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THE DAILY SCANBy MARK
INGEBRETSEN

Concerns Over Mad-Cow Disease Arose Before the Washington Case

Much of the media's finger pointing following a story as big as the discovery of a U.S. cow infected with bovine spongiform encephalopathy, or [mad-cow disease](#)¹, was probably inevitable.

Since the discovery, many articles have taken to questioning the effectiveness of the safeguards designed to protect beef consumers. And as you'll see, a number of those media accounts focus on the fact that the Washington state cow was a so-called downer or sick animal, though regulations still allowed it to be processed.

In one Newsday [opinion piece](#)² on Monday, Wayne Pacelle, a senior vice president of The Humane Society in the U.S., said: "The threat that mad cow disease poses to public health and the economic health of the agriculture industry is very real because of one primary fact: Congress, the Department of Agriculture and the American beef and dairy industry have knowingly allowed the slaughter of diseased cattle for human consumption."

MAD COW HITS THE U.S.

See [full coverage](#)³ of the first case of mad-cow disease in the U.S.

Ironically, the current mad-cow scare came just one week after "a court decision reviving a lawsuit against the

government's policy on so-called 'downer' animals so sick or injured they must be dragged to market. The suit ... claims the Department of Agriculture is not doing enough to protect consumers from mad cow disease in the meat of downed animals," the Associated Press [wrote](#)⁴.

ABOUT MARK INGEBRETSEN

Mark Ingebretsen is an author and free-lance writer who has written on business, finance and health issues for the past twenty years. His articles have appeared in Esquire, Sports Illustrated, Chicago, TheStreet.com, Online Investor, and Better Homes & Gardens, where he served as senior features editor. During his career, Mr. Ingebretsen has helped develop several business magazines, including The Best of Business, Topline and Overseas Business.

His most recent book, "Why Companies Fail," is available from Prima Publishing. He also wrote "Nasdaq: A History of the Market that Changed the World" (Prima Publishing, 2002) and "The Guts and Glory of Day Trading" (Prima Publishing, 2001).

Mr. Ingebretsen received his B.J. from the University of Missouri School of Journalism and attended the University of Iowa Graduate Writers Workshop. He and his family live in Des Moines.

DOW JONES REPRINTS



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Over the weekend, a New York Times [story](#)⁵ looked at the current mad-cow testing system: "Though some scientists had long warned that mad cow disease would eventually appear in the United States, cattle owners and meatpackers repeatedly resisted calls for a more substantial program to test for the disease, and the Agriculture Department went along with them," the Times said.

Meanwhile, United Press International reportedly was investigating the Department of Agriculture's mad cow inspections.

A UPI story [claimed](#)⁶ that for six months prior to the discovery of the diseased Washington cow, the USDA "repeatedly refused to release its tests for mad cow to" the news service.

"In addition, former USDA veterinarians tell UPI they have long suspected the disease was in U.S. herds and there are probably additional infected animals," the newswire said.

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But a [story](#)⁹ by Wall Street Journal reporter Antonio Regalado said that despite assurances from federal officials about the safety of eating beef, "the scientific evidence behind those claims isn't as certain ... [and] the risks of meat from sick cattle remain unknown."

Insurers Want Federal Regulation

Many of the nation's largest insurers are lobbying to create a federal regulatory body "in Washington and shift state regulators to a secondary role," the New York Times [reported](#)¹⁰.

Under federal regulation, state insurance officials "could lose billions in premium taxes and other fees from the insurers. Moreover, given their diminished influence over the insurance business, state officials would lose a rich source of campaign contributions," the article said.

Insurers insist the change to federal regulation is needed if they are "to better compete against banks, stockbrokers and other companies that offer similar financial services," [according to a story](#)¹¹ from the Des Moines Register.

The insurers hope that legislation will be introduced in 2004 to establish "a federal insurance regulatory system similar to the one that regulates banking, where insurers could choose either to be regulated by the states or obtain a federal charter and answer to federal regulators," the article said.

A [GAO report](#)¹² in September appeared to support the assertions of insurers, saying that state regulation indeed has its drawbacks.

A states now has "the virtually impossible task of examining every company within its borders. And with each state conducting its own examinations, some insurance companies find themselves undergoing simultaneous examinations by several states, while other companies may not be examined at all," according to the report's summary.

INDUSTRY VITALS

- "In 2001, then-Surgeon General David Satcher warned AIDS was a ticking time bomb for American Indians. Now, Indian infection rates are 1.5 times that of white Americans," the Associated Press [reported](#)¹³.
- Last week, this column [listed](#)¹⁴ some of the most important health stories of the past year. On Monday, the New Scientist [did the same](#)¹⁵. Among the stories cited by the magazine were lab-created embryos "with both male and female cells" and stem cells that were transformed into sperm cells.

Write to the Daily Scan

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