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DRAFT STATEMENT FOR RON NESSEN

Temporary Restraining Order Granted

The Administration is disappointed to hear that a temporary restraining order has been granted which prevents the Department of Agriculture from implementing the Food Stamp Program administrative reform regulations on June 1.

The Administration is determined to ~~actively~~ seek a reversal of this decision by the courts. The President has a responsibility to make these important reforms which the Congress has denied. Each day the implementation of these regulations is delayed ~~■~~ costs the taxpayers \$3 million dollars and denies ^{GREATER} benefits to 4.5 million persons truly in need.

The President has been urging the Congress to act ^{expeditiously} since December of 1974

Meelis [Signature]

FOR IMMEDIATE RELEASE

OCTOBER 20, 1975

OFFICE OF THE WHITE HOUSE PRESS SECRETARY

THE WHITE HOUSE
PRESS CONFERENCE
OF
EARL BUTZ
SECRETARY OF THE
DEPARTMENT OF AGRICULTURE
AND
ROYAL P. SHIPP
DEPUTY ADMINISTRATOR
OF THE
DEPARTMENT OF AGRICULTURE

THE BRIEFING ROOM

11:15 A.M. EDT

MR. NESSEN: I think you have all the pieces of paper that go with the food stamp proposal.

There is a slight conflict here between tree planting and food stamps. Those who want to go to the tree planting should go with Bill Roberts, except for the still photographers who can take their pictures of the Secretary and then go out to the tree planting.

Q Ron, is there any way to hold up the tree planting ceremony?

MR. NESSEN: I don't think so. The music just started. Once the music starts there is no way to turn back.

That is in the Interior Department, Mr. Secretary, not part of your responsibility. (Laughter)

Q Trees?

SECRETARY BUTZ: They are trying to take me over all the time.

MR. NESSEN: Secretary Butz is here to answer your questions and explain the food stamp reform proposal. He has a fair number of staff people with him to help out -- not that he needs it.

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SECRETARY BUTZ: Thank you very much.

Ron, just don't dismiss the Interior Department that lightly, they are trying to take over half my department all the time, but the wrong half.

The President has submitted a proposal to the Congress as of today and I just finished an hour and a half of testimony before the Allen subcommittee that has been examining the food stamps up there. We have submitted the Administration bill on food stamp reform. Senator Talmadge will introduce the bill. We had a very friendly hearing up there. You have the fact sheet in front of you.

Briefly, the three or four significant things that this bill does is that it sets the poverty level as the standard level of eligibility for food stamps now, and I am going to talk in terms of a family of four for illustrative purposes. If you have six in the family, the figures are higher; if you have two, the figures are lower. But it sets the poverty level currently at \$5,050 of income and that is our net income because we are now recommending a standard deduction.

Up to this time we have had a series of variable deductions from gross income that included taxes, retirement, union dues, tuition, medical expenses above a certain amount, rent over 30 percent of your otherwise adjusted income, and so forth. We recommended a standard deduction of \$100 per month per family unit, except if you have one or more persons over 60 years of age in the family unit there will be an additional \$25 per month deduction, making in that case \$1,500 per year deduction from your gross income.

We are recommending a change in method of calculating eligibility. At the present time we estimate income in the ensuing 30 days as a basis for eligibility. We are recommending that we make it retrospective and we take the average income for the last 90 days.

This is a matter of fact, a matter of record and can be demonstrated without quarreling about it. Our experience has been that there has been a persistent tendency to underestimate future income which overcalculates eligibility for participation.

After the fact has occurred it is hard to make adjustments, hard to get recovery, so we are recommending a 90-day retrospective period of eligibility which will do a number of things.

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It will take care of the chap who has been making, let us say, \$10,000 or \$12,000 a year and suddenly goes off work and becomes eligible the first month. He will have a three-month moving average for eligibility. We are recommending that all families receiving food stamps move up to a standard 30 percent of their monthly net income for their food stamp allotment.

Now that by itself is a recommendation that we made last December which the Congress designated in legislation passed earlier when the Congress returned this year. We are recommending that again, but let me point out that we are recommending this in connection with the standard deduction.

Now this standard deduction will result in increased participation at increased levels of benefits for approximately 24 percent of current food stamp recipients who happen to be at the lower end of the income spectrum. They are the poorest of the needy and in most cases they don't have any deductions under the present plan because they are so close to subsistence level that they simply don't spend money for things that the higher income families can spend it for and use for deductions.

This means that one of those families that, let us say, is making \$200 a month income--and there are families like that on retirement that don't have any other income--at the present time if they have no deductions from income they pay approximately 24 percent at the present time of their gross income for their food stamps.

Under this plan, for example, they would get a \$100 monthly deduction if they had nobody over 60 years of age, and that means that they would be paying 30 percent of \$100, or \$30, which is 15 percent of their gross income, whereas before they were paying approximately 24 percent on the average of gross income.

So what I am saying is that these two things taken together now of a standard deduction and raising the minimum up to 30 percent of income will increase benefits for approximately 24 percent of present participants or 1.4 family units.

If you multiply that 1.4 by 3.4 you come out with the number of individuals concerned, but 24 percent of individuals currently on the program. This will result in approximately 1 million family units, or roughly 3.4 million individuals who will lose their eligibility under these standards.

Now in the main those are people at the upper end of the income brackets, those who have been participating --

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Q Excuse me. Could I have the last figures again, please?

SECRETARY BUTZ: The last figure, it will remove approximately 1 million family units or approximately 3.4 million individuals from those who are now receiving food stamps, or about 17 percent of the current caseload will become ineligible. In the main, those are the individuals about whom the horror stories have been written. In the main, those are the individuals that are the kinds of cases that permit these national advertisements that say send us \$3.50 and we will show you how to get on the food stamps even though you are making \$16,000 a year.

There will be approximately 28 percent of those participating now who will participate at a lower bonus value than they now get. Again, in the main those will be those in the upper limits of the income distribution. So what we are doing essentially now is tightening up in the upper limits and removing eligibility in the upper limits of the income distribution to put it more in the lower limits of the income distribution for, as I said, 24 percent of those currently participating will have increased benefits. In the whole process we are going to save, we estimate, about \$1.2 billion based on the current level of participation.

Now, we have some other provisions in here. We are redefining family units. We are making it a little more difficult for college students who are considered dependents by their families to get on. We are not eliminating college students as a categorical elimination -- you cannot do that. We are tightening up on the alcoholics and drug addicts who are institutionalized and some things like that.

We are making a number of administrative changes that we can make to tighten up on this thing. I want to emphasize that, as the President does in his fact sheet in front of you and in his message to the Congress, that we hope to serve only the needy and to chop off those that are not in need. We hope to remove some of the work disincentives that are currently built in the program where participation is at the higher levels of income that discourage taking jobs. We are requiring a monthly registration to seek work, to seek employment.

Q To be eligible? What do you mean requiring a monthly registration?

SECRETARY BUTZ: Of those who are receiving, we are requiring that they check monthly for employment. We are going to do all we can to remove the work disincentives in this program.

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This bill will be introduced by Senator Talmadge, who is Chairman of the Senate Agriculture Committee. I have just this morning finished, as I said, an hour and a half before Senator Allen's subcommittee on this. He has a number of bills before the committee.

I perceive that the committee and the Senate itself is dead serious about reforms. As Senator Allen said, nobody in the testimony before his committee has recommended a discontinuation of the program. Everybody has recommended reform.

I think that the Congress is in a mood for reform. I think the President's recommendation here comes as a result of broad and intense and serious study on this matter and will result in a meaningful program that meets the needs of the needy.

There are some questions?

Q Mr. Secretary, you say you want to try to keep the work disincentives out and yet the notch that your gross income lid puts in this natural tapering of a standard deduction, isn't that a work disincentive because you go right over that level and instead of having smaller benefits you have no benefit?

SECRETARY BUTZ: I presume any type of welfare to some people is a work disincentive.

I would like to point out here one more thing that I failed to point out, that for a family of four our standard poverty level now will be \$5,050. However, when you add the standard deduction to that you get a gross income figure that is either \$1,200 or \$1,500 greater, depending on do you have anybody over 60 years of age in the family unit, which then puts it up to \$6,250 or \$6,550 gross.

Q Excuse me. That is the cut-off point. No family with a person 60 years old making more than \$6,550 can get any food stamps now. We have cut off all of those people.

SECRETARY BUTZ: That is our proposal, yes, sir.

Q And without 60 it is a figure of \$6,250?

SECRETARY BUTZ: That is correct.

Q Would you say that there have been horror stories about people making \$6,300?

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SECRETARY BUTZ: No, sir, I didn't say that. I said the horror stories involved those where the advertisement said send us \$3.50 and we will tell you how to get on even though you are making \$15,000 a year. Now those cases are relatively few, but they have been spectacular.

Q That is the point. Could you give us a breakdown by thousand dollars or something like that, of how many people are at the \$6,500 level, \$7,000 level?

SECRETARY BUTZ: I don't have those figures right here.

Royal Shipp, who heads our food stamp program, is here. Do you have those figures? What percentage of our income of our caseload makes above \$10,000, for example?

MR. SHIPP: The figure we have on that is about 6 percent of the caseload has income of \$9,000 or above. Six percent of the caseload.

Q How many of those are families of four?

Q How about between \$6,250 and \$9,000?

MR. SHIPP: I don't have that in my mind.

Q Do you want to use this, sir?

MR. SHIPP: I am not sure it is in that.

Q Mr. Secretary, these million family units that will be dropped under your program, do you know what their average income is?

SECRETARY BUTZ: We don't have the average income but it will be -- Royal, do you have a rough figure on the average income of the million families that will be dropped?

MR. SHIPP: No.

Secretary Butz; I would have to make an estimate here that it would be in the range of \$9,000 or thereabouts.

Q How many children, though?

SECRETARY BUTZ: Partly because these families of higher income have so much greater deduction is because their expenditures are greater and therefore they got the deductions that the poor families don't have.

Q How many children do these families have? I mean, \$9,000 with eight children is not as much as \$16,000 with 14.

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SECRETARY BUTZ: Let's make this point clear here. Whereas we said that the poverty level is \$5,050, that is for a family of four. That grades up as you get five, six, seven children. If you get six children, for example, that figure goes up to something above \$6,000.

MR. SHIPP: Close to \$8,000.

SECRETARY BUTZ: Close to \$8,000.

Q Could you give us that figure?

SECRETARY BUTZ: If you have less, it drops down. It is a scale that has been published.

Q Mr. Secretary, I want to know what is this going to do to help President Ford get elected in 1976?

SECRETARY BUTZ: Well, I think that was not the basic question that we took into consideration. As a matter of fact, I suppose if he wants to make political capital out of this thing he ought to be as generous as possible.

On the other hand, there is a growing resentment around the country about alleged abuses -- sometimes alleged, sometimes real -- with food stamp participation. I think one of the most serious things about our easy levels of eligibility, especially in the higher income brackets where you get these large deductions and still qualify, is the work disincentive involved here.

I get out in the country out here and there is many, many a farmer out here in mid-America that tells me, "I have got a seasonal job. I would like to have somebody work for a month or six weeks and I go into the courthouse, around the courthouse bench, and able-bodied men are sitting there and I say I have got this job."

"No, no, I cannot take it, it will interrupt my benefits."

I was in Puerto Rico a month ago on a weekend to speak at the annual meeting of one of the cooperatives down there where we got over 50 percent of the people on food stamps right now in Puerto Rico. They are not there illegally; they are there legally, please understand. But there is such a work disincentive involved they told me down there they are now importing domestics from Haiti and the Dominican Republic to do domestic work in Puerto Rico.

I found coffee farmers down there who are going to have coffee berries going to waste because you cannot get pickers to pick it, and they said, "I go to somebody to come pick coffee and they say, oh, no, it would interrupt my benefits."

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Q Let me just clean this up. Is it going to help or hurt the President in his 1976 Presidential bid?

SECRETARY BUTZ: Well, obviously we didn't discuss -- or at least I didn't discuss that. I think it will help him because of the growing resentment in this country of a lot of people who stand in line at the grocery store and see the person ahead of him having a big basket full of groceries -- perfectly legal, you understand; there is nothing wrong with it -- of convenience foods in there and paying for them with food stamps. Now the person who is doing that, it is not a rip-off; it is perfectly legal. They are eligible for it and there is nothing dishonest about it.

But I sense that there is a growing resentment around the country to that and they want this thing tightened up. They don't like these advertisements that have appeared in the paper that you can make \$15,000 and still get food stamps, and I know that is the exception. But on the other hand, there is a general impression around that it needs tightening up and I think the net impact politically will be plus especially since the President has insisted on channeling increased benefits to the real needy.

Q Will the work disincentive provisions affect strikers in any way?

SECRETARY BUTZ: I think the provision that we have a 90-day retrospective period for certification will catch the one who is voluntarily unemployed for short periods of time.

Q You mean strikers?

SECRETARY BUTZ: Yes, sir.

Q Strikers for at least 90 days will not be able to get it?

SECRETARY BUTZ: No, sir, that is not right because there would be a three-month moving average which would be updated every month and if he is on strike the second month he might well become eligible and the third month he certainly would.

Q Specifically, how would it affect someone who is on strike?

SECRETARY BUTZ: Well, like anybody else. Let us say somebody has been making \$10,000 a year, let us say, and he becomes out of work for whatever reason. Instead of projecting his income for the 30 days that ensue you make it retrospective and in this case you will average him in the last three months so you have two months at \$10,000 and one month at zero. The second month you have one month at \$10,000, two months at zero. And if the situation persists, obviously you become eligible at some point along the line.

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Q It says that if he fails to inquire regularly about employment with a prospective employer. If he is at the bargaining table or his union is at the bargaining table, is he fulfilling that requirement?

SECRETARY BUTZ: I should think he wouldn't be fulfilling that requirement, although I cannot say right now. This has been one of our requirements heretofore, and it has been very difficult to enforce; that is, that you have to be certified that you can't take other employment.

Part of the problem, I had this brought home in my little home county up in Northern Indiana a while back. I walked into my old county agent's office and right across the hall it said "food stamps." I stopped over there and these two young men didn't know me from Adam, and I began to inquire what I had to do to become eligible, and it is rather enlightening, I may say.

In that little county they had a strike of the foundry workers. There are only three foundries in the only town that has a foundry in the county, and they had a strike of the foundry workers, and they could not find any equivalent employment for them in the county.

Obviously, all three foundries were on strike, but only 20 miles away was Fort Wayne, with foundries all over the place. I said, "Why didn't you send them down to Fort Wayne?" "Well, that is too far to drive," yet half of the population of that town drove down there for work. This was our own people certifying that.

Q To get back to my question, how will this affect a man who goes on strike, the provisions taken together?

SECRETARY BUTZ: As I read the provisions, he has got to make himself eligible for employment. Obviously, he could not be employed at the place where he is striking, but he has to be employed someplace else.

Q There are people working at the Washington Post, for example, in places of people who are on strike. The people who are on strike at the Washington Post, for example, would not be eligible?

SECRETARY BUTZ: Unless they took employment someplace else, that is correct.

Q Can I just pin that down?

SECRETARY BUTZ: Yes, sir.

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Q In other words, the striker would not be required, according to your rules, to go back to the plant which is on strike?

SECRETARY BUTZ: That would be my interpretation, but he would have to make himself available for other employment.

Q For other employment?

SECRETARY BUTZ: Yes.

Q Where does it say that, sir?

Q It is in the bill.

SECRETARY BUTZ: It is in the bill, yes. I know it is intended to be in the bill, and it is in there.

Q Were you eligible in Indiana, Mr. Secretary?

SECRETARY BUTZ: Am I eligible?

Q Yes. We just want to know if you checked on your eligibility. Were you eligible?

SECRETARY BUTZ: Until I identified myself, I was making progress. (Laughter)

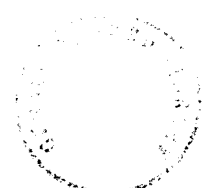
You may check up on this. My youngest son is a bachelor graduate student at Indiana University, and he lives in an apartment by himself, I think. (Laughter) A month ago, he went back home from visiting here, and I talked to him a couple nights later and he said, "I just bought \$68 worth of groceries." I said, "Holy smoke, how did you spend \$68 for groceries?"

Well, he was buying for a month. I said, "Tom, are you on food stamps?" He said, "No, am I eligible?" (Laughter) I may have asked the wrong question. I suspect he may be by now.

Q Mr. Secretary, given all these horror stories, given the people who advertise how to get on food stamps for \$3.50, if given instructions, and given all the people who are ineligible and all the college students who are "cheating," given all these factors, what is the number, or what is the percentage, of people who are receiving food stamps who should not be receiving them?

Not the number who are ineligible to receive just in a vacuum here, but who are ineligible to receive food stamps and are receiving them? Now, we have heard various figures from Congressman Michel and all the others.

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SECRETARY BUTZ: I think the figures currently of those who are receiving but who are technically ineligible are relatively small.

What is their estimate on that?

MR. SHIPP: About 8 percent are ineligible. This is just the nonpublic assistance caseload, which is all that our quality control system measures, because HEW has its own quality control system. About 8 percent are ineligible for what we call financial reasons, and these are the most important kinds of eligibility criteria.

Q And they are receiving them?

MR. SHIPP: Yes.

Q 8 percent are ineligible, and they are receiving food stamps?

MR. SHIPP: Yes.

Q That is the total percentage of the caseload?

MR. SHIPP: Probably.

The other 8 percent are called ineligible by our quality control system because some of the department's regulations are not carried out by the State certifiers, but those might be just technical things like not having a work registration form in the case record and things like that?

Q Mr. Secretary, there is a story out -- if my colleagues will pardon me for just a moment -- that a long-term grain deal with the Soviet Union has indeed been culminated, this is the wire copy on it, and that an oil swap is involved.

Could you give us some of the details of that, please, and confirm it?

SECRETARY BUTZ: I have not read the story.

Q I will give it to you, sir.

SECRETARY BUTZ: No, you don't need to.

Q It is an Associated Press bulletin. It is right here.

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MR. NESSEN: Come on, Walt. You know better than that. We don't have anything to announce on the grain deal.

Q He is the Secretary of Agriculture of the United States, and this involves agriculture.

MR. NESSEN: We don't have a grain deal with the Russians to announce.

Q Let the Secretary answer.

SECRETARY BUTZ: All I can say is what we have said before, and the President has said it and Kissinger has said it in China yesterday, I guess, and that is we are approaching an agreement and hopefully we will have something shortly.

Q So, you are not prepared to make the announcement?

SECRETARY BUTZ: No, sir, not now.

Q Mr. Secretary, I want to try to compare the standard deduction of \$100 a month to the average itemized deduction that is taken now by a family of -- you take your average family, if it is --

SECRETARY BUTZ: It is around 40-some dollars.

MR. SHIPP: About \$70 to \$80?

SECRETARY BUTZ: All right. \$70 to \$80 is the average deduction now, but remember now that that is the average, and the median is lower than that because the arithmetic mean area includes those with high deductions, they are the ones in the high income brackets.

So, the average is between \$75 and \$80, and the median would be substantially below that.

Q What level do we have to get down to now to be eligible with all of the deductions that you can dream up? How far down do you have to get to qualify?

SECRETARY BUTZ: We got that published series of eligibility and something above the poverty level here is what, around 50 percent above the poverty level?

MR. SHIPP: It is about \$6,400 for a family of four.

Q Mr. Secretary, can I check the accuracy of this figure, please?

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SECRETARY BUTZ: Yes.

Q You said that 17 percent would come off the current rolls, and he gave us a figure of 6 percent above a \$9,000 would go off. Does that mean the other 11 percent is between the \$6,250 or the \$6,500 figure and \$9,000?

SECRETARY BUTZ: Yes, I think that is correct.

Q In other words, a greater number is in that \$6,250?

SECRETARY BUTZ: Yes. We have 6 percent over \$9,000. It is relatively few.

Q Mr. Secretary, Senator Buckley and Congressman Michel have legislation on food stamps that will save the taxpayers \$2 billion they claim. That is roughly double the proposal that you are making here today. Why the difference, and where does it come?

SECRETARY BUTZ: I think the difference is that ours is not quite as severe as theirs.

We got this \$1,200 deduction above the poverty level, and they didn't have that and some things like that. Ours is a midway position, yet it is very similar to the Michel-Buckley bill, I think.

Q Yes, sir. May I follow that up?

SECRETARY BUTZ: Yes.

Q Actually, it is much closer to the Michel-Buckley bill than may be suspected and the President swung the other way. Could you give us some of the reasoning that went into that decision?

SECRETARY BUTZ: I think there are two or three reasons. One, of course, is budgetary. This thing has cost a lot of money. I just happen to have a chart here. I want to show you one of the reasons that I, for example, have been greatly concerned about this.

This shows from 1969 to date the composition of the budget in the Department of Agriculture. We have now become a major welfare department in agriculture. This great thing right here is what we call income security. By any other name I guess you would call it welfare, but we have more welfare in this than the red section.

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This green section down here is the Commodity Credit Corporation, which has now shrunk a great deal. We have stopped our payments to farmers here, dropped it down here, and over here we got about \$700 million under CCC of disaster payments and the like of that.

This yellow thing is what we call international affairs, which includes our Public Law 480. That includes roughly \$1.3 billion, which is foreign welfare in a sense. So, if I take the welfare in this department, I have got better than three-fourths of my budget in the Department of Agriculture which is now welfare.

As a matter of fact, it has gotten to the point when my budgetmakers made this chart they shocked me because when they took out the welfare, including CCC, which is in a sense welfare to farmers, and including Public Law 480, which is foreign welfare -- when they took that out, then they took everything else we have been doing in this department for years, like conservation, like the research service, like the Animal and Plant Health Inspection Service,

They called it Other. I guess the reason they called it Other is there was not room on the chart for Miscellaneous.

This is one of the reasons that I have strongly recommended the transfer of this whole section right here to the Department of Health, Education and Welfare in a completely restructured welfare program, and this is going to be looked at later this year.

The Vice President is having a series of hearings out around the country to get evidence on both sides of this thing. I don't necessarily think this should be transferred unless it is in a completely restructured welfare package because I think it is being pretty well run by our people in the Department of Agriculture, as well run as it could be anyplace else.

All I am saying is that as one who is responsible for this whole Department of Agriculture, this trend frightens me because when I get the inevitable ceilings from the White House here on budget and on personnel, this is set by legislation. You cannot change it.

Then the pressure comes on to cut back on whatever inspectors I have to make sure that you eat wholesome meat this noon.

Q Mr. Secretary, that red section goes from \$2 billion to \$11 billion for 1976.

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SECRETARY BUTZ: Yes, sir.

Q That is a difference of \$9 billion, and the figure has been thrown around that the whole program cost \$6 billion.

SECRETARY BUTZ: That is the food stamp program. This includes child welfare. It includes the women, infants and children program, the day camp feeding program, the breakfast program and everything else that comes into this thing here. I know I stretched the word "welfare" a bit when I use it there, but part of that is welfare, too, because we are now putting approximately 23 cents in every school lunch that your kids eat, and unless you get paid less than I think you do, I don't know why the taxpayers should subsidize your children's school lunch.

Q I don't have any kid in school, but that is beside the point.

Q Mr. Secretary, under the Administration bill that 28 percent is all going to be below your poverty line, below the \$6,250 per family of four, is that correct?

SECRETARY BUTZ: That is correct.

Q Can you tell us at what income level, say for a family of four, they start paying more?

SECRETARY BUTZ: It depends on the individuals. It depends on the amount of deductions they have under the current program. If they have no deductions under the current program, they will pay less, not more. If they have heavy deductions, then they would pay more. I can't give you an absolute cut-off level. It depends on the family.

Q I am talking about the ones who would pay more, though.

SECRETARY BUTZ: That is correct, but again it depends on the amount of deductions they have. That varies family by family.

Q How much more will they pay? How is the increase in payments? Is it on a sliding scale?

SECRETARY BUTZ: Yes, it would vary.

We don't have an exact figure on that, do we?

Q I am sorry. I missed the question.

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SECRETARY BUTZ: That 28 percent, that 1.6 million families that will pay more under this system, how much more will they pay?

MR. SHIPP: It will vary. We have got extensive printouts that give all that information. I will be glad to have you come over.

One of the problems that comes in here is that household sizes differ for the poverty level, and so you have to relate it to a specific household size. We can talk to you directly about these.

MR. NESSEN: There is going to be a technical briefing at Agriculture which can clean up some of the details.

You might just want to make sure that words are not put in your mouth. I think you said that in all the discussions you had to put this program together, domestic politics was never discussed?

SECRETARY BUTZ: That is correct. Somebody asked me my opinion of it, and that was my opinion, that I think it will be a plus because it makes sense, but this was never discussed in this business here.

Q When is that technical briefing at Agriculture?

MR. CARLSON: I think it is going to be tomorrow morning.

Q Mr. Secretary, at the risk of being repetitious, I would like for you to respond once more, if you would, to the question about a grain deal with the Soviet Union. Are you saying in fact that there has been no grain deal reached?

SECRETARY BUTZ: That is correct, so far as I know at the moment. I have been tied up all morning. I think we are approaching the point that we hope to have one. Whether it will be today, I can't say.

Q Then in effect reports that a grain deal has been struck are inaccurate?

SECRETARY BUTZ: As far as I am aware.

Q You would be aware, wouldn't you?

SECRETARY BUTZ: You are the closest I have been to a news source for three hours now.

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Q Mr. Secretary, what went into the decision to make it the earnings within the last 90 days? Considering that some families may get very hungry after a while, why didn't you go 60 days or 30 days?

SECRETARY BUTZ: Well, it is a good question and one of the bills on the Hill has 30 days in it at the present time. I think the Dole-McGovern bill has 30 days in it. Our decision to go back to 90 days was again to catch those people who have been at a high income level here and get cut off, that you have got some momentum to carry on for a while just like by the same token we are going to tighten up on this question of assets you have.

There is not a person in this room who does not occasionally borrow against assets to tide you over on the purchase you want to make or something like that, and we are going to try and make that consistent with the SSI standards.

Q Ron, may I just ask you the same thing on this grain deal because we have stories out that this has been reached.

The Secretary has left a big loophole for him to get out of this. Does the White House know of a grain deal that has been reached at this point?

MR. NESSEN: We don't have anything to announce right now, Phil.

Q That is not my question.

MR. NESSEN: I know but that is the answer.

Q So you are refusing to answer?

MR. NESSEN: My answer is that there is nothing to announce right now on a grain deal.

Q You said Secretary Robinson was still in Moscow and the negotiations were still going on. According to the Reuters wire he has left, having completed the negotiation.

MR. NESSEN: Well, I will have to check that, Phil. The last time I checked he was there.

SECRETARY BUTZ: Ron, he left twice before without the negotiations done, too.

MR. NESSEN: He went to Paris.

Q Can you tell me who in the household is going to have a photo identification card?

MORE



SECRETARY BUTZ: It will be the entire household.

Q The kids?

SECRETARY BUTZ: Well, I think it will have to be those who purchase groceries. Obviously, if you had only one person, they might send the other mate down to get the groceries.

Q Or you might send an older child down to get the groceries.

SECRETARY BUTZ: That is an administrative detail.

Q How are you going to move against assets, sir?

SECRETARY BUTZ: We don't know yet but at the present time there is virtually no limit on the value of the house you can have; you can have it debt free. As I say, there is nobody in this room who does not sometimes borrow against assets to tide you over in an occasional pinch, and we feel that kind of test should be applied here.

Q Will you be checking mortgaged houses to see how much people owe on their houses?

SECRETARY BUTZ: Oh, sure. Equity.

Q You would be doing that?

SECRETARY BUTZ: Yes.

Q You would be going to bank accounts to see if they have money in the bank?

SECRETARY BUTZ: I think you have to take their declaration for it, as we do now.

Q What else does the Michel-Buckley bill have that yours doesn't have that accounts for this extra almost billion dollar saving?

SECRETARY BUTZ: Royal, what is the essential difference?

MR. SHIPP: Well, that was their number and not ours, to start with. The main savings features are the fact that we allowed the deduction and they were going to count income in kind, which our bill does not. Those are the largest kinds of factors.

Q Do you have any changes in the work registration requirement?

MORE



SECRETARY BUTZ: Any changes from the --

Q Do you propose any changes in the work registration requirement?

SECRETARY BUTZ: We tightened up on it.

Q In what way?

SECRETARY BUTZ: Mostly administrative.

MR. SHIPP: It lowers the age that a child would be from 18 to 6 and requires the job search as the Secretary indicated.

SECRETARY BUTZ: That is, a mother currently with a child under 18 does not have to register -- that is lowered to 6.

Q I wonder if we might put a question to Ron since he was trying to clarify this point earlier.

Could you tell us, Ron, or can you flatly guarantee for us that political considerations played no part in the formulation of the Government proposal?

MR. NESSEN: Yes.

Q You can flatly guarantee that?

MR. NESSEN: Yes.

SECRETARY BUTZ: If they had, I presume we would not have been as tough in these things. This is a rather tough proposal we are sending forward.

Q You said you thought it would help him politically?

MR. NESSEN: There are two different questions there.

SECRETARY BUTZ: You asked me my opinion.

MR. NESSEN: You asked the Secretary for a personal opinion and you asked me whether it had anything to do with the formulation.

My answer is no. The Secretary was offering a personal opinion as a well-known political observer.

THE PRESS: Thank you, Mr. Secretary.

END (AT 11:50 A.M. EDT)

