

463

WASHINGTON MEMO

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A M E N D M E N T W O U L D H E L P S M A L L M E A T P L A N T S

The outlook for one sector of the nation's small business community has been made brighter this month with Senate passage of an amendment that would exempt small meat processing plants and food locker operations from some of the present Wholesome Meat Act regulations.

According to interpretations of the Wholesome Meat Act, which goes into effect in December, custom slaughtering can no longer be done in the same plant with federally-inspected slaughtered and processed meat unless the plant meets federal inspection standards.

Currently, many small meat plants purchase inspected carcasses from larger, federally inspected plants and process the carcasses for wholesale and retail trade. Often, these small plants operate in conjunction with frozen food locker plants and traditionally have offered custom slaughtering and processing service to owners of livestock who want an animal custom slaughtered.

The Wholesome Meat Act, as it now stands, would not allow this type of operation to continue. Since custom slaughtering is often a major portion of the small plants' business, many plants are faced with the prospect of either building additional facilities or closing.

--Custom Operations Exempted--

The Senate-passed amendment, which I co-sponsored, would exempt the purely custom operations from full inspection requirements. As long as the meat is kept separate from inspected meat in the plant, a plant operator could continue this service for owners of livestock. Certain minimum sanitary regulations would be required.

If passed by the House and signed into law, the amendment unfortunately would have little affect on Kansas plants. The Kansas Meat Inspection Law is based on interpretation of the Wholesome Meat Act as it now stands. The Kansas law would have to be comparably amendment if meat plants in Kansas are to be allowed to provide this service.

--Beef Import Quotas--

A number of U.S. Senators have taken the Senate floor recently to discuss another related matter -- beef imports. Many of us from livestock producing states feel meat import quotas should be invoked to insure a stable American beef market.

Consumer lobbyists have been complaining that beef prices are too high and have predicted that a beef shortage is just around the corner unless present meat import restrictions are eliminated.

Beef prices have risen more slowly than prices have for other consumer goods and live beef prices are actually less now than they were in the early 1950's.

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Bob Dole

--No Shortage--

There are absolutely no facts to back claims that a beef shortage will soon appear. There is no shortage of beef now and there will not be one as long as U.S. cattlemen have a reasonable price incentive. Elimination of import quotas could wipe out the U.S. beef business and put American consumers in the untenable position of paying higher and higher prices for imported beef.

We need to take immediate action against the trans-shipment of beef from Australia and New Zealand through Canada to the United States to avoid inclusion in those nations' import agreement.

The beef industry can and will provide an adequate supply of meat for the consumer at reasonable prices if it can be guaranteed the stable market that would be provided by the invocation of meat import quotas.

The House Meat Act, as it now stands, would not allow this type of operation to continue. Since custom slaughter is often a major portion of the small plant's business, many plants are faced with the prospect of either building additional facilities or closing.

--Custom Operation Exempt--

The House-passed amendment, which I co-sponsored, would exempt the small custom operations from full inspection requirements. As long as the plant is kept separate from inspected meat in the plant, a plant operator could continue this service for users of livestock. Certain minimum safety regulations would be required.

If passed by the House and signed into law, the amendment automatically would have little effect on Kansas plants. The Kansas Meat Inspection Law is based on incorporation of the Wholesome Meat Act as it now stands. The Kansas law would have to be completely rewritten if meat plants in Kansas are to be allowed to provide this service.

--Beef Import Quotas--

A number of U.S. Senators have taken the Senate floor recently to discuss another related matter -- beef import quotas. Many of us from livestock producing states feel that import quotas should be invoked to insure a stable domestic beef market.

Domestic lobbyists have been complaining that beef prices are too high and have requested that a beef shortage be declared the corner solution. However, with import restrictions are eliminated, beef prices have risen more slowly than prices have for other commodities and live beef prices are actually less now than they were in the early 1980's.