

FOOD STAMP DATA
HELD SUPPRESSED

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McGovern Charges Budget
Office Asked to Curtail
Program's Growth

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WASHINGTON, Aug. 6—The Ford Administration suppressed portions of a food stamp report by the Department of Agriculture that did not support the Administration's attempt to cut back the program, Senator George McGovern charged today.

The suppressed material was prepared for inclusion in a report on the program that was sent to the Senate last month, the South Dakota Democrat said in releasing the portions today. He contended that the portions had been ordered deleted from the report by the Office of Management and Budget, which has been recommending cuts in the \$5-billion program. He said the material had been given to him by departmental staff members.

The program has come under increasing political attack in recent months as a result of its rapid growth, and it is portrayed by critics as a threat to the economy.

The deleted sections of the report maintain that the number of persons enrolled will decline by 1980 — something that has already begun to happen—that the program's cost in constant dollars will remain about the same over the next five years, and that food stamps stimulate the economy by providing jobs, farm income, retail sales and tax revenues above administrative costs.

Unanswered Calls

Administrators in the Department of Agriculture did not return telephone calls to answer questions raised by the material released this afternoon.

Whitney Shoemaker, a spokesman for The Budget Office, confirmed that the agency had directed the Agriculture Department to revise the report before sending it to Congress. He said that the budget agency had challenged "some material in the Agriculture draft report, suggesting they were made on questionable economic assumptions and some other parts were not germane."

At a briefing this morning, Senator McGovern said: "I think the food stamp program is the best social program we've got on the books, with the exception of Social Security, and I'm just fed up with the mounting attempts to discredit it."

"These [deleted] sections refute current scare charges about food stamp trends. But the Ford Administration apparently does not want the truth to be told about food stamps. Instead the White House is moving to appease right-wing anger over Helsinki, détente, and Rockefeller by weakening the food stamp program."

Conservative Republicans, who have been the most critical of food stamps, have criticized Mr. Ford for his participation in the 35-nation European security conference that took place in Helsinki last week. They also have criticized his policy of détente with the Soviet Union and his refusal to drop Vice President Rockefeller from consideration for the 1976 Presidential ticket.

Lower Unemployment Seen

The Administration's attempts to scale down the program go back to the beginning of the year. At that time, the Agriculture Department announced that it would raise the purchase price of food stamps by 30 per cent, effectively reducing the number of participants in the program.

Both houses of Congress voted overwhelmingly to freeze the price for the rest of 1975. The Senate accompanied its vote with a resolution asking the department to prepare a report on the program that could be used to make legislative changes to control abuse.

The deleted material assumes that the unemployment rate will drop from the recent 8.4 per cent to 4.5 per cent by the end of the decade, that disposable income will rise 12 per cent each year, and that food prices will rise about four per cent per year.

Under these conditions, eligibility would drop from 40.6 million persons this year to 33.3 million by the fiscal year 1980. Another, less optimistic projection, also in the deleted material, says that at most, eligibility would rise to 44.8 million but not to the 75-to-110-million figure that Assistant Agriculture Secretary Richard L. Feltner, cited as a possibility in Senate testimony last week.

Under these conditions, actual participation would stay between 19 million and 21 million persons, the deleted material says.

Spokesmen for the White House and the budget office contended that they "could find no historical precedent for the assumption" that disposal income would rise 12 per cent a year, and they said that their unemployment projection for 1980 was 5.1 per cent.

Participants in the program purchase the food stamps from the Government at reduced cost and redeem them at retail food stores. A qualified family of four is entitled to \$162 in stamps each month. The amount it pays for the stamps is determined by a complicated formula that establishes net income.