

materiel conform to the specifications in the procurement contract. In DSA procurement operations this assurance is provided by inspection and testing of materiel by DSA quality assurance personnel and by personnel of the Military Veterinary Services and the Department of Agriculture.

Generally speaking, when supplies which do not conform to the terms of the contract and are rejected, they remain the contractor's property and their disposition is within his control.

The fact that the Government rejects the supplies because of failure to meet our contract specifications does not necessarily mean they are unwholesome or unfit for use. The reason for the rejection may have been failure to comply with packaging or marking provisions of the contract. If, however, the supplies are adulterated or are otherwise in violation of laws such as the Federal food and drug laws or the wholesome meat laws, the contractor who offers them for sale or ships them in interstate commerce risks criminal penalties.

DSA has 12 defense surplus sales offices—DSSO's—located throughout the United States, which are responsible for selling surplus personal property generated by all defense components.

The defense surplus sales offices do not sell materiel rejected by the DOD in-plant inspectors since this materiel, as I have mentioned, is the property of the contractor.

Further, the DSSO's are rarely called upon to sell food or drug items.

Our records indicate that during calendar year 1967 the Hixson coffee was the only such item in this category sold by the DSSO's. To date there have been no similar cases in 1968. Nevertheless, prior to any sale of foods or drugs, information concerning the items is transmitted to the Food and Drug Administration for guidance as to what restrictions, if any, should be placed upon the sale of the items or whether the item should be destroyed rather than sold.

Mr. ROSENTHAL. Do you know what happened to the Hixson coffee between 1962 and 1967 when it was put on sale?

General LEE. I will cover that in my statement.

Insofar as materiel with a limited shelf life is concerned, the present surplus property reporting system does not require that any remaining "shelf life" be specifically identified when an item is transferred to property disposal activities. However, a system is under joint development by DSA, OSD, GSA, and the military services which will call attention to shelf life items some months prior to the expiration date so that the items can be screened for utilization on a Government-wide basis. When this system is implemented, which is expected to be about July 1968, shelf life information could be inserted in surplus sales catalogs and thus passed on to the initial purchaser. However, as presently conceived these procedures do not assure that this information is passed on to the ultimate purchaser and user.

With this brief outline of DSA's functions and responsibilities in furnishing wholesale supply support to the military services, I will now respond to the questions contained in your March 20 letter in the same order in which they were asked.

Question I.—You have asked for the DSA position on the desirability to the private consumer and the feasibility of establishing procedures and practices which would prohibit sale of items in pack-