

## Assembly

### MINUTES OF JOINT MEETING - WAYS AND MEANS COMMITTEE AGRICULTURE, IRRIGATION AND LIVESTOCK COMMITTEE

NEVADA STATE LEGISLATURE - 1968 SPECIAL SESSION - FEBRUARY 16, 1968

The meeting was called to order at 10:45 A.M. in the Ways and Means Room by Mr. Din<sup>i</sup>, Chairman of the Agriculture, Irrigation and Livestock Committee.

Present for Ways and Means: Glaser, Bowler, Mello, Howard, Jacobsen,  
Webb, Young

Absent: Tyson, Ashworth

Present: Agriculture, Irrigation and Livestock Committee

Also present: Mr. Kean, Assemblyman; Mr. Lingenfelter, Assemblyman  
Senator Harris; Senator Swobe; Senator Dodge  
Lee Burge, Department of Agriculture  
Dr. Thorndike, federal representative, Western Meat  
Inspection District, San Francisco  
John O'Harra, Director of Animal Industry, Nevada  
State Department of Agriculture  
Web. Hunter, Nevada Department of Health  
Mr. Gregory, Nevada Division of Health  
Representative of Board of Directors, Nevada Farm Bureau  
Representative packers from Reno, Sparks, Elko, Las Vegas,  
Fallon, Carson Valley  
Other interested parties

Subject: A.B. 9: Conforms state meat inspection law to federal requirements. Executive estimate of cost: \$9,000

Mr. Lee Burge reviewed the presentation he had made at the joint meeting on this subject on February 14, 1968. This act would make our 1967 act comply with federal regulations. Our original grace period was five years, so this amends it to the two years allowed by the federal act. It also gives authorization for federal inspection of our plants. There are a group of amendments on definitions based primarily on processing and inspecting. The 1967 act purposely left out any appropriations pending federal legislation. Then, when A.B. 9 was drafted, it was thought that we could do it with this little amount of money. However, it was determined at the American Meat Institute meeting in San Francisco last week which was attended by state and federal officials that this amount is not at all sufficient because of the necessity of having trained people in the plants at all times during the slaughtering and at the processing plants at the time the meat leaves the plant. There can be one inspector for three plants. We have 40 such plants and 6 slaughtering houses.

Question by Senator Harris on how one inspector could cover three plants. Answer by Dr. Thorndike: The three plant determination is not a particular limitation. It depends on the size of the plants and the adjustment of the workload. The interpretation of the slaughtering house regulation is that each would have an inspector to inspect each animal during the slaughtering, no matter what the size of the plant. However, he could be a layman trained for this work, with a veterinarian available to make disposition of the animals set aside as being abnormal. The veterinarian

would be required to visit each plant a minimum of once a day.

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Question regarding presence of inspector during slaughtering.  
Dr. Thorndike: Federal regulations provide that we can designate the days of slaughter. We have never before used this provision, but it may become necessary for coordination.

Question on use of laymen rather than veterinarians. This plant already has the services of a veterinarian.

Dr. Thorndike: This was provided because of the shortage of veterinarians. You would not be paying the laymen, through your plant.

Mr. Mendes of Carson Valley Meat said his plant is at least 50 years old. He called one of the doctors in San Francisco to take a look at his plant for advice and was told he had to submit a blueprint and application first. This would cost too much money only to find out that his plant could not be remodeled to fit specifications. ....  
Dr. Thorndike said they have recently been trying to give a courtesy evaluation if we don't have to go too far. He thought that Dr. Sawyer could take care of this for him. If it is found you could remodel, then you would have to submit the blueprint and application.

The idea of the states maintaining their own system of regulations equal to the federal is that this would give them two years to bring their standards up to par with the federal regulations. If the state is working to comply, then this could be extended to three years.

Mr. Young asked for an explanation of the specifications.  
Dr. Thorndike: At the present time we are talking only about basic requirements such as hot and cold running water, bleeding rails, inspections in not necessarily paved but clean rooms, floors that can be washed down, walls that are able to be cleaned, etc. Then, when you submit the drawing and it is approved, you are working to bring the plant into compliance and this involves additional features. There are some exceptions allowed in the older structures which are deficient such as doorways not wide enough or low ceilings, etc. These things would be accepted indefinitely by the federal law with certain requirements such as metal stripping around a narrow doorway. He stressed the requirements would be subject immediately, but the others are standards given 2 years to achieve.

Senator Dodge asked about requirements on chill rooms.

Dr. Thorndike said there is no requirement at the present time as to capacity or temperature. However, under the new regulations the Secretary is permitted to set regulations as to the handling and shipping of meats so perhaps some day there might be maximum requirements on temperature. He mentioned some of the other requirements as 11 ft. rails for cattle carcasses and the coolers paved and drained. However, if you could not put in drains, perhaps you could buy some vacuum to suck up the excess water, so these requirements are flexible to a certain degree.

Mr. Getto asked what would happen if we dumped this in the lap of the federal government. ....

Dr. Thorndike said that for these two years, you would be under the same inspection as in the past. However, a federal survey is required (don't know whether spot or each plant) and reports will be made for Washington. It would not be to the industry's advantage if publication is made that these plants are not working toward improvement. Then, at the end of the two years, federal inspection would take over and the plants would

have to comply with the federal specifications. He didn't know how long they would then have to do this. 45

Senator Swobe asked if we would know better in a year from now what the requirements are and how long we would be given to comply in the above instance. ... Dr. Thorndike could not say. He said the advantage to the plants under the state system for now would give them two or three years to gradually work up to compliance. When the federal system goes into effect, the blueprints have to be submitted and the application made all at once, so this would be a hardship.

Senator Dodge asked how the cost is handled under the federal inspection. Dr. Thorndike: The cost is based upon a 40 hour week and paid out of the appropriated funds. However, any overtime is paid for by the packer, with the rates established by us and pro-rated if it involves more than one packer. The hours for the 40 hour week are set up for 7 A.M. to 3:30 P.M. five days a week. The costs are without regard to the volume of any given plant. The hours of running the plant make the most difference in costs. The overtime rate is \$7 per hour. When the state and federal levels have cooperated through formal agreement, then the cost is 50% state with matching federal funds.

Mr. Jacobsen suggested a comparison be made between our present standards and those the federal government would require. ... Senator Swobe asked what the reaction of the federal government would be to our staying where we are now until next year but in the meantime pass a Resolution of our intention-to ask for an investigation into comparison of standards so that next year we could determine which way to go. .... Mr. Burge said the agreement states that we will adopt the federal standards.

A representative of Blue Ribbon Meat said they made application for federal inspection. If the state did not pass this bill, would they have to come up to standard in two years or go out of business. He also asked about the level of processing, where the line is drawn. .... Dr. Thorndike said they made application for an accelerated grant of inspection. If you meet these basic requirements, you receive a grant of inspection and by June 1969 would be expected to submit a drawing and then by December 1970 would be expected to have the plant in conformance with the drawing. This is straight federal. If Nevada would adopt regulations equal to the federal, then all plants would work on the same basis. As far as inspection goes, all markets that have the customary type of retail trade are exempted. "Customary" has not been spelled out. However, my opinion would be that this means retail markets that sell meat over the counter to household consumers. They would be permitted to make hamburger, sausage, etc., but could not cure and smoke pork products. Also, the retail stores could not sell any interstate products without federal inspection, but could get this inspection upon request.

Mr. Lingenfelter asked about the exemption of the retail store which brings in whole carcasses and cuts them for consumer lockers. .... Dr. Thorndike said there would be no problem if dealing with household consumers. They would be exempt. Also exempt would be custom slaughterers.

Mr. Longo of New York Meats in Las Vegas questioned the exemption of the retail outfits and not his. He said every big general store is a purveyor and processor. His store buys everything from a federal plant. They cut

it down into cuts for restaurants. This is the same thing that Safeway and other big stores do, so this is segregation against my type of outfit. Dr. Thorndike said he didn't know why the line was drawn there. This is a matter for your Congressman in consideration of the federal act, which left cutting of meat a preparation of meat and subject to federal inspection even at the retail store level.

A representative of a sausage company in Sparks stated his preference for state inspection as they are already set up with the Department of Health, etc. and under federal inspection would have to do the same thing.

Mr. Getto asked what the indications of the other states are. ....  
Dr. Thorndike: It is too early to tell. He would hope all states will enter the cooperation agreement as he would like to see them maintain their own systems of inspection and, also, the federal division does not have enough manpower to take over. He does know that California is now waiting to sign these agreements and Utah has asked for one.

Mr. Kean pursued the possibility of the State of Nevada doing nothing. ...  
Dr. Thorndike agreed that in this case, after the two years grace period, the violators of the federal law could be taken to court - federal court.

Mr. Gregory asked if a plant is in accordance and has made an agreement with the federal government, will its meat be accepted into interstate channels? Dr. Thorndike: Now, no. However, this appears to be a general assumption, so would expect that before the two years have expired legislation would be developed on this.

Mr. Dini: If the State of Nevada adopted this act, but did not appropriate enough money to comply with the number of inspectors, would we still be in compliance during the two years. .... Dr. Thorndike said he doesn't know for sure but would think that the two year period would be allowed to bring not only the construction into compliance but also the level of inspection. At the end of the two year period, you would have to have the money to be in compliance.

A representative of the Board of Directors of the Nevada State Farm Bureau spoke on the difficulty of going along when the regulations are not out yet. He said the inclusion of financial reports and acceptance of union help are controls far beyond the sanitary regulations. ....

Dr. Thorndike said the financial reports and union regulations pertain to related industries such as trucking. The parts of the act dealing with the processors, etc. are fairly well spelled out in the Wholesome Meat Act. There are provisions in the act for consulting committees to be set up. The regulations should be out soon, certainly within 6 months.

Mr. Jacobsen asked if it would be possible for federal inspectors in this area to evaluate our situation within 3 to 5 days. .... Dr. Thorndike said their workload is too heavy to accomplish this.

Mr. Jacobsen asked if there were any provisions in the act for loans enabling plants to get up to standards. ... Dr. Thorndike: No. However, this would come under the Small Business Bureau.

An Elko packer asked questions regarding grading. .... Dr. Thorndike replied that grading is a reimburseable service paid for by the users. You can now get federal grading if you have a full time inspector in your

plant and meet the regulations. You can have your meat graded at any point, not particularly right in your plant.

Mr. Mendes asked if there was any assurance against a change within the two years they would be embarking upon a costly remodeling project. ... Dr. Thorndike said he couldn't remember any time this has ever happened.

Mr. Kean asked if the cost, whether by state inspection with agreement or federal inspection, would be the same for the packer. .... Dr. Thorndike replied, yes.

Mr. Glaser commented that, after listening to the discussion, he thought we could make some determination on the state level relative to the Meat Inspection Act. We could do as South Dakota did - pass a Resolution by both houses to bring to the attention of Congress certain inequities we feel exist in the stringency of the act. If we bring this to the attention of some of the members of Congress, it is possible the act could be amended during this session of Congress.

A representative of the packers spoke in favor of this Resolution.

Mr. Getto asked if the individual plants should comply with the federal regulations, would your department pay for furnishing the inspectors on this individual basis. .... Dr. Thorndike replied, no. The only way to get federal inspection and have two years to come up to federal standards is to go along with this act and agreement. The exceptions are the cutter-boner type plants which would have been put out of business overnight with this federal act. So, we have provided for accelerated grants of inspection. However, no one in Nevada would come under this particular requirement.

Question on military sales under the new regulations. .... Dr. Thorndike said they handle their own. The commissary has its own set of specifications; ~~they~~ they are not under the federal inspection law.

A representative of the Swift Company asked if they do not have federal inspection, could they purchase meat from a federally inspected house and as long as it remains in the same container ship it interstate. ... Dr. Thorndike replied, yes, as long as no processing is involved.

It was announced that the committee had been in contact with Senator Bible and received his assurance of help. He will talk to the Small Business Bureau about this problem of financing for the remodeling of plants.

Mr. Howard asked how the State of Nevada could adopt an act and appropriate money when we do not know what the appropriations are for. This would result in the loss of a year? ... Dr. Thorndike said it would. The federal regulations are just a further interpretation. The model meat act is a sufficient pattern. You would not have to know anything further than this insofar as regulations are concerned. Authorization without funding would not comply with the agreement.

The witnesses were excused at 12:15 P.M.

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Present: Dini, Getto, Prince, Howard, Jacobsen, Young

Mr. Dini asked the committee their thoughts of strategy to handle this problem.

Mr. Howard said that after all the discussions and consultations, he cannot see any advantage of going into this act with the federal act for the ensuing year. All we would be doing would be appropriating \$200,000.

Mr. Howard moved that we dissolve the 1967 Meat Inspection Act and go back to the law existing prior to that act.

Mr. Young seconded the motion.

Motion passed unanimously.

Mr. Jacobsen moved that we adopt the Resolution bringing to the attention of Congress the inequities in the federal meat law and asking for amendments to it.

Mr. Prince seconded the motion.

Motion passed unanimously.

Mr. Howard moved that A.B. 9 be indefinitely postponed.

Mr. Young seconded the motion.

Motion passed unanimously.

Meeting adjourned at 12:20 P.M.

Copies of Minutes sent to Congressional Delegation.

January 23, 1968

The Honorable Orville Freeman  
Secretary of Agriculture  
Department of Agriculture  
Washington, D. C. 20250

Dear Secretary Freeman:

On January 8 you wrote to inform me of the enactment into law by the President of the Wholesome Meat Act of 1967 on December 15, 1967.

You stated that this law provides a meaningful basis for a Federal-State partnership to achieve full consumer protection in the meat supply. I must challenge this for several reasons.

This law and your statement presume that the consumer in Nevada and in the other 49 states - the Federal legislation invariably brackets all of the states despite the diversity of them - have been without protection in the meat supply. I disagree with this. After researching the matter I find the only evidence used to promote this law through the Congress, the only allegations of the failure of the states to protect the consumer meat supply, appear to have originated from biased sources.

I have been further informed that the presentation of this data to the Congress took on the appearance of a purposeful derogation of some of the state meat inspection programs to achieve the passage of this Bill.

It would appear further, with the exception of a minimal number of spotty areas, that consumer protection in all the states throughout the Nation in the hands of state agencies has been most commendable.

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Therefore, I would suggest to you that this law provides no meaningful basis for a Federal-State partnership in this area of government activity.

I would state to the contrary that this is merely another grasp by the Federal government for more power to control private business and the individual in an area in which the Federal government has no business.

If you question that I need only refer you to the 4th feature of the new law as you list it in your letter:

"Extension of the Federal program to intrastate meat plants in States which fail to develop adequate State systems."

This should suggest several considerations to you. It is not clear to me what constitutional requirement gives Washington the right to assume control or supervision of any kind in a Nevada meat packing plant which is engaged in purely intrastate business whether that state has or has not an adequate system. You might also consider that there is in each of the 50 states a competence, an expertness, which might throw into serious question your assumption that the Federal judgement is final in the matter of the adequacy of inspection systems.

You list also the requirement of an annual report to the Congress on the operation of meat inspection programs of the State. I would respectfully suggest to you that any reports on the operation in intrastate plants of meat inspection programs of the States should go to the respective State Legislatures which are amply equipped to analyse and judge such reports and institute the necessary actions for correction, if any correction is indicated.

You state that Federal cooperation in the meat act



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may include technical and laboratory assistance in training and Federal financing up to 50% of the total cost of the cooperative program.

With most of the states being forced to destitution by trying to meet standards and to match Federal grants from the massive Federal revenues, you fail to mention where the 50% contributed by the States should come from.

Our meat inspection program in Nevada more than meets the need. We are hard pressed for funding for other essential services of state government. Your Department, through the Congress, is just one facet of a many faceted Federal government making repeated demands on the states for matching funds when the Federal contribution has already been obtained from the states.

For the reasons cited above and within my own conscience, I can only reply to you that I am placing the required Nevada legislation relating to the Wholesome Meat Act on the agenda of the February, 1968 Special Session of the Nevada Legislature so that body may decide whether to meet the new Federal standards or abandon the field to Federal inspection, and to provide those Nevada packers, whose business activities can by no stretch of the imagination be included within the Federal jurisdiction, the longest possible notice to adjust to the problems created by this Act.

Sincerely,

PAUL LAXALT  
GOVERNOR OF NEVADA

PL/sjp