

Dr. MEHREN. We committed ourselves to get you a statement of General Counsel of the Department with respect to the law on this.

Mr. GRANGE. Did I understand you correctly to say that you knew of some of our products that were being introduced in the commercial market without this stamp?

Mr. WYDLER. Yes. I have been shown a letter since I started to ask these questions dated December 8 of last year, written within your Department, so I presumed you were aware of it. Maybe you aren't. I don't know.

Dr. MEHREN. If we knew of any we would move rapidly. It is illegal.

Mr. WYDLER. I will show you the letter.

Dr. MEHREN. We don't know of any.

Mr. GRANGE. We have a case I am aware of where we are in the process of assessing some liquidated damages.

Mr. WYDLER. This was a report from your northeast district office. (The memorandum follows:)

U.S. DEPARTMENT OF AGRICULTURE,
CONSUMER AND MARKETING SERVICE,
Washington, D.C., December 8, 1967.

To: JOHN WENN, Jr.,
Director, ASCS Commodity Office.

From: DEPUTY DIRECTOR, COMMODITY DISTRIBUTION DIVISION.

Subject: Complaints—Sale of donated commodities—Syracuse, N.Y.

Our northeast district office in New York has reported that they have investigated some complaints in recent months which have disclosed that USDA commodities appearing in commercial outlets were acquired through railroad salvage sales. Two complaints stemmed from the fact that apparently no effort had been made to obliterate the container markings.

Their investigation on these complaints has indicated that USDA commodities appearing in commercial channels had come from salvage sales made by the New York Central Railroad, Syracuse, N.Y.

We know that your instructions to vendors and carriers require the obliteration of markings before salvage sales are made. However, we suggest that another contact be made with the New York Central Railroad to reemphasize this requirement. Your cooperation is appreciated.

Mr. GRANGE. It probably is this instance I am speaking of where there are liquidated damages involved.

Mr. MYERS. I am sorry I missed part of your testimony this morning but in the cases you cite here about rejections and then you go back—Is that routine that you go back and check or recheck the product after you once rejected it when it is returned to the original packer, Dr. Mehren?

Dr. MEHREN. When the man rejects it at point of reception, there are forms specifying why he rejected it. Then that goes back to wherever that product is received and there is reinspection there. If we reject in New Jersey and it goes back to a plant in Iowa, our man in Iowa would have been informed of the basis. Within the plant in Iowa there is a specified location at which the product is received. It is re-examined and reinspected there. Then on the way out it is inspected again.

Mr. MYERS. So the answer to my question would be "Yes."

Dr. MEHREN. Yes

Mr. MYERS. That is all.

Mr. ROSENTHAL. Thank you.