

substantially heavier packaging, for very good reasons, than is normal in the commercial trade.

I would like also to be rather sure before I agree with the point you have made that retailers, in fact, do turn it down. I would say practically all our packaging requirements are substantially higher than those which prevail generally in commercial channels.

To our knowledge, the temperature requirements are substantially tighter—lower, but more stringent than those which to our knowledge prevail in commercial utilization.

The quality specifications on such things as canned fruits, the foreign material requirements are higher than those which are normal in regular channels.

So that practically everything we do through these distribution channels are tighter than that which our people consider at least to be the normal commercial practice.

You may want to expand on that, George.

Mr. GRANGE. I think you covered it. There is no question about it, sir: The specifications on the foods we purchase are above the minimum commercial standards that can be distributed freely in this country. We could give you many examples—just to cite one: The maximum fat that we allow in ground beef or hamburger is 24 percent. Then we discount and cut it out completely at 27 percent. The maximum fat that can be included in ground beef for commercial sale in interstate commerce is 30 percent. We found that 24 percent is a most acceptable product for our school lunch use so we just have a tighter specification.

I could cite tighter specifications on canned peaches, canned tomatoes, and many other commodities.

I am not saying we buy a better product than some top brands sold commercially in this country. I don't want that misunderstood.

But tighter than the minimum requirement that is established for interstate sale.

Mr. ROSENTHAL. Safeway here tells us that theirs is 24 percent.

Mr. GRANGE. It could well be. The minimum is 30 percent. Again, that illustrates the point I was just making about our specifications being tighter than the minimum.

Mr. WYDLER. When you go back to your office you might consider thinking out again the exception you make for allowing railroads to have the right to keep your markings on their cans because I really—in spite of your explanations—fail to see any reason why they should be an exception to the general rule.

I would like to ask you in that connection: Is their failure to put on the can the statement—what is the statement?

Dr. MEHREN. Railroad salvage.

Mr. WYDLER. Is their failure to put that on the cans subject to the \$100 fine you told us about?

Mr. GRANGE. It subjects the contractor to the \$100 fine. We have no legal hold over the carrier but our contract provides that if it is rejected to the railroad and if he does not put this railroad salvage stamp on it, then the shipper or contractor will be subject to the liquidated damages.

Mr. WYDLER. Because I am sure you are well aware of the fact that some of these products are being introduced into the commercial market without that stamp on them.