continuation of the existing USDA sampling procedures for these imported consumer canned products. We feel that this suggestion is reasonable and would meet the apparent intent of the instant bills. We believe that an exception should be expressly made in these bills for canned hams and other canned pork specialties, for the reason that a 100-percent inspection of these products in the United States would exclude their entry into our commerce.

We, therefore, recommend that an amendment to the bills under discussion which accomplishes this purpose be considered and adopted by this committee.

On behalf of the meat products group of the American Importers Association, I want to sincerely thank the committee for affording me this opportunity to testify.

Mr. FOLEY. Thank you, Mr. Berry.

Mr. Rarick?

Mr. RARICK. Mr. Berry, I find our statement most interesting where you feel that if imported canned hams disappeared from our market the domestic canned ham price would increase and aggravate the problem of inflation to our consumer.

You are aware that from the news I hear, the slaughterhouse men and butchers are looking for a wage increase?

Mr. BERRY. I read that in today's paper.

Mr. RARICK. All the countries that you principally import from, are there butchers and slaughterers unions?

Mr. BERRY. Mr. Greenebaum, do you know the answer to that?

Mr. GREENEBAUM. I believe in Denmark and Holland they are.

Mr. RARICK. What about Poland?

Mr. GREENEBAUM. I don't know anything about that.

Mr. RARICK. Yugoslavia?

Mr. GREENEBAUM. I know more about Denmark and Holland sir.

Mr. RARICK. I was amazed to learn that although the meat handlers of the United States are members of organized labor, our hams, according to your testimony, sell for less than the imported hams. Of course, some of the exporting countries being Communist countries, I doubt if they permit organized labor. Probably scab or even slave labor. In my opinion we shouldn't import hams from Poland or Yugoslavia to start with. But can you explain why you think there would be an increase in price?

Mr. BERRY. I think when you have a product that comes in the country from another country and it is considered by many consumers to be one of quality, that may mean that the flavor is unusual or that the meat contains less fat or things which establish a reputation for quality, that because of these things the price is higher because it is a bit of a different product qualitywise.

If one eliminated that commodity from the marketplace, the standard bearer from the marketplace, the import from the marketplace, then often in our opinion we would stress those words that the remaining products, which in this case would be the domestic products, could quite likely move the extra 20 percent up in price to captivity. They have, in a sense, a captured market.

Mr. RARICK. We are talking in speculation?

Mr. BERRY. Yes, sir; it is simply our opinion.

Mr. RARICK. Usually our experience has been that in the United States imported materials are lower in price than the domestic material. This is one of the problems we face in the market with our own goods here in this country.

Mr. BERRY. I understand.

Mr. RARICK. Do you have any rough idea of the percentage of the market that is presently taken by the imported hams—value in dollars and cents?

Mr. GREENEBAUM. Are you referring to hams or canned hams?

Mr. RARICK. Canned hams; I believe that is what you are talking about?

Mr. GREENEBAUM. Yes, sir; I mean, distinguishing what part of the American market it takes, relating canned hams to canned hams.

Mr. RARICK. Yes.

Mr. GREENEBAUM. I don't have it but I could give you an off-the-cuff opinion. I would say it might be about 35 percent.

Mr. RARICK. In other words, the imported canned hams presently make up about 35 percent of the U.S. market?

Mr. GREENEBAUM. That is just a guesstimate, sir. I don't have those figures.

Mr. RARICK. As I understand your testimony, Mr. Berry, your main objections to this bill is to what you understand is the intent announced by the author, rather than what might come out of this sub-

committee as the will of the Congress that is the main opposition you have; is that correct?

Mr. BERRY. It would simply eliminate the business, importation of canned hams. You cannot open every canned ham at the port of entry to inspect it and then—

Mr. RARICK. I think my question related to what is provided in the bill.

Mr. BERRY. Yes, sir, I read it as saying that.

Mr. RARICK. Piece by piece?

Mr. BERRY. I read it as saying inspecting all livestock products thoroughly at the port of entry. I don't have the bill in front of me but it says all livestock products thoroughly, and having read one of the author's of one of the bills statement, I don't believe it has been introduced yet but it was passed out yesterday—I got the feeling that perhaps it was the intention of one, at least, certainly, just one Member of Congress. Perhaps it was the intention to have a 100 percent inspection. If this were the case, it would be, as I said earlier, I think a tariff barrier of the worst extreme.

That leads to our suggestion, if a more thorough inspection is desired, that the logical place to do it is in the country of origin prior to canning and being cooked. I think you could see the problem we have with the bill that says all, 100 percent inspection at the port of entry. What does this mean, opening up every can of ham?

Mr. FOLEY. I don't want to speak for Dr. Melcher who is not here, but I think the relevant words that he uses in his statement are "at least a thorough sampling of the contents of consumer packages, including canned meats."

I don't think Dr. Melcher suggested an actual inspection of each consumer package.

Mr. BERRY. We have the problem, Mr. Chairman, of interpretation of the language and we certainly do not state that we feel we have, or confident or 100 percent sure of the way, how to interpret the language. We find that the language causes us problems and unless it was further clarified or more specifically clarified with respect to what we think is a valid concern and cause on our part, that we would still feel uncomfortable.

Much language—eventually some lawyer or judge or professor says this is somewhat ambiguous.

Mr. RARICK. Mr. Berry, I am sure that you are aware Mr. Melcher will come before the subcommittee and testify.

Mr. BERRY. Yes, sir.

Mr. RARICK. We also have that interpretation which will be expressly put in the record as legislative intent.

Mr. BERRY. Yes, sir.

Mr. RARICK. Your main objection is to what you have just quoted as to an inspection of each and every can. That is your main objection. You have no objection to any thorough examination by the Department to make sure the American consumer is protected from the possibility of tainted or unwholesome food coming in from abroad?

Mr. BERRY. That is correct, Mr. Congressman.

I would amplify on that just to say that again we feel that the advanced sampling procedures devised by the Department of Agriculture at the port of entry today are sufficient and well run and com-

petently run and advanced, and that if something in addition to that were desired, our point is that we feel the logical place to accomplish this is by doing it in the country of origin where the canning and cooking and the processing is going on and by maybe increasing the USDA veterinarians.

Mr. RARICK. We don't want any more planes hijacked, that's why the committee is not considering sending more Americans abroad.

That is all, Mr. Chairman.

Mr. BERRY. Thank you.

Mr. FOLEY. Mr. Mayne?

Mr. MAYNE. I have no questions.

Mr. FOLEY. Mr. Zwach?

Mr. ZWACH. Thank you, Mr. Chairman.

Mr. Berry, I appreciate your presentation, and there is no question you speak for a good group of producers.

Mr. BERRY. Thank you, sir.

Mr. ZWACH. I don't exactly appreciate when you get into the economics and try to throw scares into our people about what happens if your meat were shut out. Through our good-neighbor policy and through our trade work agreements we accept their meat. But I want you to know that our American producers could very well produce this meat. Prices in our country have gone down on hogs 7 or 8 cents a pound, and we have feed and proteins and the know-how and we have the space and we could very well fill this. I do not appreciate your trying to throw an inflation scare into this picture. Let us stick with the rest of the problem.

Second, do all of your countries allow free importation of American meats? What about the countries that you represent; what is their policy with respect to accepting our produce? I am thinking now of a good-neighbor policy.

Mr. BERRY. I understand, sir. Maybe Mr. Greenebaum can answer that question?

Mr. ZWACH. Yes, sir.

Mr. BERRY. Thank you.

Mr. GREENEBAUM. I might be asking for trouble because I cannot answer that question exactly. But Denmark imports more than it exports from the United States.

Mr. ZWACH. More meat?

Mr. GREENEBAUM. More things in general. It imports, sir, a lot of agricultural products.

Mr. ZWACH. Does it have a variable levy or tariff on pork?

Mr. GREENEBAUM. I couldn't say because I know that—

Mr. ZWACH. Would you look it up and give me that answer?

Mr. GREENEBAUM. Yes, sir.

Mr. ZWACH. The same with the Netherlands.

Mr. GREENEBAUM. Yes, sir.

Mr. ZWACH. We are talking about free movement of things now, and we accept 240 million pounds of your fine hams. That is a quarter of a billion pounds. We accept that, and we consume it. How free is the reverse?

I would like to have that information for the record.

Mr. GREENEBAUM. Yes, sir.

(The following information was subsequently submitted to the subcommittee:)

WASHINGTON, D.C., September 25, 1970.

HON. GRAHAM PURCELL,  
Chairman, Subcommittee on Livestock and Grains, Longworth House Office  
Building, Washington, D.C.

DEAR MR. CHAIRMAN: On September 17, I testified before your Subcommittee concerning HR 17444, and related bills, concerning the inspection of imported meat. At the hearing, I represented the Meat Products Group of the American Importers Association and limited my remarks to a discussion of imported canned hams and other canned pork products from Europe. At that time, the Honorable John M. Zwach requested that I furnish the Committee with additional information concerning the "free flow of trade" between the United States and the Netherlands as well as Denmark. This letter responds to Congressman Zwach's inquiry.

For many years the United States has enjoyed a favorable balance of trade with both the Netherlands and Denmark. This favorable balance of trade has existed, and presently exists, despite the vast population differences between the United States and these two Western European countries.

It is important to note that the United States exports approximately 453 million dollars in *agricultural* products to the Netherlands and more than 79 million dollars in *agricultural* products to Denmark. In fact, the Department of Agriculture advises that the Netherlands ranks third in countries for agricultural products exported from the United States. In fiscal 1970, there was a favorable balance of trade on behalf of the United States in dealing in agriculture products with the Netherlands of approximately 309 million dollars.

Traditionally, Denmark has not been an importer of meat for the obvious reason that she has been and still is a major meat producer and exporter. Consequently, her economy does not need to import meat in large quantities. Denmark received 270,069 pounds of such products from the United States in 1969, and the Netherlands, in this same year, received the impressive total of 75,147,460 pounds of United States edible meat products. The Netherlands exported 87,797,958 pounds of edible meat products to the United States, and Denmark exported 128,815,789 pounds of these products to our country. As related at the hearing, superior quality canned hams play an important role in these exports. It must be remembered that these canned hams are a significant factor in the economy of the Netherlands and Denmark and enables these countries to import significant amounts of grain, tobacco, animal feeds, oil seed, machinery, transport equipment, and other various goods from the United States, in which she excels in production. Enclosed, for your information, is a tabulation which shows Denmark's import from and export to the United States for the first six months of 1968, 1969 and 1970. You will note that in each period a significant increase of trade exists in favor of the United States.

Denmark and the Netherlands do not have significant trade restrictions on United States products. If they did, one would not witness this favorable balance of trade in behalf of the United States. Presently there is a favorable total trade balance for the United States in its dealings with the Netherlands in the amount of approximately 1079 million dollars, and a favorable total balance with Denmark of approximately 50 million dollars.

We believe that the aforementioned facts, based largely upon figures obtained from the U.S.A. government sources, prove that there exists a genuine free flow of trade between the United States and the Netherlands and Denmark, and that this free flow of trade is substantially in favor of the United States. This favorable economic picture has existed for many years, presently exists, and it is our sincere hope that this free flow of trade will continue to exist in the future.

Sincerely yours,

MAX N. BERRY,

Attorney, Meat Products Group, American Importers Association.

Enclosures.

DENMARK'S IMPORT FROM THE UNITED STATES, 1ST 6 MONTHS OF 1968, 1969<sup>1</sup> AND 1970<sup>2</sup>

[In thousands of dollars]

	1968	1969	1970
Total .....	141.561	151.912	166.145
Grain .....	6.559	2.339	4.038
Fruit and vegetables .....	3.074	2.974	4.822
Feeding products .....	5.741	4.509	4.507
Tobacco .....	9.295	7.996	10.443
Oil seed, etc. ....	19.085	21.242	25.949
Fuel (fluid), etc. ....	5.526	1.568	1.213
Raw chemicals and combinations .....	4.457	7.057	6.655
Pharmaceuticals .....	1.941	2.147	2.251
Plastics (unworked) .....	5.809	3.809	4.888
Paper and cardboard .....	1.886	2.115	3.184
Textiles except clothing .....	2.025	1.798	1.864
Machinery except electrical .....	22.280	24.178	32.766
Electrical machinery, etc. ....	8.873	8.727	13.976
Transport equipment .....	23.138	30.067	14.119
Clothing .....	.724	1.262	1.910
Instruments, watches .....	4.943	4.180	6.559
Textile fibres .....	1.390	1.044	.834
Chemical materials and products (not elsewhere specified) .....	1.340	1.262	1.615
Metal goods (not elsewhere specified) .....	1.461	1.434	1.936
Other consumption products .....	3.166	3.604	4.130
Other goods .....	8.848	19.600	18.486

<sup>1</sup> Increase from 1968 to 1969, 5.1 percent.<sup>2</sup> Increase from 1969 to 1970, 9.4 percent.

Note: U.S. dollar is equal to DKr7.50.

## DENMARK'S EXPORTS TO THE UNITED STATES, FIRST 6 MONTHS OF 1968, 1969, AND 1970

[In thousands of dollars]

	1968	1969	1970
Total .....	96.789	117.993	126.562
Meat and meat products .....	37.520	38.545	48.333
Dairy products and eggs .....	4.070	3.186	6.780
Fish, etc., for consumption .....	4.701	2.716	2.883
Beverages .....	2.065	1.800	2.387
Hides, skins unworked .....	8.167	9.316	3.913
Tobacco .....	.348	.405	.426
Animal and vegetable raw materials .....	2.726	2.560	3.062
Raw chemicals and combinations .....	3.611	9.636	6.389
Pharmaceuticals .....	.731	1.232	1.620
Wood, cork except furniture .....	.753	.905	.893
Textiles, except clothing .....	2.640	2.815	4.007
Stoneware, glass, china, etc. ....	1.118	1.284	1.966
Metal goods, not elsewhere specified .....	1.947	2.755	2.641
Machinery, except electrical .....	6.061	8.028	7.443
Electrical machinery, etc. ....	6.226	15.606	16.508
Transport equipment .....	.916	1.653	.826
Furniture .....	4.517	5.474	6.030
Other consumption products .....	3.420	4.281	4.090
Clothing .....	.578	.936	.867
Other goods .....	4.674	4.860	5.498
Increase from 1968 to 1969 (in percent) .....			21.9
Increase from 1969 to 1970 (in percent) .....			7.4

Note: U.S. \$1 is equal to d.kr. 7.50.

Mr. ZWACH. I have no further questions.

Mr. FOLEY. Mr. Sebelius?

Mr. SEBELIUS. Mr. Chairman. I was not here yesterday so I don't know if the Department detailed how they inspected canned meats. Would you be willing to tell me at this moment, before Mr. Berry is gone, how you inspect the canned meat as far as random sampling is concerned?

Mr. STEINMETZ. We do select a sample from the incoming lot. This is destructive sampling.

Mr. SEBELIUS. Do you open them, just look and see if they are damaged?

Mr. STEINMETZ. The cans are opened. They are opened and the contents examined and checked. In addition, some things involving composition standards can only be checked in the lab. We also do some laboratory sampling and analysis of canned products.

Mr. SEBELIUS. Thank you.

I have no further questions.

Mr. FOLEY. Thank you, Mr. Berry, Dr. Pas, and Mr. Greenebaum. We appreciate your appearance and testimony this morning. Thank you, gentlemen.

Mr. BERRY. Thank you, Mr. Chairman.

Mr. FOLEY. The last witness is a statement by Mr. Richard L. Allison, and that statement will be received for the record.

(The statement follows:)

STATEMENT OF RICHARD L. ALLISON, EXECUTIVE VICE PRESIDENT AND GENERAL MANAGER, LEHIGH VALLEY COOPERATIVE FARMERS

Mr. Chairman, I wish to express my sincere appreciation for the opportunity to appear before you.

I represent Lehigh Valley Cooperative Farmers and its member owners. Lehigh Valley Cooperative Farmers is a Dairy Marketing Cooperative owned by approximately eight hundred (800) dairymen. The Cooperative owns and operates three (3) major dairy processing plants and seven (7) distributing branches in the Eastern Pennsylvania and Southern New Jersey areas, through which is processed and marketed, on a cost basis, the milk produced on the farms of its dairymen owners. The eight hundred (800) dairymen owners are located primarily in Eastern and Central Pennsylvania and parts of Maryland, Virginia and New Jersey.

We have asked to appear here in support of HR 17444. This bill, as introduced by Mr. Melcher, is a step in the right direction. Inspection of products for human consumption coming into this country has long been one of the most serious problems in dealing with our foreign exchange. Mr. Melcher's bill, we feel, although it is all inclusive, does not specifically cover the importation of dairy products and, therefore, we would like to have included in the title of the Bill a specific mention for these products. It has been our experience that importers of the products for our industry have spent more time in trying to increase the amount of their importations by skirting, and in some cases defying, the present laws and that no attention has been given to the most important aspect of these imports, which is not balance of payments or free trade, but, Mr. Chairman, the health of our own American citizens.

We at Lehigh Valley Cooperative Farmers realize that the free trade concept is important to our national survival and we support the present administration and previous administrations in their sincere efforts to bring our economy and balance of payments into proper perspective. We feel that in the course of seeking financial stability the point that we stress today, which is the health of our citizens, has been sorely neglected up to this point. We feel that the inspection of dairy products, and for that matter all edible products coming into the United States, should be made mandatory at the point of entry and should be vigorously enforced by a combination of the United States Department of Agriculture and the United States Bureau of Customs. Our concern in this matter has been duly noted in Congress by the Honorable Chairman of this Committee in his bill on the controlling of pesticides and fertilizers used in foreign countries for the growth of food products coming into the United States. We also strongly support that legislation.

On July 24, 1970, Senator Gaylord Nelson of Wisconsin introduced a bill S 4120 in the Senate of the United States which specifically covers health regulations and inspection of dairy products imported into the United States. A combination of Mr. Melcher's bill and Senator Nelson's bill, we feel, would be a tremendous advantage to the consumer, who would then be protected by his government from any possible health hazard that could occur by lack of inspection.

We realize that free trade is part of our existence in the world society, but we feel that such trade, although economically necessary, should not physically damage the people whom it is supposed to help.

Our own State of Pennsylvania has stringent health regulations covering every phase of our dairy industry from the farm to the consumer's table. The Federal Milk Order which is supervised and enforced by the United States Department of Agriculture also has requirements that must be met. It seems ridiculous to us that these stringent regulations for health purposes, which we do not want to change, are being imposed upon our industry and are not even being considered at this point by the countries exporting products for human consumption into this nation.

At this time, I would like to give one example of the financial problem this creates. I will not dwell on this because our main concern at this Hearing is inspection of imported products and we have already on two occasions this year appeared before the Tariff Commission of the United States to protest the fiscal errors of some of their regulations.

The present farm support prices barely cover minimum cost of milk production to the larger highly efficient mid-west dairymen. It certainly does not begin to cover the minimum cost of production to the smaller family farmer who has been the backbone of this country, nor even the highly efficient larger dairy farm located in the Eastern section of our country who is besieged by high labor cost, high real estate taxes and high cost of services and supplies. The most disturbing fact is that our government gives financial support in various forms to foreign countries who turn around and subsidize their farmers to enable them to export butterfat into this country at prices far below our domestic price levels. This seems totally ridiculous. Butter in the common market is supported at 78 cents per pound and is sold for processing of export products at 11 cents per pound. The subsidy is six times the sales price. Lehigh Valley Cooperative Farmers and its dairymen owners are certainly in agreement with the need and principles of foreign trade. However, unneeded imports undermine this country's very vital agricultural programs and end up adding millions of dollars of cost to American consumers and dairymen alike, as well as jeopardizing a guaranteed future supply of food for the people of this Nation.

Quotas are essential, and most important is the adherence to well planned quotas. The present quotas for dairy product imports are more than liberal, and could inconceivably affect our own agricultural programs. The real threat to this country's agriculture are the numerous evasion fiascos allowed by our government that dumps millions of pounds of dairy product imports in this country over and above the very liberal quotas.

The current evasion product is this butterfat-sugar mixture falsely labeled "ice cream". It contains 20-24 percent butterfat, about 14 percent nonfat milk solids, and 17-18 percent sugar. It has an overrun of 10-30 percent. I say "falsely labeled" because it certainly would not be consumed in its import state as ice cream. Our domestic ice cream normally contains 10-12 percent butterfat; 10-12 percent nonfat milk solids; 17-18 percent sugar, and an overrun of about 80-90 percent. It can be stated the imported product is technically not ice cream.

#### SUMMARY

In conclusion, Mr. Chairman, we would like to briefly summarize our position in reference to the importation of dairy products. The economic benefits of such imports can be argued at another forum, but we do not feel that the health and welfare of our own citizenry should be impaired either directly or indirectly by the importation of uninspected products into the United States. The Department of Agriculture certainly has the know-how and personnel to implement a health inspection program and we urgently request that Congress give them the authority to do this. Thank you very much.

Mr. FOLEY. That concludes the list of scheduled witnesses for today's hearings.

Is there anyone in the room who would like to be heard on this matter before the committee adjourns?

(No response.)

Mr. FOLEY. If there is no one, then I would like to thank the witnesses for their appearance and assistance to the committee, and Subcommittee on Livestock and Grains will stand adjourned subject to the call of the Chair.

(Whereupon, at 11:22 a. m., the subcommittee adjourned, subject to the call of the Chair.)

## INSPECTION OF IMPORTED LIVESTOCK PRODUCTS

FRIDAY, SEPTEMBER 25, 1970

HOUSE OF REPRESENTATIVES,  
SUBCOMMITTEE ON LIVESTOCK AND GRAINS  
OF THE COMMITTEE ON AGRICULTURE,  
*Washington, D.C.*

The subcommittee met, pursuant to call, at 10 a.m. in room 1301, Longworth House Office Building, Hon. Graham Purcell presiding.

Present: Representatives Purcell, Melcher, and Zwach.

Also present: Lacey Sharp, general counsel; L. T. (Tex) Easley, staff consultant; Fred Ward, assistant staff consultant; and Martha Hannah, subcommittee clerk.

Mr. PURCELL. We will proceed with the matter before us now.

Mr. Melcher, do you want to be heard at this time?

### STATEMENT OF HON. JOHN MELCHER, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF MONTANA

Mr. MELCHER. Thank you, Mr. Chairman and members of the committee, for this opportunity to discuss H.R. 17444 for improvement of the inspection of imported meat and animal products.

I introduced H.R. 17444 on May 5 after considerable investigation of imported meat inspection procedures. The bill was an outgrowth of my concern, as a veterinarian as well as a citizen, about both the safety, from a health standpoint, and the wholesomeness and sanitation of meat and other animal products coming into the United States. On April 15, I addressed the House on the subject and on May 5, I introduced the bill. I have subsequently put into the House Record an article from a Melbourne, Australia, paper, reporting a discussion of the inadequacy of meat inspection and procedures in that country during a meeting of their Parliament. Also, an article from the Western Livestock Reporter, published at Billings, Mont., indicating that there is considerable American capital behind expansion of the livestock industry in that country; American interests are acquiring land there in large tracts and there are indications that the Australian native citizens are not entirely happy about it.

With your permission, Mr. Chairman, I will file copies of these past statements for the hearing record and request that they appear at the end of my statement.

Mr. PURCELL. Without objection, it will be allowed.

Mr. MELCHER. Hearings on companion bills by Senators Mansfield and Burdick were held in the Senate on July 16 and 17. The Senate has passed the bill.

I would like to make clear at the outset that, while I am concerned about the volume of meat, dairy, and honey imports into the United States, the problem of adequate inspection of what does come into the United States is separate from any quota problem. If there is any relationship between volume of imports and the inspection problem, as distinct from economic consideration involved in imports, then it is that quantity should be limited to the volume we are able to certify for sanitary production and to inspect thoroughly before use in this country.

Certainly this is no time to expand and enlarge quotas; we need first to make sure of the safety, wholesomeness, and sanitation of what we are getting, for it is presently questionable.

The bill I introduced calls for "thorough examination and inspection" of animal products, including "all fresh or frozen or chilled meats after thawing" and before use in this country. The language is intended to cause the Secretary of Agriculture and others concerned—including those of us in Congress—to look not only at the adequacy of our inspection of fresh and frozen meat but also dairy products, cooked and canned meats—the whole list of animal product imports and be certain that they meet proper standards. I understand a detailed dairy products inspection bill will be called to your attention at these hearings, and I welcome it as the product of considerable study on the part of Members concerned with that subject.

The phrase "thorough examination and inspection" has been used because some latitude is necessary as to inspection of various products: cheese, butter, dairy mixes, eggs, and canned meat products, but it is the intention of the author of the bill that, in the case of meats, "thorough examination and inspection" means piece-by-piece inspection of all chilled and uncooked meat, piece-by-piece inspection of cooked meat which arrives here in paper or plastic wrappers, piece-by-piece inspection of meat in bulk cans after they are opened and before use, and at least thorough sampling of the contents of consumer packages, including canned meats. The Department of Agriculture report on the bill is entirely correct in stating the bill can be read to require piece-by-piece inspection. That is exactly what it intends.

If legislative history to that effort isn't enough to make it binding, then the bill should be amended to make that explicit.

Our surveillance of foreign packing and processing plants licensed to export to the United States is not adequate to give us very positive assurance that the processing is always under standards for wholesomeness and sanitation truly equal to ours.

The requirement that consumer packages indicate the country of origin, which affects only a small amount of imports, provides some warning to consumers, but I think we owe them more than a warning; we owe them reassurance that the product in the package is wholesome and sanitary. Inspection of a substantial sample is little enough reassurance of that.

I am advised that there are two developments in the meat importing business that must be taken into consideration: More and more meat is coming into the country "containerized," or in large containers which can be hoisted directly from the hold of ships to vehicles for transport to inland destinations, and given import entry inspection at the destination in the interior of the United States. There is also an increasing

volume of cooked meat for processing uses which goes to the processed meat and canned soup factories in large bulk cans.

We have meat and food inspectors all over the United States, and there is no reason why blocks of chilled meat cannot be thawed and examined piece by piece before use at processing plants, or why the contents of the bulk cans cannot be inspected after the cans are opened and before the contents are used in consumer food items.

Cooking meat insures killing disease organisms, but it is not an assurance of wholesomeness. Cooked meat needs to be examined for thoroughness of cooking (there have been cases of imported cooked meat which was semiraw in the middle) and for all of the defects involving wholesomeness and sanitation for which raw meat is inspected; dirt, insects, rodents, blood clots, cysts, ingests, fecal matter, etc. Cooking should not permit automatic entry; we will need to know it is well cooked, particularly in the case of Argentina where hoof and mouth diseases is prevalent. In addition, in all cases we need to be certain that all the meat, cooked or otherwise, is clean.

I do not want to take an excessive amount of the committee's time, Mr. Chairman, dealing with the inspection staffs available to maintain surveillance over 1,100 foreign plants, the wholly inadequate sampling method of inspection after meat arrives in the United States, the standards, the number of defects allowed to go through, and other details. The House remarks which I have inserted deal with them, and include a table of defects and defects allowed in accepted lots.

I have spent a good many hours trying to familiarize myself with details, including a visit to the docks in Philadelphia to see what happens to a cargo of meat when it arrives. I will try not to impose on your time, but I would like to point up a few major facts.

In my House remarks, I said that we have 15 "foreign review officers" who travel the globe to make sure that regulations, plants, procedures, sanitary conditions and other phases of meat production and inspection are equal to ours, as required by law.

I am now told it is 14 inspectors, a reduction of only one, but significant because that one is a 6 $\frac{2}{3}$ -percent reduction in the size of the total force. In addition, the foreign review officers were living here in the United States and were not permitted by a State Department ruling to live abroad in the countries whose plants they have been delegated to inspect. They consequently were in travel status back and forth much of the time. I have been informed recently this residence requirement is being changed.

I was advised that the equivalent of 75 man-years of time is devoted to inspecting 1,600 million pounds of meat as it arrives at our docks, and have had no change in that figure.

The Department of Agriculture tells me that, in comparison, we have 734 plants in the United States where red meat is slaughtered and 3,224 which slaughter and/or process red meats, served by 4,637 inspectors. Then there were 1,004 poultry slaughter and/or processing plants served by 2,750 inspectors. The meat inspection staff total includes 7,387 field personnel and 804 who are administrators here in Washington or laboratory people, bringing the grand total personnel involved in domestic inspection work to 8,191.

I can not believe that 14 men, operating separately, who commute from the United States and have to drop in on three and even four

foreign plants a day in order to visit all of them at least once a year, can possibly provide us with any real assurance that slaughter and inspection procedures, and the sanitation of the 1,100 plants abroad which ship to us, is equal to U.S. standards.

I don't think the Department of Agriculture believes it either. I have here the ledger sheets, which are the only record which has been kept on imported meat rejections, indicating rejections for 1 year, the shipping plant number, size of lot, cause of rejection and the port of rejection. I understand the Department is now computerizing this record so it can determine if there are plants from which rejections regularly run high, or other coincidences or data in these records which would indicate trouble spots abroad which our review officers have missed in their hurried visits to the foreign establishments. The Department obviously is concerned. I submit for the record a story from the American Beef Producer about this new computer operation.

Mr. PURCELL. Without objection, it will be allowed.

(The information follows:)

#### IMPORT INSPECTIONS, COMPUTER CONTROLLED

Montana Congressman John Melcher's contention that foreign meats are receiving incomplete inspection is borne out by an article from USDA itself, reporting on the use of computers to weigh the probabilities of the need for inspection of any particular shipment. Author Dale Dunham is a staff officer, Planning Branch, Processed Food Inspection Division, Consumer and Marketing Service, USDA. The article, which follows without further comment, appeared in the June issue of *Agricultural Marketing*.

From New York to Los Angeles, Boston to New Orleans, meat products enter the nation every day.

The task of inspecting these millions of pounds of meat falls on the U.S. Department of Agriculture's Consumer and Marketing Service. At each port of entry, Federal food inspectors check the lots of imported meat to make sure they're safe to eat. And in Washington, D.C., a computer keeps track of all their inspection data.

Because many factors determine the acceptability of frozen boneless meat, the computer records specific information on all import rejections. These rejections are broken down into country of origin, type of product and number of kinds of defects.

Using a similar computer program, officials can estimate, before a boat is unloaded, whether containers of meat from a plant in a country should pass inspection without many defects. This estimate is based on the plants past performance, firmly recorded in the computer's memory bank and updated daily.

A rating system has been organized for certain import inspection programs. Plants in foreign countries are rated for either tightened, normal, or reduced inspection. When a particular plant consistently shows a high level of defects, the computer puts it on tightened inspection. Inspectors are then advised to apply more stringent inspection of the plant's products when they enter this country. Conversely, if a plant's products are consistently acceptable at all ports, with a low level of defects, inspection surveillance may be reduced.

Each day the computer updates the file so plants can be shifted between tightened, normal, and reduced status when necessary. This information is relayed to the inspectors who can then use their time more efficiently to provide increased protection for consumers.

The inspectors at each port provide data on the number and kinds of defects in a product, country of origin, and plant number. Results from each port are then summarized, at the push of a button, for an analysis of the rejections. USDA can determine if any one inspection station has rejected a smaller proportion of a particular product than a station getting the same type of product at a different port.

Many times the computer can predict a non-uniformity problem before it actually develops. Alleviating a potential problem through the use of a computer

helps USDA increase efficiency. It also helps you get the best meat products from foreign countries.

This is truly the age of computers. They help run everything from our space program to figuring our pay checks. In food inspection, they will be doing more in the future—to protect us from adulterated products and to increase the efficiency of the Federal food inspectors.

Mr. MELCHER. It is my understanding, incidentally, that this compilation of rejections was started after the advent of meat import quotas, in order to get a total on pounds rejected so imports to replace the rejected lots could be entered into the United States.

The need to analyze the rejection data to find trouble spots is indicative of the Department's own belief that violations get by their tiny force of review officers, who inspect abroad.

We get 1.6 billion pounds of chilled, cooked, and canned meat from the 1,100 plants inspected by the 14 review officers. After it arrives here, we put about 75 man-years into inspection, by a very thin sampling procedure based on mathematical probabilities—a sort of poker or roulette system—involving less than 1 percent of all the meat.

Because low cost or free refrigerator space is not available at most of our docks, even the inspection of the tiny samples is done under time pressure. They want to get the cargo moving before it begins to thaw out.

As the meat cargo is lifted from the hold of a ship, it is assembled into lots on the dock. When a lot has been assembled, an inspector makes a random selection of a prescribed number of samples of the 50- to 60-pound boxes of frozen meat in the lot. These are marked and transported to an inspection room, or station, by the importer. The balance of the lot is marked "U.S. Inspected and Passed," and moved to refrigerated railroad cars, trucks, or storage, but held at the dock until the samples have been inspected and the whole lot can be released—or it is rejected and ordered shipped back out of the United States.

The marked sample boxes are transported by the importer to the inspection station, located on the dock nearby. There, some of the 50- to 60-pound blocks of meat are sliced with a band saw to take out two 2-inch crosscuts, or a 4-inch cut. These are then placed in plastic bags, immersed in warm water, thawed, and inspected. The fate of the whole lot is decided on the basis of what is found in the slices which constitute about 0.5 percent of all the meat involved.

If the inspector finds less than a prescribed number of minor, major, or critical defects in a lot, it goes through. If he finds more, up to a certain limit, a second batch of samples is run through.

The number of samples taken from lots of various sizes and the exact number of defects permitted to pass is indicated in the table attached to my House remarks.

I am told that, statistically, the procedure allows one minor defect like dirt, a blood clot, or certain benign cysts, to pass per 30 pounds, one major defect like hair, blood clots, cysts, and ingesta per 400 pounds, and one critical defect, like a substantial patch of manure per 4,000 pounds.

I have heard the statement made, Mr. Chairman, that these standards are "equal" to American inspection—that the allowable defects in imported meat coincide with the number that "get by" during our

domestic inspection, and that when a batch of boned meat is inspected, after boning, the same standards apply.

It is my understanding that if U.S. meat inspectors standing at a slaughter line see a defect the meat is taken off the line and either made wholesome and sanitary or it is "tanked"—taken out of any line that goes into human food products. The objective of meat inspection is to get all defects out. If our inspectors are overworked, or haven't time to "catch" all the defects in domestic meat, then we had better be considering how to augment the force. We should not make their shortcomings the basis of tolerating less than thorough inspection of imported meat.

There is evidence that our inspection force needs strengthening—that veterinarians in the force are declining by attrition, at least—and that the force is inadequate to provide full service without excessive overtime. I ask your permission to put in the record a brief statement on this subject that I put in the Congressional Record some time ago.

Mr. PURCELL. Without objection, it is so ordered.

("The Inadequacy of Imported Meat Inspection"—Congressional Record, April 15, 1970; "Behind the Meat Import Drive—American Absentees"—Congressional Record, June 25, 1970; "The GAO Meat Inspection Revelations"—Congressional Record June 25, 1970; are the articles referred to above by Mr. Melcher. In addition to appearing in the Congressional Record, as indicated, the articles were reprinted in hearings held by the Senate Committee on Agriculture and Forestry, entitled "Inspection of Meat Imports"—July 16 and 17, 1970; they may also be found in the files of the committee.)

Mr. MELCHER. Recently I watched a 32,000-pound lot of meat unloaded and "inspected" at the wharf in Philadelphia. Mr. Chairman, I have a series of pictures that were taken at that time. Perhaps I could pass them to you for your inspection and examination.

I saw the pallets of meat hoisted off the boat, the lot assembled, the boxes stamped "U.S. Inspected and Passed," and 15 sample boxes taken to the meat inspection corner of a huge shed where samples were sawed and about 180 pounds from the 15 boxes thawed out for examination. I stood with one grade 7 and one grade 9 employee—neither was a veterinarian—as they each examined trays of meat samples.

As I said before, the system is to use a bandsaw to saw out of the middle of each of the boxes. Each of the boxes selected, sawed out of the middle a chunk of meat about 2 inches thick, weighing about 6 pounds, and a subsequent chunk of the same thickness and about weighing the same amount. Then this is immersed in warm water and placed in a plastic wrapper and thawed out. Then the examination takes place.

There were samples from other large lots piling up around them—two boats were unloading. The one shipment of 32,000 pounds off of the ship I watched, and following through was only one lot. There were many other lots on the same ship and there was another ship with similar lots being unloaded simultaneously.

Hundreds of tons of frozen meat in a great, unrefrigerated warehouse were awaiting the completion of their work. Thus the inspectors could eventually get to samples taken from each lot.

If they had been on a domestic meat inspection line, the sample inspectors would have pulled off the slaughter or processing line several pieces of meat which had hair, blood clots, and minor defects to be cleaned up or tanked. But their decision there was not whether an oc-

casional single piece of meat was to be cleaned up or rejected (there were no facilities for that); their decision was, in this instance, whether \$15,000 worth of meat—16 tons—was to be rejected and ordered out of the country for a few too many minor defects.

They weren't making 64-cent decisions—they were making the \$64,000 kind under terrifically greater pressure to be reasonable than on a domestic slaughter line.

It is just commonsense to know that an inspector will be less reluctant to send back a single shoulder of beef or mutton than to reject tons and tons of meat because he found a defect or two too many. Even in instances where domestic inspectors check lots of 20,000 to 100,000 pounds, their decision to turn back is only for reworking—it is not a flat rejection of every pound in a multiton lot.

Piece-by-piece inspection is inevitably better than inspection of units with values running into five and six figures.

Three faults in the system appear to be self-evident:

1. Foreign review officers are spread too thin. We need more of them and need them living in the countries they are assigned to inspect.
2. On-the-dock inspection is not acceptable because of the pressure of time, the confusion, and the inherent disorder of dock procedures.
3. Random selection which inspects only a minute percentage of the meat neither assures wholesomeness and sanitation nor does it create consumer confidence that the meat they are going to buy meets the standards we say it should have.

The fact that we have inspected a small portion of the foreign meat, and on that tiny inspected portion have found only a little dirt or hair or blood clots, cysts, ingesta, or fecal material is not satisfactory. By doing so we jeopardize the belief that the finished product cleared for anywhere in the United States—any store, any restaurant or hot-dog stand, or any dinner table including our own—is the clean, wholesome quality meat that we want and were once confident that we had.

In my mind, there is absolutely nothing more important to the livestock industry than complete confidence and absolute assurance on the part of the American housewife that the meat she buys at the retail store is healthful, sanitary, and wholesome.

If the housewife loses confidence in what is in the freezer, or on the butcher's block, our market will decline precipitously. Our American product must be kept up to the highest standards.

I am concerned about imports because the imported meat is mixed with American in hamburger, it goes into soups, cold meat and processed meats—hot dogs, sausage, cold cuts—and becomes indistinguishable from American.

It is intolerable that slipshod inspection of imports might be allowed to undermine confidence in all meat offered at our stores.

I have been shocked by developments in relation to meat inspection since I made my first statement on the subject.

Shortly afterward, imports of mutton from Australia from ewes butchered after May 15 were embargoed. I was advised that there had been some debate in the inspection division for 2 or 3 years about the need to take such action.

The revelations in the Queensland paper I have submitted make me believe that the "equal" requirement in our law had not been enforced. The Minister of Primary Industry for Australia is quoted

as saying their packing methods have not—and cannot in some plants—meet our standards because the carcass and viscera are not kept associated. He talked about reaching a “compromise” with us. A compromise between our standards and what they want accepted simply can't meet the requirements of our law. The law says their plants, procedures and inspection must be “equal” to ours, not some compromise between “dirty” and equal.

There has been temporizing with processing and inspection abroad. And a recent General Accounting Office report indicates that there has been some temporizing in some plants here at home.

I am advised that the General Accounting Office is now looking at the adequacy of our surveillance and inspection of foreign plants, and meat imports.

I requested the General Accounting Office to undertake such a study in late August and within 2 weeks I had consulted with a team from that agency, which had already gone to work.

I am especially pleased with this since the charge cannot be made—as it has been made in regard to a Congressman from the cow country—that this is an effort to create a furor which will limit the volume of imports.

Regardless of volume, meat which is imported into the United States must be kept healthful, wholesome and completely sanitary and those objectives are all that is involved in the bill before you today. We are talking now about quality, not volume.

So far as I am concerned, there is no reason which can be advanced why we should knowingly allow dirty meat to enter this country and be put on our tables. Danger of trade retaliation is one of the weakest excuses I have heard. If we are exporting insanitary products, we ought to clean them up. If there are countries which are unwilling to improve their products where sanitation and health are concerned, I would rather forgo their trade than to allow insanitary foods to be marketed for our consumers or to try to foist insanitary products on them.

The referene that has been made by the Department to trade policy retaliation by other countries should not be based on the sanitation and wholesomeness of the products we are bringing into our country. This bill should be considered only in the light of whether or not we are doing an adequate and thorough job of inspection for wholesomeness and sanitation of animal products that are imported.

It is apparent from the testimony that we have listened to and it is apparent from my own personal observation of the inspection system on the docks at Philadelphia that it is entirely inefficient at the docks. It is rushed. The system in itself is dirty, dusty, grimy and, in season, insects are there. There is no question but what the inspection of the imported products should be moved completely away from the docks in order to get away from these problems.

Secondly, thawing for inspection should be done in processing plants just prior to the time that the product is going to be used. It should not be thawed out once, inspected, and even though it has defects, thrown back into the cartons, assuming it is going to be refrozen and assuming that there is no deterioration in the quatlity of the meat, and then shipped somewhere to a processing plant and again thawed out and put into meat products.

It is obvious that this is a poor system; that first of all, the thawing can and should be done at the processing plant where the meat is going to be used.

Third, no matter how it is described, random selection of a few samples to be inspected is not adequate. It is too skimpy and too scant. Even so, under the system we employ in the random selection, when you do find defects—dirt, cysts, blood clots, hair, ingesta in the meat, etc.—when we do find instances of unwholesomeness and unsanitariness, we still pass the shipment, including the very samples inspected that show these defects. The evidence really points to an inadequate job of inspection.

Lastly, I would like to say, Mr. Chairman, that we are considering meat products that are slaughtered, shipped by boat, and arrive at our docks 6 to 8 weeks later. What we are inspecting today in the various docks was probably slaughtered in midsummer, maybe early summer. We are dealing with a product that has spent a long time between the time of slaughter and the time of inspection.

It behooves us—in fact, good inspection system demands—that we give special attention to the inspection of a product that has been slaughtered such a long period of time before we get it on our shores and docks and before it can be processed. I think it is self-evident, Mr. Chairman, that we are dealing with a set of circumstances on this frozen and chilled meat that requires very, very thorough inspection on our part once it gets here to the United States.

That is simply all the bill asks for.

Mr. PURCELL. Thank you very much, Mr. Melcher.

Mr. Zwach, do you have a question?

Mr. ZWACH. Mr. Chairman, I want, first of all, to commend Congressman Melcher for having personally gone into depth and for personally going to Philadelphia and inspecting the detailed operation of bringing in foreign meats along with his expertise as a veterinarian. I think that he has been most observant and is bringing out some things that this committee ought to look into and which I am very, very happy to know.

I have been sort of disturbed with our entire Meat Inspection Division. When we first started our hearings, Mr. Chairman, with regard to rewriting our domestic law, I remember their saying that everything was wonderful.

It was not, and we made many corrections in our own country since. We wrote into that same law foreign requirements for wholesomeness and cleanliness, pureness of meat comparable to our U.S. standards. I have been amazed at the Meat Inspection Division, in their testimony, where they seemed to indicate that they are doing a perfect job, and not coming forth with a single suggestion on how it could be improved.

I have felt for a long time that what the Congressman is saying was perhaps a fact, because with the staff that they have, especially in foreign plants, it does not look like we are really trying to do a job.

Second, Congressman, you stated that each inspector was inspecting large lots of meat. They were not veterinarians, is that correct?

Mr. MELCHER. That is true. Of course, that is not necessarily unusual. The number of veterinarians in the Meat Inspection Division

is limited, and in general they are in supervisory categories. The grade 7 and grade 9 inspectors that I stood with on the inspection at Philadelphia, I am sure were conscientious and competent inspectors. The position they are placed under, the circumstances that they are placed under, are not really conducive to complete and thorough inspection of even those tiny samples of meat that they are looking at. That is because of doing it at the docks under pressure for long hours.

I think perhaps a human element involved with this inspection needs to be recognized by all of us. After all, the inspector that is standing there well realizes if he finds one too many defects on his list, that that means a whole shipment is lost. He is under a natural strain to attempt to be decent to a goodhearted individual and hope that he does not find too many defects. If he can retain his objectivity under those circumstances, he is a pretty strong-charactered individual. The natural human tendency is to try to pass a shipment because if he finds too many defects, then a whole big shipment is lost and he knows that somebody is going to lose a lot of money.

I think this is rather unfair to expect the inspectors to retain their objectivity all through the many inspections that they have to go through. While I only watched one inspection on a 32,000-pound lot, there were many more lots coming up that day to be inspected by these two meat inspectors. They were going to be there for a good 10 or 12 hours and perhaps inspect samples from as many as 18 or 20 lots realizing that if they found enough wrong with any one lot, the whole lot would be rejected and the importer would be out a good deal of money. The meat was worth around 52 cents a pound right there to the importer. The 32,000-pound lot I watched inspected was worth about \$16,000.

Mr. ZWACH. This meat before it is inspected is all unloaded from the vessel and put on the dockside and there it puts the inspector under double pressure, doesn't it?

Mr. MELCHER. That is right.

Mr. ZWACH. The rest of the meat will thaw out if he does not get that job done?

Mr. MELCHER. That is right.

Each lot is unloaded in its entirety before any of the sampling is done and any of the inspection procedure is done. Of course, the inspectors have to wait until all of the lot is unloaded and then he has to further wait until the samples that he is going to examine are thawed out.

Mr. ZWACH. If the meat then is rejected it perhaps is reloaded and sent back, or ordered to be reworked on this side, or what is the procedure?

Mr. MELCHER. If the lot is rejected, the lot cannot be allowed entry into the United States. It is still the importer's product, importer's property, but it cannot be allowed into the United States and cannot be reworked in the United States. It must be taken out of the United States or it must be designated for such purposes as dog food or some other nonhuman food, nonhuman purpose, as I understand it. It cannot be reworked in any way for human use and kept in the country, so the importer has the option of either exporting it again out of the country or he can sell it for other purposes than human food.

Mr. ZWACH. I wonder if vessel inspection wouldn't be a feasible thing before unloading?

Mr. MELCHER. I don't think it would be. It is my observation it would be impossible. There simply is not enough room to do it in the holds of the ships.

Mr. ZWACH. Mr. Chairman, that pretty well completes my questions.

Mr. PURCELL. Dr. Melcher, I too want to compliment you on the thoroughness that you have gone into this.

In these pictures I notice there are some boxes that have been broken and unloaded or something. In just the brief visit that you were able to make, could you tell whether or not there was any different handling of cartons or boxes that were already broken and with any other box? I notice in the pictures they are apparently stamped with "U.S. Inspected." What knowledge can you bring to us about the handling of obviously broken boxes with meat exposed?

Mr. MELCHER. When the pallets were unloaded, it was obvious that some of these cartons were broken and the plastic wrapper inside the carton was torn and the meat was exposed to the air, the dust, and the grime. I asked the inspectors there what was going to be done with those boxes. They said, "Well the importer will cooper them." I said, "What is that?" He said, "It means they are going to repair the broken carton." I said, "Is there any procedure that you do yourself?" And they assured me there wasn't, that it was up to the importer. After that, and this was before any of the cartons were selected to be inspected, after the cartons were selected to be inspected, all of the cartons, including those that were broken, as you see from the pictures, were stamped "U.S. Inspected and Passed." That was all that was done to those cartons, and once that stamp is on there, that assures that carton, when it clears the dock, access to any of our processing plants in this country.

Mr. PURCELL. Could you tell at what stage in the unloading and reloading of the cargo, when the U.S. inspection stamp was placed on the boxes?

Mr. MELCHER. The U.S. Inspected and Passed stamp was placed on the boxes immediately after the few samples were selected to take to the other portion of the docks.

Mr. PURCELL. Before the results of the inspection were known?

Mr. MELCHER. Before the results of the inspection were known. The lot is still identified as a lot, and if the samples inspected are rejected, meaning the whole lot was rejected, it would be handled as a rejected lot. Technically, or really using commonsense and good judgment, no lot should ever be stamped "U.S. Inspected and Passed" until after the inspection of the samples was completed. It should never be allowed. Obviously no broken boxes should ever be allowed to stay in the shipment. Once broken and once exposed, those particular boxes should be disposed of and handled as rejected, and should not be allowed to be designated as inspected and passed, or allowed entry into our trade.

Mr. PURCELL. Do you know whether or not the pallets were loaded in the ship, or were they shipped already on pallets from wherever they came?

Mr. MELCHER. That, I don't know. I didn't go into the hold of the ship, and I don't know whether they were transported on pallets or not.

Mr. PURCELL. Do you know whether or not in the operation you watched, were these lot shipments from the same packer in the country

of origin, or were they representing different companies? Could you tell by looking?

Mr. MELCHER. Yes; you could tell by looking, because they all have the number indicating the slaughter establishment in the country that it comes from. These various lots coming off of the two ships I saw came from different slaughtering plants. The ones I happened to see were from Australia, and they came from several plants in Australia.

Mr. PURCELL. But they were unloaded in lots, so that they are kept apparently separate and easily identifiable.

Mr. MELCHER. Yes; there are a number of reasons for that. Of course, the importer, so No. 1, has his money involved, much from a certain plant and a certain type of meat. Also for our inspection service, we demand that they be kept in separate lots and identified as to their source, or the plant where they were slaughtered. Each plant has a separate number.

Mr. PURCELL. Yes; I understand that, but I didn't know whether the lots showed that.

Mr. MELCHER. Yes; each carton is stamped with the number of the plant that it comes from, and the lot identification.

Mr. PURCELL. Was there any indication that you were able to get while you were there as to whether or not there were representatives of the importer present as these lots were unloaded?

Mr. MELCHER. Yes; they were there. While I visited briefly with them, they were representatives of—I don't know the term they used—of the importers that owned the meat.

Mr. PURCELL. They had no apparent system of their inspecting or exercising any judgment on what would be done with the boxes, cartons, or lots as they come off the ship?

Mr. MELCHER. No; I gained the impression that they were simply there to make sure that their property wasn't held too long, and that they could get it moving to the designated place in the United States, where it was bound.

Mr. PURCELL. I take it while you were there, there was no rejection occurring?

Mr. MELCHER. No; The inspectors for a second set of samples from the lot I watched, but they did not reject it.

Mr. PURCELL. Have you learned in your investigation what actually happens if a lot is rejected?

Mr. MELCHER. I am told that if a lot is rejected, the importer can keep it here, if he wants to let it go into dog food or into some non-human use, but I am also told that generally the importer will reship the rejected lot out of the United States.

Mr. PURCELL. And you don't know of the history of reshipments have—as to whether or not they go back to the country of origin, to some other country, or whether they circle around and come back in here?

Mr. MELCHER. No; I don't know that, and I am assured that they cannot come back in here, that that can't happen.

Mr. PURCELL. Do you have any knowledge of this? There is some history in regard to a rejected shipment in the Boston area some few years ago that caused some difficulty. Are you familiar with that at all?

Mr. MELCHER. No; I haven't been apprised of the circumstances.

Mr. PURCELL. In the area of the sample inspection, just based on the pictures, there seems to be—is it a separate room in a big warehouse up there? There seems to be equipment there for sawing, the metal tables and so forth.

Mr. MELCHER. In this instance in Philadelphia, and on this particular dock at Philadelphia, the inspection room used was the corner of a large warehouse. It was only separated by some heavy mesh fence from the rest of the warehouse, and it contained a band saw and several tables, steel tables and a tank, where up to 30 or 40 different pieces of meat could be immersed in the tank to be thawed out, and a desk for the inspectors to write at. That was about all of the equipment that was available. Of course there was a set of rollers for the cartons themselves to be placed on, to be put in line for rolling up to the band saw, where the chunk of meat was sawed out in preparation for placing it in a plastic bag, and then immersing it in the hot water. There was not a closed room at all. It was well lighted. It was not any messier or dirtier than the rest of the parts of the docks. It wasn't sealed off to the dust and insects, which, of course, had access to the room itself.

Mr. PURCELL. I notice in these pictures there are five or six people who appear to be employees in the group. Were there two inspectors, and then other noninspector employees that were helping, or how does it work?

Mr. MELCHER. There were two inspectors and probably a dozen stevedores. Anyone in the room must wear a smock and a cap to control contamination as much as possible from their own clothing and their own hair. Of course even the stevedores that you see in those pictures were wearing the white jackets.

Mr. PURCELL. They are just stevedores that helped bring the product into the room.

Mr. MELCHER. That is right, and they opened the cartons and manned the band saw, and after the chunk is sawed out, they insert it in the plastic wrapper or sack, and immerse it. They do everything of that nature, and the inspectors only look at the meat as it is shoved along on the trays in front of them.

Mr. PURCELL. I see in the picture that you have with the cartons, there is some discoloration. It appears that it could be blood or something. Do you have an opinion as to what that was that seeped through the boxes that you had there?

Mr. MELCHER. Of course after the meat is thawed out and looked at, those two chunks—

Mr. PURCELL. I am talking about stacked on the pallets.

Mr. MELCHER. I will have to look at the picture to see what you mean, Mr. Chairman. My recollection is that that is not a stain from the inside, Mr. Chairman, that that is something that occurred on the outside.

Mr. PURCELL. That is what I was getting at.

Mr. MELCHER. Yes. In my observation, none of these boxes were thawed out at the time of the unloading. They were all well frozen.

Mr. PURCELL. I have no other questions. Do you have any?

Mr. ZWACH. I have just been handed a sheet from the U.S. Department of Agriculture that says:

A cattle disease known to occur in England and Scotland has been positively diagnosed for the first time in this country, the U.S. Department of Agriculture announced today. Scientists of the USDA's Agricultural Research Service identified the disease as a bovine mammillitis by tests made in a dairy herd in Minnesota. The disease is caused by a herpes virus.

That apparently is a new disease that has entered our country.

Mr. MELCHER. Yes, sir.

Mr. ZWACH. I assume you wouldn't be familiar as to how that could come in here. I wonder if you have any information?

Mr. MELCHER. No, I am not familiar with the disease, and I wouldn't be aware of it.

Mr. ZWACH. Did you study it?

Mr. MELCHER. I don't recall even hearing of it.

Mr. ZWACH. It wasn't within our country.

Mr. MELCHER. In my experience I have had no contact with it at all. As to how it would enter the United States, I couldn't really say. Virus diseases, of course, are something we worry about, particularly those that might be easily brought into the United States. I want to say this, Congressman Zwach, I have not seen any evidence that either animal or human disease is allowed to come in. Of course it is a concern that we do everything possible to prevent that from happening.

In the case of Argentina, from whom we import cooked meat, not in cans, but in wrappers, I have a great concern there that we are certain that the hoof-and-mouth virus could not come into this country. I have been assured by officials in the Department that our inspection of the cooked meat in the wrappers is adequate, that there is no danger.

I would like to have the review of this situation kept constant, because it is so dangerous for us, but I must say that I have no evidence that points out that our inspection is such that we do permit or have permitted human or animal disease to actually come into this country.

Mr. ZWACH. One of the reasons that I brought up the point with regard to veterinarians inspecting these huge lots was for this very purpose. I am a little surprised that we have just laymen doing this. It seems to me that this may not be as tight with regard to potential disease as we might desire.

Mr. MELCHER. Yes. Well, your point is well made of the imported product inspection because if a pathological lesion were present in the meat they were examining, the inspectors would want to take that to a veterinarian to have him look at it, to make the diagnosis of what the lesion was and how serious it was.

Mr. ZWACH. Is that laboratory where they inspected this meat equipped to make any pathological analysis, or is it just a physical look at type of thing?

Mr. MELCHER. You mean on the docks?

Mr. ZWACH. Yes.

Mr. MELCHER. It would just be looking at it.

Mr. ZWACH. All the inspection entailed was just looking at it.

Mr. MELCHER. Right, and then if they found what they suspected was a pathological lesion, then the inspector would take it to a veterinarian.

Mr. ZWACH. They have a further vet laboratory handy?

Mr. MELCHER. No, they do not.

Mr. ZWACH. They don't?

Mr. MELCHER. That is one of their drawbacks. They do not.

Mr. ZWACH. If it is late at night, is there a veterinarian available, laboratory people?

Mr. MELCHER. They would have to be called. In this instance, with those two inspectors, they would have to find a veterinarian. They are part of the crew, and at times a veterinarian is in that crew. At the time when I was there, just the two inspectors were doing the job. If they found a pathological lesion, they would have to get to their supervisor, who in turn would have to put a veterinarian there on the scene to look at the lesion involved and make a diagnosis of what the lesion was and whether it was harmful and whether it should have a bearing on rejection or accepting the lot. Again I am very much in earnest that the system begins wrong when you have it on the docks. The facilities are all wrong. The followup procedure is handicapped, and the pressures placed on those inspectors just to get the job done and get it over with and get the lots moving is so great that I am satisfied that in many instances the thoroughness and the complete objectivity of the inspection is lost.

When the Department of Agriculture statistician told us a few days ago, testifying here, that the tiring factor of looking at meat piece by piece meant that too much went by the inspectors, I think it is a very false type of argument. I don't think it is very satisfying to those of us that are desirous of having real, solid, and stringent inspection, to argue that piece-by-piece inspection is inferior to what I observed in Philadelphia when these inspectors were starting their day around 8:30 a.m. and were telling me that before they could get through all that mound of stuff, they were going to have to inspect samples until 10 or 11 p.m. I am sure that as the day wore on, their actual inspection of those thawed out samples became less and less detailed, less and less thorough, and they just had to put themselves to bowing to the facts of life to get the job done so those lots could be moved.

Mr. ZWACH. They would have perhaps a whole boatload of meat thrown upon them for inspection in one sitting.

Mr. MELCHER. Absolutely. Two ships were being unloaded there that day. The refrigerated trucks are sitting there waiting for clearance of these lots. The refrigerated railroad cars were sitting there too, but I can assure you that the line of trucks that was waiting there, refrigerated trucks waiting for their cargo, they were urgent. The people who had hired those trucks, just sitting there, were urgent about getting away. They want those trucks moved and moved as quickly as possible. They have got money involved not only in the lots of meat themselves, they have got money involved in the trucks that are sitting there waiting to transport it.

Mr. ZWACH. How much time did you spend there, Congressman?

Mr. MELCHER. I spent half of a day. To be exact, I got there early in the morning just as the first part of the meat was being unloaded. This was a little before 8 o'clock. I was there until noon. That is half a day.

Mr. ZWACH. During all that time you didn't see a veterinarian?

Mr. MELCHER. Yes; I did.

Mr. ZWACH. There was one present part of the time?

Mr. MELCHER. I met one veterinarian, but he was not doing the actual inspection, and he was not at the site of the inspection.

Mr. ZWACH. Thank you, Mr. Chairman.

Mr. PURCELL. In order to try to keep the record pretty well straight as we all heard the other day in our prior hearings, and knowing the regulations under which this foreign meat comes, all of this meat has been inspected before it leaves the plant from which it originated, and whereas the officials of the Department of Agriculture indicated that there are only 14 supervisors offshore, there were some, if I remember correctly, 7,000 or 7,500 meat inspectors involved in the plants from which this meat comes. These figures are at least in round numbers correct, are they not, according to the evidence we have had?

Mr. MELCHER. I heard their testimony, Mr. Chairman, and I have no reason to doubt it.

Mr. PURCELL. And then also regardless of the total accuracy or the acceptability of the views of some people, when the meat goes to whatever plant it is going to be going to for the purpose of processing into the end product, then this meat again is subject to the same inspection that domestic meat—

Mr. MELCHER. Mr. Chairman, I found that the testimony of the officials a few days before our subcommittee left me in a quandary on several points and this is one of them. I am wondering whether they are familiar with the procedures that are used.

I am told, and I am sure it is accurate, that the meat in these cartons, when it reaches the processing plant, is placed in what is called a chipper. There is no thawing of the meat as such. The chunk of 50 or 60 pounds of meat, it is absolutely impossible to tell anything about it except that it is frozen. That chunk is placed in a chipper, and it is thawed in the chipping process. In a matter of less than a minute, probably 15 seconds, the chipper chips all of that 50 or 60 pounds chunk up and it is laying right there in a tray all chipped up. It is in very minute pieces. It is virtually impossible to inspect anything then. If there was a cyst, hair, dirt, a blood clot, ingesta or fecal material, you never know, because it is all mixed together. The meat texture is gone. It is just in a mass.

Once it goes through that chipper, there is no possibility of an inspection.

To compare that with what we are doing in our domestic plants, they are telling us that we have a comparable system on the domestic product, all they are telling us is that the job isn't adequate and that we had better be finding out procedures that they should follow for the product whether it is domestic or imported. There is absolutely no inspection that can be done on the product after it is placed in the chipper, and that is the only way.

Mr. PURCELL. I have no other questions. Thank you very much.

Mr. MELCHER. Thank you, Mr. Chairman.

(The following statements and letters were also submitted to the subcommittee:)

U.S. SENATE,  
COMMITTEE ON FINANCE,  
*Washington, D.C., September 8, 1970.*

HON. GRAHAM PURCELL,  
*Chairman, Livestock and Grains Subcommittee,  
House Agriculture Committee, Longworth Building,  
Washington, D.C.*

DEAR REPRESENTATIVE PURCELL: I am writing in support of H.R. 17444, a bill to strengthen the inspection program for imported meats, which I understand will be the subject of hearings before your subcommittee on September 16 and 17.

It was my privilege to testify in support of a similar measure before the Senate Agriculture Subcommittee on Agricultural Research and General Legislation.

The crux of this issue, it seems to me, involves whether or not the United States will require the same high standards of quality and wholesomeness, and insure these standards via a strict inspection program, as we require with respect to meat products produced on our own soil. I believe very strongly that the inspection system for imported meat and meat products should be at least equal to the system applied to domestic meat products. I hope the members of your subcommittee will agree and will deem it appropriate to urge the passage by the House of Representatives of H.R. 17444.

I am enclosing a copy of my testimony in support of S. 3942, the companion measure to H.R. 17444, which further details my position, should it be of interest to the subcommittee.

Thank you for the opportunity to express my views on this legislation.

Kind regards,

Sincerely yours,

CLIFFORD P. HANSEN,  
*U.S. Senator.*

STATEMENT OF HON. CLIFFORD P. HANSEN, A UNITED STATES SENATOR FROM THE  
STATE OF WYOMING

Mr. Chairman, I appreciate the opportunity to make this statement before your Subcommittee on Agricultural Research and General Legislation.

As a co-sponsor of S.3942, I have a very real concern and intense interest in this legislation. It is my hope that your Subcommittee will see fit to move the bill forward as quickly as practicable so that the Senate can take action on it yet in this Session.

Under Section 20 of the Federal Meat Inspection Act, only those countries with meat inspection systems which have been approved by the U.S. Department of Agriculture are permitted to ship meat to the United States.

As of the end of 1969, there were 40 foreign countries which were on the Agriculture Department's "approved list" to ship their meat products into the United States.

Products may be exported into the United States from plants within these countries which the foreign officials have certified as meeting this country's standards.

The determination as to just which meat processing plants within which countries qualify for the foreign export of meat is made by a team of fourteen veterinarians whose duty it is to make periodic inspections at a total of nearly 1,500 plants to determine their fitness for exporting meat products into the United States. This compares with a staff of 8,200 meat inspectors who determine the fitness of domestic meats.

It is my understanding that Dr. H. M. Steinmetz, Assistant Deputy Administrator for Consumer and Marketing Services of the USDA, testified before your Subcommittee yesterday that Department representatives visit these plants in foreign countries at least once a year. This, to my mind, is altogether too infrequent and doesn't begin to compare with the scrutiny given domestic activities by USDA inspectors.

In 1969, the fourteen USDA inspectors of foreign operations closed down 158 plants to the exportation of meat to the United States. In this regard, it is interesting that Australia, the largest exporter of beef to our country, had 21 of its authorized plants shut down.

During 1969, there was a total of 20,637,987 pounds of foreign meat products rejected by U.S. inspection. Of this amount, 43 per cent came from Australia. Australia exports to the U.S. about 32 per cent of the total meat passed for entry into the United States.

As a consequence of this high level of activity, it is important to note that the great majority of the foreign plants, not only in Australia but in the other approved countries as well, are visited by these inspectors only once a year. It is also worth noting that the inspectors are so pressed for time that they must announce their schedule of inspections ahead of time. This allows plants an opportunity to bring themselves into compliance with inspection standards for that one day in which an inspection is to be made. Foreign plants don't have to worry about their standards for another year, since our inspectors simply do not

have the time to inspect the plants more than once a year. This, to my mind, is wholly unacceptable.

Mr. Chairman, being from Wyoming and having been in the livestock business before coming to the Senate, I believe I can understand the problems facing our domestic livestock industry; but I am also concerned with the situation facing the consumer.

The United States has the most thorough system for inspecting domestic meat products of any country in the world. The standards which we require in order that our domestic meat be declared fit for human consumption are second to none.

This is the way it should be.

I fully endorse the emphasis that we place on sanitation and quality control. The point I want to make is that it is grossly unfair to the consumer, as well as the domestic meat industry, to require strict standards for our home-grown meat while relaxing the standards for foreign imports.

The inspection process we have here in the United States, by both government and plant inspectors, in order to control the quality of domestic meat, is extensive. *Each piece* of meat is inspected by both government and plant inspectors. The meat is then inspected through means of a mathematical random selection. Let me emphasize that *each* piece of domestic meat is inspected by government and plant inspectors, and then is subjected to a system of government inspection under the random selection process.

This compares with a foreign meat inspection program in which a plant is only subjected to control by inspectors once a year, with no requirement that each piece of meat be inspected. The meat then comes into the United States and is subjected to a random selection inspection which includes only one-half of one per cent of total meat imports.

In the United States, inspectors turn down about eight-tenths of one per cent of the meat during the final inspection process. The ratio of foreign meat turned down during this final inspection is nearly twice the domestic rate. This helps point up the seriousness of the problem, Mr. Chairman.

Foreign meat imports already have a tremendous advantage over our domestic meat production. Foreign meat does not have to bear any of the added costs of our high standard of living including welfare programs, social security, medicare and others.

Foreign imports do not contribute one cent to our roads and schools. One dollar spent on foreign meat passes through the economy here in the United States about two to two and one-half times. One dollar spent on domestic meat passes through the economy five to seven times.

It is apparent to me that we should at least require our imported meats to be subject to the same inspection and sanitation standards as our domestic meats.

Mr. Chairman, let me say once again that I appreciate the opportunity to appear before your Subcommittee today.

I strongly endorse the provisions of this legislation and certainly hope that it receives favorable consideration by your Subcommittee and the full Senate Committee on Agriculture and Forestry.

While this legislation will help the domestic livestock industry, it is intended primarily to protect the American consumer.

The evidence shows convincingly that this protection is needed, and I hope your Subcommittee will proceed with the legislation with all deliberate speed.

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STATEMENT OF ALED P. DAVIES, VICE PRESIDENT, AMERICAN MEAT INSTITUTE

The American Meat Institute would like to join the U.S. Department of Agriculture in opposing the enactment of H.R. 17444. This measure would have the effect of creating trade barriers to restrict the admission of imported meat into the United States.

We do this even though it is somewhat difficult to take a position of opposition, when the sponsors of the legislation try to make it appear that their only interest is in protecting the wholesomeness of the meat supply of the United States. We too are in favor of wholesome meat. We supported the Wholesome Meat Act of 1967, and we have presented statements in opposition to any weakening of that legislation, including an amendment that would permit State inspected products to move in interstate commerce.

We wish to go on record that we have confidence in the ability of the U.S. Department of Agriculture to survey and monitor foreign meat packing and processing establishments to the degree that is necessary to protect United States

consumers. This is quite different from the situation that prevails here with respect to State meat inspection. As the Department has pointed out, a State is declared "equal" when it has laws and regulations that are comparable to the Federal laws and regulations, when an inspection staff adequate to do the job is provided, and when the necessary funds have been appropriated to finance the program. This says nothing whatever about the qualifications of individual plants with the "equal" system, and until some procedure is devised for Federal inspectors to examine and pass on the qualifications of individual State plant—as they do with respect to foreign plants—it would be seriously weakening the protection provided by the Wholesome Meat Act to permit State inspected products to move in interstate commerce.

Contrast this situation with the control now exercised over imported products. United States sovereignty does not extend beyond our national boundaries, and hence Federal meat inspectors cannot conduct the same type of inspection that is required in U.S. plants. They can and do survey foreign systems and plants to determine whether they are operating in a manner that would be acceptable if domestic plants were involved. That is all they can do.

When it is suggested that imported meat must be inspected piece-by-piece, it becomes quite obvious that the real objective is to set up inspection requirements that are so onerous no one would be able to comply. Statistical sampling long has been considered a proper technique for determining the acceptability of products offered for importation. In fact, it is the most accurate system known today for examination of any products, including food products. A piece-by-piece inspection in many cases would be destructive of the product, and in the case of frozen processing meat it actually would increase the hazard of bacterial contamination, as the Department of Agriculture has pointed out.

That is one aspect of the problem this legislation would create—the inspection required would be impractical and would have the effect of barring entry to processing meat that is needed to produce the large volume of formulated products U.S. consumers now have available.

The second part of the problem is that the trade barrier established—and we believe this to be the main purpose of the bills—would invite retaliation by foreign governments. The meat industry now finds its best market for variety meats among foreign countries, and while the advocates of protection for U.S. livestock producers are endeavoring to build a fence around this country to keep foreign products out they will discover that fences stop trade in both directions. In our view, H.R. 17444 would work not only to the disadvantage of consumers in the United States but to the disadvantage of the livestock producer as well. We urge that it not be approved.

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#### STATEMENT BY BLAIR SMITH, PRESIDENT, CALIFORNIA CATTLEMEN'S ASSOCIATION

The California Cattlemen's Association, representing over 3600 beef producers throughout the State of California, believes that the American consumer is entitled to the same high degree of inspection and wholesomeness requirements on foreign meat shipped into this country for human consumption as she expects and receives from domestically produced meat.

And yet, we know that under existing meat inspection practices *she cannot and is not getting it.*

You are well aware of the stringent sanitation and wholesomeness requirements imposed upon beef producers, feeders and packers, through laws passed by Congress to insure that the consumer receives a clean, safe and wholesome product. We believe that Congress has a responsibility to insure the same high degree of consumer protection on meat shipped into this country from foreign countries. Again, we repeat, under today's inspection practices, there is no way that such assurance can be guaranteed.

The inadequacy of existing laws and the laxity of current foreign meat inspection not only poses a real threat to those consumers who purchase imported meat, but poses an equal threat to the entire beef industry of this country through adverse publicity and lost confidence.

We say this because once the foreign beef has passed the inspection point at our ports and enters the normal channels of distribution, it cannot be distinguished from our domestic product. There is no labeling requirement by which the consumer can determine whether the product was produced domestically or imported from some foreign country. Since most of this foreign beef is shipped to us in frozen form, this produces an added hazard, both to the con-

sumer and to the domestic beef industry. On arrival here it can be thawed and sold as a fresh product and the consumer has no way of determining whether she is buying a fresh or frozen product by looking at it. Any dissatisfaction in this imported product due to unsanitary processing, residues, poor quality or for whatever reason, cannot but reflect adversely on the acceptance of beef and therefore on our domestic beef producers.

As a port of entry State, we have had an opportunity to view first-hand the inspection procedures taken when a boatload of foreign meat arrives here, and, frankly, we are appalled at the cursory examination given and the infinitesimally small sample inspected. No domestically produced beef could ever reach the consumer today with as minimal inspection. And yet, last year, through California ports alone, nearly 106,000,000 pounds of foreign beef arrived, was given this cursory examination and then passed into consumer channels. Even with such cursory inspection over 891,000 pounds were condemned or rejected for human consumption.

We believe that steps must be taken by Congress to insure that the standards under which foreign beef is produced and processed are, in fact, equal to ours. We certainly have no assurance or even a reasonable indication that such is the case, even though they are supposed to be. With the minimal task force of qualified veterinarians assigned to inspect foreign processing plants, the U.S. consumer must rely on the foreign country's own inspection program to determine what is sanitary, wholesome and acceptable for human consumption. In most cases their standards are far below ours. Perhaps some sort of certification program can be worked out which will give our consumer greater protection from this end.

In the meantime, however, our main line of defense to protect both the consumer and the domestic beef industry is a thorough inspection program at the port of entry.

We believe that H.R. 17444, introduced by Congressman John Melcher, points in this direction, and we, therefore, support its passage as a step in the right direction.

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STATEMENT OF JOHN E. WARD, CHAIRMAN, MEAT IMPORTERS' COUNCIL OF AMERICA, INC.

The Meat Importers' Council of America, Inc., is a non-profit membership corporation chartered under the laws of the State of New York. It consists of over 80 regular and associate members, all of whom are actively engaged in the importation, sale, handling or use of imported fresh frozen meat.

We oppose H.R. 17444 and similar bills. We are, of course, in favor of thorough health and sanitation inspection to protect the consumer. We believe, however, that such inspection is already provided under existing law, and that a major effect of proposals such as H.R. 17444 would be to diminish the protection afforded consumers under present procedures, through a substantial increase in the risk of microbial contamination and decreased effectiveness in accomplishing the purposes of inspection under complete sampling as opposed to a valid random statistical sampling plan. Another effect would be to penalize and discourage, and possibly halt altogether the importation of manufacturing grade beef necessary for the production of frankfurters, hamburger, and other items of tremendous importance to low income consumers. The result would be substantial increases in domestic prices for these products.

The restrictive and unnecessary burdens placed upon the importation of livestock products by such non-tariff barriers as H.R. 17444 would be particularly dangerous at a time when it has been determined that increased supplies of such meat are "required by the overriding economic interests of the United States." (See Presidential Proclamation 3993, 35 Federal Register 10732, July 2, 1970.) A decrease in supplies, with the resultant substantial price increases to meat processors and consumers, and a diminution in quality of processed meat products would most certainly not be in the best interests of the United States.

Perhaps the greatest hazard posed by the adoption of 100% defrost inspection would be the significant increase in the possibility of microbial growth. The inspection of a small percentage of frozen meat, whether imported or domestic, necessitates a limited amount of thawing and exposure of the meat to potential contamination. Information obtained from expert veterinarians by the Meat Importers' Council of America, Inc. indicates that there always exists a possibility of contamination during the handling necessitated by inspection,

and greatly increased propagation of bacteria because of the rise in temperature. This risk exists now for the sample inspected, and any increase in the percentage of meat chosen for inspection increases proportionally the risk of contamination and propagation of bacteria.

Proposals for a thawing of all imported meat prior to inspection would thus render useless the considerable efforts taken to ensure that meat in transit is kept fresh and wholesome by holding its temperature near zero degrees.

Proponents of legislation such as H. R. 17444 apparently have little knowledge of health and physical requirements of meat inspection and processing. Representative Melcher, while a veterinarian and cattle feeder, and thus presumably knowledgeable as to the care and feeding of live cattle, shows no awareness of the substantial danger, prior to processing, of microbial growth resulting from complete defrost inspection and the opening of vacuum sealed cans.

In the majority of cases, imported meat could not be inspected immediately prior to processing in the United States, as has been proposed. All imported meat, and domestic meat moving in interstate commerce, must be inspected by USDA inspectors. Processing plants or retail outlets not dealing in interstate commerce need not necessarily have a USDA inspector present, and although inspectors of the State system may be present, they cannot, under law, perform inspections of imported meat.

Thus, inspection of frozen or canned product would have to be conducted in many cases at some location other than the plant where it is to be used, and the product refrozen or otherwise preserved in transit and prior to use. Refreezing of defrosted product must be done by the use of very low temperatures, or "blast" freezing, if the product is to be completely wholesome and safe for use. Physical facilities do not exist for the defrost and refreezing of such large volumes of product, and it is doubtful that any realistic system for 100% inspection could be developed which would adequately protect against contamination and spoilage.

Aside from the physical requirements, it has been estimated by the USDA that the cost of inspection of imports would rise, under these proposals, from less than \$200,000 to more than \$26,000,000. The inspectors required, if they could be hired and trained, would nearly double the size of the USDA's inspection force, adding almost 8,000 men. Even this huge expense would be minor compared to the increased costs for labor and handling.

On the basis of present costs for handling those cartons drawn for sampling, 100% inspection would require handling costs of approximately 19 cents per pound. Adding the 2.5 cents per pound that the USDA estimates for inspection results in an increased wholesale cost of 21 cents per pound, which would be substantially more by the time the final product reached the consumer. These costs would be borne by the consumer of relatively low cost meat products and would yield him nothing in terms of an improved product or the protection that he enjoys under present inspection procedures.

Another loss to the consumer resulting from 100% defrost inspection would be in the quality of the product which he received. Hamburgers, hot dogs, and other sausage products are commonly prepared by grinding imported meat still in the frozen state with domestic meat or fat trimmings. The U.S. cattle industry produces over 1½ billion pounds of these trimmings annually, which is far more than the imports of meat which are available to blend with them. These trimmings, if not ground with lean meat, are otherwise almost useless. The chill imparted by the frozen imported meat offsets the heat generated by grinding, and prevents spoiling of the meat of microbial growth as the result of a rise in temperature. If frozen meat is not used, some extraneous material such as dry ice must be added to keep temperatures down.

The Wholesome Meat Act of 1967 requires that foreign producers certified for shipment to the United States must comply with all inspection, building construction standards and other provisions of law applicable to domestic meat producers. The present law demands that certified foreign plants and inspection systems must be at least equal to domestic. Unless our own inspection system is faulty, we submit that certified foreign systems, being equal, cannot be less than thorough.

Inspection under these foreign systems is as detailed and comprehensive as that which domestic meat receives. All meat shipped to the United States has been subjected to a thorough inspection, both ante and post-mortem, at all stages of its processing. This inspection is performed by approximately 7,500 foreign inspectors assigned to the 1,141 plants eligible to export to the United States. Similar inspections of domestic product, conducted under equal standards, are

performed in 3,200 United States plants by 4,600 inspectors (See Department of Agriculture letter printed at p. E. 5189, Congressional Record, June 4, 1970.) The certified foreign plants have over four times as many inspectors per plant as do similar U.S. plants.

The competency of these foreign inspectors is unquestioned, as far as we are aware. A disinterested party, Doctor Willfried Bruhann, who is in charge of meat inspection in the Federal Republic of Germany, has stated that New Zealand has the best training program for meat inspectors that he has ever seen. Thus, reliance by the Department of Agriculture on such highly skilled inspectors to conduct the processing inspection overseas does not seem unreasonable.

The United States Department of Agriculture does not rely on mere assurances by the producers that the meat which they export is wholesome, but on health certificates of the exporting countries which are issued only when the meat has been rigorously inspected during processing by the same personnel who conduct the inspection of meat destined for domestic consumption in the exporting countries.

As required by United States law, these inspectors who supervise every facet of the processing of meat for export to this country are checked, together with the physical plant, at least once a month by supervisory personnel of the foreign inspection programs, who are required to prepare written reports of their findings and make these available to the representative of the Department of Agriculture whenever requested. These supervisory personnel and the exporting plants are in turn checked by fifteen full-time veterinarians employed by Consumer and Marketing Service's Technical Services Division. Foreign plants and procedures are first certified only after an exhaustive study by the USDA, and these fifteen veterinarians or "foreign review officers" visit every certified plant at least once a year, in many cases more frequently, to ensure that physical plant and procedures continue to be at least equal to those in the United States. Eight of these "foreign review officers" are now stationed abroad to enable them to make more efficient use of their time.

It is a surprisingly widespread misconception that fifteen individuals are somehow supposed to inspect all the meat produced in the world which might be exported to the United States. As indicated above, this, of course, is not the case. These veterinarians are supervisory personnel charged with general inspection of plants and systems—not meat.

The United States inspection system for imported meat is designed to encourage processing abroad under the maximum possible standards for cleanliness and wholesomeness. In fact, this inspection in overseas plants on meat products destined for the United States may be more thorough than routinely conducted within United States plants. The utmost care must be exercised in the preparation of meat for export, as once it is finally packaged and frozen it cannot be reconditioned. If it should reach the United States with significant defects it will not pass the import inspection, and must be re-exported or converted to pet food. An entire lot, normally 15 tons, could fall on the basis of defects in the samples drawn, even though the vast preponderance is entirely wholesome. Thus, producers have strong motivation to ensure that every piece of meat which they export will meet the high standards of U.S. inspection.

In domestic processing plants, the presence of significant defects will not prevent the product from being ultimately passed, as the meat, not being frozen, may be reconditioned by eliminating the defects. Thus, U.S. producers are not as highly motivated to catch all defects during initial processing.

The care taken by overseas packers of meat products can easily be understood by analyzing the cost to them of a rejection occurring upon landing in the United States. If the meat is rejected, its value is substantially decreased, and the exporter has incurred additional costs in shipping the meat to the United States, storing it here while awaiting re-export, and ocean freight charges to another country. There is, therefore, the greatest motivation on the part of foreign meat producers to guarantee that their product conforms completely to inspection requirements. So, when imported meat arrives at our shores, it has previously been thoroughly inspected while being processed. This point is usually missed or ignored by critics.

Before being allowed entry into the commerce of the United States, imported meat is again inspected under a statistically sound sampling plan. This is the exact plan used on all domestic meat which has been similarly processed, and in

conducting the inspection the same forms are used and the same defects are tabulated for both domestic and imported meat.

Much comment has been made by opponents of meat imports on the possibility of fecal matter or other critical defects passing U.S. import inspection. It can conclusively be stated that no lot of meat in which such critical defects have been detected has ever passed inspection and entered the commerce of the United States. These opponents of imports have made great play about the fact that one critical defect in a lot of 500,000 pounds or larger will not cause its rejection. In fact, imports are never inspected in lots this large, and one critical defect in a smaller lot results in rejection of the entire parcel.

Typical of such critical comment are the remarks of Representative Melcher starting at page H 3106 of the *Congressional Record* of April 15, 1970. Dr. Melcher bemoans the sampling plan for boneless manufacturing meats and the "Description of Defects." Despite his background as a veterinarian and cattle feeder, he shows no awareness of the fact that these procedures and standards are applied equally to domestic and imported meats.

In 1969, rejections in the United States of all imported meat averaged less than 1½%, which compares favorably with the rejection rates of United States meat products exported to foreign countries. If reconditioning were permitted—as is the case with similar domestic meat—this figure would undoubtedly be much lower. Australia and New Zealand, who are the largest exporters of meats to this country, experience as a rule no greater rejections in third countries than does the United States. Their products are accepted by all major meat importing countries in the world, and indeed by some who do not accept United States meat for health reasons.

Well-intentioned as proposals such as H.R. 17444 doubtless are, we submit that they would accomplish nothing except to discourage the importations of meat seriously needed by the consuming public.

Whatever their purpose, these proposals would be, in effect, non-tariff barriers to trade. As such, they would be contrary to United States trade policy generally and might even raise issues as to violation of international commitments. They could breed ill-will and invite retaliation from our trading partners adversely affecting the future potential of United States exports of table cuts.

For the reasons set out above, we do not believe that H.R. 17444 or similar proposals should be favorably considered by this Committee.

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STATEMENT OF E. M. FOSTER, DIRECTOR, FOOD RESEARCH INSTITUTE AND PROFESSOR OF BACTERIOLOGY, UNIVERSITY OF WISCONSIN, MADISON, WISCONSIN

My remarks are based on readings of S. 3942, 91st Congress, 2nd Session, plus statements offered on a companion bill, H.R. 17444, to the Subcommittee on Livestock and Grains of the House Committee on Agriculture, such statements being made by Congressman John Melcher on September 15, 1970; by Congressman Mark Andrews on September 16, 1970; by Dr. H. M. Steinmetz on September 16, 1970; by Mr. Richard P. Bartlett, Jr. on September 16, 1970; and by Mr. John E. Ward on September 22, 1970.

As I understand the wording and the intent of the bills, all imported livestock products would be subjected to piece by piece inspection before they were used or offered for sale in this country. I interpret this to mean that each bulk container of frozen, chilled, cooked or canned meat would be opened and each piece would be inspected. Frozen goods would be defrosted before opening the container.

The microbiological consequences of this procedure are substantial. In the first place, the mere act of handling during piece by piece inspection can add substantial numbers of microorganisms to the product. These may include both spoilage bacteria and potentially harmful types such as *Staphylococcus aureus* and *Salmonella*. Naturally, the significance of added contaminants will depend on the care taken by the inspector in handling the pieces.

Second, and far more important, is the opportunity for microbial growth during defrosting and during the period between opening a container and ultimate disposition of the contents. This problem would be minimized if the material were used immediately after inspection, but it is not clear that this will always be possible. Special care must be given to frozen meats, which are naturally contaminated with bacteria that need only a favorable temperature for growth. Ideally, frozen meats should be defrosted below 40° F., but this is extremely

slow and expensive. Defrosting at higher temperatures will allow bacterial growth. Failure to use the product promptly after defrosting may permit spoilage or even growth of harmful microorganisms such as *Salmonella*. Re-freezing is undesirable both from economic and quality standpoints.

Thawing for inspection would be especially undesirable for frozen meat products that are customarily chipped or ground directly from the frozen state for the manufacture of sausages, hamburger, and the like. A requirement for thawing and inspection before grinding would inevitably result in needless bacterial growth and lower quality.

In addition to the foregoing problems, one may well ask whether the proposed type of inspection accomplishes significant benefit for the consumer. At best it might result in occasional esthetic improvement, but it would add little or no protection against health hazards and would reveal only the grossest of insanitation. Inspection would not show contamination with *Salmonella*, *Clostridium perfringens*, *Staphylococcus aureus*, viruses, and many other food born pathogenic and toxigenic agents. Neither, one should add, does the inspection program for domestic meats offer significant protection against these hazards.

In sum, it is my opinion that gross piece by piece inspection of imported meat products on arrival in the United States would accomplish little in improved consumer protection. In fact, it could actually do more harm than good by providing circumstances under which spoilage and potentially harmful microorganisms might grow after frozen meat is defrosted or after cans of heat treated meat are opened. Inspection without laboratory analysis would offer no significant protection against the common food-borne disease organisms; therefore, it would seem that inspection activities should be concentrated at the slaughter houses in the countries of origin where at least there is opportunity to detect insanitation and gross disease.

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#### STATEMENT OF JOHN W. SCOTT, MASTER, THE NATIONAL GRANGE

I am John W. Scott, master of the National Grange, with offices at 1616 H Street, N.W., Washington, D.C.

The Grange is a 103-year-old, rural-urban family fraternity of over 600,000 members, with over 7000 local Granges scattered over most of the Nation. While many of its members are farmers the Grange is not solely interested in activities and events that affect the agricultural segment of the country. Not only are farmers consumers as well but also many Grange members are residents of towns and municipalities and all are interested in matters of national welfare.

I welcome the opportunity to express the Grange support of H.R. 17444 and identical bills "to provide for thorough health and sanitation inspection of all livestock products imported into the United States and for other purposes." The Grange was a strong supporter of the original Meat Inspection Act and of the amendments thereto that were subsequently passed to strengthen it. Moreover for many years it has advocated that legislation be passed to require that all food imports meet the same quality standards required of domestic products, as evidenced by a resolution passed by the delegate body of the National Grange at the 1963 annual session and the current 1970 Summary of Legislative Policies and Programs of the Grange.

We believe that the legislation such as H.R. 17444 is necessary to insure the wholesomeness of meats and meat products imported into the United States. Also it has not escaped our attention that it is inequitable and unfair to American producers of such commodities to permit foreign products to be marketed in the United States at prices that are lower in part because of the lesser cost of less restrictive and less adequate inspection. It is not the position of the Grange, however, that the problems engendered by their importation be met by closing the doors on meat imports—for reasons that are not material to the narrower matter here under consideration. We are sure that spokesmen for organizations that are solely consumer orientated will agree with this position.

As justification and documentation of our reasons for believing that the proposed legislation is needed, we feel that we can do no better than quote from a speech delivered in the U.S. House of Representatives by Congressman John Melcher, the only licensed veterinarian in the U.S. Congress. It is important, moreover, that every effort be made to insure that Congressman Melcher's factual statement does not fail to come to the attention of all members of your subcommittee.

Veterinarian Melcher said in part:

As a veterinarian, I have a basic interest in our meat supply and insight into meat inspection procedures. I have been looking into them as time has permitted.

We are extremely finicky about who touches meat in our domestic plants, and our sanitary inspection assures its wholesomeness here in the United States. We have high standards that consumers can rely on to provide the best in quality and wholesomeness.

In the Nation, we have 7,050 inspectors on the federal payroll to keep a constant eye on 1062 plants which slaughter and/or process either meat animals or poultry. That does not include state inspectors.

The 7,050 includes 945 full time veterinarians and 5,327 full time "food inspectors," plus 124 veterinarians and 654 food inspectors who work intermittently, or part time. The full time total is 6,272.

These inspectors examine every animal for health before slaughter and every carcass after slaughter which goes through a federally inspected packing plant. If the carcass meat is boned and cut for hamburger and manufacturing uses, it gets "on line" inspection of the pieces as they go into lots to be ground or flaked for use.

It is another story, however, on the imported meat side.

We import one billion six hundred million pounds of meat per year from over 1100 foreign licensed plants around the world authorized to sell in the United States. Most of this meat is frozen, boned-out meat, which ends up in the meat counters of the country as hamburger, bologna, weiners, or cold cuts. To inspect all of this for sanitation and wholesomeness there are 25 to 30 full time United States inspectors plus part time inspection from others, as needed, to make up to the equivalent of 75 full time inspectors.

We rely for sanitation inspection in the foreign plants on the foreign countries. To check on them we have 15 veterinarians, known as "foreign review officers", who keep an eye on about 1100 packing plants around the world approved to ship meat to the United States. There are more foreign plants approved than are federally inspected in this country. Those plants are all supposed to have pre-mortem and post-mortem inspection equal to ours in the United States. They are supposed to be equally sanitary. Until a few years ago the requirement was that their inspection be substantially up to ours; now it is supposed to be equal, and we have 15 men who try to visit each of the 1100 foreign plants at least once a year to see that they maintain standards equal to ours, 365 days a year and 366 on leap year. A few of the bigger plants get more than one visit a year, possibly two or three or even four, but I am told that because the task is such an enormous one for so few "foreign review officers," that sometimes some plants don't get visited every year. These men, by necessity, spend much of their time flying the globe from Washington to foreign lands and then travelling to the plants for their rare visits.

This force is totally inadequate to do much more than inspect the character of the plants—the architectural and engineering features, equipment and procedural arrangements, get a fleeting pre-mortem glimpse of a few live animals in holding pens, and an equally fleeting glance at some tiny fraction of the post-mortem product—far less than 1%, for if they stayed at the plant a whole day and watched all the meat come off the line that day it would be only about  $\frac{1}{3}$  of 1 per cent of annual production. These 15 foreign review officers are spread so thin that their function is one of a visiting dignitary rather than the nuts and bolts of inspection for compliance with sanitary regulations. . . .

Our next glimpse of the meat is on the docks here or at interior processing plants, and again it is just a glimpse. The one billion, six hundred million pounds of imported meat processed, fresh, canned, cooked or frozen, inspected by the 75 inspectors is done in the United States on a random sampling basis, a tiny fraction of samples from each lot drawn at random from each shipment, that allows some minor, major and critical defect to "get by".

Let me say that infectious disease for man or animal brought into the United States by these imports has not, to my knowledge, occurred. As a veterinarian I observe that the safeguards of the inspection system and cooking has eliminated until now introduction of transmissible disease. This is an area where constant review is necessary and I find on preliminary investigation that there may be need for tightening up inspection regulations to avoid any possible introduction of disease.

But as to wholesomeness, there is no doubt in my mind that our system of inspecting the imported meat on the docks or at interior plants is an incomplete job based on a haphazard system that does not assure the American consumer wholesomeness on which he can rely.

My confidence in the inspection system is shaken because very little—less than 1% of the imported meat—is actually inspected by United States inspectors and the standards themselves are set to tolerate 1 minor defect in each 30 lbs., one major defect per 400 lbs. and one critical defect per 3,000 pounds of the imported meat that is actually inspected.

What are some of the defects?

To mention a few—some of the more distasteful are blood clots of various sizes, ingesta or stomach contents, feces, fecal material or in a simpler term—manure. How do you like that in your hamburger?

In varying amounts these defects are acceptable and the lots of imported meat are cleared for entry into our country for processing and for sale in the meat counters and labeled "Inspected and passed by the U.S. Department of Agriculture." . . .

If any lesions, ingesta or fecal matter were found in or on a carcass or piece of meat in our on-line inspection in the United States, the meat would be rejected and either reprocessed to be wholesome or removed from any food use. . . .

What are the results of this type of inspection of meats supposedly exported to us out of 1100 foreign plants with inspection supposedly "equal" to ours—plants checked out about once a year by one of our 15 foreign review officers?

On these standards, in fiscal year 1969, we rejected 17,058,250 pounds of imported meat—a little less than 1% of beef offered and more than 9% of lamb and mutton sent to the United States. The total passed for entry was 1,057,583,305 pounds . . .

In the most commonly-sized lot of meat, which is the 24,000 to 59,999 pound lots, less than  $\frac{1}{2}$  of 1% of the meat is actually inspected by U.S. inspectors—in a million pound lot, less than  $\frac{3}{1000}$ ths . . .

The random sample is scant and not adequate to protect consumers.

Secondly, the conditions under which the sampling and the inspection is conducted are not conducive to the careful work. There is nearly always an urgency to rush through the job, a pressure to get it done.

The meat cannot be left out in the sun on the dock, and it can rarely be moved into a refrigerated warehouse for holding—after the samples are selected at random much of it goes into railroad cars and trucks, awaiting on the inspectors to be allowed to roll out.

At a few ports refrigerated holding storage is available, but at most places storage charges must be paid for 30 days minimum.

At Charleston, South Carolina, where more than two days of free storage is made available by the port authority, I believe that I discovered from the manual record of rejections that they ran comparatively high there—and officials confirmed it.

This is certainly circumstantial evidence that if the import inspections were made in the absence of great time pressure rejections would rise quite perceptibly.

The trucking of the random-selected samples from the dock to inspection station in a vehicle with a driver supplied by the importer can be questioned. The cartons are marked, and I am told that the vehicles could be locked and sealed during this time, the samples move between the inspector on the docks to the inspector at the station. But this is apparently not the general practice.

Hanky-panky with the samples would be dangerous business, and is unlikely, but meat inspection, like Caesar's wife, should be completely beyond suspicion . . .

We are playing roulette with imported meat inspection—perhaps not Russian roulette, which can be fatal—but certainly roulette with every aspect of wholesomeness, from manure on up, or down . . .

At home, we have 7000 people to watch 1050 plants.

Abroad, we have 15 people to watch more than 1100 plants, plus 75 at ports to catch what they miss.

At home, we currently forbid even the cutting and packaging of meat for a farmer-producer by little community locker plants or butcher shops in the retail business although the establishments are visited and viewed reg-

ularly by the people to whom meat is sold to be cooked and put on the table. I think this is being excessively stringent on the domestic side.

But with most slaughtered meat abroad we play random selection roulette—and don't you take much time picking your number; we've got to get this cargo of meat moving along before it thaws out and spoils, or before we have to pay out a lot of demurrage which eats up our profits to the railroad or the trucking company!

It's not a perfect system, and you can make mine domestic meat.

Rather than more imports, I suggest we had better get adequate inspection of what is already coming into this country.

In conclusion we repeat our judgment that passage of legislation such as H.R. 17444 is indicated to insure the American public of wholesome food and to ease the problems of the importation of meats and meat products. It is reasonable and statesmanlike legislation. The Grange can ask for no less unless it abdicates its responsibilities to its members and the Nation.

Thank you for allowing the Grange the opportunity to present its views on this important legislation.

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AMERICAN NATIONAL CATTLEMEN'S ASSOCIATION,  
Denver, Colo., September 3, 1970.

HON. GRAHAM PURCELL,  
Chairman, Subcommittee on Livestock and Grains,  
House Committee on Agriculture,  
Washington, D.C.

DEAR MR. PURCELL: It had been my hope to be able to personally appear before your Subcommittee to present the views of the American National Cattlemen's Association in support of H.R. 17444 and related bills. Unfortunately, the hearing dates conflict with a previously scheduled trip out of the city on other matters affecting the domestic beef cattle business. In lieu of a personal appearance, I respectfully request that this letter be made a part of the hearing record on H.R. 17444.

The American National Cattlemen's Association wholeheartedly endorses H.R. 17444 and related bills. As in 1967 when the Wholesome Meat Act established more stringent inspection standards in foreign countries for meat being shipped to the United States, we feel that H.R. 17444 is another important aspect of assuring our consumers of the wholesomeness of the beef they purchase.

We've heard a great deal of informal and formal criticism of H.R. 17444 with many calling it "protectionist" in nature. To these critics we reply that they must be interested in U.S. consumers eating a product that very well could be unwholesome by U.S. standards. The federally inspected meat plants of the United States are required to have ante and post-mortem inspection with a licensed veterinarian in charge of overall plant sanitation and inspection standards. We know that certain nations are having difficulty meeting U.S. standards due to a lack of veterinarians or, at least, qualified lay inspectors. This, combined with the severely limited number of "roving inspectors" by the Meat Inspection Service of the U.S. Department of Agriculture, we conclude makes it imperative to have the additional assurances, including dockside inspection, covering a far greater quantity than just the 1 percent sampling that presently is done.

If it is administratively impractical to completely thaw all of the product dockside in order to insure its wholesomeness, we suggest that there might be a requirement of core testing which would draw a sample from each of the cartons or cans arriving in the United States. This would not require thawing but would sufficiently broaden the sampling so that there would be an opportunity for nearly 100 percent checking of the product in order to detect any foreign materials that might be present in the product.

We also feel that containerization places a new dimension in "dockside" inspection. Greater quantities of imported meat products are going directly inland to the point of use which in itself would facilitate the additional inspection as called for in H.R. 17444 in order to assure wholesomeness.

With all of this in mind, we hope that your Subcommittee can take early favorable action on H.R. 17444, taking into consideration practical aspects of its administration. Most important, it should be kept in mind that the domestic beef cattle industry and the U.S. Congress has an obligation and responsibility to assure the U.S. consumers that they eat the most wholesome product available to them daily.

Respectfully submitted,

C. W. McMILLAN, *Executive Vice President.*

[Telegram]

NEW YORK, N.Y., *September 16, 1970.*

HON. GRAHAM PURCELL,  
*Chairman of Subcommittee on Livestock,  
 House Agricultural Committee, Longworth Building,  
 Washington, D.C.:*

We hereby respectfully wish this telegram filed as our opposition to HR 17444 presented by Representative Melcher of Montana. This bill which would require a 100 percent thawed inspection of all imported frozen products is contrary to good judgment and business practices. To thaw product completely would increase bacterial growth to a great degree, certainly not in the best interest of the consuming public. Furthermore, it would not be conducive to good processing practices. The sampling system presently used by the USDA is in capable hands and certainly has demonstrated its effectiveness. We therefore, repeat, respectfully register our opposition to this bill.

NATIONAL ASSOCIATION  
 OF MEAT PURVEYORS,  
 PETER H. PETERSEN,  
*Washington Representative.*

NATIONAL WOOL GROWERS ASSOCIATION,  
*Salt Lake City, Utah, September 21, 1970.*

HON. GRAHAM PURCELL,  
*Chairman, Subcommittee on Livestock and Feed Grains, House Committee on  
 Agriculture, House Office Building, Washington, D.C.*

DEAR MR. PURCELL: I would appreciate it very much if you would include this letter in the record of the hearings on H.R. 17444 and related bills, to provide for thorough health and sanitation inspection of all livestock products imported into the United States.

The National Wool Growers Association endorses H.R. 17444 and related bills. Even though sanitation and inspection requirements of domestic slaughtering plants operating under Federal Inspection were rigid before recent legislation was established, that legislation made these requirements even more stringent. As a result, U.S. consumers, when buying domestic meat, are probably getting the most sanitary and wholesome meat products that are produced in any country. We believe in these rigid sanitary standards for the protection of our consuming public.

Certainly it is logical for all who are interested in protecting U.S. consumers to express the same enthusiasm and strong endorsement for legislation requiring inspection of all meat products shipped into the United States from foreign countries that will give our consumers the same protection they are afforded when buying domestic meats.

The recent embargo of imports of mutton from Australia makes us wonder how much mutton was shipped into this country prior to the embargo in a condition that would not meet standards imposed on our domestic plants. Furthermore, the embargo now poses a question of the adequacy of inspection of other meats shipped here—lamb, beef and veal.

We are advised that some nations are finding it difficult to meet our standards of inspection due to a shortage of veterinarians. Also, we know that there are an extremely limited number of inspectors in foreign countries supplied by the Meat Inspection Service of the U.S. Department of Agriculture. This combination of inadequate inspection of meat in foreign countries makes it imperative, in our opinion, to have additional assurances that imported meat is sanitary and wholesome, including dockside inspection and covering a greater quantity than the present 1% sampling.

If thawing all of the product dockside is impractical administratively, then some method needs to be devised to broaden the sampling substantially beyond the present inadequate 1%, so that we can be assured that dirt, insects, cysts, fecal matter, and other foreign materials, are not present in *any* part of a shipment of imported meat.

We hope that favorable action can be taken on H.R. 17444 and related bills. We realize that consideration will have to be given to administering the legislation on a practical basis and consistent with the obligation of our Government to see that U.S. consumers are supplied with wholesome, sanitary meat products, both domestic and foreign.

Sincerely,

EDWIN E. MARSH,  
Executive Secretary.

KAL KAN FOODS INCORPORATED,  
Vernon, Calif., September 29, 1970.

HEARING CLERK,  
House Agriculture Committee, Longworth House Office Building, U.S. House of Representatives, Washington, D.C.

GENTLEMEN: We wish to be placed on record with the House Agriculture Committee as being strongly opposed to H.R. 17444 which is currently in the hands of the Subcommittee on Livestock and Grains.

H.R. 17444 requiring inspection of all imported livestock products, after thawing in the case of frozen meats, is a very real danger to the petfood industry and serves no purpose at all in protecting the consumer and his dog or cat.

Kal Kan Foods, Inc. imports tens of millions of pounds of frozen horsemeat and horse by-products, primarily from Argentina, solely for use in canned pet food. This meat is not available in the United States. The U.S. Department of Agriculture currently makes an inspection of all of this meat by random sampling and further the meat is placed in a government sealed quarantine cage freezer area to be used only under the supervision of a government inspector thereby ensuring its use in petfood and not for human consumption. All this is accomplished under our present federal statutes and regulations and is quite adequate to protect the consumer.

So, what will H.R. 17444 accomplish which is not being done under present law? For one thing, it will make it virtually impossible to import frozen horsemeat for use as a pet food in the United States. Imagine if you will, the impossible task of thawing 3,000,000 pounds of meat in one boat load at the docks where it arrived at minus five degrees, for piece by piece inspection! Yet, this is exactly what *Senator Mansfield intended and wants done* as he stated to the Senate as reported on page S16072 of the Congressional Record—Senate on September 21, 1970, viz:

The bill which I introduced in the Senate, a companion to Congressman Melcher's H.R. 17444, provides for the thorough inspection of all animal products imported into the United States, and this means piece by piece inspection, after thawing, of the fresh and frozen meat which arrives at our ports of entry.

The ensuing delay and chaotic condition at the port, with its increased costs, would make it unfeasible to even attempt to do what is intended by Senator Mansfield and H.R. 17444. Once the meat is thawed, it must be used immediately or bacteria takes over and putrefaction commences; therefore, the real result is to preclude the use of any imported frozen meat. The Department of Agriculture recognized this in Under Secretary J. Phil Cambell's letter of July 16, 1970 to Senator Ellender in which the Department took a position against the companion bill in the Senate. (See p. — for identical letter sent to Hon. W. R. Poage, chairman House Committee on Agriculture.)

We at Kal Kan Foods also have the consumer at heart because they are our customers, and we can unequivocally state that this bill H.R. 17444 will serve no purpose other than to drastically increase the cost of petfood in the United States and quite seriously threaten the industry itself. The help of the House Agriculture Committee is needed to right a serious mistake. Please do not pass H.R. 17444 in its present form. It should either be amended to exempt all meats intended for petfood use, or not passed at all.

The gravity of this matter is so great that we are asking your indulgence in informing us of any further hearings which may be held on H.R. 17444 so that we may be represented. We offer our service to the Committee in the matter

of special technical and economic know-how in the area of importation of meat and meat by-products and also in its effect on the manufacture and distribution of pet foods. Should the Committee see fit to request our presence at any hearings, we would be only too happy to oblige.

Very truly yours,

H. STICKNEY,  
*Vice President.*

Encl.

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NATIONAL MILK PRODUCERS FEDERATION,  
*Washington, D.C., September 30, 1970.*

HON. GRAHAM PURCELL,  
*Chairman, Subcommittee on Livestock and Grains, Committee on Agriculture,  
House of Representatives, Washington, D.C.*

DEAR MR. CHAIRMAN: The National Milk Producers Federation welcomes the opportunity to support H.R. 17444 to provide for thorough health and sanitation inspection of all animal products, including dairy products imported into the United States.

The Federation represents American dairy farmers and some 70 cooperative associations which they own and operate. These cooperative associations do business in all 50 States of the Union. They range from small groups to very large regional organizations and, totally, account for nearly 50 percent of all fluid milk marketed by farmers in the United States.

In supporting this legislation, we strongly feel that effective health and sanitation inspection is essential to protect the economic interests of domestic producers of livestock products; and, of even greater significance, it is absolutely essential for protection of the health of our citizens.

It is the position of the Federation that all imported dairy products should be required to meet production, processing, and quality requirements equal to those required of our domestic products.

We will appreciate it if you will make this letter a part of the printed hearings on the proposed legislation.

Sincerely,

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PATRICK B. HEALY, *Secretary.*

PET FOOD INSTITUTE,  
*Chicago, Ill. October 1, 1970.*

HEARING CLERK,  
*House Agriculture Committee, Longworth House Office Building, U.S. House of  
Representatives, Washington, D.C.*

GENTLEMEN: The Pet Food Institute, 111 East Wacker Drive, Chicago, Illinois 60601, is a national trade association having some 51 members who together process 95 percent, by volume, of this country's commercially prepared dog and cat food. Pet food manufacturers represent a very significant market for the sale of meat, meat food products, and meat by-products derived from cattle, sheep, swine, goats, horses, mules and other equines.

The Pet Food Institute supports the position taken by the United States Department of Agriculture with regard to H.R. 17444 as expressed by the testimony of Mr. Raymond A. Ioanes, Administrator, Foreign Agricultural Service, USDA; Mr. Richard P. Bartlett, Jr., Director, Statistical Staff, Consumer and Marketing Service, USDA; and Dr. H. M. Steinmetz, Assistant Deputy Administrator, Consumer and Marketing Service, USDA—all of whom testified on Wednesday, September 16, 1970, before the Subcommittee on Livestock and Grains of the House Committee on Agriculture. We concur with the judgment of the USDA that the existing regulations for the inspection of imported meat products in the United States are sufficient to prevent the entry of any disease or the distribution of any unwholesome products.

In the event that notwithstanding the position taken by the Department of Agriculture, the Committee feels that additional statutory regulation is in order, the Pet Food Institute strongly recommends the amendment of H.R. 17444 to conform with S. 3942 as passed by the U.S. Senate on September 21, 1970.

Cordially,

HENRY A. BUCKLIN, *President.*

BONANZA INTERNATIONAL, INC.,  
 Dallas, Tex., October 5, 1970.

Re H.R. 17444 and H.R. 15560.

HON. GRAHAM PURCELL,  
 House of Representatives,  
 Washington, D.C.

DEAR MR. PURCELL: Bonanza International, Inc., and its 200 licensed dealers in 32 states wish to voice our strong opposition to the two above-styled bills pending in various stages in the House of Representatives.

It is quite clear in all facets of the meat industry in the United States, with the exception of the American National Cattlemen's Association, that a well established need for imported beef for various supplemental purposes exists in the United States. This is further exemplified by President Nixon's fairly recent action regarding import quotas for the second half of 1970.

Without belaboring the various proof of need for this type of product, we wish to simply point out that we consider each of the two bills in reference to be subtle, ill-founded measures to gain attempt to curtail needed meat imports.

These two bills are each totally impractical, totally unnecessary and H.R. 17444 would in itself create serious hazards which today do not even exist. The American consumer has just about reached the end of its rope regarding meat prices and a move to pass these bills coupled with the already predicted price rise as a result of the corn blight in this country we feel sure would move the consumer's patience to the brink.

All of us sincerely urge you to carefully evaluate not only the approach being taken by these two bills but the attendant devastating results that would be incurred by their passage and hope that you will not vote in favor of that passage.

Sincerely,

CHARLES F. SNYDER,  
 Vice President.

FARMERS UNION,  
 OFFICE OF THE PRESIDENT,  
 Washington, D.C., October 5, 1970.

HON. GRAHAM PURCELL,  
 Chairman, Subcommittee on Livestock and Grains, Committee on Agriculture,  
 House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: I am taking this opportunity to express the position of National Farmers Union on H.R. 17444, now pending before your Committee. If feasible, please make this communication a part of the record of public hearings conducted by your Committee on the bill.

Farmers Union holds the position that inspection of imported meat under the Wholesome Meat Act of 1967 should be sufficiently rigorous fully to protect American consumers against any contaminated or unwholesome meat products. We wholly agree with Congressman Melcher, sponsor of H.R. 17444, that generally speaking the *quality* of meat coming into the United States should be considered separately from the *quantity* of meat imports. While Farmers Union is strongly interested in the meat import quota system, it would be inappropriate to attempt quantitative restrictions as such under the guise of inspection. But if your Committee finds that there is inadequate scrutiny of imported meats and meat products at this time, we recommend favorable action on the Melcher bill as an effective means of coping with the problem.

We would also support careful inspection of imported dairy products, to protect consumers against impure or unwholesome food products in this area.

Best regards,  
 Sincerely,

TONY T. DECHANT.

MR. PURCELL. I believe there are no other witnesses for us to hear at this time, so the subcommittee will be in recess subject to the call of the Chair.

(Whereupon, at 11:20 a.m., the subcommittee adjourned subject to the call of the Chair.)

