Fast Food Nation:
The Dark Side of the All-American Meal

A book review discussion led by Charles Hall
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Annotated Outline of Fast Food Nation

Chapter 1: The Founding Fathers

I. Carl N. Karcher, an industry pioneer
  A. Carl moved from Ohio to the agricultural area of Anaheim, CA in 1937.
    i) Carl first worked at Karcher's Feed and Seed Store then for Armstrong Bakery in LA.
    ii) Carl noticed many hot dog stands while doing his bakery deliveries. He soon decided to buy a hot dog stand of his own.

II. A new way of life emerged in California centering on automobiles.
  A. Automobiles symbolized independence and freedom to the people in California.
  B. The auto industry attempted to dismantle the U.S. trolley industry but were indicted with antitrust lawsuits and given small fines.
  C. Drive-in restaurants began as a result of the emerging "automobile" way of life.

III. Speedee Service
  A. Carl Karcher opened Drive-In Barbecue and did most of the restaurant operations himself.
  B. Due in part to the booming economy in Southern California after World War II, Carl's new business was successful.
    i) The federal government spent a large sum of money in and around Los Angeles.
    ii) Anaheim was growing to become a metropolitan area.
  C. McDonald's entered the market charging $0.20 less per hamburger than Carl.
    i) McDonald's was successful, but the owners weren't happy with many aspects of the business.
    ii) McDonald's closed its restaurants for 3 months and reopened with a new way of operating the restaurants.
      a) New "factory assembly" way of food preparation, two-thirds of items on the menu were eliminated and dishes and glassware were replaced with paper plates and cups.
    iii) Customers were not accustomed to self-service at first, but soon accepted it.

IV. Burgerville USA
  A. Carl Karcher responded to McDonald's by starting his own self-service restaurant: "Carl's Jr.".
  B. Many individuals, not large corporations, began restaurants similar to Carl's Jr. and McDonald's.
    i) Such competing restaurants included Dunkin' Donuts, Taco Bell, Insta-Burger-King, Wendy's, Dominos, and Kentucky Fried Chicken.
    ii) A number of other restaurants opened around the same time, but did not survive.
  C. New restaurants promoted technological progress in operations.
  D. Competition was extremely strong in the Southern California area.
  E. The leading chains began to grow nationwide.
    i) The Arab Oil Embargo in 1973 was a scare to the economy. The event threatened the automobile culture, therefore drive-in restaurants.
    ii) Wall Street invested in the restaurants and it became an industry.

V. Progress
  A. Carl Karcher Enterprises (CKE) experienced great success in the 1970s.
  B. The company however, had less success in the 1980s.
    i) CKE went public and expanded to Texas with new menu items in the 1980s.
    ii) The company did not do well in Texas and the stock price fell.
    iii) The SEC made accusations of insider trading against CKE.
  C. Most of the 1990s were tough for CKE.
    i) Many of CKE's real estate investments went bankrupt, resulting in lawsuits.
    ii) A new president was hired who decreased quality as well as prices, which drove away many customers.
    iii) Carl proposed partnering with The Green Burrito and serving Mexican food in its restaurants.
    iv) Carl felt that the company culture was changing.
    v) The board denied the Green Burrito partnership and fired Carl Karcher.
    vi) Eight weeks later, Carl and William P. Foley II regained control of the company, partnered with Green Burrito and the stock price began to rise.

Chapter 2: Your Trusted Friends

I. Walt and Ray
  A. Ray Kroc, the founder of McDonald's, enjoyed the art of selling.

    i) Kroc convinced the McDonald brothers to sell him the right to franchise McDonald's restaurants nationwide.
    ii) Kroc unsuccessfully attempted to make a deal with Walt Disney to put McDonald's concessions in Disneyland.
  B. Walt Disney in many ways was a role model for Ray Kroc.
    i) Walt Disney applied the techniques of "factory assembly" to movie making.
    ii) Labor disputes among Walt Disney and the animator's labor union occurred and as a result became very involved in many political groups and activities.
    iii) Ray Kroc separated himself from most politics except for one exception.
      a) Kroc donated $250,000 to President Nixon's reelection campaign.
      b) The donation prompted allegations that Kroc attempted to influence President Nixon's vote on the matter of several bills that McDonald's wanted passed.

II. Better Living
  A. During World War II, Disney relied on the government for much of the company's revenue.
  B. Disney created "Tomorrowland" to promote science and technology.
    i) Wernher von Braun, who worked for the German army during WWII helped produce Disney's "Man in Space" programs.
    ii) Heinz Haber, who also worked for the German army during WWII, produced Disney's show promoting civilian use of nuclear power.
  C. Walt Disney and its sponsors had access to the impressionable minds of countless children.
  D. Walt Disney pioneered the marketing strategy of synergy.
    i) Disney crafted television shows that ultimately promoted other Disney products.
  E. Ray Kroc shifted McDonald's strategy from a family restaurant to a children's restaurant.
    i) McDonald's utilized several mascots before deciding on Ronald McDonald with the help of Oscar Goldstein and Willard Scott.
    ii) Kroc entertained the idea of building an amusement part to rival Disneyland, but scrapped the idea. He instead built smaller "McDonaldlands" nationwide.

III. Kid Kustomers
  A. Disney and McDonald's were among the first to market to kids.
    i) In the 1980s many companies realized the opportunities of marketing to children.
    ii) Market research has shows that children often recognize a brand logo before they recognize their own name.
    iii) The goal is to get children to convince a third party, usually their parents, to make a purchase.
  B. Marketing research of children has greatly increased.
    i) Tactics that are used include surveys, focus groups, analyze artwork, observation, and dream research.
    ii) Children's clubs and the internet have become an important marketing tool.
  C. Although all mediums of advertising have increased, television continues to be the most important.
    i) In 1978, the FTC attempted to ban all television advertisements directed toward children, but failed.

IV. Perfect Synergy
  A. The key to attracting kids is with toys.
    i) McDonalds has partnered with many toy manufacturers to produce and give away small toys.
    ii) Fast food chains have also partnered with sports teams and Hollywood studios.
  B. In 1996, McDonalds and Disney entered into an agreement linking their global marketing activities.

V. The Brand Essence
  A. Recently, McDonalds has experienced decreasing sales and fewer loyal customers.
    i) The corporation began a campaign to make customers believe that the company is their "Trusted Friend".
    ii) McDonalds utilized the partnerships that were established with other brands to strengthen its own.

VI. McTeachers and Coke Dudes
  A. Fast food and beverage marketing has moved to elementary, middle and high schools.
    i) School districts in Colorado have implemented an advertising package to corporate sponsors.
    ii) Such corporate advertising has brought $11 million to Disctrict 11 in Colorado.
    iii) Soda companies (Pepsi and Coke) are using such school marketing programs to increase soda consumption among children.

iv) Fast-food companies gain from beverage marketing programs. Sodas are among the items with the highest profit margin sold in fast food restaurants.
v) Fast-food chains also run ads on Channel One—the network that is shown in high school classrooms.
vi) Additionally, fast food is now served in many schools across the nation.

B. Some school districts (San Francisco and Seattle) have not allowed any advertising in schools.

Chapter 3: Behind the Counter

I. Space Mountain
- A. The development of Colorado Springs mirrors that of Los Angeles.
  - i) Government and military spending has boosted the economy in Colorado Springs.
  - ii) Many individuals and businesses have moved from California to Colorado.
- B. The largest private employer in Colorado Springs is the restaurant industry.
  - i) Because of sprawl in Colorado Springs, fast-food chains such as McDonald's are purchasing real estate for restaurants.

II. Throughput
- A. Most of fast-food employees are adolescents.
  - i) The fast-food industry relies on teenagers because it is less expensive to hire them and they are easier to control.
  - ii) Additionally, many employees are poor and do not speak English.
- B. Throughput – the speed and volume of flow – is very important in the industry.
- C. In 1958 consistency was the focus of Fred Turner, a McDonald's executive.
  - i) The operating manual has specific instructions from the preparation of food to they way to handle customers.
  - ii) If a franchisee does not follow the rules, they may lose their franchise.
  - iii) The standardized products increase throughput.

III. Stroking
- A. Executives in the industry's leading companies agree that "zero training" of employees is a goal that can be met through improved technology.
- B. Federal programs exist that pay business owners to hire and train poor individuals.
  - i) The fast-food industry employs the most minimum wage employees.
- C. Managers are encouraged to keep labor costs low.
  - i) Stroking – praise employees – is used often because it doesn't cost anything.

IV. Detecting Lies
- A. McDonald's corporation takes little initiative in determining wage rates and other labor practices for franchisees.
- B. Since the 1960s, McDonalds has avoided the formation of long-term labor unions in its businesses.

V. Protecting Youth
- A. Finding employees for fast-food restaurants in Colorado Springs is very difficult because of the low unemployment rate.
- B. Teenagers that work more than 20 hours a week may be at risk for not graduating high school and may earn lower wages for the rest of their lives.
- C. Fast-food chains are now competing with clothing stores, full service restaurants and telemarketers for low-wage employees.

VI. Inside Jobs
- A. The number of robberies that occur at restaurants is high.
  - i) Fast-food restaurants rarely use credit card machines and usually have a large sum of cash on premises.
  - ii) Over half of robberies at fast-food restaurants involve current or former employees.
- B. OSHA issued voluntary guidelines to improve employee safety in the 1990s.
  - i) The restaurant industry has fought mandatory guidelines, but has spent millions on new security measures.

VII. Making it Fun

A. Perhaps the most important issue in the restaurant industry today is labor.

i) James C. Doherty suggests that the industry move from relying on a low-wage workforce to higher-wage, low turnover workforce.

ii) David Novak, president of Tricon, suggests that to improve labor relations, the industry should make the work environment fun.

Chapter 4: Success

I. Devotion to a New Faith

A. The franchisor/franchisee relationship is based on reducing risks for each party.

i) The franchisor expands the business while not spending its own money.

ii) The franchisee is able to start their own business with an established brand, business plan and expertise.

iii) When the franchisor and franchisee disagree, the franchisor almost always wins.

B. Franchises have existed since the nineteenth century. One of the first franchises was General Motors automobile dealerships.

C. Ray Kroc (McDonald's) perfected franchising in the food service industry.

i) Kroc did not demand high franchise fees, he was more interested in expansion.

ii) Kroc imposed strict rules on his franchisees. If they did not follow the rules, they were not allowed to own a second restaurant.

D. Jarry J. Sonneborn, Kroc's partner, came up with a new strategy to own the real estate in which McDonald's stores were located, and earn money through rent.

E. McDonald's has grown through franchise and company-owned stores.

i) McDonald's has inspired expansion of businesses both in and out of the food service industry.

II. Free Enterprise with Federal Loans

A. There are ongoing arguments as to whether it is riskier to own a franchise or become an independent business owner.

i) Conflicts between franchisees and franchisors have become more common.

a) Encroachment is basis of many conflicts. Encroachment is the practice of putting restaurants belonging to the same chain close to one another.

B. Franchisors must provide disclosure statements to franchisees prior to a sale.

i) The disclosure statements are typically lengthy documents with lots of small print.

C. Congressman Howard Coble proposed a bill in 1999 to put stricter regulations on franchisors.

D. The Small Business Administration, a government agency, supplies money to franchisees to help finance new restaurants.

i) Such money was meant to help small, independent business owners.

Chapter 5: Why the Fries Taste Good

I. J.R. Simplot

A. Simplot began sorting potatoes for farmers when he and a partner bought an electric potato sorter.

i) He began drying onions, and developed a way to dry potatoes as well.

ii) He did business with the U.S. Amy during WWII.

B. When WWII ended, new technologies emerged.

i) Simplot assembled a team that developed frozen french fries.

ii) McDonalds (Kroc) made a contract with Simplot to buy his fries.

II. The Mistake of Standing Alone

A. Three major players in the potato processing industry: Simplot, Lamb Weston and McCain.

i) The bulk of the profit margin in the industry goes to the processor.

ii) Farmers get little profit margin – they are forced to get bigger or get out of the industry.

a) Over the last 25 years, Idaho has lost half of its potato farmers while the land devoted to farming potatoes has grown.

B. About half of Idaho potato farmers are joining forces to gain some market power.

i) The association, however, needs at least 2/3 of farmers in the state to join in order to have any real market power.

ii) Many farmers are very independent, and do not want to join.

III. Food Product Design

A. Most of the flavor in processed foods is destroyed during the processing.
B. International Flavors and Fragrances (and other companies like it) sell flavors to restaurants.
C. Aroma and memory are linked – fast food chains hope to play on that fact (the smells/tastes of childhood).
D. Flavors are added to foods in very small amounts.
E. Natural vs. Artificial Flavors
   i) Natural must originate from a plant or animal.
   ii) The two are essentially the same thing – chemical compounds – they derive them in a different way.
F. Mouthfeel is an important consideration when making flavors for particular foods.

IV. Millions and Millions of Fries

A. Lamb Weston is the largest supplier of potatoes in the United States.
   i) Lamb invented the Lamb Water Gun Knife to cut potatoes into french fries with precise characteristics.
   ii) Lamb Weston makes over 20 million french fries per day.
   iii)

Chapter 6: On the Range

I. A New Trust

A. Over the last 20 years, half of the cattlemen in the U.S. have left the business.
   i) This has occurred due to rising land prices, stagnant beef prices, oversupply of cattle, increased imports of cattle, development pressures, inheritance taxes and health scares.
   ii) Growth of fast food chains has encouraged consolidation of the cattle industry.
   a) In 1970, the top 4 meatpackers slaughtered 21% of U.S. cattle, today they slaughter 84%.
B. Large meatpackers have “captive supplies” to flood the market when prices get too high.

II. The Breasts of Mr. McDonald

A. Beef producers fear that the industry will become like the poultry industry.
   i) Consolidation has caused small producers to become powerless.
B. Post WWII, chicken consumption was rising.
   i) McDonalds, whose main line of food was burgers, wanted to develop a convenient, easy to eat chicken product – Chicken McNugget
C. McNuggets appeared “healthy”, but were not.
D. Tyson is the largest poultry supplier to the fast food industry.
   i) Tyson is a vertically integrated company.
   ii) The company does not, however raise the animals.
E. Independent chicken growers feed and raise the animals, then sell them to processors such as Tyson.
   i) Independent growers make little profit.
   ii) If the growers are not happy with the contract, they cannot do much. They are virtually powerless.
   iii) Contracts many times have clauses that state that the grower is not allowed to sue the processor.

III. Captives

A. Meatpackers claim that decrease in beef consumption is to blame for low prices.
   i) Consumption of beef in the U.S. has steadily decreased since 1976.
   ii) Although cattlemen argue that captive supplies are a strategy to lower prices, meatpackers disagree. Meatpackers claim that they ensure steady supplies to the company.
B. Independent ranchers oppose cattle prices that are kept secret.
   i) Ranchers claim that prices are shared among competitors and price is set to keep it low for all meatpackers.

IV. The Threat of Wealthy Neighbors

A. Colorado has lost approximately 1.5 million acres of ranchland due to development over the last twenty years.
   i) Most ranchers are land rich and cash poor.

ii) Inheritance taxes make it almost impossible for a ranch to be handed down to the next generation.

B. Additionally, the "American West" culture has disappeared from many parts of Colorado.
   i) The Colorado Cattlemen's Association created the first land trust in 1995.
      a) The land trust prohibits land from ever being developed, but remains private property.
   ii) Conservation easements preserve rural land and give tax breaks to the owners.
      a) Such easement usually only benefit large, wealthy landowners.
      b) The tax write-off usually does not benefit small, independent ranchers.

V. A Broken Link

A. The suicide rate among farmers and ranchers in the U.S. is about three times higher than the national average.
   i) This could be due to the difficulty of trying to stay in business.
   ii) Additionally, many ranchers feel the pressure of keeping the business running for past and future generations.

Chapter 7: Cogs in the Great Machine

I. Greeley

A. Greeley, Colorado was established by Nathan Meeker from New York City.
B. The town became a small, successful farming town.
C. Warren Monfort, a schoolteacher, bought inexpensive grain during the Great Depression to feed his cattle.
D. He soon discovered that grain-fed beef was tastier than grass-fed beef.
E. Monfort opened his own meatpacking plant.

II. Go West

A. At the time Monfort opened his slaughterhouse, meatpackers were usually located in large cities, not small towns such as Greeley.
B. The largest meatpacker at the time was located in Chicago.
   i) Working conditions were very bad in the plant.
   ii) After WWII, the job was still dangerous, but wages were relatively high.
C. Swift & Company was the largest meatpacking plant until the 1960s.
D. Currier J. Holman and A.D. Anderson, two former Swift executives decided to start their own meatpacking plant – Iowa Beef Packers.
   i) They applied the "assembly line" process to the meatpacking industry.
   ii) IBP was primarily concerned with throughput, efficiency, centralization and control.
   iii) IBP processed small cuts of meat, which eliminated the need for butchers in the markets.
   iv) IBP was left with byproducts that were useful for making dogfood.
E. IBP had many labor problems.
   i) Holman strongly opposed unions and did not have any sympathy for striking workers.
   ii) When New York butchers were boycotting IBP's beef, Holman made a deal with a New York union leader.
   iii) Holman and IBP were convicted for bribery.
F. Because of the success of IBP, Chicago meatpackers were forced to go west, or get out of business.
   i) Meatpackers were able to obtain cheap labor in the west.
   ii) The last of Chicago's stockyards closed in 1971.

III. Bags of Money

A. Monfort experienced labor/union problems with Greeley slaughterhouse.
   i) He closed the plant in 1979.
   ii) The plant reopened in 1982…with no union, and low wages paid to workers.
B. Meanwhile he bought a slaughterhouse in Nebraska
   i) Monfort signed a contract with National Maritime Union. The wages that they agreed to were very low.
C. Consolidation in the industry concerned Monfort.
   i) Monfort sued Excel in the 1980s to prevent the takeover of Spencer Beef.
   ii) In the end, Excel did merge with Spencer Beef.
   iii) One year later, Monfort agreed to a friendly takeover by Con Agra.
D. Con Agra became the leader in meatpacking and a variety of other industries.
   i) Charles "Mike" Harper motivated managers by challenging them to bring to him at the end of the year his "bag of money" plus some.

a) The company experienced legal problems. Managers were attempting to earn more money in illegal and unethical ways.

IV. The New Industrial Migrants
   A. Monfort largely employed immigrants and illegal aliens at the Greeley plant.
      i) There is a very high employee turnover rate at the plant.
      ii) Today, about 2/3 of employees at the plant cannot speak English.
   B. Some companies experience economies with a high employee turnover rate.
      i) This occurs because the company incurs less insurance and vacation expense.
      ii) There is less chance of unionization in a company that has a high turnover.
   C. Approximately ¼ of meatpacking workers in Iowa and Nebraska are illegal.
   D. The high turnover rate is due to low wages and poor working conditions.
   E. Large meatpackers have had the ability to change the tax code in Nebraska.

V. The Sweet Smell
   A. IBP changed the small town of Lexington, Nebraska simply by moving there.
      i) There is now a higher crime rate and more use of drugs.
      ii) These changes are largely due to low wage workers that need more money and will go about getting more money in illegal ways.

Chapter 8: The Most Dangerous Job

I. Sharp Knives
   A. Meatpacking is the most dangerous job in the United States.
      i) Most of the work is done by hand.
      ii) Lacerations are the most common injury among employees.
      iii) The faster the disassembly line runs, the more likely an employee will get hurt.
   B. Profit margins are very low at meatpackers.
      i) The speed of the disassembly line affects profits – profit increases, the faster it runs.
   C. Use of methamphetamines are somewhat common among employees at meatpackers.
      i) Drugs cause employees to feel energized and alert.
      ii) The use of drugs however, increases the danger to employees.
   D. Many injuries go unreported because the manager's bonuses are based on fewer injuries among workers.
   E. Most supervisors are white however, the number of Latino supervisors is increasing.
      i) Supervisors have enormous power in their area of the business.

II. The Worst
   A. Cleaning crews are not employed by the meatpackers, but by an independent sanitation contractor.
      i) Most employees of sanitation contractors are illegal aliens.
   B. Cleaning a meatpacking plant is perhaps the most dangerous job.
      i) Several incidents of serious injury and death have occurred while cleaning meatpacking plants.

III. Don't Get Caught
   A. During the Regan administration, OSHA's authority was reduced significantly.
      i) OSHA now had to see a company's injury logs before entering the plant.
      ii) If injuries were below the national average, inspectors were not allowed to inspect the plant.
      iii) This increased the number of unreported injuries.
   B. Many meatpacking companies engage in unethical practices so as not to report injuries.
      i) Many lawsuits occur as a result of such practices.

IV. The Value of an Arm
   A. In 1997, workers at the Monfort slaughterhouse in Greelee, CO had joined a union.
      i) High turnover is an obstacle to the union – they must convince new employees to join constantly.
   B. Colorado was one of the first states to pass a workers' compensation law.
      i) Eventually, workers comp benefits were cut and employers were given more power to choose doctors.
   C. Some are trying to educate workers on their rights to get compensation for injuries.
      i) Many workers are overwhelmed, and either do not know how or are afraid to file a complaint.
   D. Many congressmen and women are fighting to limit OSHA's authority.

V. Kenny

A. Many employees are injured repeatedly and return to work.
B. In the case of Kenny, he was injured many times, returned to work after each injury, then fired after 16 years of employment at Monfort.

Chapter 9: What's in the Meat

I. An Ideal system for New Pathogens
 A. About 200,000 people get ill from foodborne disease everyday.
  i) A fraction of those that get ill are diagnosed and reported.
  ii) Foodborne diseases can result in long term health problems.
 B. Diseases can spread more easily today than 20 to 30 years ago.
  i) Technology and centralization in the meatpacking industry enable faster spread of diseases.
 C. Contaminated meat is many times not recalled because meatpackers are very powerful.
  i) Large meatpackers donate large sums of money to Republican members of congress in order to sway their decisions.

II. The National Dish
 A. In the early 1900s, hamburgers were thought to be unsafe, "bad" meat.
  i) White Castle in the 1920s tried to rid hamburgers of their "bad' connotation.
  ii) McDonalds ultimately changed America's idea of hamburger.
 B. More parents fed their children hamburgers because they were convenient.
  i) In 1993, an outbreak of E. *coli* from Jack in the Box hamburgers killed four children.

III. A Bug that Kills Children
 A. Children under the age of five, the elderly and people with impaired immune systems are most likely to get ill from E. *coli*.
  i) E. *coli* is now the leading cause of kidney failure among children in the U.S.
  ii) Additionally, the pathogen can cause long term health problems in healthy adults.
 B. Antibiotics are ineffective in the treatment of illnesses caused by E. *coli*.
  i) E. *coli* is easy to transmit and has the ability to live under many conditions.
 C. The pathogen can be spread through water, swimming in a contaminated lake or water park, crawling on a contaminated carpet, or through many foods other than meat.
  i) The most common way of exposure is through contaminated ground beef.
  ii) Additionally, contact with a person that carries the virus can transmit the pathogen.
 D. The poor sanitation practices as feedlots and meatpackers may be to blame for E. *coli* outbreaks.
  i) Many times animals are fed contaminated feed.
  a) Some cattle feed contains animal waste or dead animals.
  ii) Improperly cleaned hides and spillage of digestive materials during slaughtering may cause E. *coli* contamination.

IV. All We Care to Pay
 A. In reaction to Sinclair's book "The Jungle" Roosevelt attempted to impart strict rules on the meatpacking industry.
  i) The Meat Inspection Act of 1906 was passed which was a watered down version of Roosevelt's original plan.
 B. The Meat Inspect Act was very out of date by the 1980s.
  i) The National Academy of Sciences warned that public health was at risk.
  ii) The Reagan and Bush administrations however, continued to cut public health spending.
  iii) The USDA launched the Streamlined Inspection System for Cattle (SIS-C) to allow meatpackers to inspect their own plants.
  iv) SIS-C was discontinued after the E. *coli* outbreak from Jack in the Box hamburgers.
 C. The Clinton administration instated stricter rules on inspections including microbial testing.

V. A Matter of Will
 A. Robert Nugent recruited several individuals, including David Theno to help Jack in the Box improve its image and food safety standards after the outbreak in 1993.
  i) Jack in the Box now requires its meat suppliers to inspect and test its meats for pathogens.
  ii) The fast food chain will not purchase meat from companies that continuously sell it contaminated meat.

VI. A Lack of Recall
 A. The meatpacking industry gave large donations to the Republican Party when it controlled Congress in 1994, under the Clinton administration.
 B. The USDA does not have the authority to demand a recall of meat. The agency can only suggest to the meatpacker that it be recalled.

        i) Between 1996 and 1999 more than 1/3 of Class I recalls were not announced to the public.
    C. Additionally, meatpackers were able to write their own press releases regarding the recall of meat. Today however, the USDA issues all press releases.
    D. The Clinton administration attempted to give the USDA the authority to demand meat recalls and impose fines, but the legislation never made it through Congress.

VII. Our Friend the Atom
    A. Clinton announced in 1996 that the USDA would adopt a science-based meat inspection system, but the legislation was watered down in Congress.
        i) There are fewer USDA inspectors today than there were in the late 1970s.
        ii) HAACP plans are only as good as the people running them.
    B. Although the beef industry has resisted Federal regulation, millions of dollars have been invested in the improvement of food safety.
        i) Some say that the improvement in food safety is simply to improve image.
    C. Irradiation of meat shows some promise in preventing these pathogens.
        i) Some argue that the use of irradiation will only allow unsanitary practices to continue.

VIII. What Kids Eat
    A. In the 1980s and 1990s, the National School Lunch Program purchased the cheapest meat, regardless of food safety.
        i) The USDA purchased meat from companies such as Cattle King, Bauer Meat Company, Supreme Beef and Northern States Beef and later found it to be contaminated.

IX. Your Kitchen Sink
    A. The Federal Government, in the 1990s applied stricter rules to meat on fast food restaurants than on the meat it purchased for schools.
        i) Fast food restaurants have enormous buying power and can demand "clean" meat.
    B. The food safety at any restaurants ultimately depends on the people in the kitchen.

Chapter 10: Global Realization

I. Plauen
    A. Plauen is located in East Germany, only nine miles from where the Berlin Wall once stood.
    B. In 1990, McDonalds began construction of a restaurant in Plauen, the first new building in the town since the fall of the Berlin Wall.

II. Uncle McDonald
    A. McDonalds, as well as many other fast food chains, look to expand overseas and primary markets for growth.
        i) McDonald's and KFC earn the majority of their profits outside the U.S.
    B. Fast-food chains are often the first multinational companies to enter a country when it opens its markets.
        i) The U.S. State Department assists these companies in finding overseas partners.
        ii) McDonald's represents "Americana and the promise of modernization" to many outside the U.S.
    C. Systems of agricultural production are often imported prior to the establishment of a U.S. chain.
    D. As in the U.S., fast-food chains market to young children.
        i) Young children are less likely to be attached to traditions.
    E. Germany is one of McDonald's most profitable overseas markets.
        i) In general, German's were fascinated with the U.S. post WWII.
        ii) McDonald's Deutschland, Inc. is the largest restaurant company in Germany today.

III. An Empire of Fat
    A. The Soviet Union was the last big obstacle in spreading "Americanization" throughout the world.
    B. The U.S. as well as some foreign countries have experienced higher rates of obesity.
        i) The rate of obesity among American adults is twice as high today as it was in the early 1960s.
        ii) The fast-food industry makes high fat, inexpensive food more readily available.
        iii) Portion sizes at fast-food restaurants have greatly increased over the last several decades.
    C. Obesity is among the leading causes of death in the United States.
        i) Obesity rates are increasing in foreign countries as well as the U.S.

    ii) Prevention of obesity is more attainable than curing it – it is difficult to change a person's taste for fat that was developed as a child.

IV. McLibel

- A. American fast-food chains are now the most likely target of demonstrations overseas, compared to embassies and oil companies several years ago.
- B. McDonalds sued London Greenpeace for libel in 1990 for the distribution of "anti-McDonald's" pamphlets.
    - i) Although McDonalds won the lawsuit, it was a public relations disaster for the company.
    - ii) As a result of appeals and new lawsuits, the McLibel lawsuit is still in the courts today.

V. Back at the Ranch

- A. Residents of Plauen, Germany have experienced difficulties, post Communism.
    - i) Plauen's unemployment rate is twice that of Germany as a whole.
- B. The Voigts, an affluent couple under the Communist regime, now own a McDonald's store in Plauen.
    - i) They are now among the wealthiest people in the town.
- C. People in the Plauen area do not feel that McDonald's is "foreign".
    - i) The "American West" is popular among young and old in the Eastern Germany town – exemplified by the popular dance club, "The Ranch".