

Dole Proposes Simplified Plan On Food Stamps

By Spencer Rich

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A major change in the food-stamp program — to give all eligible families free stamps instead of making them pay cash — was proposed yesterday by the Senate Nutrition Committee's senior Republican, Bob Dole of Kansas, with strong backing from Chairman George McGovern D-S.D..

Although the new plan would be a revolutionary overhaul of the existing program, Dole said it won't increase the government's benefit costs but could save up to \$300 million by simplifying administrative procedures, Dole said.

A typical family, instead of putting up \$71 to receive government stamps that will purchase \$162 worth of food at the grocery, would keep its \$71 in cash and get \$91 in free stamps from the government, under the proposed plan. In either case the family ends up with a \$91 government subsidy, but the Dole-McGovern proposal would simplify the process.

The new bill also includes provisions to bar high-income families from getting benefits and to impose a ban on stamps for middle-class college students.

The Dole-McGovern proposal was unveiled as Congress prepared for a major fight over the fast-growing program, beginning with Senate Agriculture Committee hearings Monday.

Alarmed at reports that families with incomes as high as \$16,000 can get benefits and that program costs have zoomed from zero in 1960 to an estimated \$6 billion a year today, Congress is getting ready to clamp some form of income "cap" on eligibility.

There is little doubt that Congress wants to end abuses, which include allegations of mismanagement and furnishing of stamps to ineligible

persons. The big question will be how deeply to restrict the program, in which 19.1 million persons were receiving benefits in July.

The most radical surgery is being proposed by a bloc of conservatives led in the Senate by James L. Buckley (Cons.-R-N.Y.) and in the House by Robert H. Michel (R-Ill.), along with such allies in the House as GOP Leader John J. Rhodes (Ariz.), Joe D. Waggoner Jr. (D-La.) and Barber B. Conable Jr. (R-N.Y.).

They have introduced legislation that would change the character of the program and, in effect, limit it to those at or below the poverty income line (presently about \$5,000 a year for a family of four). This could strip a million or more people from the rolls.

Their proposal would impose harsher income tests and property tests for eligibility, while increasing monthly stamp allotments by 29 per cent for those who remain eligible. Buckley said these changes would cut net program costs at least \$2 billion a year.

By deliberate Congressional design, the foodstamp program in effect provides supplementary income not only for those below the poverty line, but for many "working poor" persons who make thousands more.

The food-stamp program enables eligible families to purchase — through their local welfare offices — stamps redeemable at the grocery for far more in food than the family pays for the stamps. A family of four with a net income of \$250 a month can buy stamps worth \$162 for \$71. When the grocer turns in the stamps to the government, he is reimbursed their full value, with the government absorbing the loss.

The administration hasn't presented its proposal but may do so at the Senate hearings.