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MEETING WITH CONGRESSMAN MICHEL
AND SENATOR BUCKLEY
ON FOOD STAMPS

Monday, September 8, 1975

2:00 p.m.

H-219 Capitol

THE WHITE HOUSE

WASHINGTON

August 27, 1975

MEETING TO DISCUSS
FOOD STAMP ISSUES

Thursday, August 28, 1975
2:00 p.m. (30 minutes)
The Cabinet Room

From: Jim Cannon



I. PURPOSE

This meeting is being held to:

1. provide an opportunity to discuss key issues at the root of all the various options for reforming the Food Stamp program and
2. get your guidance for developing recommendations that will assist you in making final decisions on a comprehensive reform proposal.

II. BACKGROUND, PARTICIPANTS, AND PRESS PLAN

A. Background:

You received an August 12 memorandum by a Domestic Council Review Group which is studying the Food Stamp program. This memorandum outlined four possible approaches to resolving the Food Stamp problem. Your guidance is needed at this point on key philosophical directions.

B. Participants:

Secretary Butz
Secretary Mathews
Secretary Dunlop
Deputy Secretary Gardner
Don Rumsfeld
Jack Marsh
Robert T. Hartmann

Jim Lynn
Alan Greenspan
William Seidman
Jim Cannon
Jim Cavanaugh
Art Quern
Jack Veneman



C. Press Plan:

To be announced.

III. ISSUES

There are a number of basic questions which seem to be central to all proposals for reform of the Food Stamp program:

1. Nutrition vs. Income Supplement

What is the goal of the program: Is the program meeting its original goals of raising the nutritional intake of low income families and creating a market for surplus farm products? Or, in fact, is it simply another income supplement program?

2. Cash vs. Stamps

If it has become and should remain an income supplement program, should we move toward replacing stamps with cash?

3. Move to HEW

Regardless of whether or not stamps are replaced with cash, should we consider transferring the administration of the Food Stamp program to HEW?

4. Eligibility

Should the program be designed to limit participation solely to those in need as defined by:

--participation in other welfare programs such as AFDC, SSI, and Social Security?

--by some national annual income level such as the poverty level (\$5050 for a family of 4)?

--on a regional basis?



5. Eligibility and Work

Should all able-bodied adult recipients be required to register for and accept available work in order to be eligible? For example, should this include college students and strikers?

6. State Participation

Should an attempt be made to include state participation in the cost of the benefits?



August 28, 1975

MEMORANDUM FOR: JIM CANNON

FROM: ART QUERN

SUBJECT: Food Stamps Talking Points

The following points should be made at the start of today's meeting with the President:

1. Seeking Guidance Not Final Decisions

Our discussions today are aimed at seeking your guidance on some of the key philosophical issues which are at the root of all food stamp issues.

2. Another Meeting Will Be Scheduled

Once we have that guidance, we will develop it into specific options for your consideration and a second meeting will be scheduled to discuss those options. Options in by September 10.

3. Parallel Issue of Court Decision

On June 12, the U.S. Court of Appeals ruled that the present program was not adequately providing for the nutritional needs of participants. The court decision was based on the premise, in the current law, that this is a nutritional program.

--This ruling runs counter to all the reform efforts we are considering.

--The Department must, however, by September 5, publish proposed rules which comply with this decision.

--These rules are ready in draft form now.



--But we would, with your approval, like to include a preamble, based on today's guidance, which:

1. points to the fact that we are forced by the court decision to issue these regulations
2. that they move in directions we think unsound
3. that we will be proposing legislation to reform the program.

4. Michel Bill

As you directed, we have had extensive discussions with Michel and his staff and have concluded:

- A. The Michel bill--also sponsored in the Senate by Senator Buckley--makes a number of important improvements and most of the options we have considered could be proposed as Amendments to Michel's bill.
- B. The Michel bill has two distinct advantages:
 - there are no clear savings but there are substantial reductions in caseload.
 - it has a very severe work disincentive.
- C. Michel returns to Washington this afternoon, and I expect to meet with him early next week. I also expect to talk to Senator Buckley, who is campaigning in New York, by telephone tomorrow.

Buckley - Michel -

9/8/75

B - Admin control.

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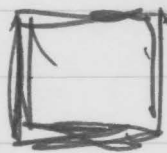
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