

August 11, 1974

Office of the White House Press Secretary

NOTICE TO THE PRESS

The President has signed H.R. 13264 which provides variable penalties for certain violations of the Perishable Agricultural Commodities Act.

Under provisions of the Perishable Agricultural Commodities Act, it is unlawful to misbrand perishable agricultural commodities shipped, sold or offered for sale in interstate or foreign commerce. The Act requires all merchants, brokers, and dealers who deal in such perishable agricultural commodities to be licensed by the Department of Agriculture. The only penalties which can presently be imposed for such violations are public disclosure of the facts and circumstances and/or the suspension or revocation of the license of the violator.

The Department of Agriculture's experience with administering the Act led it to believe that the law was too inflexible. Violators were given either no penalty in one case or their license was suspended or revoked in another instance -- a gap existed for violations which warranted an intermediate penalty.

In order to remedy this situation, Agriculture submitted to the Congress a draft bill to amend the Perishable Agricultural Commodities Act. The Agriculture bill provided that violators, with the consent of the Secretary, may admit their violations and pay a monetary penalty not to exceed \$2,000 in lieu of a formal suspension or revocation proceeding. Payments so made would be deposited into the treasury as miscellaneous receipts. The bill is identical to the Agriculture proposal described above.

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