

NUTRITION AND HUMAN NEEDS

HEARINGS
BEFORE THE
SELECT COMMITTEE ON
NUTRITION AND HUMAN NEEDS
OF THE
UNITED STATES SENATE
NINETIETH CONGRESS
SECOND SESSION
AND
NINETY-FIRST CONGRESS
FIRST SESSION
ON
NUTRITION AND HUMAN NEEDS

PART 8—THE NIXON ADMINISTRATION PROGRAM

WASHINGTON, D.C., MAY 7, 1969



Printed for the use of the Select Committee on Nutrition and Human Needs

U.S. GOVERNMENT PRINTING OFFICE

24-235

WASHINGTON : 1969

For sale by the Superintendent of Documents, U.S. Government Printing Office
Washington, D.C. 20402 Price \$1.25

SELECT COMMITTEE ON NUTRITION AND HUMAN NEEDS

GEORGE McGOVERN, South Dakota, *Chairman*

ALLEN J. ELLENDER, Louisiana
HERMAN E. TALMADGE, Georgia
RALPH W. YARBOROUGH, Texas
PHILIP A. HART, Michigan
WALTER F. MONDALE, Minnesota
EDWARD M. KENNEDY, Massachusetts
CLAIBORNE PELL, Rhode Island

JACOB K. JAVITS, New York
CHARLES H. PERCY, Illinois
CHARLES GOODELL, New York
PETER H. DOMINICK, Colorado
MARLOW W. COOK, Kentucky
ROBERT DOLE, Kansas

WILLIAM C. SMITH, *Staff Director and General Counsel*
CLARENCE V. MCKEE, *Professional Staff Member for the Minority*

(II)

PART 2—THE NIXON ADMINISTRATION PROGRAM

WASHINGTON, D.C. MAY 2, 1969



CONTENTS

Opening statements:

Hon. George McGovern, a U.S. Senator from the State of South Dakota, chairman of the committee.....	Page 2437
Hon. Jacob K. Javits, a U.S. Senator from the State of New York..	2439
Hon. Ralph W. Yarborough, a U.S. Senator from the State of Texas..	2440
Hon. Charles H. Percy, a U.S. Senator from the State of Illinois.....	2441

CHRONOLOGICAL LIST OF WITNESSES

Wednesday, May 7, 1969

Hon. Robert H. Finch, Secretary of the Department of Health, Education, and Welfare.....	2441
Hon. Clifford M. Hardin, Secretary of the Department of Agriculture.....	2512

ADDITIONAL INFORMATION

Statements:

McGovern, Hon. George, a U.S. Senator from the State of South Dakota, chairman of the committee.....	2437
Finch, Hon. Robert H., Secretary of the Department of Health, Education, and Welfare.....	2441
Prepared statement.....	2442
Hardin, Hon. Clifford M., Secretary of the Department of Agriculture..	2512
Prepared statement.....	2513

Articles, publications, reports:

Memorandum of agreement between USHEW and USDA.....	2456
U.S. Department of Agriculture, Consumer and Marketing Service; Food stamp program regulations:	
Part 1600—General information and definitions.....	2457
Part 1601—Participation of State agencies and eligible households.....	2461
Part 1602—Participation of retail food stores, wholesale food concerns and banks.....	2466
Part 1603—Administrative and judicial review (retailers and wholesalers).....	2470
Part 210—National school lunch program.....	2474
Part 250—Donation of food commodities for use in United States for school lunch programs, training students in home economics, summer camps for children and relief purposes, and in State correctional institutions for minors.....	2493
Part 251—Financial assistance for distribution of federally donated commodities.....	2508
Food stamp program net income basis of issuance tables.....	2545
Eligibility standards for nonassistance households; standards in State plans approved under the Food Stamp Act of 1964.....	2551

Communications:

Hon. Robert H. Finch, Secretary of Health, Education, and Welfare, to T. C. Byerly, Administrator, Cooperative State Research Service..	2684
Hon. Orville L. Freeman, Secretary, Department of Agriculture, to Howard A. Glickstein, Acting Staff Director, U.S. Commission on Civil Rights.....	2684
John A. Hannah, Chairman, Commission on Civil Rights, to Hon. Clifford M. Hardin, Secretary, Department of Agriculture.....	2687
Hon. John N. Mitchell, Attorney General, to Hon. Clifford M. Hardin, Secretary, Department of Agriculture.....	2690

IV

APPENDIX

	Page
Correspondence with Cabinet officials.....	2563
Urban Affairs Council materials on hunger and malnutrition.....	2565
Initial Draft USDA-PEP staff, March 5, 1969.....	2580
Background material on food and nutrition.....	2582
Press reports.....	2615
The President's program.....	2630
Highlights of the program.....	2639
Public Health Service report on malnutrition and mental development...-	2670
The hungry Americans.....	2682
Materials on USDA civil rights enforcement.....	2684

NUTRITION AND HUMAN NEEDS

WEDNESDAY, MAY 7, 1969

U.S. SENATE,
SELECT COMMITTEE ON NUTRITION
AND HUMAN NEEDS,
Washington, D.C.

The select committee met at 10 a.m., pursuant to recess, in room G-308, New Senate Auditorium, Senator George S. McGovern (chairman of the committee) presiding.

Present: Senators McGovern, Talmadge, Cook, Dole, Yarborough, Pell, Javits, Dominick, Mondale, and Percy.

Staff members present: William C. Smith, staff director and general counsel; Kenneth Schlossberg, professional staff member; and Clarence V. McKee, professional staff member for the minority.

Senator McGOVERN. The committee will be in order.

OPENING STATEMENT BY SENATOR GEORGE MCGOVERN, A U.S. SENATOR FROM THE STATE OF SOUTH DAKOTA, AND CHAIRMAN OF THE COMMITTEE

Senator McGOVERN. We will hear today testimony from the Secretaries of Agriculture and Health, Education, and Welfare. But before we begin, I have a brief opening statement.

Late yesterday, President Nixon issued a message to the Congress on his proposals to combat hunger and malnutrition. I am gratified that the administration has now indicated its willingness to face up to a problem which many of us have been trying to get both the Congress and the executive branch of our Government to focus on for more than 2 years.

I am also gratified that after press reports indicating an initial decision to table the hunger problem, the President has now decided to recommend a program which I consider to be commendable and far-reaching.

This action is very clearly a tribute to the effective bipartisan efforts of this committee as we have sought to reveal to our Government and to the American public the tragedy of hunger in America. The President's recommendation is also a tribute to the news media of America who have told the story of hunger to the American public. The President's action is a tribute to Secretary Finch and Secretary Hardin who have fought for such a program within the administration.

I must say, however, that while the President's program is commendable, the message which was presented to Congress leaves open many questions which I hope we will be able to have answered in testimony today.

I must also say quite candidly that as significant as the President's program is, it fails, in my judgment, to provide a commitment for enough funds this fiscal year and next fiscal year and in future years to, as the President says, "put an end to hunger in America itself for all time."

Two hundred and seventy million dollars in fiscal year 1970 is not enough. A billion dollars in the years after that is probably less than a third of what is needed.

I shall support the President's recommendations as far as they go, but I shall work in the Senate as a member of the Agriculture Committee and as chairman of this committee to increase the resources which I believe must be devoted to this problem.

The other members of the committee will doubtless have many questions about the President's message. Because we may not have sufficient time to ask all the questions we believe should be answered, if there is no objection, I would like the record of this hearing to remain open for a period of 3 weeks so that members may have a chance to submit written questions to the witnesses for answer by them and their departments.

We are going to hear testimony today first from Secretary Finch of the Department of Health, Education, and Welfare, and then from Secretary Hardin, of the Department of Agriculture.

Late yesterday, President Nixon issued a message to the Congress on his proposals to combat hunger and malnutrition in the United States.

I am personally very deeply gratified by this message. The administration has now indicated its willingness to face up to a problem in a substantive manner which many of us have been trying to get both the Congress and the administration to concentrate on over the last couple of years.

I am also gratified that after press reports indicating an initial decision to table action on this problem, at least for the time being, the President has recommended a program which I believe to be commendable and far reaching in its implications.

This action is very clearly a tribute to the effective bipartisan efforts of this committee, as we have sought to reveal to our Government and to the American public the tragedy of hunger in the United States.

The President's recommendation is also a tribute, in my judgment, to Secretary Hardin and Secretary Finch, who have fought very hard within the Government to secure an adequate program.

The President's recommendation is also a tribute to the journalists and news media of the country who have told very effectively and dramatically the story of hunger to the American public.

I do want to add that while the President's program and the message which he presented to the Congress are commendable they still leave open a number of questions which I hope we will be able to get into today.

I must also say that as significant as the President's program is, it does not provide the commitment of enough funds either in this fiscal year, or the next fiscal year, or in future years, to accomplish the President's objective of putting an end to hunger in America, itself, for all time.

It is a most laudable goal which I hope will become the policy of our Government, but it is going to cost some money, and I think considerably more than is envisioned in the President's recommendation; \$270 million in fiscal year 1970 is simply not enough; \$1 billion in the years after that is probably about one-third of what will be needed to really eliminate hunger and malnutrition from the United States.

I am going to support the President's recommendations with great enthusiasm as far as they go, but I want to make it clear that I will continue to work in the Senate as a member of the Committee on Agriculture and as chairman of this select committee to increase the resources which I believe must be devoted to this problem.

The other members of the committee, Senator Javits and others, will doubtless have questions about the President's message. Because we may not have sufficient time this morning to go into all of those questions, if there is no objection, I would like to ask that the record of this hearing remain open for a period of 3 weeks so that members of the committee can submit questions in writing to Secretary Hardin and to Secretary Finch for answers by them or their Departments.

Senator Javits?

Senator JAVITS. I would like to make a brief statement, too, but I would also like to personally suggest to the Chair the possibility of leaving the record open for only 1 week and reserving to the chairman the right to extend it.

I do not like to see you lock yourself into such a long time.

Senator MCGOVERN. That is fine. I think a week's time will be adequate.

Senator JAVITS. We have just had that experience in something else. You may want this record a lot sooner.

Senator MCGOVERN. If there is no objection, I will suggest that the hearing record of today be held open for a week's time for additional questions that members of the committee may wish to submit to the two Secretaries and their Departments.

Senator JAVITS. Mr. Chairman, if I may have just 1 minute, I think we all owe a deep debt of gratitude—and more than that of understanding—to the President of the United States and to the two Secretaries who appear before us today.

From the inside-inside, I know that there is the achievement which is here incorporated and which has obviously broken through to the President's mind and conscience as it has to that of the people of America.

If we are going to do something real about poverty in this country and try to end it, we can put the salt upon the conscience of America which has made by the disclosures that there is hunger in this country or such malnutrition as to meet a hunger definition which I think is largely attributable to the work of this committee.

Our chairman can take enormous pride and satisfaction in having taken the initiative which brought this committee into being.

It is a unique situation where there is a lot of credit for both parties in all aspects of the problem. Today, I think we have the right to speak especially of the tremendously constructive role of the President in bringing this about. He showed the finest attributes of a chief magistrate. He saw the problem.

When he did, he acted, and he acted in a constructive and very important way.

I join with our chairman in the praise which he has given to the message and in the pledge to do everything I can with our chairman and other members of the committee to implement the President's program.

Also, for myself, I would like to reserve, as is my duty, other problems which may arise, such as, for example, school lunch and other things which may need buttressing, including the amounts which are involved.

I would like to express the hope that in the spirit which we have so far operated, that Senator McGovern and I, and the members of the majority and the minority might join in at least some aspects of the legislation so that the major parts of the program can be bipartisan. Perhaps we can work out a technique by which if the majority were satisfied the minority was going all the way, we might do as much as we can together and then the majority might do whatever it chose to do separately.

I think it is the kind of an issue on which the country would expect us to work together.

Again, I thank the chairman for his courtesy and publicly thank the President and Secretaries Hardin and Finch for magnificent national service so early in the new administration.

Senator MCGOVERN. Thank you very much, Senator Javits, for your statement.

Senator YARBOROUGH. Mr. Chairman?

Senator MCGOVERN. Senator Yarborough.

Senator YARBOROUGH. We have two Cabinet officers before us, so my comment will be very brief and without questions.

I would like to call attention to the fact that the Senate Labor and Public Welfare Committee, on which I have the honor of serving with the distinguished gentleman from the other party, Senator Javits, the ranking minority member on that committee, started their investigation into hunger in 1967.

The late Senator Robert Kennedy and former Senator Joe Clark of Pennsylvania held hearings in Mississippi, California, and other places.

Their hearings were greeted with outcries of indignation by the press of America. They said that there was no hunger in America, that this was a bunch of showmanship.

We know there is hunger in America. This Labor and Public Welfare Committee supported those hearings. Certain members of the Agriculture Committee opposed. Due to the conflict over jurisdiction in the Senate, this special committee was created with the able Senator from South Dakota as chairman, with four members from each of the Labor and Public Welfare Committee and the Agriculture Committee, and three others, the chairman being one.

Due to the work of this 11-man special committee the whole tone of the press has changed. Papers, conservative, liberal, Democratic, Republican—of all types, have said there is hunger in America and we should do something about it.

I think this illustrates how the Senate, through two committees, has brought to the conscience of the American people one of the great problems of our Nation in 2 years' time.

Now the Chief Executive of the Nation has said there is hunger in America, and that he is going to do something about it. He has now made some recommendations.

Since the committee on which I have the honor to serve, Labor and Public Welfare, has jurisdiction over certain matters that come before each of the distinguished Secretaries who sit here, I want to join my words of commendation of them. They have said there is hunger and they have recommended that something be done about it.

I doubt not that their recommendations have influenced the Chief Executive to say there is hunger. Some people, some papers, have still been saying, "There is no hunger in America. This is just a show."

I do not believe now, after this statement by the Chief Executive, that anyone else will contend that there is no hunger, no malnutrition in America.

I think we have made tremendous progress in this Nation toward reaching this problem in less than 2 years' time. Now that it is recognized at all levels of Government, I believe we will have breakthroughs, and within a very short period of time, 1, 3, 4, or 5 years at most, we will end hunger. Of course, it will take longer to make up for the accumulation of malnutrition in this country.

I want to compliment this distinguished chairman for his perseverance in the face of criticism in pursuing these hearings and diligently letting nothing turn him aside. Now the Nation says not only is there hunger but we are going to do something about it and we are going to do a lot about it.

I thank the chairman.

Senator MCGOVERN. Thank you, Senator Yarborough.

Senator PERCY.

Senator PERCY. Mr. Chairman, my statement will be very brief indeed. I would like to commend the administration. This has been a difficult decision but they have moved ahead and put human needs ahead of everything else. They have been bold and imaginative.

I think they have done it in a creative way. I will do everything I can to support and back it in the Congress.

Senator MCGOVERN. Thank you, Senator Percy.

Secretary FINCH, I think we are ready.

STATEMENT OF HON. ROBERT H. FINCH, SECRETARY OF THE DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE; ACCOMPANIED BY DR. JOSEPH T. ENGLISH, ADMINISTRATOR OF THE HEALTH SERVICES AND MENTAL HEALTH ADMINISTRATION; DR. ARNOLD E. SCHAEFER, CHIEF OF THE NUTRITION PROGRAM, PUBLIC HEALTH SERVICE; DR. CHARLES U. LOWE, SCIENTIFIC DIRECTOR OF THE NATIONAL INSTITUTE OF CHILD HEALTH AND HUMAN DEVELOPMENT; AND ROBERT E. PATRICELLI, DEPUTY ASSISTANT SECRETARY AND SPECIAL ASSISTANT FOR URBAN AFFAIRS COUNCIL

Secretary FINCH. I am overwhelmed with the praise, Mr. Chairman. I want to reciprocate, because I think the committee has done outstanding work.

REGARD TO TIMING

I think there has been some question raised with regard to timing of this announcement, and I think it should be explained that we have been laboring very hard, Mr. Hardin and myself, to have the inter-relationship between a welfare program, food stamps, and hunger, to come together in a joint package of proposals.

It was obviously delayed substantially by the time we spent on the drawing board and then further delayed by the Supreme Court decision striking down welfare residence requirements.

That is one of the reasons why the sequence of events took place as it did.

I will not read my full statement in the interest of time. I would like permission to ask that it be inserted into the record.

(The prepared statement of Robert H. Finch, Secretary of Health, Education, and Welfare follows:)

PREPARED STATEMENT BY ROBERT H. FINCH, SECRETARY, DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

Mr. Chairman and members of the committee, I am pleased to have the privilege of appearing before you this morning. I appreciate your invitation to discuss the present activities and the plans for the future of the Department of Health, Education, and Welfare in the area of hunger and malnutrition.

I am accompanied today by Mr. Creed C. Black, my Assistant Secretary for Legislation, Mr. Robert E. Patricelli, Deputy Assistant Secretary and Special Assistant for Urban Affairs Council matters, Dr. Joseph T. English, Administrator of the Health Services and Mental Health Administration, Dr. Arnold E. Schaefer, Chief of the Nutrition Program in the Public Health Service, Dr. Charles U. Lowe, Scientific Director of the National Institute of Child Health and Human Development, Mr. Stephen Simonds, Administrator of the Assistance Payments Administration in the Social and Rehabilitation Service, and Mrs. Patricia Seven-son of the Office of Education.

Let me first congratulate this committee on the outstanding work which it has done to bring this problem of malnutrition to the attention of the American people. I recognize that this investigation has been a bipartisan effort from the outset of the congressional hearings on this subject in 1967, and I look forward to cooperating with Senators on both sides of the aisle in future measures aimed at solving the problem.

I do not propose, this morning, to review again our information regarding the existence of hunger and malnutrition. This committee needs no recitation of the evidence on that count and I believe that we can stipulate that the problem exists and is serious. We accept the conclusions of men such as Dr. Schaefer and Dr. Lowe, who have previously testified before you on that score. I included some of that evidence in my report to the governors, made on February 17 of this year, and I would ask that that report be included in the record with my remarks.

That is not to say, however, that we have solid evidence of the degree of malnutrition, other than that it is substantial, or that we fully understand the developmental and behavioral consequences of malnutrition. These are matters that we propose to explore further, as I will suggest later in this testimony. But we do know enough to say that we must make a major commitment to end in this country the stain of hunger and malnutrition—and that commitment is set forth in the President's message released yesterday.

The keystone of that effort is the expansion of the Food Stamp program. As Secretary Hardin will explain, we are proposing a major reform and extension of that program, including the addition of \$270 million for fiscal year 1970 over and above the Johnson budget.

Over the longer run a more basic answer to the problem of malnutrition—as with other problems associated with poverty—must be found in reform of our public assistance and employment programs. Cash income, not a succession of payments-in-kind, best preserves the dignity and freedom of choice of the individual to meet his own needs through the workings of the private market. If he cannot be trained or cannot work, he must have available an income mainte-

nance program which provides for his basic necessities in a way most unencumbered by administrative red tape and centralized judgments about human needs.

Instead of that approach, we now have a Federal assistance system incorporating over 500 grant-in-aid programs, most of which are directed toward the disadvantaged, as well as several payment-in-kind systems which provide rent stamps, health stamps, food stamps, and even education and training stamps in the form of student loans and grants.

We hope, within the next few months, to bring to the Congress a set of welfare reforms which will begin to rationalize these systems and place emphasis on cash assistance as the most flexible and useful form of aid. Until the time when we have achieved major welfare reform, however, the Food Stamp Program is vital and must be expanded.

Beyond income maintenance, this Department has a number of programs directed specifically to the problems of malnutrition and its medical consequences on which I would like to report to the Committee. First, let me explain that nutrition has been a top priority issue for us since we took office. During the transition period I established four special Review Groups to look into the programs and policies of the Department, and I specifically asked for papers on nutrition from each of these health, education, welfare, and "other issues" Review Groups. Similarly, we have made this subject a high priority in our continuing program and budget planning exercise for fiscal year 1971, with each of the major agency groups looking specifically at how we can improve our performance.

I will concentrate my testimony this morning on steps which we propose to take in the coming weeks and months on this issue. This Committee has already received, from Secretary Cohen, an extensive listing of the Department's ongoing programs in nutrition, and I refer you to the Report beginning on page 428 of your printed hearings for January 11, 1969. Our updated figures on that list of programs shows \$72.6 million in Department expenditures on nutrition in fiscal year 1969, with the comparable figure for fiscal year 1970 standing at \$78.9 million. I am including these updated figures as Appendix A. The most important of these programs in this fiscal year are the Title I ESEA program, under which \$35.9 million is being spent for food and food service activities, the National Nutrition Survey, costing \$2.5 million, the nutrition related research activities of the National Institute of Child Health and Human Development, funded at \$6.3 million, \$1.8 million in the Administration on the Aging, \$3.2 million in the Children's Bureau, and \$2.5 million in Vocational Education.

In our fiscal year 1970 budget review, we sought specifically to preserve the Johnson budget requests for all important nutrition related programs. In addition, we have requested \$4 million for nutrition programs in Health Services and Mental Health Administration over and above the \$1 million increase in the Johnson budget. Finally, for fiscal year 1970, we are redirecting another \$3 million into nutrition related programs from other program areas, with \$1 million of this going to HSMHA and \$2 million to NIH. This \$3 million was not identified in the President's budget presentation last month.

Since we have taken office, we have also reprogrammed an additional \$1 million in fiscal 1969 funds so that the National Institute of Child Health and Human Development and other elements of NIH can launch needed research into the relations between malnutrition and human growth and development. Thus, combining both fiscal year 1969 and 1970, we have added \$8 million to our effort in the area of nutrition.

The additional research funds for fiscal years 1969 and 1970 will be committed to programs of highest priority and those with greatest national relevance. They include research into such critical areas as:

1. The relationship between maternal nutrition, gestational performance and infant mortality.
2. The interaction between infant nutrition and intellectual development.
3. Determination of the types of intellectual defects which follow infantile malnutrition, and methods for mitigating and modifying any defects which are identified.

Our goal, in all of this, is to establish a comprehensive food and nutrition policy within this Department, with every relevant program devoting priority attention to these needs. I would like to set forth for the Committee our plans in this regard, with special attention to the planned uses of our budget increase and redistribution which we are proposing.

I. HEALTH PROGRAMS

National nutrition survey

The total cost of the initial phase of the National Nutrition Survey is estimated \$5,297,000. It is anticipated that the contract for the 10 States involved in this first phase plus the final subcontract for New York City will have been negotiated by close of fiscal year 1969. As of now, contracts exist with Texas, Louisiana, Michigan, Kentucky, and New York State and contracts are expected to be signed this week with Washington, California and West Virginia. The remaining contracts with Massachusetts and South Carolina will be reviewed and negotiated during May and June. The 1970 budget includes \$600,000 for data processing and support contract costs to complete the survey. The amount of \$4,697,000 has already been or will be made available by reprogramming of funds appropriated in fiscal years 1968 and 1969 primarily to the Department of Health, Education, and Welfare.

It is presently estimated that the State surveys remaining to be done will have been completed by late December 1969. Data recording and interpretation will proceed concurrently with a target date of March 1, 1970, for the final State survey report. I am including, as an appendix to my testimony, tables which show the funding levels and completion dates of these initial surveys. (Appendix B).

I do not propose to enlarge upon the preliminary findings of this survey previously reported by Dr. Schaefer to this Committee. Data being processed since his earlier appearance here are consistent with his previous report. These disturbing findings appear to be supported by studies now being conducted by the U.S. Army measuring the nutritional status of new inductees. The inductees had low serum levels of hemoglobin vitamin A and vitamin C similar to levels found in similar age groups in the National Nutrition Surveys. Dr. Schaefer is with me today and would be pleased to report further on the survey if the members of the Committee have questions they wish to direct to him.

National nutrition surveillance system

We feel that we now know enough from the 10 State studies to move into a new phase of activity. The initial State surveys have established a data base which, when fully analyzed, should give us a scientifically sound set of conclusions about the extent of malnutrition and the related medical consequences. The difficulty with the State-by-State approach is that it is somewhat expensive, it provides a look at the problem at only one point in time, and while it has not been able to blanket the whole country, its sample is adequate to permit conclusions of national validity.

As the President said in his address to Congress yesterday, we are now ready to move into the next phase of an expanded National nutrition survey.

We now must move beyond the goal of simply determining whether and to what extent under-nutrition exists in this country. The next phases of activity must relate the findings of the survey to action programs, and to establish procedures for monitoring the national nutritional status. There is a need to evaluate the effectiveness of such programs as commodity distribution, food stamps and welfare in relation to health status.

As our targets we propose:

1. The development and implementation of a survey design which will permit the use of health data as an objective test of programs to improve nutritional status;

2. A continuing monitoring of national nutritional status and related health problems so that the evaluation of trends and progress over time will be possible, and so that we will have some better basis for allocation of scarce program resources.

I am, therefore, proposing the establishment of a continuing National Nutrition Surveillance System, under the authority of the existing National Health Survey Act of 1956. It would be added to the family of surveys that now make up the National Health Survey. This will be a scientifically reliable system for continuous monitoring of the health effects of and the prevalence of malnutrition. We should not again be forced, in order to define the nutrition status of the nation, to launch a difficult and costly national survey at such short notice.

The plan would set up continuing representative sampling of the high-risk population throughout the country, making maximum use of existing health care and welfare systems to identify and examine target populations. Special emphasis would be given to the child population. The examination would concentrate on the clinical variables indicative of the health problems created by

malnutrition. This survey would be conducted on a 2-year cycle so that results would be available for each 2-year period. Individuals in the sample would be invited to convenient central locations for examinations. To the extent possible, the sample would involve families now participating in programs such as Head Start, Follow Through, Title I of ESEA, and the Maternal and Child Health Program by intensifying the nutritional aspects of the medical examinations now being given.

The number of people examined each year would not need to be so large as in the National Nutrition Survey, but they would be chosen to be representative of the population at most risk of malnutrition throughout the country. To the extent possible, we will build on technical resources which have been created in the 10 states through the National Nutrition Survey.

Accumulated results from this continuing survey, together with demographic and economic data for each county in the United States, would be used to project the survey results into the counties, estimating for each the likely burden of health problems due to malnutrition within that county. Periodic results from the survey would be used to measure national progress in overcoming the health problems produced by under-nutrition.

The analysis and data reporting of the biochemical samples obtained throughout the Nation by the surveillance system must be accomplished in a uniform and consistent fashion in a laboratory of high quality and capacity. The heart of such a laboratory already exists in the National Communicable Disease Center. A major part of this proposal involves increased utilization and expansion of the extensive laboratory resources of the National Communicable Disease Center. With relatively inexpensive physical expansion it would serve as the national laboratory for the surveillance system. Funds for that purpose are included in the Department's budget proposal previously submitted to the Congress.

In addition to the data which will be coming in through the specific examinations, we will integrate into the National Nutrition Surveillance System other sources of data which we have relating to the health problems of under-nutrition. For example, our Department is responsible for the national birth and death statistics. We find that the morbidity statistics by cause of death must be interpreted with great caution because it is not always possible to tell whether the cause of death entered by the physician on the death certificate is clearly related to nutritional problems. There are undoubtedly deaths in which a nutritional disease was a contributing cause, but we won't know how many until we complete the analysis of contributory causes through a new statistical program just now getting under way.

Community nutrition programs

Mr. Chairman, the fiscal year 1970 budget amendments submitted by this Department include funding for community nutrition projects focused on the medical consequences or malnutrition.

The goal of these projects will be the stimulation of community efforts to meet the health needs of the malnourished. They will not be aimed at the direct provision of food to the malnourished except when part of medical treatment. We assume that the necessary food supplies can be made available through close cooperation with the food programs of the Agriculture Department and the emergency food activities of the Office of Economic Opportunity. In addition to the immediate benefit of these community projects, the longer term results should be an increased response of the community's health resources to the health needs of the poor, including not only adequate nutrition but improved availability of primary medical services.

The Federal funds and personnel involved will serve as a catalyst to bring together the local health department, the practicing physician, the voluntary efforts of interested citizens, and community leadership in a concentrated campaign to find, feed, and treat the malnourished in the community.

The National Communicable Disease Center will provide a staff person for each project trained in mounting effective community health programs. NCDC personnel have an outstanding record of assisting communities in developing community campaigns to combat specific health problems, such as polio and measles vaccination campaigns. The NCDC staff person will work with the local health department, the medical society, schools, and other community institutions in the design and implementation of a community survey that will identify those families and individuals with a problem of malnutrition. He will also have at his disposal the entire resources of Dr. Schaefer's nutrition team. This survey will utilize the epidemiological expertise of the NCDC worker to define the demo-

graphic pattern of malnutrition in the community. Simple indices will be used which will identify within the population surveyed those individuals with nutritional deficiencies. These indices include:

- (a) the height and weight of children;
- (b) hematocrit and hemoglobins;
- (c) dietary histories; and
- (d) simple examination for clinical signs of malnutrition.

Experience with other community health campaigns has shown that local volunteers can be enlisted and trained to augment and enhance the casefinding effort.

The survey will identify a number of individuals in need of specific medical treatment relating to malnutrition. To meet this need the project will seek to mobilize the local physicians and other health professionals to diagnose and prescribe specific treatment for those individuals identified as nutritionally deficient or with other medical problems. Medical diagnosis is necessary to establish the *specific causation* of the nutritional deficiency so that the appropriate treatment can be prescribed. For example, the survey will probably identify a number of persons with anemia, a condition frequently identified in a malnourished population. But there are many causes of anemia, including inadequate iron in the diet, lack of vitamin B¹² or folic acid, inadequate absorption of these nutrients, lack of essential protein or amino-acid precursors for blood formation, or non-nutritional causes, such as abnormal bleeding. Each of these causes requires a different treatment, only one of which may be food.

To insure the availability of adequate medical followthrough necessary for this specific diagnosis and treatment, the support and participation of local physicians must be elicited. The stimulation of their interest is the essential ingredient in making the needed medical services available through voluntary participation.

The Regional Medical Programs Service will take the lead in developing the involvement of practicing physicians, including contracts with professional societies.

Approximately 50 communities will be selected for these initial projects on the basis of the likelihood of the presence of malnutrition and representation of different social and economic situations. Officials of the OEO emergency food program have indicated a willingness to coordinate the location of the OEO projects with the selection of communities for the Health Services and Mental Health Administration community nutrition projects. This coordination could make possible the prescription of food by local physicians involved in the projects.

The National Communicable Disease Center will have responsibility for monitoring these projects and carrying out a continuing evaluation of their effectiveness in reducing the effects of malnutrition.

Technical assistance

The Department of Health, Education, and Welfare will expand its efforts to provide technical assistance to the States, local governments, and the private food industry in the nutrition area.

Twelve States, not included in the National Nutrition Survey, have requested technical assistance to prevent malnutrition. We propose to mount such a technical assistance program to assist the States in the following types of activities:

- (a) Development of a State surveillance capacity to identify the nature and extent of the problem in terms of families and individuals.
- (b) Development of a nutrition component in the State Public Health Service to coordinate State activities in the area of nutrition and health, giving special consideration to the coordination of the medicaid programs with the special package and pilot voucher programs as requested in the President's message of May 6th.

We will be holding certain funds in reserve for this type of technical assistance activity so that we can respond flexibly as requests come in from public and private groups. In particular, we will seek to provide assistance to medical schools to help them with curriculum improvements so that students are better taught to diagnose and deal with the health-related aspects of malnutrition.

Fortification of foods

Using data from the National Nutrition Survey and other reports, we will be working closely with the food industry, the Food and Drug Administration, and the Department of Agriculture to insure that necessary nutrients are carried in our foods. Guidelines must be established outlining the amount of nutrients essential in food additives and substitutes. In particular, we will be launching

a special study of how food products might be fortified in acceptable ways to deliver basic vitamins and mineral products.

With regard to the nutritional enrichment of staple foods, our present food fortification program and its utility must receive intensive scrutiny to insure that it fulfills its purpose under today's conditions. The existence of food enrichment programs may give us a false sense of security. For example vendors can sell bread and bakery goods that are not enriched, and plain salt rather than iodized salt. The consumption of iodine-fortified table salt is on the decline. This voluntary fortification program to prevent goiter was probably the cheapest and most efficacious public health measure ever instituted. The largely unjustified difference in cost between vitamin D-enriched milk and plain milk is a definite deterrent to the attainment of an adequate vitamin D intake, especially for those with a limited food budget.

The vigor and effectiveness of food enrichment has not kept pace with the changing patterns in our food habits. Our experience with enriched flour serves as a good illustration. Years ago, bread and flour were chosen as vehicles for enrichment with thiamine, riboflavin, and niacin; at that time bread accounted for 40 percent of the average daily caloric intake. At present only half as much bread is consumed and the sale of products made with enriched flour has declined to an all-time low. For that reason, and because of voluntary calorie restriction (especially among women of child-bearing age) bread, today, can no longer be relied upon to supply adequate amounts of these nutrients. Thus, serious thought should be given to an upward revision of the level of fortification in flour and other farinaceous products, and to the introduction of a readily available source of iron enriched food.

Mr. Chairman, in order to carry out these health related activities of Health Services and Mental Health Administration in the Department of Health, Education, and Welfare, the revised 1970 budget now before the Congress includes an additional \$5 million, an increase of \$1 million over the amount specified in the President's recent message to Congress. This amount will be sufficient to complete the 10 State survey, commence planning for the National Nutrition Surveillance System, increase the capacity of the Federal Government to provide technical assistance to States and industry, and undertake a number of community nutrition projects.

II. EDUCATION

A second basic line of attack on the nutrition problem is through educational channels and, specifically, nutrition education. One cause of malnutrition in this country is ignorance of what constitutes good nutrition and what foods will lead to it. While it must be emphasized that *in general* no specialized knowledge of nutritional principles is needed in the United States today to obtain a balanced food intake, knowledge of nutrition is necessary if consumers are to use their food dollars to best advantage. We must in addition avoid any malnutrition which results from simple ignorance of basic knowledge of food values. Particular attention will be given to feeding of infants and small children. Because our population is mobile, families in new locations must be helped to develop new buying habits and assisted in obtaining a nutritious diet. For example, grits, a staple of many families, is fortified with iron in the south but when available in the north is unenriched. This fact explains the rarity of iron deficiency anemia in children in certain southern rural areas, and the commonness of this anemia among children in families from these areas that have moved to the north.

We are in the process now of reviewing our effort on nutrition education and working out new program directions. On April 21 and 22, a special Departmental planning Subcommittee on Nutrition and Food Education met to discuss three related subjects: (1) the role of the school as a delivery system for food, (2) the role of the school in nutrition education, and (3) the role of the private sector in nutrition education. The 45-member Subcommittee included representatives of the Department of Agriculture, the Bureau of the Budget, private food producers, and a variety of interested private organizations. We will be refining the product of these discussions over the coming weeks, but several conclusions have already emerged which I would like to share with the Committee.

First, it is crystal clear that nutrition education can only be a part of a comprehensive program, and that no amount of instruction on food buying and preparation can suffice if adequate food is not available.

Second, we have lacked a focus in the Office of Education on feeding programs for children or on nutrition education. We have now assigned, apparently for the

first time, a full-time staff person to provide coordination between the several nutrition education and feeding programs funded by the Office.

Third, nutrition education in the schools need redirection toward the more complicated products on today's grocery store shelves. Materials are out of date in view of new technology, and nutrition education itself is rarely taught as a formal course or in ways which are relevant to a disadvantaged child and his family.

Fourth, it is apparent that if the schools are to play a useful role in this area, they will have to take on a community orientation which will help them reach parents and deal with consumer problems in their own neighborhoods. We have already proposed a special program of \$25 million for experimental schools as part of the Administration's budget revisions, and I would anticipate working with local school districts within the framework of that experimental program on new, community-based methods of nutrition and consumer education. The Department's increased focus on community colleges should also make possible the creation of more opportunities for training of community residents in nutrition-related fields such as consumer education and food service occupations.

Finally, there is a strong consensus on the need for greater private sector involvement in furthering nutrition education. We hope to work closely with organizations such as the Advertising Council and with the private food industry to develop imaginative ways to communicate basic information on good nutritional practices.

III. WELFARE

In the area of our welfare programs, two sets of program initiatives are currently planned, with the program review still continuing.

First, as the Committee knows, State and local Departments of Welfare operate the Food Stamp Program on contract with the U.S. Department of Agriculture. In the past, however, HEW has not been a participant in the development or issuance of regulations and contracts pertaining to the administration of these programs. This has been true despite the obvious interest of the two Departments in evolving common policies between the Food Stamp and welfare programs on such matters as eligibility determination, fair hearings and appeals mechanisms.

Secretary Hardin and I recognized some time ago that this arms length kind of relationship should not be permitted to continue, and in early February we signed a Memorandum of Agreement providing a framework for close cooperation on all matters having to do with nutrition programs. I would ask that a copy of that Memorandum be included in the record of this hearing. This cooperative relationship has continued between the two Departments under the auspices of the Urban Affairs Council where HEW has been able to contribute fully to the development of the Administration's Food Stamp proposals, and USDA has collaborated with us on the development of welfare reform proposals.

Second, I have ordered the Social and Rehabilitation Service to launch a national effort through the social services programs under the Social Security Act to bring nutritional education and homemaking services to families in their own homes. The teaching of nutritional practices and homemaking can be advanced by the use of neighborhood workers under the 1967 Social Security Amendments, and we will be seeking full implementation of those provisions. HEW can and will provide advisors, educational materials, and consultative assistance in planning such programs. Special efforts will be made to involve AFDC mothers who have shown an aptitude in these areas to teach others receiving assistance.

In addition to improving and expanding its internal capabilities to deal with the problems of malnutrition, HEW is also working with other Federal Departments through the Model Cities Program to assist Model Neighborhoods in planning nutrition programs. Although HEW has no direct responsibility for the operation of food programs, it is able to provide technical assistance to those cities who wish to include nutrition components in their comprehensive plans.

In the Fall of 1968, a food demonstration project was conducted by representatives from HEW, Agriculture and OEO in four Model Cities; Athens, Georgia, East St. Louis, Illinois, San Antonio, Texas, and Richmond, California. The goal was to expand as many sources of food and nutritional services in each city as was possible in order that residents of all ages would have the opportunity to obtain an adequate diet. A total of 26 different food related projects were initiated, ranging in magnitude from a full coverage school lunch and breakfast program to a demonstration kitchen for nutrition education work.

The success of this pilot program represents a comprehensiveness of approach in urban planning for food which rarely, if ever, has been achieved. Practically

all of the Model Cities have indicated strong interest in investing some resources in food and nutrition related programs. Based on the results of this pilot program, HEW is continuing to work with the interested agencies so that cities planning nutrition programs will be aware of the types of Federal resources available to them.

Mr. Chairman, I think that we, together with the Department of Agriculture, are now on the track of a comprehensive and workable nutrition program, and we have appreciated the opportunity to share our views with the Committee.

APPENDIX A

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE—HUNGER AND NUTRITIONAL ACTIVITY

	1969	1970
Consumer Protection and Environmental Health Service: Food and Drug Administration.....	\$900,000	\$850,000
National Institutes of Health:		
National Cancer Institute.....	1,309,000	1,360,000
National Heart Institute.....	4,344,000	4,397,000
National Institute of Dental Research—Division of Dental Health.....	731,000	794,000
National Institute of Arthritis and Metabolic Diseases.....	8,733,000	9,133,000
National Institute of Neurological Diseases and Stroke.....	597,000	570,000
National Institute of Allergy and Infectious Diseases.....	1,749,000	1,600,000
National Institute of General Medical Sciences.....	744,000	744,000
National Institute of Child Health and Human Development.....	6,262,000	7,262,000
Health Services and Mental Health Administration:		
Community Health Service ¹	105,200	86,500
National Institute of Mental Health.....	(²)	(²)
Federal Health Programs Service.....	(²)	(²)
Regional medical programs (nutrition program).....	2,466,000	6,000,000
Indian Health Service.....	508,000	518,000
National Center for Health Services research and development.....	489,000	489,000
Subtotal, health.....	28,937,200	33,803,500
Social and Rehabilitation Service:		
Children's Bureau.....	3,200,000	5,800,000
Administration on Aging.....	1,886,000	1,495,000
Subtotal, Social and Rehabilitation Service.....	5,086,000	7,295,000
Office of Education:		
Elementary and secondary education: Food service expenditures, title I, ESEA.....	35,900,000	35,000,000
Vocational education: Nutrition education.....	2,500,000	2,500,000
Research and teacher training.....	223,000	262,000
Subtotal, Office of Education.....	38,623,000	37,762,000
Total, DHEW.....	72,646,200	78,860,500

¹ No separate figures available for partnership for health grants.

² No separate nutrition figures available.

APPENDIX B

NATIONAL 10-STATE NUTRITION SURVEY—CURRENT STATUS AND STARTING AND COMPLETION DATES AND TOTAL COST

State	Contract start	Completion date	Current status
1. Texas.....	May 1968.....	January 1969.....	Completed.
2. Louisiana.....	do.....	do.....	Do.
3. Kentucky.....	June 1968.....	June 1969.....	75 percent complete.
4. Michigan.....	do.....	do.....	70 percent complete.
5. New York:			
(a) Upstate.....	do.....	do.....	85 percent complete.
(b) New York City.....	November 1968 ¹	October 1969.....	
6. Washington.....	Negotiated ²	Estimated December 1969.	
7. West Virginia.....	do ²	do.....	
8. California.....	do ²	do.....	
9. Massachusetts.....	Not negotiated or signed.	do.....	
10. South Carolina.....	do.....	do.....	

¹ Subcontract.

² Not funded.

Senator McGOVERN. Mr. Secretary, in that connection, and I won't interrupt you as you move along, is there a difference within the administration as to whether you ought to proceed with a thorough going program to eliminate hunger and malnutrition as over against the view of those who believe that we should delay action on individual problems of that kind until a comprehensive welfare program can be worked out?

MOVE AGGRESSIVELY

Secretary FINCH. No, sir. I think the very clear-cut affirmation in the President's statement is that we move aggressively to meet the present hunger problem. At the same time, my Department, we are still sorting through a great deal about what we know and what we don't know.

Dr. Schaefer has been before the committee previously and he will be happy to further outline the parameter of our national surveillance as well as our expanded survey. They are correlative, compatible, and mutually ongoing efforts.

I will leave the expansion of the food stamp program itself to Secretary Hardin. We happen to believe that over the long run, the more basic answer to the problem of malnutrition has to be found in the form of our public assistance and employment programs.

I believe that cash income, not a succession of payments in kind, over the long haul, will best preserve the dignity and the freedom of choice that the individual requires to meet his own needs through the workings of the private market.

If he can't be trained or if he can't work, he must have available an income maintenance program which provides for his basic necessities in a way most unencumbered by administrative redtape and impersonal centralized decisionmaking.

Instead of that approach, we now have a Federal assistance system incorporating over 500 grant-in-aid programs, most of which are directed toward the disadvantaged, as well as several payment-in-kind systems which provide rent stamps, health stamps, food stamps, and even education and training stamps in the form of student loans and grants.

We hope, within the next few months, to bring to the Congress a set of welfare reforms which will begin to rationalize these systems and place emphasis on cash assistance as the most flexible and useful form of aid, and one that will preserve human dignity.

Until the time when we have achieved major welfare reform, however, the food stamp program is vital and must be expanded.

Beyond income maintenance, this Department has a number of programs directed specifically to the problems of malnutrition and its medical consequences on which I would like to report to the committee.

I would like to stipulate, Senator Yarborough and Mr. Chairman, that in response to congressional impetus, the administration has provided for a quantum jump in the expenditures of our Department related to the malnutrition problem. I have these updated figures as a part of this statement.

The most important of these program expenditures for fiscal year 1970 include title I, of the elementary and secondary education program, under which \$35.9 million is being spent for food and food

service activities; the National Food Survey costing \$2.5 million; and \$1.8 million in the Administration on the Aging; \$3.2 million in the Children's Bureau; and \$2.5 million in vocational education.

BUDGET REQUESTS

In our fiscal year 1970 budget review, we sought specifically to preserve the Johnson budget requests for all important nutrition-related programs.

In addition, we have requested \$4 million for nutrition programs in Health Services and Mental Health Administration over and above the \$1 million increase in the Johnson budget.

Finally, for fiscal year 1970, we are redirecting another \$3 million into nutrition related programs from other program areas, with \$1 million of this going to HSMHA and \$2 million to NIH.

We have added \$8 million to our efforts in HEW, while at the same time taking a budget cut in the area of \$1 billion in the department.

The additional research funds for fiscal years 1969 and 1970 will be committed to programs of highest priority and those with greatest national relevance.

They include research into such critical areas as:

1. The relationship between maternal nutrition, gestational performance, and infant mortality.

2. The interaction between infant nutrition and intellectual development.

3. Determination of the types of intellectual defects which follow infantile malnutrition, and methods for mitigating and modifying any defects which are identified.

Our goal, in all of this, is to establish a comprehensive food and nutrition policy within this Department, with every relevant program devoting priority attention to these needs.

I will skip over the specific programs I have mentioned, but I do want to discuss for a moment the continuing National Nutrition Surveillance System.

I am proposing the establishment of a continuing National Nutrition Surveillance System, under the authority of the existing National Health Survey Act of 1956. It would be added to the family of surveys that now make up the National Health Survey.

This will be a scientifically reliable system for continuous monitoring of the health effects of and the prevalence of malnutrition.

We should not again be forced, in order to define the nutrition status of the Nation, to launch a difficult and costly national survey at such short notice.

The plan would set up continuing representative sampling of the high-risk population throughout the country. It would make maximum use of existing health care and welfare systems to identify and examine target populations.

Special emphasis would be given to the child population. The examination would concentrate on the clinical variables indicative of the health problems created by malnutrition. This survey would be conducted on a 2-year cycle so that results would be available for each 2-year period. Individuals in the sample would be invited to convenient central locations for examinations.

To the extent possible, the sample would involve families now participating in programs such as Headstart, Follow Through, title I of ESEA, and the maternal and child health program by intensifying the nutritional aspects of the medical examinations now being given.

Through our community nutrition programs, we think we can do a great deal more by providing incentives to local health departments, to the practicing physician, to the volunteer efforts of interested citizens, to join in a concentrated campaign to find, feed and treat the malnourished in each community.

The National Communicable Disease Center will provide a staff person for each project trained in mounting effective community health programs.

NCDC personnel have an outstanding record of assisting communities in the development of community campaigns to combat specific health problems, such as polio and measles vaccination campaigns.

The NCDC staff person will work with the local health department, the medical society, schools, and other community institutions in the design and implementation of a community survey that will identify those families and individuals with a problem of malnutrition.

NUTRITION TEAM

He will also have at his disposal the entire resources of Dr. Schaefer's nutrition team.

This survey will utilize the epidemiological expertise of the NCDC worker to define the demographic pattern of malnutrition in the community.

Simple indices will be used which will identify within the population surveyed those individuals with nutritional deficiencies.

These indices include—

- (a) The height and weight of children;
- (b) Hematocrit and hemoglobins;
- (c) Dietary histories; and
- (d) Simple examination for clinical signs of malnutrition.

Experience with other community health campaigns has shown that local volunteers can be enlisted and trained to augment and enhance the casefinding effort.

I want to talk for a minute, gentlemen, too, about the fact that we will provide further technical assistance to States, to local governments, and the private food industry in the nutrition area.

Twelve States, not included in the National Nutrition Survey, have requested technical assistance to prevent malnutrition.

We propose to mount such a technical assistance program to assist the States in the following types of activities:

- (a) Development of a State surveillance capacity to identify the nature and extent of the problem in terms of families and individuals.
- (b) Development of a nutrition component in the State public health service to coordinate State activities in the area of nutrition and health, giving special consideration to the coordination of the medicaid programs with the special package and pilot voucher programs as requested in the President's message of May 6.

We will be holding certain funds in reserve for this type of technical

assistance activity so that we can respond flexibly as requests come in from public and private groups.

In particular, we will seek to provide assistance to medical schools to help them with curriculum improvements so that students are better taught to diagnose and deal with the health-related aspects of malnutrition.

FORTIFICATION OF FOOD

Using data from the National Nutrition Survey and other reports, we will be working closely with the food industry, the Food and Drug Administration, and the Department of Agriculture to insure that necessary nutrients are carried in our foods.

Guidelines must be established outlining the amount of nutrients essential in food additives and substitutes. In particular, we will be launching a special study of how food products might be fortified in acceptable ways to deliver basic vitamins and mineral products.

With regard to the nutritional enrichment of staple foods, our present food fortification program and its utility must receive intensive scrutiny to insure that it fulfills its purpose under today's conditions.

The existence of food enrichment programs may give us a false sense of security. For example, vendors can sell bread and bakery goods that are not enriched, and plain salt rather than iodized salt. The consumption of iodine-fortified table salt is on the decline.

This voluntary fortification program to prevent goiter was probably the cheapest and most efficacious public health measure ever instituted.

The largely unjustified difference in cost between vitamin D-enriched milk and plain milk is a definite deterrent to the attainment of an adequate vitamin D intake, especially for those with a limited food budget.

In the field of education, one of the problems is that the target group we are talking about simply does not know where to turn and has great difficulty in knowing what it is they need to eat.

While it must be emphasized that no specialized knowledge is needed to obtain a balanced food intake, knowledge of nutrition is necessary if consumers are to use their food dollars to best advantage.

We must in addition avoid any malnutrition which results from simple ignorance of basic knowledge of food values. Particular attention will be given to feeding of infants and small children. Because our population is mobile, families in new locations must be helped to develop new buying habits and assisted in obtaining a nutritious diet.

For example, grits, a staple of many families, is fortified with iron in the South but when available in the North is unenriched. This fact explains the rarity of iron deficiency anemia in children in certain Southern rural areas, and the occurrence of this anemia among children in families from these areas that have moved to the North.

We are in the process now of reviewing our efforts in nutrition education and working out new program directions.

On April 21 and 22, a special departmental planning Subcommittee on Nutrition and Food Education met to discuss three related subjects: (1) the role of the school as a delivery system for food, (2) the role of the school in nutrition education, and (3) the role of the private sector in nutrition education.

The 45-member subcommittee included representatives of the Department of Agriculture, the Bureau of the Budget, private food producers, and a variety of interested private organizations.

We will be refining the product of these discussions over the coming weeks, but several conclusions have already emerged which I would like to share with the committee.

NUTRITION EDUCATION

First, it is crystal-clear that nutrition education can only be a part of a comprehensive program, and that no amount of instruction on food buying and preparation can suffice if adequate food is not available.

Second, we have lacked a focus in the Office of Education on feeding programs for children or for nutrition education. We have now assigned, apparently for the first time, a full-time staff person to provide coordination between the several nutrition education and feeding programs funded by the Office.

Third, nutrition education in the schools need redirection toward the more complicated products on today's grocery store shelves.

Materials are out of date in view of new technology, and nutrition education itself is rarely taught as a formal course or in ways which are relevant to a disadvantaged child and his family.

Fourth, it is apparent that if the schools are to play a useful role in this area, they will have to take on a community orientation which will help them reach parents and deal with consumer problems in their own neighborhoods.

SPECIAL PROGRAM

We have already proposed a special program of about \$25 million for experimental schools as part of the administration's budget revisions, and I would anticipate working with local school districts within the framework of that experimental program on new, community-based methods of nutrition and consumer education.

The Department's increased focus on community colleges should also make possible the creation of more opportunities for training of community residents, especially paramedical specialists in nutrition-related fields such as consumer education and food service occupations.

Finally, there is a strong consensus on the need for greater private sector involvement in furthering nutrition education. We hope to work closely with organizations such as the Advertising Council and with the private food industry to develop imaginative ways to communicate basic information on good nutritional practices.

There is a great deal we can do in educational television which we have not yet begun to tap.

In the area of our welfare programs, two sets of program initiatives are currently planned, with the program review still continuing.

First, as the committee knows, State and local departments of welfare operate the food stamp program on contract with the U.S. Department of Agriculture.

In the past, however, HEW has not been a participant in the development of issuance of regulations and contracts pertaining to the administration of these programs.

This has been true despite the obvious interest of the two departments in evolving common policies between the food stamp and welfare programs on such matters as eligibility determination, fair hearings, and appeals mechanisms.

Secretary Hardin and I recognized some time ago that this arm's length kind of relationship should not be permitted to continue, and in early February we signed a memorandum of agreement providing a framework for close cooperation on all matters having to do with nutrition programs.

I would ask that a copy of that memorandum be included in the record of this hearing.

Basically, I think, as we move down the road toward the revision of the welfare programs we are talking about, as we look at the complicated forms that we find many applicants have to use first for welfare and then for food stamps, it is clear that maybe a simple, single form could be used.

Second, I have ordered the Social and Rehabilitation Service to launch a national effort through the social services programs under the Social Security Act to bring nutritional education and homemaking services to families in their own homes.

The teaching of nutritional practices and homemaking can be advanced by the use of neighborhood workers through the 1967 Social Security Amendments, and we will be seeking full implementation of those provisions.

HEW can and will provide advisors, educational materials, and consultative assistance in planning such programs. Special efforts will be made to involve AFDC mothers, who have shown an aptitude in these areas, to teach others receiving assistance.

In addition to improving and expanding its internal capabilities to deal with the problems of malnutrition, HEW is working with other Federal departments through the model cities program to assist model neighborhoods in planning nutrition programs.

Although HEW has no direct responsibility for the operation of food programs, it is able to provide technical assistance to those cities who wish to include nutrition components in their comprehensive plans.

FOOD DEMONSTRATION PROJECT

In the fall of 1968, a food demonstration project was conducted by representatives from HEW, Agriculture, and OEO in four model cities: Athens, Ga.; East St. Louis, Ill.; San Antonio, Tex., and Richmond, Calif.

The goal was to expand as many sources of food and nutritional services in each city as was possible in order that residents of all ages would have the opportunity to obtain an adequate diet.

A total of 26 different food related projects were initiated, ranging in magnitude from a full coverage school lunch and breakfast program to a demonstration kitchen for nutrition education work.

These pilot programs were successful.

The success of these pilot programs represents a comprehensive approach in urban planning for food which rarely, if ever, has been achieved.

Practically all of the model cities have indicated strong interest in investing some resources in food and nutrition related programs.

Based on the results of this pilot program, HEW is continuing to work with the interested agencies so that cities planning nutrition programs will be aware of the types of Federal resources available to them.

Mr. Chairman, I think that we, together with the Department of Agriculture, are now on the track of a comprehensive and workable nutrition program, and we have appreciated the opportunity to share our views with the committee.

(The memorandum of agreement referred to follows:)

MEMORANDUM OF AGREEMENT BETWEEN USDHEW AND USDA RE FEDERAL GOVERNMENT NUTRITION AND RELATED PROGRAMS

I. PURPOSE

Both the U.S. Department of Health, Education, and Welfare and the U.S. Department of Agriculture having certain responsibilities for Federal nutrition programs, it is hereby agreed that the respective Departments will cooperate with each other in carrying out these responsibilities.

This Memorandum of Agreement sets forth the basic arrangement for said cooperation.

It is understood that said cooperation shall include all phases of the nutrition program, including but not limited to: policies, goals, research, and training and action programs.

II. LIAISON

The Secretary of the U.S. Department of Health, Education, and Welfare and the Secretary of the U.S. Department of Agriculture will each designate a key official in the Office of the Secretary of their respective Departments who will serve as the Department Liaison Officer pursuant to this Agreement. Each Department Liaison Officer will be concerned with: identification of broad policies affecting interdepartmental cooperation; resolution of differences between the Departments, through conferences and other procedures which bring the appropriate program officials together; periodic review of the status of the general agreement and specific agreements; and maintaining a Department repository for all specific agreements made pursuant to this general agreement.

III. SPECIFIC AGREEMENTS

Specific agreements may be negotiated between principal program officials in the U.S. Department of Health, Education, and Welfare and in the U.S. Department of Agriculture pursuant to this general agreement. Such specific agreements should clearly delineate kinds and amounts of services to be rendered by each Department; the types of quantities of personal services, supplies, and equipment and facilities required to perform the agreement; the estimated costs of performing the agreement, including any limitations thereon; the arrangements for reimbursement; and the arrangements for periodic status reports, and a final report on the accomplishment of specific agreements.

Specific agreements shall be reviewed by each Department Liaison Officer prior to execution. Copies of specific agreements shall be given to the respective Liaison Officers.

IV. ANNUAL REVIEW

The Department of Health, Education, and Welfare and the U.S. Department of Agriculture Liaison Officers shall make an annual review during the fourth quarter of each fiscal year to determine the specific agreements to be continued into the following fiscal year and to anticipate any new specific agreements. They will also review the general operations under this Memorandum of Agreement and recommend to the respective Secretaries any changes in the Agreement.

Dated: February 2, 1969.

ROBERT H. FINCH,

Secretary of Health, Education, and Welfare.

Dated: February 15, 1969.

CLIFFORD M. HARDIN,

Secretary of Agriculture.

TOTAL COST OF 10-STATE NUTRITION SURVEY—FISCAL YEARS 1968, 1969, 1970

To summarize, the total cost of the 10-State survey is thus set at \$5,297,000, as set forth below:

1968 program—Texas, Louisiana, Michigan, Kentucky, New York State, and New York City:

State contracts	\$1,990,000
Supporting contracts:	
From 1968 funds	135,000
From 1969 funds	252,000
Total	2,377,000

1969 program—Washington, California, Massachusetts, West Virginia, and South Carolina:

State contracts	2,320,000
Supporting contracts and processing from 1970 funds	600,000
Total	2,920,000

Grand total 5,297,000

Senator MCGOVERN. Thank you very much, Mr. Secretary, for your statement, and for highlighting it in such a way that we can move along rapidly today.

Senator JAVITS. Mr. Chairman, could we ask the Secretary to do one thing for us on the facts and figures?

I think it would be very useful to find out the degree of uniformity of rules, guidelines and regulations by which the poor participate in the direct food distribution, in the food stamps and in the school lunch.

Could you, between you, enlighten us on that?

Secretary FINCH. We have done substantial work on that. I think you will find it quite responsive to your inquiry.

Senator MCGOVERN. Without objection, that information will appear in the record.

(The information referred to follows:)

UNITED STATES DEPARTMENT OF AGRICULTURE

CONSUMER AND MARKETING SERVICE

FOOD STAMP PROGRAM REGULATIONS

(7 CFR Parts 1600, 1601, 1602, and 1603)

Chapter XVI—Consumer and Marketing Service (Food Stamp Program),
Department of Agriculture

PART 1600—GENERAL INFORMATION AND DEFINITIONS

Regulations are hereby revised and reissued for the operation of the Food Stamp Program pursuant to the authority contained in the Food Stamp Act of 1964 (P.L. 88-525, 78 Stat. 703), approved August 31, 1964.

Sec.

1600.1 General purpose and scope.

1600.2 Definitions.

1600.3 Administration.

1600.4 Coupons as obligations of the United States, crimes and offenses.

1600.5 Miscellaneous provisions.

AUTHORITY: The provisions of this Part 1600 issued under Public Law 88-525, 78 Stat. 703.

§ 1600.1 General purpose and scope

The Food Stamp Act of 1964 (P.L. 88-525, 78 Stat. 703) authorizes the Secretary of Agriculture to formulate and administer a food stamp program for

the purpose of encouraging the increased utilization of the nation's abundance of food by raising levels of nutrition among low-income households. The regulations in this chapter are issued for the purpose of effectuating the provisions of the Act. These revised regulations prescribe the policies and procedures governing the participation in the Program of State agencies, eligible households, retail food stores, wholesale food concerns, banks and other persons concerned with the issuance, possession, negotiation and redemption of coupons under the Program. This revised Part 1600 contains general information, definitions, and other material applicable to the Program, as a whole. Revised Part 1601 sets forth policies and procedures governing the manner in which State agencies desiring to participate in the Program will carry out the administrative responsibilities assumed by them under the provisions of the Food Stamp Act of 1964, and further prescribes the manner in which eligible households can obtain and use coupons issued to them by such State agencies. Revised Part 1602, to be published at a later date, will set forth additional terms and conditions relating to the participation of retail food stores, wholesale food concerns and banks.

§ 1600.2 Definitions

For the purpose of this chapter, the term :

(a) "Application form" means C&MS form "Retailer Application for Authorization to Participate in the Food Stamp Program" or "Wholesaler Application for Authorization to Participate in the Food Stamp Program," or both as required by the context.

(b) "Authorization" means the approval by C&MS of retail food stores and wholesale food concerns to participate in the Program.

(c) "Authorization card" means the C&MS form which evidences approval of a retail food store or a wholesale food concern to participate in the Program.

(d) "Bank" means member and non-member banks of the Federal Reserve System.

(e) "Coupon" means any coupon, stamp, or type of certificate issued pursuant to the provisions of this chapter for the purchase of eligible food.

(f) "C&MS" means the Consumer and Marketing Service of the U.S. Department of Agriculture.

(g) "Coupon allotment" means the total value of coupons issued to a household during each month or other time period not in excess of 1 month.

(h) "Department" means the U.S. Department of Agriculture.

(i) "Eligible food" means any food or food product for human consumption except alcoholic beverages, tobacco, those foods which are identified on the package as being imported, and meat and meat products which are imported.

(j) "Eligible household" means a household that lives in a project area and whose income and resources are determined to be a substantial limiting factor in the attainment of a nutritionally adequate low-cost diet.

(k) "Federal fiscal year" means a period of 12 calendar months beginning with July 1 of any calendar year and ending with June 30 of the following calendar year.

(l) "Federally aided public assistance program" means any of the following programs authorized in the Social Security Act of 1935, as amended: Old-Age Assistance, Aid to Families with Dependent Children, Aid to the Blind, and Aid to the Permanently and Totally Disabled.

(m) "Federal reserve banks" means the 12 Federal Reserve Banks and their 24 branches.

(n) "Firm" means a retail food store or a wholesale food concern.

(o) "Food retailer" means any individual, partnership, corporation or other legal entity owning or operating a retail food store.

(p) "Food wholesaler" means any individual, partnership, corporation or other legal entity owning or operating a wholesale food concern.

(q) "Free coupon(s)" mean(s) that portion of the coupon allotment that is in excess of the amount paid by an eligible household for its coupon allotment.

(r) "Head of the household" means the member of the household in whose name application is made for participation in the Program.

(s) "Household" means a group of related or nonrelated individuals, who are not residents of an institution or boarding house, but who are living as one economic unit sharing common cooking facilities and for whom food is customarily purchased in common. It shall also mean a single individual living alone who has cooking facilities and who purchases and prepares food for home consumption.

(t) "Program" means the Food Stamp Program conducted under the Food Stamp Act of 1964 (P.L. 88-525, 78 Stat. 703) and the provisions of this chapter.

(u) "Project area" means the political subdivision within a State which has been approved for participation in the Program by the Department.

(v) "Purchase requirement" means the amount to be paid by an eligible household for its coupon allotment.

(w) "Redemption certificate" means C&MS Forms: "Retail Merchants Food Stamp Program Redemption Certificate"; or "Wholesalers Food Stamp Program Redemption Certificate," or both as required by the context.

(x) "Retail food store" means an establishment, including a recognized department thereof, or a house-to-house trade route which sells eligible food to households for home consumption.

(y) "State" means any 1 of the 50 States or the District of Columbia.

(z) "State agency" means the agency of the State government, including the local offices thereof, which has the responsibility for the administration of the federally aided public assistance programs within the State, and, in those States where such assistance programs are operated on a decentralized basis, it includes the counterpart local agencies which administer such assistance programs for the State agency.

(aa) "State issuing agency" means another agency of the State government to which the State agency delegates its statewide administrative responsibilities in connection with the issuance of coupons.

(bb) "Wholesale food concern" means an establishment which sells eligible food to retail food stores for resale to households.

§ 1600.3 Administration

(a) Within the Department, C&MS shall act on behalf of the Department in the administration of the Program.

(b) The State agency shall, except as provided in this chapter, be responsible for the administration of the Program within the State, including, but not limited to, the certification of applicant household; the acceptance, storage and protection of coupons after their delivery to receiving points within the State; and the issuance of coupons to eligible households and the control and accountability therefor: *Provided*, That the State agency may, subject to State law, and under agreement or contract, delegate its Statewide administrative responsibility in connection with the issuance of coupons to another agency of the State government. In the event such administrative responsibility in connection with the issuance of coupons is delegated as permitted by this paragraph, the provisions of this chapter applicable thereto shall be carried out by such other agency of the State government under the direction of the State agency and the State agency shall be responsible to the Department for the carrying out of the delegated responsibilities and for the payment of any claims arising out of any failure of the other agency of the State government to carry out any such delegated responsibilities.

§ 1600.4 Coupons as obligations of the United States, crimes and offenses

(a) Coupons are an obligation of the United States within the meaning of 18 U.S.C. 8. The provisions of Title 18 of the U.S. Code, "Crimes and Criminal Procedure," relative to counterfeiting and alteration of obligations of the United States and the uttering, dealing in, etc., of counterfeit obligations of the United States are applicable to coupons.

(b) Any unauthorized issuance, use, transfer, acquisition, possession or presentation of coupons may subject any individual, partnership, corporation, or other legal entity involved to prosecution under sections 14 (b) and (c) of the Food Stamp Act of 1964 (Public Law 88-525, 78 Stat. 703). These sections of the Act read as follows:

"(b) Whoever knowingly uses, transfers, acquires, or possesses coupons in any manner not authorized by this Act or the regulations issued pursuant to this Act shall, if such coupons are of the value of \$100 or more, be guilty of a felony and shall, upon conviction thereof, be fined not more than \$10,000 or imprisoned for not more than five years, or both, or, if such coupons are of a value of less than \$100, shall be guilty of a misdemeanor and shall, upon conviction thereof, be fined not more than \$5,000 or imprisoned for not more than one year, or both.

"(c) Whoever presents, or causes to be presented, coupons for payment or redemption of the value of \$100 or more, knowing the same to have been received, transferred, or used in any manner in violation of the provisions of this Act

or the regulations issued pursuant to this Act shall be guilty of a felony and shall, upon conviction thereof, be fined not more than \$10,000 or imprisoned for not more than five years, or both, or, if such coupons are of a value less than \$100, shall be guilty of a misdemeanor and shall, upon conviction thereof, be fined not more than \$5,000 or imprisoned for not more than one year, or both."

(c) All individuals, partnerships, corporations, or other legal entities including State agencies and their delegates (referred to in this paragraph as "persons") having custody, care and control of coupons, shall at all times, use care and caution in receiving, storing, transmitting, or otherwise handling coupons to avoid acceptance, transfer, negotiation, or use of spurious, altered, or counterfeit coupons and to avoid any unauthorized transfer, negotiation, or use of coupons. Such persons shall also use care and caution in safeguarding coupons from theft, embezzlement, loss, damage or destruction. Any false statement made by any person, in any application or certification required by this chapter, by the Plan of Operation of any State agency, or by instructions of C&MS, may subject such person to criminal prosecution under any applicable provision of federal law or to civil liability under the provisions of 31 U.S.C. 231 or either, or both, as well as to any legal action as may be maintained under State law.

§ 1600.5 *Miscellaneous provisions*

(a) C&MS shall have the power to determine the amount of and settle and adjust any claim and to compromise or deny all or part of any such claim arising under the provisions of this chapter.

(b) Persons or agencies desiring information concerning the Program should write to the appropriate Area Food Distribution Office of C&MS as follows:

(1) For project areas in Connecticut, Delaware, District of Columbia, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Vermont, West Virginia: U.S. Department of Agriculture, C&MS, Food Distribution, Northeast Area, 346 Broadway, Room 604, New York, N.Y., 10013;

(2) For project areas in Alabama, Florida, Georgia, Kentucky, Mississippi, North Carolina, South Carolina, Tennessee, Virginia: U.S. Department of Agriculture, C&MS, Food Distribution, Southeast Area, 50 Seventh Street NE., Room 252, Atlanta, Ga., 30323;

(3) For project areas in Illinois, Indiana, Iowa, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota, Wisconsin: U.S. Department of Agriculture, C&MS, Food Distribution, Midwest Area, 536 South Clark Street, Chicago, Ill., 60605;

(4) For project areas in Arkansas, Colorado, Kansas, Louisiana, New Mexico, Oklahoma, Texas: U.S. Department of Agriculture, C&MS, Food Distribution, Southwest Area, 500 South Ervay Street, Room 3-127, Dallas, Tex., 75201;

(5) For project areas in Alaska, Arizona, California, Hawaii, Idaho, Montana, Nevada, Oregon, Utah, Washington, Woming: U.S. Department of Agriculture, C&MS, Food Distribution, Western Area, Appraisers Building, Room 734, 630 Sansome Street, San Francisco, Calif., 94111.

(c) *Saving clause.* The Department reserves the right at any time to withdraw, modify or amend this chapter.

(d) *Effective date.* The provisions of this chapter shall become effective on publication thereof in the FEDERAL REGISTER: *Provided, however,* That in the case of those geographic areas in which Pilot Food Stamp Programs are presently operating under the provisions of 6 CFR Part 540 the provisions of this chapter shall not be operative or effective until further notice is published in the FEDERAL REGISTER specifying the effective date(s) for the provisions of this chapter for each such geographic area and until such notice(s) the provisions of 6 CFR Part 540 shall continue to govern the operation of the Pilot Food Stamp Program in such areas.

Approved: March 30, 1965.

S. R. SMITH, *Administrator.*

GEORGE L. MEHREN,
Assistant Secretary.

[F.R. Doc. 65-3392; Filed, Apr. 1, 1965; 8:48 a.m.]

[30 F.R. 4315, April 2, 1965 and 30 F.R. 8155, June 25, 1965 (Amdt. 1 to Part 1600)]

PART 1601—PARTICIPATION OF STATE AGENCIES AND ELIGIBLE HOUSEHOLDS

Sec.

- 1601.1 General terms and conditions for State agencies.
 1601.2 Payments for certain costs of the State agency.
 1601.3 Household eligibility.
 1601.4 Certification of households.
 1601.5 Basis for issuing coupons to eligible households.
 1601.6 Methods of distributing and accounting for coupons and receipts.
 1601.7 Financial liabilities of the State agency.
 1601.8 Plans of operation.
 1601.9 Use or redemption of coupons by eligible households.

AUTHORITY: The provisions of this Part 1601 issued under Public Law 88-525, 78 Stat. 703.

§ 1601.1 *General terms and conditions for State agencies*

(a) In project areas there shall be no distribution of federally owned foods to households under the authority of any other law except during emergency situations caused by a natural or other disaster as determined by the Secretary of Agriculture.

(b) In the certification of applicant households for the Program there shall be no discrimination against any household by reason of race, religious creed, national origin, or political beliefs.

(c) States or the governing officials of project areas shall not decrease welfare grants or other similar aid extended to any person or persons as a consequence of such person's or persons' participation in benefits made available under the provisions of this chapter.

(d) Free coupons provided to any eligible household shall not be considered to be income or resources for any purpose under the Social Security Act of 1935, as amended, or under any other Federal or State laws including, but not limited to, laws relating to taxation, welfare, and public assistance programs.

(e) Except as provided for in § 1601.2, each State shall finance, or cause to be financed, from funds available to the State or political subdivision thereof, the costs of carrying out the administrative responsibilities assigned to it under the provisions of this chapter.

(f) Each State agency shall establish specific standards to be used in determining the eligibility of applicant households. Such standards shall include maximum income limitations consistent with income standards used by the State agency in administration of its federally aided public assistance programs. Such standards also shall place a limitation on the resources to be allowed eligible households. The standards of eligibility to be used by each State for the Program shall be subject to the approval of C&MS.

(g) Each State agency shall undertake the certification of applicant households in accordance with the general procedures and merit system personnel standards used by it in the certification of applicants for benefits under its federally aided public assistance programs.

(h) Each State agency shall submit for the approval of C&MS a Plan of Operation, prepared in accordance with the provisions of § 1601.8 and instructions issued by C&MS. Such Plan shall cover a federal fiscal year and may be extended for succeeding federal fiscal years at the option of C&MS unless sooner terminated or suspended in accordance with the provisions of this part.

(i) If C&MS determines that, in the administration of the Program, a State agency has failed to comply substantially with the provisions of this chapter, with instructions issued pursuant to this chapter, or with the State Plan of Operations, C&MS shall inform such State agency of such failure and shall allow the State agency a reasonable period of time, as determined by C&MS, for the correction of such failure. If, prior to the expiration of such period, corrective action has not been taken, C&MS shall direct that there be no further issuance of coupons in the project areas where such failure has occurred until such time as satisfactory corrective action has been taken.

§ 1601.2 *Payments for certain costs of the State agency*

(a) C&MS shall make payments to State agencies for certain costs incurred by such agencies in the certification of the type of households described in § 1601.3(c). The amount of any such payment to any one State agency shall be 50 percentum of the sum of the following: (1) The direct salary costs (including the cost of such fringe benefits as are normally paid to its personnel by the State agency) of the personnel used to make such interviews and such post interview field investigations as are necessary to certify the eligibility of such households, and of the immediate supervisor of such personnel, for such periods

of time as they are employed in certifying the eligibility of such households; (2) travel and related costs incurred by such personnel in post interview field investigations of such households; and (3) an amount equal to 25 per centum of the costs computed under subparagraphs (1) and (2) of this paragraph.

(b) The State agency shall submit claims to C&MS for such payments in accordance with instructions issued by C&MS.

§ 1601.3 Household eligibility

(a) Eligibility for and participation in the Program shall be on a household basis.

(b) Households in which all members thereof are recipients of welfare assistance under (1) federally aided public assistance programs, or (2) State or local general assistance programs applying the criteria of need which are the same as, or similar to, those applied under any such federally aided programs, shall be determined to be low-income households and, therefore, eligible to participate in the Program while receiving such benefits.

(c) Other households, including those in which some members are recipients of the types of assistance set forth in paragraph (b) of this section, shall be determined to be low-income households and, therefore, eligible to participate in the Program if the economic status of the members who are not recipients of welfare assistance meet the standards of eligibility established in accordance with § 1601.1(f).

(d) Any other households meeting criteria of eligibility specifically approved by C&MS may be determined to be low-income households and, therefore, eligible to participate in the Program while meeting such criteria.

§ 1601.4 Certification of households

(a) In carrying out its responsibilities for the certification of applicant households the State agency shall:

(1) Provide for adequate documentation and verification of certification information obtained from applicant households.

(2) Make periodic reviews of certification of households to determine changes in status which would affect the continued eligibility of the household, the amount of its coupon allotment, or its purchase requirement. In the case of households of the category described in § 1601.3(c) reviews shall be made at least on a quarterly basis, except that a Plan of Operation may be submitted for approval which provides a different schedule of review for certain categories of such households based upon the probability of changes in the status of such households. If submitted, such different schedules shall provide for reviews no less often than once every 6 months: *Provided, however,* That an annual review schedule may be submitted for households which derive their income from farming or employment on farms. Reviews for households of the category described in § 1601.3(b) shall be made whenever there is a redetermination of such household's assistance grant. The schedule of reviews for households of the category described in § 1601.3(d) shall be specifically approved by C&MS.

(3) Issue an identification card to each household certified as eligible to participate in the Program.

(4) Issue written instructions to personnel responsible for the certification of applicant households. Such instructions shall be submitted to C&MS for review and approval.

(b) If any eligible household is found to have failed to participate regularly, such household shall be eligible to continue to participate in the Program only if the State agency determines that such household failed to participate regularly because of emergency circumstances of a temporary and substantial nature.

§ 1601.5 Basis for issuing coupons to eligible households

(a) The face value of the coupon allotment which State agencies shall be authorized to issue to households certified as eligible to participate in the Program shall be in such amount as will provide such households with an opportunity more nearly to obtain a low-cost nutritionally adequate diet and the purchase requirement for such households shall be in such amount as is determined to be equivalent to their normal expenditures for food.

(b) C&MS, after consultation with the State agency, shall establish various classes of eligible households according to such factors as income, and family size and composition, and shall prepare a schedule showing the coupon allotments to be provided the various classes established, and the purchase requirements for such classes.

§ 1601.6 *Methods of distributing, issuing and accounting for coupons and receipts*

(a) C&MS will distribute coupons, printed in such denominations as it may determine necessary, directly to the receiving points designated by the State agency in the Plan of Operation. While in the course of shipment to receiving points coupons shall be considered to be at the risk of the Department.

(b) The State agency shall arrange for the prompt verification of and receipting for the contents of each coupon shipment, in accordance with instructions issued by C&MS. Thereafter, the State agency shall be accountable to C&MS for the coupons distributed to it and for the sums authorized to be collected from households as payment for the coupon allotments issued to such households.

(c) The State agency shall arrange for: (1) The adequate safekeeping of its supplies of coupons; (2) the maintenance of a reasonable working inventory of coupons; (3) the ordering of coupons in accordance with C&MS instructions; and (4) the maintenance of proper inventory and accounting controls for such coupons in accordance with instructions issued by C&MS.

(d) The State agency shall arrange for the issuance of coupons to eligible households and for the collection of sums required from eligible households as payment therefor. The frequency of the issuance of coupons shall be such as to encourage participation of eligible households, but, in any event, shall be no less often than monthly. The coupon allotment to be issued to any household, and the payments therefor, shall be in the amounts determined in accordance with § 1601.5.

(e) The State agency may authorize, under written agreement with public or private agencies, the acceptance of vouchers or warrants issued by such agencies in payment for coupon allotments issued to eligible households. Such vouchers or warrants shall be converted into cash as soon as practicable thereafter in accordance with instructions issued by C&MS.

(f) The State agency shall arrange for the reconciliation of coupon inventories, coupon issuances, sums collected from eligible households, vouchers, or warrants accepted from public or private agencies, or other receipts, in accordance with instructions issued by C&MS. All such receipts shall be properly safeguarded at all times and deposited in accordance with instructions issued by C&MS.

(g) The State agency shall issue written instructions to personnel responsible for the issuance of coupons. Such instructions shall be submitted to C&MS for review and approval.

(h) Every official or employee who is responsible for receiving and issuing coupons or accepting cash or other receipts from eligible households shall be covered by an appropriate form of surety bond in favor of the State agency or the State issuing agency.

§ 1601.7 *Financial liabilities of the State agency*

(a) If C&MS determines that there has been gross negligence or fraud on the part of the State agency in the initial certification of applicant households, or in the periodic review of the eligibility of such households as provided in § 1601.4(a) (2) and the provisions of the Plan of Operation relating thereto, the State shall, on demand by C&MS, deposit, in accordance with instructions issued by C&MS, a sum equal to the amount of any free coupons issued as a result of such negligence or fraud.

(b) If C&MS determines that there has been a failure on the part of the State agency to account fully for coupons distributed to it, or the sums authorized to be collected by it in payment of the purchase requirement including the cash equivalent of any vouchers or warrants accepted by it in accordance with § 1601.6

(c), the State agency shall, on demand by C&MS, pay to C&MS, in accordance with instructions issued by C&MS, the amount due as a result of such failure.

(c) Upon a determination by the State agency that a participating household has fraudulently obtained coupons, the State agency, on behalf of C&MS, shall make demand upon such household for repayment of the value of the free coupons issued to such household as a result of such fraud. Such actions shall be documented in the files of the State agency, and any funds collected as a result of such actions shall be deposited by the State agency in accordance with instructions issued by C&MS. Demand and payment of any such amounts shall not relieve or discharge such household of any liability, either civil or criminal, for such additional amounts as may be due under any other applicable provisions of law.

§ 6101.8 *Plans of operation*

(a) The State agency shall submit a Plan of Operation to C&MS for its approval and there shall be no issuance of coupons prior to the date on which the Plan of Operation is approved by C&MS.

(b) The proposed Plan of Operation of each State agency shall be prepared and submitted to C&MS in accordance with instructions issued by C&MS. Such C&MS instructions shall, among other things, require that the State agency:

- (1) Agree to carry out the Program in accordance with the provisions of this chapter;
- (2) specify the standards to be used by it in determining the eligibility of applicant households and the policies, procedures, and methods it will follow, and the forms and records it will use in carrying out the administrative responsibilities assigned to it under the provisions of this chapter;
- (3) specify safeguards which restrict the use or disclosure of information obtained from applicant households to persons directly connected with the administration or enforcement of the provisions of the Food Stamp Act of 1964 or this chapter;
- (4) agree to keep such records and submit such reports and other information as may from time to time be required by C&MS;
- (5) agree that such program records shall be available for review or audit by C&MS or the Department for a period of three years following the close of the federal fiscal year to which they pertain; and
- (6) specify the project areas within the State in which it desires to conduct the program and the effective dates on which it proposes to begin operation of the Program in each such project area.

(c) No amendment to the Plan of Operation of any State agency shall be made without prior written approval of C&MS, and C&MS may require amendment of any agency's Plan of Operation as a condition of continuing approval.

§ 1601.9 *Use or redemption of coupons by eligible households*

(a) The head of the eligible household, or such other person as may be authorized to act on his behalf in accordance with instructions issued by C&MS, shall sign each book of coupons provided to the head of the household in his coupon allotment. The coupons may be used only by the head of the household or other persons selected by him to purchase eligible food for such households. Except for those uncanceled and unendorsed coupons of fifty-cent denomination returned to him as change by authorized retail food stores, coupons shall be detached from the book only at the time such coupons are used for payment of eligible food purchased in or delivered by authorized retail stores.

(b) Upon request, the head of the eligible household or his selected representative shall present the identification card of the head of the household in the retail food store when exchanging food coupons for eligible food.

(c) Coupons shall not be used to pay for any eligible food purchased prior to the time at which the coupons are used to pay for eligible food purchased in or delivered by authorized retail food stores.

(d) If after investigation the State agency finds that any eligible household has failed substantially to comply with the provisions of this part, the Plan of Operation, or any procedure or instructions issued by the State agency or C&MS relating to the use of coupons issued to them, such household shall be disqualified from further participation by the State agency for such period as the State agency shall determine.

(e) In the event any eligible household which holds coupons properly issued to such household elects to discontinue participation in the Program, unused coupons may be returned for cash refund from C&MS in the same ratio of cash to coupons as was applied by the State agency in the issuance of the coupons to the household. Application for such refund shall be made in accordance with instructions issued by C&MS.

NOTE: The recordkeeping and reporting requirements herein specified have been approved by, and further such requirements that may be established will be subject to the approval of, the Bureau of the Budget in accordance with the Federal Reports Act of 1942.

The provisions of this part shall become effective as provided in § 1600.5(d) of this chapter.

S. R. SMITH, *Administrator.*

GEORGE L. MEHREN,
Assistant Secretary.

Approved: March 30, 1965.

[F.R. Doc. 65-3392; Filed, Apr. 1, 1965; 8:48 a.m.]

[30 F.R. 4315, Apr. 2, 1965, 30 F.R. 8155, June 25, 1965 (Amdt. 1 to Part 1600), and 33 F.R. 3104, Feb. 17, 1968]

Chapter XVI—Consumer and Marketing Service (Food Stamp Program),
Department of Agriculture

PART 1601—PARTICIPATION OF STATE AGENCIES AND ELIGIBLE HOUSEHOLDS

Miscellaneous Amendments

Section 1601.6, paragraph (d), and § 1601.7, paragraph (b), relating to the issuance of coupons to eligible households and the financial liability of State agencies are amended to authorize issuance of food coupons by mail and to provide for the assumption of risk of loss by C&MS when coupons are mailed in accordance with C&MS instructions. As amended, said sections read as follows:

§ 1601.6 *Methods of distributing, issuing, and accounting for coupons and receipts*

* * * * *

(d) The State agency shall arrange for the issuance of coupons to eligible households and for the collection of sums required from eligible households as payment therefor. Such issuance may be made through the facilities of the United States mail. However, when the State agency desires to have C&MS accept the risk of loss of nondelivery of coupons to eligible households after deposit of such coupons in the mail, the State agency shall issue coupons through the mail in accordance with instructions provided by C&MS. The frequency of the issuance of coupons shall be such as to encourage participation of eligible households, but in any event, shall be no less often than monthly. The coupon allotment to be issued to any household, and the payments therefor, shall be in the amounts determined in accordance with § 1601.5.

* * * * *

§ 1601.7 *Financial liabilities of the State agency*

* * * * *

(b) If C&MS determines that there has been a failure on the part of the State agency to account fully for coupons distributed to it, or the sums authorized to be collected by it in payment of the purchase requirement including the cash equivalent of any vouchers or warrants accepted by it in accordance with § 1601.6(c), the State agency shall, on demand by C&MS, pay to C&MS, in accordance with instructions issued by C&MS, the amount due as a result of such failure. In the event coupons are issued by mail at the risk of C&MS as provided in § 1601.6(d), the State agency will have accounted fully to C&MS for properly issued coupons while in the mail by mailing coupons and maintaining records of such mailings in accordance with instructions issued by C&MS.

Effective date. This amendment shall become effective on the date of its publication in the FEDERAL REGISTER.

JOHN A. SCHNITTKER,
Acting Secretary.

JULY 12, 1968.

[F.R. Doc. 68-8487; Filed July 16, 1968; 8:50 a.m.]

[33 F.R. 10186, July 17, 1968]

Chapter XVI—Consumer and Marketing Service (Food Stamp Program),
Department of Agriculture

PART 1601—PARTICIPATION OF STATE AGENCIES AND ELIGIBLE HOUSEHOLDS

Plans of Operation

Section 1601.8, paragraph (b) (5), relating to the availability of records for review or audit by C&MS or the Department for 3 years following the close of the Federal fiscal year to which they pertain, is amended to provide that Authorization to Purchase cards may be destroyed 1 year following the Federal fiscal year to which they pertain: *Provided*, That a list containing the name, address and case number of the household, amount of purchase requirement and total coupon allotment, and the expiration date and transaction date of the Authorization to Purchase cards redeemed each month is available for review and audit by C&MS or the Department for 3 years following the close of the Federal fiscal

year to which they pertain: *And provided further*, That executed Authorization to Purchase cards shall not be so destroyed when the State agency has been instructed in writing by C&MS or the Department to retain the documents. As amended, § 1601.8, paragraph (b) (5), reads as follows:

§ 1601.8 *Plans of operation.*

* * * * *

(b) * * * (5) agree that such program records shall be available for review or audit by C&MS or the Department for a period of 3 years following the close of the Federal fiscal year to which they pertain; except, that State agencies or project areas using Authorization to Purchase cards, may destroy such signed and executed cards 1 year following the close of the Federal fiscal year, to which they pertain: *Provided*, That a list containing the name, address, and case number of the household, amount of purchase requirement and total coupon allotment, and the expiration date and transaction date of the Authorization to Purchase cards redeemed each month is available for review and audit by C&MS or the Department for a period of 3 years following the close of the Federal fiscal year to which they pertain: *And provided further*, That executed Authorization to Purchase cards shall not be so destroyed when the State agency has been instructed in writing by C&MS or the Department to retain the documents.

* * * * *

Effective date. This amendment shall become effective on the date of its publication in the FEDERAL REGISTER.

JOHN A. SCHNITTKER,
Under Secretary.

JULY 15, 1968.

[F.R. Doc. 68-8561; Filed, July 17, 1968; 8:49 a.m.]

[33 F.R. 10279, July 18, 1968]

PART 1602—PARTICIPATION OF RETAIL FOOD STORES, WHOLESALE FOOD CONCERNS
AND BANKS

Sec.

- 1602.1 Approval of retail food stores and wholesale food concerns.
- 1602.2 Participation of retail food stores.
- 1602.3 Participation of wholesale food concerns.
- 1602.4 Procedure for redeeming coupons.
- 1602.5 Participation of banks.
- 1602.6 Disqualification of retail food stores and wholesale food concerns.
- 1602.7 Determination and disposition of claims—retail food stores and wholesale food concerns.
- 1602.8 Administrative review—retail food stores and wholesale food concerns.

AUTHORITY: The provisions of this Part 1602 issued under Public Law 88-525, 78 Stat. 703.

§ 1602.1 *Approval of retail food stores and wholesale food concerns*

(a) Food retailers or food wholesalers desiring to participate in the Program shall file an application with C&MS, in such form as C&MS may prescribe.

(b) An applicant shall provide sufficient data on the nature and scope of the firm's business for C&MS to determine whether such applicant's participation will effectuate the purposes of the Program. In making such determination C&MS shall consider: (1) The nature and the extent of the food business conducted by the applicant; (2) the volume of food stamp business which may be reasonably expected to be done by the applicant; (3) the business integrity and reputation of the applicant; and (4) such other factors as C&MS considers pertinent to the application under consideration.

(c) Upon approval, C&MS will issue an authorization card to the firm. Such authorization card shall be retained by the authorized firm until superseded, surrendered or revoked as provided in this part.

(d) C&MS shall deny the application of any firm if it determines that such firm's participation will not effectuate the purposes of the Program. If C&MS determines that a firm does not qualify for participation in the Program, a notice to that effect shall be issued to the firm. Such notice shall be delivered by certified mail or personal service. If such firm is aggrieved by such action, it may seek administrative review of such action as provided in § 1602.8.

(e) C&MS may from time to time, but not more frequently than once each Federal fiscal year, require all authorized firms within a project area to submit

new applications if such firms wish to continue to participate in the Program: *Provided, however,* That any individual firm may be required to submit a new application at any time C&MS receives new or additional information with respect to such firm, relating to any of the criteria set forth in paragraph (b) of this section. C&MS shall review the new application and within 30 days of receipt, make a determination as to whether the firm's continued participation serves to effectuate the purposes of the Food Stamp Program. Applications received under this paragraph shall be considered by C&MS under the same criteria and subject to the same rights of administrative review as provided in this section for initial applications.

(f) The filing of any application containing false information may result in the denial or withdrawal of approval to participate in the Program and may subject the firm and persons responsible to civil or criminal action under applicable provisions of the law. C&MS may also deny or withdraw approval to participate where information regarding the firm's business integrity and reputation becomes available which, in the opinion of C&MS, indicates the firm is not willing or does not have the ability to abide by the provisions of this part. Any such withdrawal or denial of authorization to participate in the Program shall be subject to administrative review under the provisions of § 1602.8. The contents of applications or other information furnished by firms under the provisions of this section shall not be used or disclosed to anyone except for purposes directly connected with the administration and enforcement of the provisions of the Food Stamp Act of 1964 and the provisions of this part.

§ 1602.2 Participation of retail food stores

(a) Authorized retail food stores shall post in the store the "Official Food List" issued by C&MS or a notice of similar import.

(b) Coupons shall be accepted by an authorized retail food store only in exchange for eligible foods, as defined in § 1600.2 (j) of his chapter. A food retailer shall not knowingly accept coupons for any imported meat or meat products. The acceptance of coupons for meat or meat products which are labeled or can be identified as imported when they are delivered to the retail food store or to a central warehouse, a distribution center or meat fabricating facility, operated by the food retailer shall be deemed to have been done with knowledge of the fact that such meat or meat products were imported. Any other food product which is clearly identified on the package as being imported shall not be exchanged for coupons. Coupons shall be accepted for eligible food items at the same prices and on the same terms and conditions applicable to cash purchases of the same foods at the same store: *Provided, however,* That nothing in this part shall be construed as authorizing C&MS to specify the prices at which food may be sold by retail food stores.

(c) No retail food store authorized to receive coupons shall accept coupons marked "paid" or "cancelled", coupons marked with the name or authorization number of any other retail food store or wholesale food concern, coupons bearing the name of any bank, or coupons of other than 50-cent denomination which have been detached from the coupon book prior to the time of purchase of eligible food. Coupons shall not knowingly be accepted from persons who have no right to possession of such coupons for such use. If a retailer has any cause to believe that a person presenting coupons has no right to possession thereof, such retailer should request such person to show the identification card of the head of the household to establish the right of such person to possession of coupons.

(d) Change in cash shall not be given for coupons, but an authorized retail food store may use for the purpose of making change, those uncancelled and unendorsed coupons having a denomination of 50 cents which were previously accepted in exchange for eligible foods. If change in an amount of less than 50 cents is required, the eligible household shall have the option of paying in cash or receiving credit from the authorized retail food store for future delivery of an equivalent value of eligible foods. At no time may credit returned as change to eligible households be in excess of 49 cents.

(e) An authorized food retailer shall not retain custody of any unexpended coupons of eligible households or use or adopt any trick, scheme, or device to prevent an eligible household from using unexpended coupons in other authorized retail food stores.

(f) Coupons shall not be accepted by an authorized retail food store in payment for any eligible foods purchased in or delivered by such store prior to the time at which the coupons are tendered in payment for eligible foods.

(g) Authorized retail food stores which receive coupons in accordance with the provisions of this part, shall be entitled to receive payment for the face value of such coupons upon presentation through the banking system or through authorized wholesale food concerns.

§ 1602.3 *Participation of wholesale food concerns*

(a) An authorized wholesale food concern may accept endorsed coupons for redemption only from authorized retail food stores, and only when coupons are presented with the authorized retail food store's properly executed, signed redemption certificate, and when such coupons have not been marked "paid" or "cancelled".

(b) An authorized wholesale food concern which has received coupons in accordance with the provisions of this part shall be entitled to receive payment through the banking system for the face value of such coupons, upon presentation of the coupons together with (1) the authorized retail food store's properly executed, signed redemption certificate for such coupons, and (2) the authorized wholesale food concern's properly executed, signed redemption certificate.

§ 1602.4 *Procedure for redeeming coupons*

(a) Coupons accepted by a retail food store or wholesale food concern prior to the receipt by such firm of an authorization card from C&MS shall not be presented for redemption under the procedure set forth in this section, except that within the first 90 days of the opening of any project area, the Food Distribution Officer-in-Charge, in accordance with instructions issued by C&MS, may approve the redemption under this section of coupons accepted by such firm prior to the receipt of an authorization card from C&MS if such firm applies for and receives authorization to participate in the Program.

(b) Each authorized retail food store or authorized wholesale food concern shall stamp or otherwise indicate its authorization number or the name of such store or concern on each coupon prior to the time such coupons are presented for redemption under the procedure provided in this part.

(c) Authorized retail food stores and authorized wholesale food concerns will be provided by C&MS with redemption certificates which shall be used in presenting coupons to commercial banks for credit or for cash. Authorized retail food stores shall also use such certificates in presenting coupons to authorized wholesale food concerns for redemption.

§ 1602.5 *Participation of banks*

(a) Banks may accept coupons for redemption from authorized retail food stores and authorized wholesale food concerns in accordance with the provisions of this part and the instructions of the Federal Reserve Banks. Coupons submitted to banks for credit or for cash must be properly endorsed in accordance with § 1602.4 and shall be accompanied by a properly executed redemption certificate. No bank shall knowingly accept coupons used by ineligible persons or transmitted for collection by unauthorized retail food stores, wholesale food concerns, or any other unauthorized individuals, partnerships, corporations, or other legal entities. Banks may require persons presenting coupons for redemption to show their authorization card. The redemption certificates shall be held by the receiving bank until final credit has been given by the Federal Reserve Bank after which they shall be forwarded by the receiving banks to the Consumer Food Programs Field Office. Coupons accepted for deposit or for payment in cash must be cancelled by or for the first bank receiving the coupons by indelibly marking "paid" or "cancelled" together with the name of the bank, or its routing symbol transit number, on the coupons by means of an appropriate stamp. A portion of a coupon consisting of less than three-fifths ($\frac{3}{5}$) of a whole coupon shall not be accepted for redemption by banks. Banks which are members of the Federal Reserve System, non-member clearing banks, and nonmember banks which have arranged with a Federal Reserve Bank to deposit coupons for credit to the account of a member bank on the books of the Federal Reserve Bank may forward cancelled coupons directly to the Federal Reserve Bank for payment in accordance with applicable regulations or instructions of the Federal Reserve Banks. Other banks may forward cancelled coupons through ordinary collection channels.

(c) While in the course of shipment cancelled coupons shall be considered to be at the risk of the Department, if the bank transmitting such coupons has exercised due diligence and taken ordinary care in making the shipment. Reports of loss, destruction, or damage shall be given promptly on discovery to all of

the following: C&MS; the nearest Secret Service Office; and the Post Office or other carrier; and the Secretary of the Treasury, Bureau of Accounts. Claim for replacement or credit in the event of loss, damage or destruction of any shipment of coupons shall be filed in writing with C&MS and shall be supported by the redemption certificates received from the retail food stores or wholesale food concerns, relating to the coupons included in the particular shipment involved in such claim.

(d) Notwithstanding any provisions of this chapter to the contrary, coupons may be issued to persons authorized by C&MS for use in examining and inspecting program operations, compliance with program regulations, and for other purposes determined by C&MS to be required for proper administration of the Program. Such coupons which have been so issued and used, as well as any coupons which C&MS believes may have been issued, transferred, negotiated, used, or received in violation of any provisions of this chapter or of any applicable statute, shall, at the request of authorized representatives of C&MS and on issuance of a receipt therefor by such representatives, be released and turned over to C&MS by the bank receiving such coupons, or by any other person to whom such request is addressed, together with the certificate(s) of redemption accompanying such coupons, if any. Any such coupons so requested shall not thereafter be eligible for redemption through Federal Reserve Banks or other collection channels; *Provided, however*, That C&MS may redeem such coupons from any such bank or person by payment of the face amount thereof upon determination by C&MS that such direct redemption of coupons is warranted under all of the circumstances of the examination or inspection in which such coupons were used. Coupons received by C&MS under this paragraph (d) shall be held by C&MS for such disposition as may be determined by C&MS on completion of the examination or inspection in which such coupons were used. In the event such coupons have not been redeemed by C&MS as provided in this paragraph, claims or demands relative thereto may be mailed to the local C&MS Food Distribution Field Office for the project area involved.

§ 1602.6 *Disqualification of retail food stores and wholesale food concerns*

(a) Any authorized retail food store or authorized wholesale food concern may be disqualified from further participation in the Program by C&MS for a reasonable, definitely stated period of time, not to exceed three years, as C&MS may determine, if such retail food store or wholesale food concern fails to comply with the Food Stamp Act of 1964 or the provisions of this part.

(b) Any retail food store or wholesale food concern considered for disqualification under paragraph (a) of this section shall have full opportunity to submit to C&MS information, explanation, or evidence concerning any instances of non-compliance before a final determination is made by C&MS as to the administrative action to be taken. Prior to such determination, the retail food store or wholesale food concern shall be sent a letter of charges by the appropriate Director, Area Office, Food Distribution, specifying the violations or actions which C&MS believes constitute a basis for disqualification. Such letter shall inform the food retailer or food wholesaler that he may respond either orally or in writing to the charges contained therein within ten days of the mailing date thereof, which response shall set forth a statement of evidence, information, or explanation pertaining to the specified violations or acts. Such response, if any, shall be made to the Director, Area Office, Food Distribution, who issued the letter of charges. If no response is made to the letter of charges, C&MS will deem the charges to have been admitted.

(c) The letter of charges, the response, and such other information as may be available to C&MS shall be reviewed and considered by the Director, Food Stamp Division, who shall then issue his determination.

(d) The determination of the Director, Food Stamp Division, shall be final and not subject to further administrative or judicial review unless a written request for review is filed within ten days in accordance with § 1602.8.

(e) The mailing by certified mail or delivery by personal service of any notice required of C&MS by this part will constitute notice to the addressee of its contents.

§ 1602.7 *Determination and disposition of claims—retail food stores and wholesale food concerns*

(a) If C&MS determines that a retail food store or wholesale food concern accepted coupons in violation of the provisions of the Food Stamp Act of 1964 or the provisions of this part, C&MS may deny the claim for redemption of such

coupons. In the event such coupons have been redeemed, C&MS may assert a claim against such firm for the face value of the coupons involved in such violations and may collect such claims by setoff of the amount against other claims for redemption of coupons submitted by the firm.

(b) In addition to the procedure set forth in § 1602.4 for the redemption of coupons, C&MS may redeem coupons received by unauthorized retail food stores or wholesale food concerns if the following conditions exist: (1) The coupons were received in accordance with the provisions of this part governing acceptance of coupons except the provisions requiring that the firm be authorized before acceptance; (2) the coupons were accepted by the firm in good faith, and without any intent to circumvent the provisions of this part; and (3) the firm applies for and receives authorization to participate in the Program. Firms seeking to redeem coupons as provided in this paragraph shall present a claim in writing for redemption of such coupons to the local Food Distribution Field Office. This claim shall be accompanied by a notarized affidavit containing a full statement of the circumstances surrounding the acceptance of the coupons. The affidavit shall also include a certification that the coupons were accepted in good faith, and without any intent to circumvent the requirements of this part.

(c) If a claim under the provisions of this section is denied in whole or in part, notification of such action shall be sent to the firm by certified mail or personal service. If the firm is aggrieved by such action, it may seek administrative review as provided in § 1602.8.

§ 1602.8 *Administrative review—retail food stores and wholesale food concerns.*

(a) A food retailer or food wholesaler aggrieved by administrative action under the provisions of §§ 1602.1, 1602.6 and 1602.7 may within ten days of the date of delivery to the firm of notice of such administrative action, file a written request for review of such administrative action with the Food Stamp Review Officer. On receipt of such request for review, the questioned administrative action shall be stayed pending disposition of such request for review by the Food Stamp Review Officer.

(b) The request for review shall be filed with the Food Stamp Review Officer, United States Department of Agriculture, Washington, D.C., 20250.

(c) The procedure for food stamp reviews, to be published at a later date in Part 1603 of this chapter, will be available upon request from the Food Stamp Review Officer.

NOTE: The reporting and/or record-keeping requirements contained herein have been approved by the Bureau of the Budget in accordance with the Federal Reports Act of 1942.

The provisions of this part shall become effective as provided in § 1600.5(d) of this chapter.

ROY W. LENNARTSON,
Associate Administrator.

Approved: May 17, 1965.

GEORGE L. MEHREN,
Assistant Secretary.

[F.R. Doc. 65-5305; Filed, May 19, 1965; 8:48 a.m.]

[30 F.R. 6859, May 20, 1965, 30 F.R. 13861, Nov. 2, 1965 (Amdt. 1 to Part 1602), and 32 F.R. 8519, June 14, 1967]

PART 1603—ADMINISTRATIVE AND JUDICIAL REVIEW—RETAILERS AND WHOLESALERS

Subpart A—Administrative Review—General

Sec.

- 1603.1 Scope and purpose.
- 1603.2 Food Stamp Review Officer.
- 1603.3 Authority and jurisdiction.
- 1603.4 Rules of procedure.

Subpart B—Rules of Procedure

- 1603.5 Manner of filing requests for review.
- 1603.6 Content of requests for review.
- 1603.7 Initial action upon receipt of a request for review.
- 1603.8 Determination of the Food Stamp Review Officer.
- 1603.9 Legal advice and extensions of time.

*Subpart C—Judicial Review***1603.10 Judicial review.**

AUTHORITY : The provisions of this Part 1603 issued under P.L. 88-525, 78 Stat. 703.

*Subpart A—Administrative Review—General***§ 1603.1 Scope and purpose**

This Subpart A sets forth the procedure for the designation of Food Stamp Review Officers and the authority and jurisdiction of such Officers. Subpart B of this part sets forth the rules of procedure to be followed in the filing and disposition of the requests for review for which provision is made in § 1602.8 of this chapter. Subpart C of this part relates to the provisions governing the rights of retailers and wholesalers to judicial review of the final determinations of the Food Stamp Review Officer.

§ 1603.2 Food Stamp Review Officer

The Administrator, C&MS, shall designate one or more persons to act as Food Stamp Review Officers. Such Officers shall serve for such periods as the Administrator, C&MS, shall determine. Changes in designations and additional designations, may be made from time to time at the discretion of the Administrator, C&MS. When more than one Food Stamp Review Officer has been designated, requests for review will be assigned for handling to individual Food Stamp Review Officers by a person designated by the Administrator, C&MS. The names of the Food Stamp Review Officers shall be on file in the Office of the Administrator, C&MS.

§ 1603.3 Authority and jurisdiction

(a) A Food Stamp Review Officer shall act for the Department on requests for review filed by retail food stores or wholesale food concerns aggrieved by any of the following actions:

(1) Denial of an application to participate in the Program under § 1602.1 of this chapter.

(2) Disqualification from participation in the Program under § 1602.6 of this chapter.

(3) Denial of all or any part of any claim under § 1602.7 of this chapter.

(b) The determination of the Food Stamp Review Officer on such a review shall be the final administrative determination of the Department, subject, however, to judicial review as provided in section 13 of the Food Stamp Act of 1964 and Subpart C of this part.

§ 1603.4 Rules of procedure

Rules of procedure for the orderly filing and disposition of requests for review of retail food stores or wholesale food concerns submitted in accordance with § 1603.3 shall be issued in Subpart B of this part. The Administrator, C&MS, may subsequently issue amendments to such rules of procedure as he deems appropriate.

*Subpart B—Rules of Procedure***§ 1603.5 Manner of filing requests for review**

(a) Requests for review submitted by retail food stores or wholesale food concerns shall be mailed to or filed with "Food Stamp Review Officer, C&MS, U.S. Department of Agriculture, Washington, D.C., 20250."

(b) Such requests shall be in writing and shall state the name and business address of the firm involved, and the name, address and position with the firm of the person who signed the request. The request shall be signed by the owner of the retail food store or wholesale food concern, an officer or partner of the firm, or by counsel, and need not be under oath.

(c) Such a request shall be filed with the Food Stamp Review Officer within ten calendar days of the date of delivery of the notice of the action for which review is requested. For the purpose of determining whether such a request was timely filed, the filing date shall be deemed to be the postmark date of the request, or equivalent if the written request is filed by a means other than mail.

§ 1603.6 Content of requests for review

(a) Requests for review shall clearly identify the administrative action from which the review is requested. Such identification shall include the date of the letter or other written communication notifying the firm of the administrative

action; the name and title of the person who signed such letter or other communication; and whether the action under appeal concerns a denial of an application for participation, a disqualification from further participation, or a denial of all or any part of a claim.

(b) Such requests shall include information in support of the request showing the grounds on which the review is being sought from the administrative action, or it shall state that such information will be filed in writing at a later date. In such event, the Food Stamp Review Officer shall notify the firm of the date by which such information must be filed. The firm requesting review may ask for an opportunity to appear before the Food Stamp Review Officer in person: *Provided, however*, That any information so submitted in person shall, if directed by the Food Stamp Review Officer, be reduced to writing by the firm and subsequently filed with the Food Stamp Review Officer within such period as he shall specify.

§ 1603.7 Action upon receipt of a request for review

(a) Upon receipt of a request for review of a disqualification action, the Food Stamp Review Officer shall notify the Director of the Food Stamp Division, C&MS, in writing, of the action under review and shall direct that the administrative action shall be held in abeyance until the Review Officer has made his determination. Upon receipt of a request for review of a denial of application to participate in the Program, or of a denial of a claim, the Food Stamp Review Officer shall notify the Director of the Food Stamp Division, C&MS, in writing, of the action under review and shall direct that the retailer or wholesaler shall not be approved for participation or paid any part of the disputed claim until the Review Officer has made his determination. In any case, notice to the Director shall be accompanied by a copy of the request filed by the firm.

(b) If the request filed by the firm includes a request for an opportunity to file written information in support of its position at a later date, the Food Stamp Review Officer shall promptly notify the firm of the date by which such information shall be filed. If the firm fails to file any information in support of its position by the designated date, the information submitted with the original request shall be deemed to be the only information submitted by the firm. In such event, if no information in support of the firm's position was submitted with the original request, the action of the Director, Food Distribution Area Office, C&MS, or of the Director, Food Stamp Division, C&MS, whichever is applicable, shall be final.

(c) If the firm filing the request for review asked for an opportunity to appear before the Food Stamp Review Officer in person, such Officer shall promptly notify the firm of the date, time and place set for such appearance. If such firm fails to appear before the Food Stamp Review Officer as specified, any written information timely submitted in accordance with this section shall be deemed to be the only information submitted by such firm.

(d) The Food Stamp Review Officer shall require the Director, Food Stamp Division, C&MS, to promptly submit, in writing, all information which was the basis for the administrative action for which the review has been requested.

§ 1603.8 Determination of the Food Stamp Review Officer

(a) The Food Stamp Review Officer shall make a determination based upon:

(1) The information submitted by the Director, Food Stamp Division, C&MS, (2) information submitted by the firm in support of its position, and (3) such additional information, in writing, as may be obtained by such Officer from any other person having relevant information.

(b) In the case of a request for review of a denial of an application to participate in the Program, the determination of the Food Stamp Review Officer shall sustain the action under review or shall direct that the firm be approved for participation.

(c) In the case of a request for review of action disqualifying a firm from participation in the Program, the determination of the Food Stamp Review Officer shall sustain the action under review or specify a shorter period of disqualification, direct that an official warning letter be issued to the firm in lieu of any period of disqualification; or direct that no administrative action be taken in the case.

(d) In the case of a request for review of a denial of all or any part of a claim of a firm, the determination of the Food Stamp Review Officer shall sustain the action under review or shall specify the amount of the claim to be paid by C&MS.

(e) The Food Stamp Review Officer shall notify the firm of his determination by certified mail. Such notification shall be sent to the representative of the firm who filed the request for review.

(f) The Food Stamp Review Officer shall send a copy of his notification to the firm to the Director, Food Stamp Division, C&MS, who shall undertake such action as may be necessary to comply with the determination of such Officer.

(g) The determination of the Food Stamp Review Officer shall take effect 15 days after the date of delivery of such determination to the firm.

§ 1603.9 *Legal advice and extensions of time*

(a) If any request for review involves any doubtful questions of law, the Food Stamp Review Officer shall obtain the advice of the Office of the General Counsel, U.S. Department of Agriculture.

(b) Upon timely written request to the Food Stamp Review Officer by the firm requesting the review, the Food Stamp Review Officer may grant extensions of time, if, in his discretion, additional time is required for the firm to fully present information in support of its position: *Provided, however,* That no extensions shall be made in the time allowed for the filing of a request for review.

Subpart C—Judicial Review

§ 1603.10 *Judicial review*

(a) A food retailer or food wholesaler aggrieved by the determination of the Food Stamp Review Officer, may obtain judicial review of such determinations by filing a complaint against the United States in the United States District Court for the district in which he resides or is engaged in business, or in any court or record of the State having competent jurisdiction. Such complaint must be filed within 30 days after the date of delivery or service upon him of the notice of determination of the Food Stamp Review Officer in accordance with § 1603.8 (e), otherwise such determination shall be final.

(b) Service of the summons and complaint in any such action shall be made in accordance with the Rules of Civil Procedure for the United States District Courts. The copy of the summons and complaint required by such Rules to be served on the officer or agency whose order is being attacked shall be sent by registered or certified mail to the person in charge of the applicable Area Office of C&MS listed in § 1600.5 of this chapter.

(c) The suit in the United States District Court or in the State court, as the case may be, shall be a trial de novo by the court in which the court shall determine the validity of the questioned administrative action in issue. If the court determines that such administrative action is invalid it shall enter such judgment or order as it determines is in accordance with the law and the evidence.

(d) During the pendency of such judicial review, or any appeal therefrom, the administrative action under review shall remain in full force and effect, unless the firm makes application to the court upon not less than ten days' notice, and, after hearing thereon and a showing of irreparable injury, the court temporarily stays the administrative action under review pending disposition of the de novo trial or an appeal therefrom.

NOTE: The reporting and/or record-keeping requirements contained herein have been approved by the Bureau of the Budget in accordance with the Federal Reports Act of 1942.

The provisions of this part shall become effective as provided in § 1600.5(d) of this chapter.

ROY W. LENNARTSON,
Acting Administrator.

GEORGE L. MEHREN,
Assistant Secretary.

Approved: October 11, 1965.

[F.R. Doc. 65-11063 ; Filed, Oct. 14, 1965 ; 8 :52 a.m.]

[30 F.R. 13132, Oct. 15, 1965]

REGULATIONS

NATIONAL SCHOOL LUNCH PROGRAM

(Current as of December 5, 1968)

This is a more convenient copy of the National School Lunch Program regulations incorporating all presently effective amendments and deleting all superseded sections. It does not represent a formal reissuance. No attempt has been made to adjust the language of the document to changes which have occurred since the first issuance. Therefore, FDD still occurs in place of FDAO, AMS in place of C&MS, and so forth.

TITLE 7—AGRICULTURE

CHAPTER II—AGRICULTURAL MARKETING SERVICE (SCHOOL LUNCH PROGRAM),
DEPARTMENT OF AGRICULTURE

PART 210—NATIONAL SCHOOL LUNCH PROGRAM

Regulations are hereby amended, revised and reissued for the operation of the general cash-for-food assistance phase of the National School Lunch Program pursuant to the authority contained in the National School Lunch Act, as amended (42 U.S.C. 1751-1760).

Sec.

- 210.1 General purpose and scope.
- 210.2 Definitions.
- 210.3 Administration.
- 210.4 Apportionment of funds to States.
- 210.5 Payments to States.
- 210.6 Matching of funds.
- 210.7 Use of funds.
- 210.8 Requirements for participation.
- 210.9 Requirements for lunches.
- 210.10 Reimbursement payments.
- 210.11 Effective date for reimbursement.
- 210.12 Reimbursement procedures.
- 210.13 Special responsibilities of State agencies.
- 210.14 Review of operating balances.
- 210.15 Claims against schools.
- 210.16 Administrative analyses and audits.
- 210.17 Prohibitions.
- 210.18 Miscellaneous provisions.
- 210.19 Program information.

AUTHORITY: §§ 210.1 to 210.19 issued under secs. 2-12, 60 Stat. 230-233, as amended, 76 Stat. 944; 42 U.S.C. 1751-1760.

§ 210.1 *General purpose and scope*

(a) Section 2 of the National School Lunch Act, as amended, states: "It is hereby declared to be the policy of Congress, as a measure of national security, to safeguard the health and well-being of the Nation's children and to encourage the domestic consumption of nutritious agricultural commodities and other food, by assisting the States, through grants-in-aid and other means, in providing an adequate supply of foods and other facilities for the establishment, maintenance, operation, and expansion of nonprofit school-lunch programs."

(b) The Act authorizes the apportionment of funds to the States for (1) general food assistance, (2) special food assistance, and (3) nonfood assistance, and also authorizes donations of agricultural commodities and other foods acquired by the Department. This part announces the policies and prescribes the regulations with respect to the operation of the general cash-for-food assistance and the special cash-for-food assistance phases of the program (i.e., subparagraphs (1) and (2) of this paragraph) conducted under the National School Lunch Act.

§ 210.2 *Definitions*

For the purpose of this part the term:

- (a) "Act" means the National School Lunch Act, as amended.
- (b) "AMS" means the Agricultural Marketing Service of the United States Department of Agriculture.
- (c) "Assistance need rate" means (1) in the case of any State having an average annual per capita income equal to or greater than the average annual per capita income for all the States, 5; and (2) in the case of any State having

an average annual per capita income less than the average annual per capita income for all the States, the product of 5 and the quotient obtained by dividing the average annual per capita income for all the States by the average annual per capita income for such State, except that such product may not exceed 9 for any such State. For the purposes of this paragraph the average annual per capita income for any State and for all the States shall be determined by the Secretary on the basis of the average annual per capita income for each State and for all the States for the three most recent years for which such data are available and certified to the Secretary by the Department of Commerce, except that the average annual per capita income for American Samoa shall be disregarded in determining the average annual per capita income for all the States for periods ending before July 1, 1967.

(c-1) "Attendance unit" means a building or a complex of buildings and supporting facilities in which instruction is provided for classes of high school grade or under.

(d) "Cost of obtaining food" means the cost of obtaining agricultural commodities and other foods for consumption by children during any fiscal year. Such costs may include, in addition to the purchase price of agricultural commodities and other foods, the cost of processing, distributing, transporting, storing, or handling any food purchased for, or donated to, the Program.

(e) "Department" means the United States Department of Agriculture.

(f) "FDAO" means Food Distribution Area Office, Consumer Food Programs, of the Consumer and Marketing Service of the U.S. Department of Agriculture.

(g) "Fiscal year" means a period of twelve calendar months beginning with July 1 of any calendar year and ending with June 30 of the following calendar year.

(h) "Milk" means unflavored milk which meets State and local standards for fluid whole milk and flavored milk made from fluid whole milk which meets such standards.

(i) "Nonprofit lunch program" means food service maintained by the school for the benefit of the children, all of the income from which is used solely for the operation or improvement of such food service.

(j) "Nonprofit private school" means a nonpublic school that is exempt from income tax under the Internal Revenue Code, as amended.

(k) "Participation rate" means a number equal to the number of lunches meeting the minimum requirements prescribed for a Type A lunch in § 210.9 served in the preceding fiscal year by schools participating in the Program as determined by the Secretary.

(l) "Program" means the National School Lunch Program conducted under the National School Lunch Act.

(m) "School" means the governing body responsible for the administration of a public or nonprofit private "school" of high school grade or under, as recognized under the laws of the State, and in the case of Puerto Rico, also includes nonprofit child-care centers certified as such by the Governor of Puerto Rico. The term also includes a nonprofit agency to which the school has delegated authority for the operation of its nonprofit lunch program.

(n) "State" means any of the fifty States, District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam or American Samoa.

(o) "State-educational agency" means, as the State legislature may determine, (1) the chief State school officer (such as the State Superintendent of public instruction, commissioner of education, or similar officer), or (2) a board of education controlling the State department of education.

§ 210.3 Administration

(a) Within the Department, AMS shall act on behalf of the Department in the administration of the Program. Within AMS, FDD shall be responsible for Program administration.

(b) Within the States, responsibility for the administration of the Program in schools shall be in the State educational agency (hereinafter referred to as the "State Agency"), except that FDD shall administer the Program in nonprofit private schools of any State wherein the State Agency is not permitted by law to disburse Federal funds paid to it under the act to nonprofit private schools, or to match Federal funds paid to such schools. References in this part to "FDD where applicable" are to FDD as the agency administering the Program in nonprofit private schools.

(c) Each State Agency desiring to take part in the Program shall enter into a written agreement with the Department for the administration of the Program in the State in accordance with the provisions of this part. Such agreements shall cover a fiscal year and may be extended for succeeding fiscal years at the option of the Department.

§ 210.4 *Apportionment of funds to States*

(a) Any Federal funds made available for general cash-for-food assistance shall be apportioned among the States in accordance with section 4 of the Act on the basis of two factors: (1) The participation rate for the State, and (2) the assistance need rate for the State. The amount of apportionment to any State shall be determined by the following method: First, by determining an index for the State by multiplying factors (1) and (2) of this paragraph; second, by dividing this index by the sum of the indices for all the States (exclusive of American Samoa for periods ending before July 1, 1967); and third, by applying the figure thus obtained to the total funds to be apportioned.

(b) For the five fiscal years in the period beginning July 1, 1962, and ending June 30, 1967, the amount apportioned to American Samoa for general cash-for-food assistance shall be \$25,000 each year, which amount shall be first deducted from the funds available for apportionment in determining the amounts to be apportioned to the other States.

(c) If any State cannot utilize all the funds apportioned to it for general cash-for-food assistance, or if additional funds are made available under section 3 of the Act for apportionment among the States, further apportionment shall be made among the remaining States in the same manner as the initial apportionment: *Provided, however*, That the Department may determine the minimum amount of such funds it is practicable to so apportion.

(d) A share of the general cash-for-food assistance funds apportioned to any State shall be withheld by C&MS for the nonprofit private schools of that State, if the State Agency does not administer the Program in such schools. The funds so withheld by C&MS shall be an amount which bears the same ratio to the general cash-for-food assistance funds apportioned to that State as the participation rate of all nonprofit private schools of the State bears to the participation rate of all schools in the State.

(e) Three percent of any Federal funds made available for special cash-for-food assistance under section 11 of the Act for any fiscal year shall be apportioned to Puerto Rico, the Virgin Islands, Guam, and American Samoa. The apportionment to each of those States shall be in an amount which bears the same ratio to the total of such funds as the number of free or reduced-price lunches served in accordance with § 210.9 in those States in the preceding fiscal year bears to the total number of free or reduced-price lunches so served in all those States in the preceding fiscal year. Of the remaining amount made available for special cash-for-food assistance under section 11 of the Act for any fiscal year, not less than 50 percent shall be apportioned among the States, other than Puerto Rico, the Virgin Islands, Guam and American Samoa, on the basis of two factors, (1) the number of free or reduced-price lunches served in accordance with § 210.9 in the preceding fiscal year and (2) the assistance need rate. These factors shall be applied in the following manner: First, determine an index for each State by multiplying factors (1) and (2) of this paragraph; second, divide this index by the sum of the indices for all such States; and, third, apply the figure thus obtained to the total funds to be apportioned. Any funds so initially apportioned to a State under section 11 of the Act which cannot be used for special cash-for-food assistance together with the remainder of the funds available under section 11 shall be further apportioned on the same basis as the initial apportionment to such States which justify the need for additional funds on the basis of operating experience.

(f) A share of the special cash-for-food assistance funds apportioned to any State shall be withheld by C&MS for the nonprofit private schools of that State, if the State Agency does not administer the Program in such schools. The funds so withheld by C&MS shall be an amount which bears the same ratio to the special cash-for-food assistance funds apportioned to the State as the number of free and reduced-price lunches served in accordance with § 210.9 in the preceding fiscal year by all nonprofit private schools participating in the Program in the State bears to the number of free and reduced-price lunches so served during the year by all schools participating in the Program in the State.

(g) Supplemental funds made available from Section 32 funds (Act of August 24, 1935, as amended) are to be tentatively allocated as follows: (1) Three percent

shall be allocated to Puerto Rico, the Virgin Islands, Guam, and American Samoa, the amount to be allocated to each of those States being an amount which bears the same ratio to the total funds for such States as the number of children aged 3 to 17, inclusive, in each bears to the total number of children of such ages in all of them; (2) the remaining funds shall be allocated to States other than Puerto Rico, the Virgin Islands, Guam, and American Samoa, in an amount for each State which bears the same ratio to such remaining funds as (i) the number of children in that State aged 3 to 17, inclusive, in families with incomes of less than \$3,000 per annum, and (ii) the number of children in that State aged 3 to 17, inclusive, in families receiving an annual income in excess of \$3,000 per annum from payments under the program of aid to families with dependent children pursuant to a State plan approved under title IV of the Social Security Act bears to the total number of such children in all such States.

(h) A share of the supplemental funds so allocated to any State shall be withheld by C&MS for the nonprofit private schools of that State, if the State agency does not administer the program in such schools. The withholding of funds for and the disbursement thereof to nonprofit private schools shall be effected in accordance with section 10 of the National School Lunch Act, as amended, exclusive of the matching provision thereof.

§ 210.5 *Payments to States*

(a) The general cash-for-food assistance funds apportioned to any State shall be made available by means of Letters of Credit issued by AMS to appropriate Federal Reserve Banks in favor of the State Agency. Such Letters of Credit shall be designed to provide funds for the State Agency for the operation of the Program in such amounts and at such times as the funds are needed to reimburse schools. As soon as practicable after funds are made available to AMS, AMS shall prepare a Letter of Credit for each State with which it has an approved agreement. Such Letters of Credit shall contain 10 cumulative monthly limitations, except that for American Samoa, Guam, Puerto Rico and the Virgin Islands; the Letters of Credit shall contain 8 cumulative monthly limitations. These cumulative limitations shall be in accordance with the monthly pattern of participation in each State, as measured by the number of lunches served, based upon the most recent year for which final participation data are available. The first amount authorized shall be for July and August operations, and the final amount authorized shall be for May and June operations except that for American Samoa, Guam, Puerto Rico and the Virgin Islands, the final amount authorized shall be for March, April, May, and June operations. Notwithstanding the foregoing provisions, if funds have been authorized by Congress for the operation of the Program under a continuing resolution, Letters of Credit shall reflect only the amounts authorized for the effective period of the resolution, with appropriate monthly limitations. The State Agency shall obtain funds needed to reimburse schools through presentation by designated State officials of a Payment Voucher on Letter of Credit (Treasury Department Form TUS 5401) to a local commercial bank for transmission to the appropriate Federal Reserve Bank, in accordance with procedures prescribed by AMS and approved by the United States Treasury Department. The State Agency shall draw only such funds as are needed to pay claims certified for payment and shall use such funds without delay to pay the claims. State Agencies shall report information on the status of Program funds on a monthly basis to AMS on a form provided for it. Notwithstanding the foregoing provision for the use of Letters of Credit, Program funds shall be made available to the State Agency in the District of Columbia by means of Treasury Department checks on the same monthly basis as is prescribed for payments made by Letters of Credit.

(b) The special cash-for-food assistance funds apportioned to any State Agency for any fiscal year shall be made available in accordance with the method set forth in this section for general cash-for-food assistance, and to the extent practicable shall be in accordance with the same schedules.

(b-1) The supplemental funds allocated to any State agency for any fiscal year shall be made available in accordance with the method set forth in this section for general cash-for-food assistance funds, and, to the extent practicable, shall be made available in accordance with the same schedules. Initially supplemental funds in an amount not to exceed 60 percent of the State's tentative allocation shall so be made available. Final apportionments and increases in amounts made available, up to the amount of the tentative allocation, shall be made on the basis of justifications of the need for additional funds submitted by the States.

(c) The State Agency shall return to AMS any Federal funds paid to it under the Program which are unobligated at the end of each fiscal year. Such return shall be made as soon as practicable but in any event not later than 30 days following demand made by FDD. The State Agency shall also pay to AMS any interest paid or credited on Federal funds paid to it under the Program.

§ 210.6 *Matching of funds*

(a) During any fiscal year, payments made by AMS to each State Agency, or the aggregate payment made by AMS to nonprofit private schools in any State, shall be upon the condition that each dollar thereof shall be matched by three dollars of funds from sources within the State: *Provided, however*, That if the per capita income of any State is less than the per capita income of the United States, the matching requirement for any fiscal year shall be decreased by the percentage which the State per capita income is below the per capita income of the United States.

(b) Funds from sources within the State shall include: (1) Funds expended, for the Program, including Program administration, by the State or its political subdivisions or by or on behalf of any school, from children's payments or from any other source of State or local funds, except funds expended for land or the acquisition, construction or alteration of buildings; and (2) the value of commodities, services, supplies, facilities, and equipment donated to the Program; except the value of commodities donated by FDD or the value of land or the rental value of buildings used in connection with the Program. The value of donations eligible for matching shall be certified by the State Agency or by the nonprofit private schools administered by FDD.

(c) It shall be the responsibility of the State Agency, or FDD where applicable, to determine whether the matching requirements of the Act are being met. In the event it appears that the matching requirements will not be met, the State Agency or FDD shall take corrective action to assure compliance with these requirements.

(d) In the event any State fails to match the full amount of the Federal funds advanced to it, the State shall return to AMS the amount of the Federal funds which it failed to match.

(e) In any State where the aggregate payment of Federal funds to private schools administered by FDD is not matched, any individual school not matching the Federal funds paid to it shall return to AMS its pro rata share of the amount of the Federal funds determined by AMS not to have been matched.

(f) Notwithstanding the provisions of the foregoing paragraphs of this section, no matching of funds shall be required with respect to special cash-for-food assistance.

§ 210.7 *Use of funds*

(a) Federal funds available as cash-for food assistance shall be used only to reimburse schools in connection with lunches served to children of high school grade or under in accordance with the provisions of this part during the fiscal year for which such funds are appropriated.

(b) Income accruing to the lunch program of any school shall be used only for Program purposes: *Provided, however*, That such income shall not be used to purchase land, to acquire or construct buildings, or to make alterations of existing buildings: *And provided further*, That only funds from sources other than Federal for children's payments for lunches shall be used to finance * * *

* * * * *

§ 210.8 *Requirements for participation*

(a) Any school not participating in the Program in the previous fiscal year shall make written application for participation to the State Agency, or FDD where applicable.

(a-1) Each school participating in the Program shall develop a policy statement covering the criteria used in the attendance units under its jurisdiction in determining the eligibility of children for a free or reduced price lunch. Such statement shall include a plan for collecting payments from paying children and accounting for free or reduced price lunches which will protect the anonymity of the children receiving free or reduced price lunches in order that such children shall not be identified as such to their peers. As a minimum, such criteria shall include the level of family income (including welfare grants), the number in the family unit, and the number of children in the family in attendance. Such policy statement shall be written, publicly announced and applied equitably to the children in all such attendance units.

(b) Applications shall include the name and address of the school and the following information: (1) The beginning date of lunch service under the Program; (2) the estimated average daily attendance or membership; (3) the lunch price to be charged children; (4) the estimated daily number of free or reduced price lunches to be served; and (5) the amount of funds and the value of food on hand for the Program at the time of application.

(c) Selection of schools for participation in the Program shall be in accordance with the following:

(1) Schools shall be selected for participation in the general cash-for-food assistance phase of the Program on the basis of need and attendance.

(2) Schools shall be selected for participation in the special cash-for-food assistance phase of the Program on the basis of the following factors: (i) The economic condition of the area from which such schools draw attendance; (ii) the needs of pupils in such schools for free and reduced-price lunches; (iii) the percentage of free and reduced-price lunches being served in such schools to their pupils; (iv) the prevailing price of lunches in such schools as compared with the average prevailing price of lunches served in the State under the National School Lunch Act and (v) the need of such schools for additional assistance as reflected by the financial position of the school lunch program in such schools. (For the purposes of subdivision (v) of this subparagraph the need for additional assistance shall mean the need for reimbursement at rates above nine cents per Type A lunch.) The need for special assistance out of section 11 funds shall be reviewed annually.

(3) In no event shall any school which operates the food or milk service in any attendance unit under a contractual arrangement with a concessionaire or food service management company or under a similar arrangement be eligible for participation in the Program with respect to such attendance unit, even though the school or such attendance unit shall enter into a written agreement with the State agency or, in those States in which FDD administers the Program in private schools, such private schools shall enter into a written agreement with the Department. Such agreements shall be on a form approved by FDD and shall provide that the school shall:

(1) Operate a nonprofit lunch program and observe the limitations on the use of program income set forth in § 210.7(b);

(2) Limit its operating balance to a level consistent with Program needs;

(3) Serve lunches which meet the minimum requirements prescribed in § 210.9 during a period designated as the lunch period by the school;

(4) Price the Type A lunch as a unit;

(5) Supply lunches without cost or at reduced price to all children who are determined by local school authorities to be unable to pay the full price thereof;

(6) Make no discrimination against any child because of his inability to pay the full price of the lunch;

(7) Claim reimbursement only for the type or types of lunches specified in the agreement;

(8) Submit claims for reimbursement in accordance with procedures established by the State Agency, or FDD where applicable;

(9) Maintain, in the storage, preparation and service of food, proper sanitation and health standards in conformance with all applicable State and local laws and regulations;

(10) Purchase, in as large quantities as may be efficiently utilized in its lunch program, foods designated as plentiful by the State Agency, or FDD where applicable;

(11) Accept and use, in as large quantities as may be efficiently utilized in its lunch program, such foods as may be offered as a donation by the Department;

(12) Maintain necessary facilities for storing, preparing and serving food;

(13) Maintain full and accurate records of its lunch program, including records with respect to the following:

(i) *Lunch service.* (a) Daily number of lunches served to children, by type of lunch.

(b) Daily number of lunches served free or at reduced price to children, by type of lunch.

(c) Daily number of adults eating in the lunchroom (unless the income from food sales to adults is maintained as a separate account under subdivision (ii) of this subparagraph).

(ii) *Program income (receipts).* (a) From children's payments.

(b) From Federal school lunch reimbursement.

(c) From all other sources, including Federal reimbursement under the Special Milk Program and the School Breakfast Program.

(iii) *Program expenditures for the School Lunch, Special Milk, and School Breakfast Programs.* (Supported by invoices, receipts, or other evidence of expenditures.)

(a) For food.

(b) For labor.

(c) All other expenditures.

(iv) *Value of donations to Program.* (a) Donated food, exclusive of foods donated. Such records shall be retained for a period of three years after the end of the fiscal year to which they pertain.

(14) Upon request, make all accounts and records pertaining to its lunch program available to the State Agency and to AMS, for audit or administrative review, at a reasonable time and place.

(c) Schools operating a lunch program under an agreement as provided in paragraph (d) of this section may serve children from other schools whether or not such other schools operate lunch programs, and may make a claim for reimbursement in connection with lunches served all children. In States in which FDD administers the program in nonprofit private schools, any public school operating a lunch program under such an agreement may serve children from a private school, or any private school operating a lunch program under such an agreement may serve children from a public school, and separate claims for reimbursement may be made in connection with lunches served children from each type of school: *Provided, however,* That both schools shall enter into a special agreement with the State Agency and with the Department covering the preparation and serving of lunches, the keeping of records, and the submission of claims and reports.

§ 210.9 Requirements for lunches

(a) (1) Except as otherwise provided in this section, a Type A lunch shall contain, as a minimum, each of the following food components in the amounts indicated:

(i) One-half pint of fluid whole milk as a beverage.

(ii) Two ounces (edible portion as served) of lean meat, poultry, or fish; or two ounces of cheese; or one egg; or one-half cup of coked dry beans or peas; or four tablespoons of peanut butter; or an equivalent quantity of any combination of the above-listed foods. To be counted in meeting this requirement, these foods must be served in a main dish or in a main dish and one other menu item.

(iii) A three-fourth cup serving consisting of two or more vegetables or fruits, or both. Full-strength vegetable or fruit juice may be counted to meet not more than one-fourth cup of this requirement.

(iv) One slice of whole-grain or enriched bread; or a serving of cornbread, biscuits, rolls, muffins, etc., made of whole-grain or enriched meal or flour.

(v) Two teaspoons of butter or fortified margarine.

(2) The State Agency, or the Consumer Food Programs District Office, C&MS, where applicable, may allow schools to serve to children in the elementary grades and preschool programs lesser quantities than are specified of the items listed in subparagraph (1) (ii), (iii), and (v) of this paragraph (a). Any such allowances must be based on the lesser food needs of younger children. If a sufficient supply of fluid whole milk cannot be obtained, the State Agency, or the Consumer Food Programs District Office, C&MS, where applicable, may authorize the service of the fluid whole milk equivalent in reconstituted evaporated or dry whole milk, or may approve reimbursement for lunches served without milk. If emergency conditions prevent a school normally having a supply of fluid whole milk from temporarily obtaining delivery thereof, the State Agency, or the Consumer Food Programs District Office, C&MS, where applicable, may approve reimbursement for lunches served without milk during the emergency period. If a sufficient supply of fluid whole milk is obtainable the State Agency, or the Consumer Food Programs District Office, C&MS, where applicable, may reimburse for lunches served without milk, provided each child is offered a Type A lunch with milk and no reduction is made in the price of the Type A lunch.

(b) A Type C lunch is one-half pint of fluid whole milk. A school preparing food shall not be approved to serve a Type C lunch unless it is approved to serve a Type A lunch.

(c) In American Samoa, Puerto Rico, and the Virgin Islands the following variations from the lunch requirements are authorized: In the Type A and the Type C lunch the milk requirement may be met by serving either fluid whole milk, or reconstituted dry whole or nonfat dry milk. In the Type A lunch, a serving of rice or a starchy vegetable, such as tanniers, yams, plantains, sweet potatoes, or a serving of enriched or whole grain cereal products, such as macaroni, dumplings or noodles, may be substituted for the bread requirement; and the minimum amount of butter or fortified margarine may be reduced by one-half of the prescribed amount.

(d) Substitutions may be made in the foods listed in paragraph (a) (1) of this section if individual participating children are unable, because of medical or other special dietary needs, to consume such foods. Such substitutions shall be made only when supported by a statement from a recognized medical authority.

§ 210.10 Reimbursement payments

(a) Reimbursement shall be paid only in connection with lunches meeting the requirements of §§ 210.9.

(b) The maximum rate of reimbursement to schools selected for participation in the general cash-for-food assistance phase of the program shall be 9 cents for a Type A lunch, 7 cents for a Type A lunch which does not include milk, and 2 cents for a Type C lunch, from general cash-for-food assistance funds: *Provided*, That, in situations where it is determined by the State agency, or CFPDO where applicable, that additional assistance is needed in order to meet program requirements, the State agency, or CFPDO where applicable, may make reimbursement at either:

(1) A maximum rate of 20 cents for a Type A lunch and 18 cents for a Type A lunch which does not include milk, from general cash-for-food assistance funds, or,

(2) A maximum rate of 9 cents for a Type A lunch and 7 cents for a Type A lunch which does not include milk, from general cash-for-food assistance funds, and, in addition, for free and reduced-price lunches served to needy children a maximum rate of 25 cents for a Type A lunch and 23 cents for a Type A lunch which does not include milk, from supplemental funds.

(c) The State agency, or CFPDO where applicable, may reimburse schools selected for participation in the special cash-for-food assistance phase of the program at either:

(1) A maximum rate of 20 cents for a Type A lunch and 18 cents for a Type A lunch which does not include milk, from special cash-for-food assistance funds, or,

(2) A maximum rate of 9 cents for a Type A lunch and 7 cents for a Type A lunch which does not include milk, from general cash-for-food assistance funds, and, in addition, for free and reduced-price lunches served to needy children, a maximum rate of 25 cents for a Type A lunch and 23 cents for a Type A lunch which does not include milk, from special cash-for-food assistance funds.

(d) State agencies, or CFPDO where applicable, in reimbursing schools selected for participation in the special cash-for-food assistance phase of the program for Type A lunches or Type A lunches which do not include milk, may utilize supplemental funds in place of the special cash-for-food assistance funds, to the extent necessary.

(e) In agreements with schools, the State agency, or CFPDO where applicable, shall assign rates of reimbursement within the maximum rates, and any variation between schools in the assigned rates for particular lunch types shall reflect the relative needs of the schools as determined by the State agency, or CFPDO where applicable. The reimbursement rates authorized in this section may be assigned on a school-wide basis or on an individual attendance unit basis at the option of the State agency, or CFPDO where applicable. Assigned rates may be changed by the State agency, or CFPDO where applicable. Notice of any change will be given to the schools.

(f) Schools shall be reimbursed on the basis of the number of lunches served to children times the assigned rate, except that the last claim from a school each fiscal year may be paid at a rate in excess of the assigned rate or the maximum rate: *Provided, however*, That the total reimbursement to a school during any fiscal year shall not exceed the lesser of (1) an amount equal to the number of lunches served to children during the fiscal year times the maximum rate, or (2) the cost of obtaining food.

§ 210.11 *Effective date of reimbursement*

Reimbursement payments may be made only to schools opening under an agreement with the State Agency, or the Department, and may be made only after execution of the agreement. Such payments may include reimbursement in connection with lunches served in accordance with provisions of the Program in the calendar month preceding the calendar month in which the agreement is executed.

§ 210.12 *Reimbursement procedure*

(a) Each State Agency, or FDD where applicable, shall require schools to submit a "Claim for Reimbursement" on a calendar month basis: *Provided, however*, That not more than 10 days of the beginning or ending month of Program operations in the fiscal year may be combined with the claim of the month immediately following the beginning month or preceding the ending month. Any claim for reimbursement combining the ending month of one fiscal year and the beginning month of the next fiscal year shall not be permitted.

(b) Except as otherwise provided in this section, the Claim for Reimbursement shall include the following items: (1) The month and year for which claim is made; (2) the name and address of the school; (3) the number of days that lunches were served; (4) the total number of lunches served to children, by type, the assigned rate of reimbursement for such lunches, and the total amount of reimbursement claimed; (5) the number of free or reduced price lunches, by type; (6) income (receipts) from children's payments; (7) income (receipts) from reimbursement; (8) all other income (receipts); (9) expenditures representing the cost of obtaining food; (10) all other expenditures, and (11) the value of donated goods and services, excluding the value of commodities donated by the Department. In submitting a claim each school shall certify that the claim is true and correct; that records are available to support the claim; and that payment has not been received. Reporting of income (receipts) and expenditures shall be in accordance with the system of accounting established by the State, or FDD where applicable, and shall be such as to permit determination of the operating balance available to the school. State Agencies may obtain approval of FDD for collecting the information required in subparagraphs (6), (7), (8), (10), and (11) of this paragraph on other than a monthly basis.

§ 210.13 *Special responsibilities of State agencies*

(a) *Program supervision.* (1) Each State Agency shall provide or cause to be provided, adequate personnel for program supervision, including instructional and advisory services to schools, and other supervisory assistance to assure adequacy of program operations. As one part of the supervisory assistance activities, administrative reviews, supplemented if necessary by performance surveys, shall be made each fiscal year for a minimum of one-third of the participating attendance units in which food is prepared: *Provided, however*, That administrative reviews made by personnel directly involved in the daily management and operation of the lunch program under review shall not be counted in meeting this requirement: *And provided further*, That the use of performance surveys in lieu of administrative reviews to meet more than one-half of this requirement shall be only on the basis of consultation with and approval of FDD.

(a-1) *Free or reduced price lunch policy statement.* Each State Agency, or CFPDO where applicable, shall require each school participating in the Program to develop and file for review a written policy statement covering criteria used in the attendance units under its jurisdiction to determine the eligibility of children for a free or reduced price lunch, and covering a plan of collecting payments from paying children and accounting for free or reduced price lunches which will protect the anonymity of the children receiving free or reduced price lunches. Each State Agency, or CFPDO where applicable, shall be responsible for reviewing the content of, and monitoring performance under such policy statement, consonant with the requirements issued by the Secretary on this subject.

(2) An administrative review shall include, as a minimum, information on the following phases of Program operations compiled through a visit to the school's lunch program: (i) Whether the lunches served met the requirements of § 210.9; (ii) whether free or reduced price lunches are being served in accordance with § 210.8; (iii) whether the records maintained by the school are sufficient to support its claims and to provide a proper basis for establishing the nonprofit

status of its lunch program, except that the State Agency may use audits or other types of visits to determine the adequacy of the records maintained by the school under review; and shall include recommendations to correct operating weaknesses revealed during the course of the review.

(3) Performance surveys shall be reports to the State Agency submitted by the school, on a form approved by FDD, providing information from which the State Agency may evaluate the areas of program operations indicated as a minimum for an administrative review. Such surveys shall be reviewed by the State Agency and recommendations shall be made to the schools in the event that the surveys reveal operating weaknesses.

(4) Administrative review reports and performance surveys, together with a record of follow-up action taken, shall be maintained on file by the State Agency.

(b) *State conducted audit programs.* A State Agency may submit for approval by AMS a plan whereby it will conduct audits in schools. Any State Agency satisfactorily conducting such an audit program as of the effective date of this part may be deemed to have an approved plan, or such State Agency may submit its plans for formal approval. Audits performed by or on behalf of State Agencies shall meet standards prescribed by AMS, and shall be reviewed by AMS to the extent necessary to determine compliance therewith, such review to be made not less than once each year. AMS shall have the right to perform test audits of schools and to make audits on a Statewide basis if it determines that the State audit program is not functioning satisfactorily or if the State terminates its audit program.

(c) *Annual information statement.* (1) Prior to the execution or extension of an agreement between the State Agency and the Department, each State Agency shall submit to FDD a current annual information statement concerning the number and type of personnel and the amounts of administrative and program funds available to the State Agency for administering the Program during that fiscal year.

(2) In the event that the State Agency conducts its own audits of schools, the current annual information statement shall include similar information concerning the conduct of the audit program together with information on the planned audit coverage for the year.

(d) *Section 6 distribution information.* Information on schools eligible to receive food commodities available under section 6 of the Act shall be prepared each year by the State Agency with accompanying information on the average daily number of Type A lunches to be served in such schools. This information shall be prepared as early as practicable each fiscal year and forwarded no later than September 1 to the agency of the State handling the distribution of section 6 commodities. The State Agency shall be responsible for promptly revising the information to reflect additions or deletions of eligible schools, and for providing such adjustments in participation data as are determined necessary by the State Agency.

(e) *Plentiful foods.* State Agencies shall provide schools with monthly information on foods available in plentiful supply, based on information provided by FDD.

(f) *Accounting for Program funds.* Each State Agency shall maintain a separate account of all Federal funds advanced to it under the Program each fiscal year and shall maintain a current record of payments made to schools and of the unexpended balance remaining on hand. All payments made from such funds shall be made only upon properly certified vouchers.

(g) *Records and reports.* Each State Agency shall maintain current records on the Program operations in schools and submit monthly reports to FDD on such operations, on a form provided by FDD. Such records shall be maintained for a period of three years after the end of the fiscal year to which they pertain.

(h) *Investigations.* Each State Agency shall promptly investigate complaints received or irregularities noted in connection with the operation of the Program and shall take appropriate action to correct any irregularities. State Agencies shall maintain on file evidence of such investigations and actions. AMS shall make investigations at the request of the State Agency or where AMS determined investigations by AMS are appropriate.

§ 210.14 *Review of operating balance*

At least once during each fiscal year but not later than March 1, the State Agency, or FDD where applicable, shall review the information on operating balances reported by schools and shall require those schools with balances of more than two months' operating cost to explain the need for such a balance. But after

consideration of such explanation or the school's plan for utilizing its operating balance, it is determined that such balance is excessive to the school's operating needs, the State Agency, or FDD where applicable, shall reduce or deny reimbursement payments to the school until the operating balance is reduced to an amount consistent with the school's operating needs. The amounts by which reimbursement payments were reduced or the amounts denied shall not subsequently be paid to the school. Evidence of the action taken as a result of the review of balances shall be maintained on file.

§ 210.15 *Claims against schools*

(a) If a State Agency receives information or has reason to believe that a claim or a portion of a claim for reimbursement submitted by a school is not properly payable under this part, it shall not pay the claim or such portion of the claim and shall advise the school of the reasons for nonpayment or disallowance. The school may submit to the State Agency evidence and information to justify the total amount claimed, or may submit a reclaim for the portion disallowed, with appropriate justification therefor. The State Agency may make reimbursement in the amount it believes is warranted by the evidence, subject, however, to the provisions of paragraph (e) of this section.

(b) If a State Agency receives information or has reason to believe that a payment already made to a school was not proper under this part, it shall advise the school of the amount and basis of the alleged overpayment and may request a refund or advise the school that the amount overpaid is being deducted from subsequent claims. The school shall have full opportunity to present evidence and information to the State Agency to justify the amount of reimbursement paid. If the State Agency determines that the evidence is not sufficient, the State Agency shall collect the amount of the overpayment from the school by refund or by deduction from subsequent claims for reimbursement, made by the school. If new evidence becomes available to the school, it may, within a reasonable time after the collection, make a reclaim for all or a portion of the amount so collected, and the State may pay the amount of any reclaim it believes is warranted by the evidence, subject, however, to the provisions of paragraph (e) of this section.

(c) The State Agency may refer to FDD for determination any action it proposes to take under this section.

(d) The State Agency shall retain for AMS audit and review all records pertaining to action taken under this section.

(e) If FDD does not concur with the State Agency's action in paying a claim or a reclaim, or in failing to collect an overpayment, FDD shall assert a claim against the State Agency for the amount of such claim, reclaim or overpayment. In all such cases the State Agency shall have full opportunity to submit to FDD evidence or information concerning the action taken. If, in the determination of FDD, the State Agency's action was unwarranted, the State Agency shall promptly pay to AMS the amount of the claim, reclaim or overpayment.

(f) The amounts recovered by the State Agency from schools may be utilized, first, to make reimbursement payments for lunches served during the fiscal year for which the funds were initially available, and, second, to repay any State funds expended to the reimbursement of claims under the program and not otherwise repaid. Any amounts recovered which are not so utilized shall be returned to AMS in accordance with the requirements of § 210.5(c) of this part.

(g) With respect to schools in which FDD administers the program, when FDD disallows a claim or a portion of a claim, or makes a demand for refund of an alleged overpayment, it shall notify the schools of the reasons for such disallowance or demand and the schools shall have full opportunity to submit evidence or to file reclaims for any amount disallowed or demanded in the same manner afforded in this section to schools administered by State Agencies.

(h) In the event that the State Agency, or FDD where applicable, finds that a school is failing to meet the requirements of § 210.9(a) (1) (ii), (iii), (iv), or (v), the State Agency or FDD need not disallow payment or collect an overpayment arising out of such failure, if the State Agency or FDD takes such other action as, in its opinion, will have a corrective effect.

§ 210.16 *Administrative analyses and audits*

Each State Agency shall provide AMS with full opportunity to conduct administrative analyses (including visits to schools) and audits of all operations of the State Agency under the Program. Each State Agency shall make available its records, including records of the receipt and expenditure of funds under the

Program, upon a reasonable request by AMS. AMS shall also have the right to make audits of the records and operations of any school.

I making administrative analyses or audits for any fiscal year, the State Agency, and OIG in connection with audits of operations under the administration of a State Agency, may disregard any overpayment which does not exceed \$5.00 or does not exceed the amount established under State law, regulations or procedure as a minimum amount for which claim will be made for State losses generally: *Provided, however*, That no overpayment shall be disregarded where there are unpaid claims of the same fiscal year from which the overpayment can be deducted, or where there is evidence of violation of Federal or State statutes.

§ 210.17 Prohibitions

In carrying out the provisions of the act neither the Department nor the State Agency shall impose any requirements with respect to teaching personnel, curriculum, instructions, methods of instruction, or materials of instruction in any school as a condition for participation in the Program.

§ 210.18 Miscellaneous provisions

(a) *Disqualification and noncompliance.* Any State Agency or any school may be disqualified from future participation if it fails to comply with the provisions of this part and its agreement with the Department or the State Agency. This does not preclude the possibility of other action being taken through other means available where necessary, including prosecution for fraud under applicable Federal statutes. If any part of the money received by the State Agency or by any private school in which FDD administers the Program, by any improper or negligent action, is diminished, lost, misapplied or diverted from the Program, by the State Agency, or by the school to which such funds are disbursed, FDD may order such money to be replaced. Until the money is replaced, no subsequent payment shall be made to the State Agency or to the school causing the loss. The State Agency or the school shall have full opportunity to submit evidence, explanation or information concerning instances of noncompliance or diversion of funds before a final determination is made in such cases.

(b) *Saving clause.* Any or all of the provisions of this part may be withdrawn, or amended, at any time by the Department: *Provided, however*, That any withdrawal or amendment shall not be made without due prior notice in writing to the State Agencies or to nonprofit private schools in which the program is administered by FDD: *And provided further*, That any change in the requirements for lunches which increases the food costs to schools or which decreases the maximum rates of reimbursement shall become effective at the beginning of a fiscal year.

(c) *State requirements.* Nothing contained in this part shall prevent a State Agency from imposing additional requirements for participation in the Program which are not inconsistent with the provisions of this part.

§ 210.19 Program information

Schools desiring information concerning the Program should write to their State educational agency or to the appropriate Area Office of FDD-AMS as indicated below:

(a) In the States of Connecticut, Delaware, District of Columbia, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Vermont, and West Virginia:

"Food Distribution Division, AMS, United States Department of Agriculture, 346 Broadway, New York 13, N.Y."

(b) In the States of Alabama, Florida, Georgia, Kentucky, Mississippi, North Carolina, Puerto Rico, South Carolina, Tennessee, Virginia, and the Virgin Islands:

"Food Distribution Division, AMS, United States Department of Agriculture, 50 Seventh Street NE., Atlanta, 23, Ga."

(c) In the States of Illinois, Indiana, Iowa, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota, and Wisconsin:

"Food Distribution Division, AMS, United States Department of Agriculture, 536 South Clark Street, Chicago 5, Ill."

(d) In the States of Arkansas, Colorado, Kansas, Louisiana, New Mexico, Oklahoma, and Texas.

"Food Distribution Division, AMS, United States Department of Agriculture, 500 South Ervay Street, Dallas 1, Tex."

(e) In the States of Alaska, American Samoa, Arizona, California, Guam, Hawaii, Maine, Montana, Nevada, Oregon, Utah, Washington, and Wyoming: "Food Distribution Division, AMS, United States Department of Agriculture, Appraisera Building, 630 Sansome Street, San Francisco 11, Calif."

NOTE: The recordkeeping and reporting requirements herein specified have been approved by, and any further such requirements that may be established will be subject to the approval of the Bureau of the Budget in accordance with the Federal Reports Act of 1942.

Dated: February 5, 1963.

Effective date: July 1, 1962.

JOHN P. DUNCAN, JR.,
Assistant Secretary.

[F.R. Doc. 63-1431; Filed, Feb. 7, 1963; 8:49 a.m.]
[28 F.R. 1247; Feb. 8, 1963]
[F.R. Doc. 63-11428; Filed, Oct. 29, 1963; 8:48 a.m.]
[28 F.R. 11531; Oct. 30, 1963]
[F.R. Doc. 64-330; Filed, Jan. 13, 1964; 8:48 a.m.]
[29 F.R. 311; Jan. 14, 1964]
[F.R. Doc. 64-10920; Filed, Oct. 26, 1964; 8:45 a.m.]
[29 F.R. 14619; Oct. 27, 1964]
[F.R. Doc. 65-13372; Filed, Dec. 14, 1965; 8:47 a.m.]
[December 15, 1965, 30 F.R. 15402]
[32 F.R. 14924; Nov. 26, 1966]
[F.R. Doc. 67-93; Filed, Jan. 4, 1967]
[F.R. Doc. 67-9906; Filed, Aug. 22, 1967]
[F.R. Doc. 68-12919; Filed, Oct. 22, 1968]
[F.R. Doc. 68-14472; Filed, Dec. 3, 1968]

TITLE 7—AGRICULTURE

CHAPTER II—CONSUMER AND MARKETING SERVICE (CONSUMER FOOD PROGRAMS), DEPARTMENT OF AGRICULTURE

[Amdt. 5]

PART 210—NATIONAL SCHOOL LUNCH PROGRAM

Definitions and Requirements

Regulations for the operation of the general cash-for-food assistance phase of the National School Lunch Program (28 F.R. 1247) as amended (28 F.R. 11531, 29 F.R. 311, 29 F.R. 14619, and 30 F.R. 15402) are hereby amended to extend the benefits of the Program to preschool programs operated as part of the school system pursuant to the authority contained in section 12 of the Child Nutrition Act of 1966 (80 Stat. 889).

1. In § 210.2, paragraph (m) is revised to read as follows:

§ 210.2 Definitions

* * * * *

(m) "School" means the governing body responsible for the administration of a public or nonprofit private "school" of high school grade or under, as recognized under the laws of the State, and, in the case of Puerto Rico, also includes nonprofit child-care centers certified as such by the Governor of Puerto Rico. "School of high school grade or under" shall include preschool programs operated as part of the school system. The term "school" also includes a nonprofit agency to which the school has delegated authority for the operation of its nonprofit feeding program.

* * * * *

2. In § 210.9, subparagraph (2) of paragraph (a) is revised to read as follows:

§ 210.9 Requirements for lunches

(a) * * *

(2) The State Agency, or the Consumer Food Programs District Office, C&MS, where applicable, may allow schools to serve to children in the elementary grades and preschool programs lesser quantities than are specified of the items listed in subparagraph (1) (ii), (iii), and (v) of this paragraph (a). Any such allowances must be based on the lesser food needs of younger children.

If a sufficient supply of fluid whole milk cannot be obtained, the State Agency, or the Consumer Food Programs District Office, C&MS, where applicable, may authorize the service of the fluid whole milk equivalent in reconstituted evaporated or dry whole milk, or may approve reimbursement for lunches served without milk. If emergency conditions prevent a school normally having a supply of fluid whole milk from temporarily obtaining delivery thereof, the State Agency, or the Consumer Food Programs District Office, C&MS, where applicable, may approve reimbursement for lunches served without milk during the emergency period. If a sufficient supply of fluid whole milk is obtainable the State Agency, or the Consumer Food Programs District Office, C&MS, where applicable, may reimburse for lunches served without milk, provided each child is offered a Type A lunch with milk and no reduction is made in the price of the Type A lunch.

* * * * *

This amendment shall be effective December 1, 1966.
Approved: November 22, 1966.

[SEAL]

GEORGE L. MEHRAN,
Assistant Secretary.

[F.R. Doc. 66-12771; Filed, Nov. 25, 1966; 8:48 a.m.]

[31 F.R. 14924; Nov. 26, 1966]

[From Federal Register of January 5, 1967 (32 F.R. 33)]

TITLE 7—AGRICULTURE

CHAPTER II—CONSUMER AND MARKETING SERVICE (CONSUMER FOOD PROGRAMS), DEPARTMENT OF AGRICULTURE

[Amdt. 6]

PART 210—NATIONAL SCHOOL LUNCH PROGRAM

Requirements for Participation

Regulations for the operation of the general cash-for-food assistance phase of the National School Lunch Program (28 F.R. 1247) as amended (28 F.R. 11531, 29 F.R. 311, 29 F.R. 14619, 30 F.R. 15402, 31 F.R. 14924) are hereby amended as follows:

In § 210.8, paragraph (d), subparagraph (13), subdivisions (ii) and (iii) are revised to read as follows:

§ 210.8 *Requirements for participation*

* * * * *

(d) * * *

(13) * * *

(ii) *Program income (receipts)*. (a) From children's payments.

(b) From Federal school lunch reimbursement.

(c) From all other sources, including Federal reimbursement under the Special Milk Program and the School Breakfast Program.

(iii) *Program expenditures for the School Lunch, Special Milk, and School Breakfast Programs*. (Supported by invoices, receipts, or other evidence of expenditures.)

(a) For food.

(b) For labor.

(c) All other expenditures.

* * * * *

This amendment shall be effective January 1, 1967.
Approved: December 30, 1966.

[SEAL]

JOHN A. SCHNITTKER,
Acting Secretary.

[F.R. Doc. 67-93; Filed, Jan. 4, 1967; 8:49 a.m.]

TITLE 7—AGRICULTURE

CHAPTER II—CONSUMER AND MARKETING SERVICE (CONSUMER FOOD PROGRAMS),
DEPARTMENT OF AGRICULTURE

[Amdt. 7]

PART 210—NATIONAL SCHOOL LUNCH PROGRAM

Reimbursement Payments

Section 210.10 of the regulations for the operation of the National School Lunch Program (28 F.R. 1247), as amended (28 F.R. 11531, 29 F.R. 311, 29 F.R. 14619, 39 F.R. 15402, 31 F.R. 14924, 32 F.R. 33), is hereby revised as follows:

§ 210.10 *Reimbursement payments*

(a) Reimbursement shall be paid only in connection with lunches meeting the requirements of § 210.9. The maximum rate of reimbursement shall be 9 cents for a Type A lunch, except that not to exceed 7 cents may be paid if the Type A lunch does not include milk; and the maximum rate of reimbursement shall be 2 cents for a Type C lunch: *Provided, however*, That State Agencies, or CFPDO where applicable, are authorized to reimburse from general cash-for-food assistance funds, at rates not to exceed 15 cents for a Type A lunch and 13 cents for a Type A lunch which does not include milk, schools which have a high proportion of children unable to pay for their lunches and for which it is determined that additional financial assistance is needed in order that they can meet program requirements.

(b) State Agencies, or CFPDO where applicable, are authorized to reimburse from special cash-for-food assistance funds, at rates not to exceed 15 cents for a Type A lunch and 13 cents for a Type A lunch which does not include milk, schools which have been selected for participation on the basis of the following factors: (1) The economic condition of the area from which such schools draw attendance; (2) the need of pupils in such schools for free and reduced-price lunches; (3) the percentage of free and reduced-price lunches being served in such schools to their pupils; (4) the prevailing price of lunches in such schools as compared with the average prevailing price of lunches served in the State under the National School Lunch Act; and (5) the need of such schools for additional assistance as reflected by the financial position of the school lunch programs in such schools.

(c) State Agencies, or CFPDO where applicable, may at their option approve schools meeting the criteria in paragraph (b) of this section for reimbursement at rates not to exceed 9 cents per lunch from general cash-for-food assistance funds on all lunches served and additional assistance from special cash-for-food assistance funds not to exceed 15 cents per lunch on all free or reduced-price lunches served in such schools to needy children.

(d) In agreements with schools, the State Agency, or CFPDO where applicable, shall assign rates of reimbursement within the maximum rates, and any variation between schools in the assigned rates for particular lunch types shall reflect the relative needs of the schools as determined by the State Agency, or CFPDO where applicable. Assigned rates may be changed by the State Agency, or CFPDO where applicable. Notice of any change shall be given to the schools.

(e) Schools shall be reimbursed on the basis of the number of lunches served to children times the assigned rate, except that the last claim from a school each fiscal year may be paid at a rate in excess of the assigned rate or the maximum rate: *Provided, however*, That the total reimbursement to a school during any fiscal year shall not exceed the lesser of (1) an amount equal to the number of lunches served to children during the fiscal year times the maximum rate, or (2) the cost of obtaining food.

This amendment shall be effective upon publication.

Approved August 17, 1967.

[SEAL]

RODNEY E. LEONARD,
Deputy Assistant Secretary.

[F.R. Doc. 67-9906; Filed, Aug. 22, 1967; 8:49 a.m.]

TITLE 7—AGRICULTURE

CHAPTER II—CONSUMER AND MARKETING SERVICE (CONSUMER FOOD PROGRAMS,
DEPARTMENT OF AGRICULTURE

[Amdt. 9]

PART 210—NATIONAL SCHOOL LUNCH PROGRAM

Miscellaneous Amendments

The regulations for the operation of the National School Lunch Program (28 F.R. 1247), as amended (28 F.R. 11531, 29 F.R. 311, 29 F.R. 14619, 30 F.R. 15402, 31 F.R. 14924, 32 F.R. 33, 32 F.R. 12083) are amended as follows:

1. In § 210.8 a new paragraph (a-1) is added as follows:

§ 210.8 *Requirements for participation*

* * * * *

(a-1) Each school participating in the Program shall develop a policy statement covering the criteria used in the attendance units under its jurisdiction in determining the eligibility of children for a free or reduced price lunch. Such statement shall include a plan for collecting payments from paying children and accounting, for free or reduced price lunches which will protect the anonymity of the children receiving free or reduced price lunches in order that such children shall not be identified as such to their peers. As a minimum, such criteria shall include the level of family income (including welfare grants), the number in the family unit, and the number of children in the family in attendance. Such policy statement shall be written, publicly announced and applied equitably to the children in all such attendance units.

* * * * *

2. In § 210.13 a new paragraph (a-1) is added as follows:

§ 210.13 *Special responsibilities of State agencies*

* * * * *

(a-1) *Free or reduced price lunch policy statement.* Each State Agency, or CFPDO where applicable, shall require each school participating in the Program to develop and file for review a written policy statement covering criteria used in the attendance units under its jurisdiction to determine the eligibility of children for a free or reduced price lunch, and covering a plan of collecting payments from paying children and accounting for free or reduced price lunches which will protect the anonymity of the children receiving free or reduced price lunches. Each State Agency, or CFPDO where applicable, shall be responsible for reviewing the content of, and monitoring performance under such policy statement, consonant with the requirements issued by the Secretary on this subject.

* * * * *

Effective date. This amendment shall be effective upon publication in the FEDERAL REGISTER.

Approved: October 18, 1968.

[SEAL]

JOHN A. SCHNITKER,
Acting Secretary.

[F.R. Doc. 68-12919; Filed, Oct. 22, 1968; 8:52 a.m.]

TITLE 7—AGRICULTURE

CHAPTER II—CONSUMER AND MARKETING SERVICE (CONSUMER FOOD PROGRAMS),
DEPARTMENT OF AGRICULTURE

[Amdt. 9]

PART 210—NATIONAL SCHOOL LUNCH PROGRAM

Miscellaneous Amendments

Regulations for the operation of the National School Lunch Program (28 F.R. 1247); as amended (28 F.R. 11531, 29 F.R. 311, 29 F.R. 14619, 30 F.R. 15402, 31 F.R. 14924, 32 F.R. 33, 32, FR. 12083, 33 F.R. 15631), are hereby revised as follows:

1. In § 210.4. Apportionment of Funds to States, paragraphs (g) and (h) are added as follows:

§ 210.4 *Apportionment of funds to States*

* * * * *

(g) Supplemental funds made available from Section 32 funds (Act of August 24, 1935, as amended) are to be tentatively allocated as follows: (1) Three percent shall be allocated to Puerto Rico, the Virgin Islands, Guam, and American Samoa, the amount to be allocated to each of those States being an amount which bears the same ratio to the total funds for such States as the number of children aged 3 to 17, inclusive, in each bears to the total number of children of such ages in all of them; and (2) the remaining funds shall be allocated to States other than Puerto Rico, the Virgin Islands, Guam, and American Samoa, in an amount for each State which bears the same ratio to such remaining funds as (i) the number of children in that State aged 3 to 17, inclusive, in families with incomes of less than \$3,000 per annum, and (ii) the number of children in that State aged 3 to 17, inclusive, in families receiving an annual income in excess of \$3,000 per annum from payments under the program of aid to families with dependent children pursuant to a State plan approved under title IV of the Social Security Act bears to the total number of such children in all such States.

(h) A share of the supplemental funds so allocated to any State shall be withheld by C&MS for the nonprofit private schools of that State. If the State agency does not administer the program in such schools. The withholding of funds for and the disbursement thereof to nonprofit private schools shall be effected in accordance with section 10 of the National School Lunch Act, as amended, exclusive of the matching provision thereof.

2. In § 210.5 Payments to States, a new paragraph (b-1) is added as follows:

§ 210.5 *Payments to States*

* * * * *

(b-1) The supplemental funds allocated to any State agency for any fiscal year shall be made available in accordance with the method set forth in this section for general cash-for-food assistance funds, and, to the extent practicable, shall be made available in accordance with the same schedules. Initially, supplemental funds in an amount not to exceed 60 percent of the State's tentative allocation shall so be made available. Final apportionments and increases in amounts made available, up to the amount of the tentative allocation, shall be made on the basis of justifications of the need for additional funds submitted by the States.

3. In § 210.9 Requirements for Lunches, paragraph (d) is added as follows:

§ 210.9 *Requirements for lunches*

* * * * *

(d) Substitutions may be made in the foods listed in paragraph (a) (1) of this section if individual participating children are unable, because of medical or other special dietary needs, to consume such foods. Such substitutions shall be made only when supported by a statement from a recognized medical authority.

* * * * *

4. Section 210.10 is revised to read as follows:

§ 210.10 *Reimbursement payments*

(a) Reimbursement shall be paid only in connection with lunches meeting the requirements of §§ 210.9.

(b) The maximum rate of reimbursement to schools selected for participation in the general cash-for-food assistance phase of the program shall be 9 cents for a Type A lunch, 7 cents for a Type A lunch which does not include milk, and 2 cents for a Type C lunch, from general cash-for-food assistance funds: *Provided*, That, in situation where it is determined by the State agency, or CFPDO where applicable, that additional assistance is needed in order to meet program requirements, the State agency, or CFPDO where applicable, may make reimbursement at either:

(1) A maximum rate of 20 cents for a Type A lunch and 18 cents for a Type A lunch which does not include milk, from general cash-for-food assistance funds, or

(2) A maximum rate of 9 cents for a Type A lunch and 7 cents for a Type A lunch which does not include milk, from general cash-for-food assistance funds,

and, in addition, for free and reduced-price lunches served to needy children, a maximum rate of 25 cents for a Type A lunch and 23 cents for a Type A lunch which does not include milk, from supplemental funds.

(c) The State agency, or CFPDO where applicable, may reimburse schools selected for participation in the special cash-for-food assistance phase of the program at either:

(1) A maximum rate of 20 cents for a Type A lunch and 18 cents for a Type A lunch which does not include milk, a special cash-for-food funds.

(2) A maximum rate of 9 cents for a Type A lunch and 7 cents for a Type A lunch which does not include milk, from general cash-for-food assistance funds, and, in addition, for free and reduced-price lunches served to needy children, a maximum rate of 25 cents for a Type A lunch and 23 cents for a Type A lunch which does not include milk, from special cash-for-food assistance funds.

(d) State agencies, or CFPDO where applicable, in reimbursing schools selected for participation in the special cash-for-food assistance phase of the program for Type A lunches or Type A lunches which do not include milk, may utilize supplemental funds in place of the special cash-for-food assistance funds, to the extent necessary.

(e) In agreements with schools, the State agency, or CFPDO where applicable, shall assign rates of reimbursement within the maximum rates, and any variation between schools in the assigned rates for particular lunch types shall reflect the relative needs of the schools as determined by the State agency, or CFPDO where applicable. The reimbursement rates authorized in this section may be assigned on a school-wide basis or on an individual attendance unit basis at the option of the State agency, or CFPDO where applicable. Assigned rates may be changed by the State agency, or CFPDO where applicable. Notice of any change will be given to the schools.

(f) Schools shall be reimbursed on the basis of the number of lunches served to children times the assigned rate, except that the last claim from a school each fiscal year may be paid at a rate in excess of the assigned rate or the maximum rate: *Provided, however*, That the total reimbursement to a school during any fiscal year shall not exceed the lesser of (1) an amount equal to the number of lunches served to children during the fiscal year times the maximum rate, or (2) the cost of obtaining food.

* * * * *

Effective date. This amendment shall be effective upon publication in the FEDERAL REGISTER.

Approved: November 29, 1968.

TED J. DAVIS.
Assistant Secretary.

[F.R. Doc. 63-14472: Filed. Dec. 8, 1968; 8:47 a.m.]

TITLE 7—AGRICULTURE

CHAPTER II—CONSUMER AND MARKETING SERVICE (CONSUMER FOOD PROGRAMS), DEPARTMENT OF AGRICULTURE

Subchapter A—School Lunch Program

[Amdt. 10]

PART 210—NATIONAL SCHOOL LUNCH PROGRAM

Requirements for Participation

Regulations for the operation of the National School Lunch Program (28 F.R. 1247), as amended (28 F.R. 11531, 29 F.R. 311, 29 F.R. 14619, 30 F.R. 15402, 31 F.R. 14924, 32 F.R. 33, 32 F.R. 12083, 33 F.R. 15631, 33 F.R. 18006), are hereby amended as follows:

In § 210.8, paragraph (c), subparagraph (3), is revised to read as follows:

§ 210.8 *Requirements for participation*

* * * * *

(c) * * *

(3) Except as provided in this subparagraph, no school which operates the food or milk service in any attendance unit under a contractual arrangement

with a concessionaire or food service management company or under a similar arrangement shall be eligible for participation in the program with respect to such attendance unit, even though the school or such attendance unit obtains no profit from the operation of such food or milk service. The State agency, or CFPDO where applicable, may authorize a school to operate under the program, through fiscal year 1970, under a contract with a food service management company, on a pilot, experimental basis: *Provided*, That (i) such operation will extend food service to needy children not previously benefiting from the program, (ii) the contract with the food service management company is one which is substantially in conformity with the applicable prototype contract published in the FEDERAL REGISTER and (iii) the contract is approved by the State agency, or CFPDO where applicable, and the Department in advance of the beginning of the food service.

* * * * *
Effective date. This amendment shall be effective upon publication in the FEDERAL REGISTER.

Approved: January 15, 1969.

[SEAL]

TED J. DAVIS,
Assistant Secretary.

[F.R. Doc. 69-705; Filed, Jan. 17, 1969; 9:47 a.m.]

TITLE 7—AGRICULTURE

CHAPTER II—CONSUMER AND MARKETING SERVICE (CONSUMER FOOD PROGRAMS), DEPARTMENT OF AGRICULTURE

Subchapter A—School Lunch Program

[Amdt. 10]

PART 210—NATIONAL SCHOOL LUNCH PROGRAM

Requirements for Participation

Regulations for the operation of the National School Lunch Program (28 F.R. 1247), as amended (28 F.R. 11631, 29 F.R. 311, 29 F.R. 14619, 30 F.R. 15402, 31 F.R. 14924, 32 F.R. 12083, 33 F.R. 15631, 33 F.R. 18006), are hereby amended as follows:

In § 210.8, paragraph (c), subparagraph (3), is revised to read as follows:
 § 210.8 *Requirements for participation*

* * * * *

(3) Except as provided in this subparagraph, no school which operates the food or milk service in any attendance unit under a contractual arrangement with a concessionaire or food service management company or under a similar arrangement shall be eligible for participation in the program with respect to such attendance unit, even though the school or such attendance unit obtains no profit from the operation of such food or milk service. The State agency, or CFPDO where applicable, may authorize a school to operate under the program, through fiscal year 1970, under a contract with a food service management company, on a pilot, experimental basis: *Provided*, That (i) such operation will extend food service to needy children not previously benefiting from the program, (ii) the contract with the food service management company is one which is substantially in conformity with the applicable prototype contract published in the FEDERAL REGISTER and (iii) the contract is approved by the State agency, or CFPDO where applicable, and the Department in advance of the beginning of the food service.

* * * * *

Effective date. This amendment shall be effective upon publication in the FEDERAL REGISTER.

Approved: January 15, 1969.

[SEAL]

TED J. DAVIS,
Assistant Secretary.

[F.R. Doc. 69-705; Filed, Jan. 17, 1969; 8:47 a.m.]

[Reprinted from Federal Register of November 5, 1966 (31 F.R. 14297)]

TITLE 7—AGRICULTURE

CHAPTER II—CONSUMER AND MARKETING SERVICE (CONSUMER FOOD PROGRAMS), DEPARTMENT OF AGRICULTURE

Subchapter B—General Regulations and Policies—Commodity Distribution

PART 250—DONATION OF FOOD COMMODITIES FOR USE IN UNITED STATES FOR SCHOOL LUNCH PROGRAMS, TRAINING STUDENTS IN HOME ECONOMICS, SUMMER CAMPS FOR CHILDREN, AND RELIEF PURPOSES, AND IN STATE CORRECTIONAL INSTITUTIONS FOR MINORS

Sec.	
250.1	General purpose and scope.
250.2	Administration.
250.3	Definitions.
250.4	Availability of commodities.
250.5	Eligible distributing agencies.
250.6	Obligations of distributing agencies.
250.7	Disposition of damaged or out-of-condition commodities.
250.8	Eligible recipient agencies.
250.9	Eligible recipients.
250.10	Miscellaneous provisions.
250.11	Where to obtain information.
250.12	Amendments.

AUTHORITY: The provisions of this Part 250 issued under R.S. 161, sec. 416, 63 Stat. 1058, sec. 32, 49 Stat. 774, secs. 6, 9, 60 Stat. 231, 233, sec. 3, 76 Stat. 945, sec. 210, 70 Stat. 202, sec. 9, 72 Stat. 1792, 74 Stat. 899, 75 Stat. 411; 5 U.S.C. 22, 7 U.S.C. 612c, 1431, 1431int., 1859, 42 U.S.C. 1755, 1758.

§ 250.1 *General purpose and scope*

(a) *Terms and conditions.* This part contains the regulations prescribing the terms and conditions under which commodities may be obtained by Federal, State and private agencies for use in the United States in schools operating nonprofit school-lunch programs, in nonprofit summer camps for children, by needy Indians on reservations, in institutions, in State correctional institutions for minors, and in the assistance of other needy persons.

(b) *Legislation.* The legislation under which commodities are distributed for the stated purposes is as follows:

(1) Section 416 of the Agricultural Act of 1949, as amended (hereinafter referred to as "section 416"), which reads in part as follows:

"In order to prevent the waste of commodities whether in private stocks or acquired through price-support operations by the Commodity Credit Corporation before they can be disposed of in normal domestic channels without impairment of the price-support program or sold abroad at competitive world prices, the Commodity Credit Corporation is authorized, on such terms and under such regulations as the Secretary may deem in the public interest * * * (3) in the case of food commodities to donate such commodities to the Bureau of Indian Affairs and to such State, Federal, or private agency or agencies as may be designated by the proper State or Federal authority and approved by the Secretary, for use in the United States in nonprofit school-lunch programs, in nonprofit summer camps for children, in the assistance of needy persons, and in charitable institutions, including hospitals, to the extent that needy persons are served * * * In the case of (3) * * * the Secretary shall obtain such assurance as he deems necessary that the recipients thereof will not diminish their normal expenditures for food by reason of such donation. In order to facilitate the appropriate disposal of such commodities, the Secretary may from time to time estimate and announce the quantity of such commodities which he anticipates will become available for distribution under (3) * * * The Commodity Credit Corporation may pay, with respect to commodities disposed of under this section, reprocessing, packaging, transportation, handling, and other charges accruing up to the time of their delivery to a Federal agency or to the designated

State or private agency, in the case of commodities made available for use within the United States * * * In addition, in the case of food commodities disposed of under this section, the Commodity Credit Corporation may pay the cost of processing such commodities into a form suitable for home or institutional use, such processing to be accomplished through private trade facilities to the greatest extent possible. For the purpose of this section the terms "State" and "United States" include the District of Columbia and any Territory or possession of the United States."

(2) Section 210 of the Agricultural Act of 1956 (hereinafter referred to as "section 210"), which reads in part as follows:

"Notwithstanding any other limitation as to the disposal of surplus commodities acquired through price-support operations, the Commodity Credit Corporation is authorized on such terms and under such regulations as the Secretary of Agriculture may deem in the public interest, and upon application, to donate food commodities acquired through price-support operation * * * to State correctional institutions for minors, other than those in which food service is provided for inmates on a fee, contract or concession basis."

(3) Section 32 of Public Law 320, 74th Congress, as amended (hereinafter referred to as "section 32"), which reads in part as follows:

"There is hereby appropriated for each fiscal year beginning with the fiscal year ending June 30, 1936, an amount equal to 30 per centum of the gross receipts from duties collected under the customs laws during the period January 1 to December 31, both inclusive, preceding the beginning of each such fiscal year. Such sums shall be maintained in a separate fund and shall be used by the Secretary of Agriculture only to * * * (2) encourage the domestic consumption of such [agricultural] commodities or products by diverting them * * * from the normal channels of trade and commerce * * *"

(4) Public Law 165, 75th Congress, as amended, which supplemented section 32 and reads in part as follows:

"In carrying out clause (2) of section 32, the funds appropriated by said section may be used for the purchase * * * of agricultural commodities and products thereof, and such commodities * * * may be donated for relief purposes and for use in nonprofit summer camps for children."

(5) Section 9 of the Act of September 6, 1958 which reads in part as follows:

"Notwithstanding any other provision of law (1) those areas under the jurisdiction or administration of the United States are authorized to receive from the Department of Agriculture for distribution on the same basis as domestic distribution in any State, Territory, or possession of the United States, without exchange of funds, such surplus commodities as may be available pursuant to clause (2) of section 32 of the Act of August 24, 1935, as amended (7 U.S.C. 612c), and section 416 of the Agricultural Act of 1949, as amended (7 U.S.C. 1431); * * *"

(6) Section 6 of the National School Lunch Act, as amended (hereinafter referred to as "section 6"), which reads in part as follows:

"The funds appropriated for any fiscal year for carrying out the provisions of this act, less not to exceed 3½ per centum thereof hereby made available to the Secretary for his administrative expenses less the amount apportioned by him pursuant to sections 4, 5, and 10, and less the amount appropriated pursuant to section 11, shall be available to the Secretary during such year for direct expenditure by him for agricultural commodities and other foods to be distributed among the States and schools participating in the school-lunch program under this Act in accordance with the needs as determined by the local school authorities."

(7) Section 9 of the National School Lunch Act which reads in part as follows:

"Commodities purchased under the authority of section 32 of the Act of August 24, 1935 (49 Stat. 774), as amended, may be donated by the Secretary to schools, in accordance with the needs as determined by local school authorities, for utilization in the school-lunch program under the Act as well as to other schools carrying out nonprofit school-lunch programs and institutions authorized to receive such commodities."

(8) Section 402 of the Mutual Security Act of 1954, as amended, which reads in part as follows:

"Surplus food commodities or products thereof made available for transfer under this Act (or any other Act) as a grant or as a sale for foreign currencies may also be made available to the maximum extent practicable to eligible domestic recipients pursuant to section 416 of the Agricultural Act of 1949, as amended (7 U.S.C. 1431), or to needy persons within the United States pursuant to clause (2) of section 32 of the Act of August 24, 1935, as amended (7 U.S.C. 612c)."

(9) Section 307 of the Agricultural Trade Development and Assistance Act of 1954, as amended, which reads as follows:

"Whenever the Secretary of Agriculture determines under section 106 of this Act that any food commodity is a surplus agricultural commodity, insofar as practicable he shall make such commodity available for distribution to needy families and persons in the United States in such quantities as he determines are reasonably necessary before such commodity is made available for sale for foreign currencies under title I of this Act."

(10) Public Law 86-756, as amended, which reads as follows:

"Schools receiving surplus foods pursuant to clause (3) of section 416 of the Agricultural Act of 1949 (7 U.S.C. 1431) or section 32 of the Act of August 24, 1935, as amended (7 U.S.C. 612c) are authorized to use such foods in training students in home economics, including college students if the same facilities and instructors are used for training both high school and college students in home economics courses."

§ 250.2 Administration

The Consumer and Marketing Service (referred to in this part as C&MS) of the United States Department of Agriculture shall have responsibility for the program of donation of food commodities under this part.

§ 250.3 Definitions

(a) "Commodities" means foods donated, or available for donation, by the Department under any of the legislation referred to in this part.

(b) "Department" means the United States Department of Agriculture or the Commodity Credit Corporation whichever is donor under the pertinent legislation.

(c) "Disaster organizations" means organizations authorized by appropriate Federal or State officials to assist disaster victims.

(d) "Disaster victims"¹ means persons who, because of Acts of God or man-made disasters, are in need of food assistance.

(e) "Distributing agencies" means State, Federal or private agencies which enter into agreements with the Department for the distribution of commodities to eligible recipient agencies and recipients. A distributing agency may also be a recipient agency.

(f) "Household" means a group of related or non-related individuals, exclusive of boarders, who are not residents of an institution, but who are living as one economic unit, sharing common cooking facilities, and for whom food is customarily purchased in common. It also means a single individual, living alone, who has cooking facilities and prepares food for home consumption.

(g) "Institutions" means (1) non-penal, noneducational, public (Federal, State or local) institutions; (2) nonprofit, tax-exempt, private hospitals, or (3) other nonprofit, noneducational, tax-exempt, private institutions organized for charitable or public welfare purposes, including but not limited to, homes for the aged, orphanages, refugee camps, and child-care centers. For purposes of this paragraph, tax-exempt shall mean exempt from income tax under the Internal Revenue Code, as amended, and an institution shall be considered "noneducational" even though educational courses are given, where such courses are an incident to the primary purpose of the institution.

(h) "Nonprofit lunch program" means a food service maintained by a school for the benefit of children, all of the income from which is used solely for the operation or improvement of the food service and which is not operated under a fee, concession or contract arrangement.

(i) "Nonprofit summer camps for children" means nonprofit camps in which, during the summer months, nonprofit feeding services are conducted for children of high school grade and under.

(j) "Recipient agencies" means schools, summer camps for children, institutions, welfare agencies, or disaster organizations receiving commodities for their own use or for distribution to eligible recipients.

(k) "Recipients" means needy persons, including needy Indians, and disaster victims receiving commodities for their own use.

(l) "Secretary" means the Secretary of Agriculture.

(m) "Needy persons"¹ means (1) persons served by institutions who, because of their economic status, are in need of food assistance, and (2) all the members of a household which is certified as in need of food assistance.

¹ The category "needy persons" referred to in section 416 encompasses both of the terms "needy persons" and "disaster victims" as defined in the regulations of this part.

(n) "School" means the governing body responsible for the administration of a public or nonprofit private school of high school grade or under, as defined in the statutes of the State, and, in the case of Puerto Rico, nonprofit child-care centers certified by the Governor of Puerto Rico. The term also includes a nonprofit agency to which the school has delegated authority for the operation of its nonprofit launch program.

(o) "State and United States" include the District of Columbia, Puerto Rico, the Virgin Islands, Guam and American Samoa, and, except with reference to commodities donated under section 6, also include other possessions of the United States and those areas under the jurisdiction or administration of the United States.

(p) "State correctional institutions for minors" means institutions, such as reform schools or training schools, operated by a State, which are devoted solely to the rehabilitation and education of minors and are classified under State law as nonpenal in character, and in which food service is not provided for inmates on a fee, contract, or concession basis.

(q) "Students in home economics" means students in regular classes wherein they are taught food preparation, cooking, and serving.

(r) "Subdistributing agencies" means agencies performing one or more distribution functions for distributing agencies other than, or in addition to, functions normally performed by common carriers or warehousemen. A subdistributing agency also may be a recipient agency.

(s) "Welfare agencies" means public (Federal, State or local) or private agencies offering assistance on a charitable or welfare basis to needy persons who are not residents of an institution, and to Tribal Councils designated by the Bureau of Indian Affairs.

§ 250.4 Availability of commodities

(a) *Distribution and use of commodities.* Commodities shall be available only for distribution and use in accordance with the provisions of this part. Commodities not so distributed or used (for any reason) shall not be sold, exchanged or otherwise disposed of without the approval of the Department. However, commodities may be transferred between recipient agencies upon the authorization of the distributing agency if determined to be in the best interest of the distribution program.

(b) *Quantities.* The quantity of commodities to be made available for donation under this part shall be determined in accordance with the pertinent legislation and the program obligations of the Department, and shall be such as can be effectively distributed in furtherance of the objectives of the pertinent legislation. The Department may, at its discretion, restrict distribution of commodities to one or more classes of recipient agencies or recipients. When this is done, priority insofar as practicable shall be given to recipient agencies or recipients in the following order: (1) Schools, (2) nonprofit summer camps for children, (3) needy Indians receiving commodities on reservations, (4) institutions and State correctional institutions for minors, and (5) other needy persons. Notwithstanding the foregoing priorities, if any commodity determined by the Secretary to be a surplus agricultural commodity under section 106 of the Agricultural Trade Development and Assistance Act of 1954, as amended, is made available for donation under this part, distribution thereof shall be made to needy families and persons, including needy Indians receiving commodities on reservations, and to institutions; and any quantity of such commodity in excess of that reasonably necessary to meet the needs of such recipients and recipient agencies may be distributed to schools, nonprofit summer camps for children, and State correctional institutions for minors. Donations to disaster organizations may be made without regard to any of the priorities established herein. The foregoing provisions of this paragraph with respect to establishing priorities are not applicable to section 6 commodities, distribution of which is limited by law to schools operating lunch programs under the National School Lunch Act.

(c) *Minimum donations.* Commodities shall be donated only in such quantities as will protect the lowest carload freight rate, except as deemed in the best interest of the program as determined by the Department.

(d) *Allocations.* As commodities become available for donation, the Commodity Distribution Division, C&MS, shall notify distributing agencies regarding the commodities, the class or classes of recipient agencies or recipients eligible to receive them, and any special terms and conditions of donation and distribution which attach to a particular commodity in addition to the general terms and conditions set forth herein. Every attempt shall be made to deliver commodities

in accordance with requested schedules. However, the Department shall not be responsible for delays in delivery or for nondelivery of commodities due to any cause.

(e) *Processing and other costs.* The Department shall pay such processing, reprocessing, transporting, handling and other charges accruing up to the time of transfer of title to distributing agencies as is deemed in the interest of the Department.

(f) *Transfer of title.* Title to commodities shall pass to distributing agencies upon their acceptance of the commodities at time and place of delivery, limited, however, by the obligation of the distributing agency to use such commodities for the purposes and upon the terms and conditions set forth in this part.

(g) *Availability for demonstrations and tests.* Notwithstanding any other provision of this part, a quantity of any commodity donated for use by any recipient agency or recipient may be transferred by the distributing agency or by the recipient agency to bona fide experimental or testing agencies, or for use in workshops, for demonstrations or tests relating to the utilization of such commodity by the recipient agency or recipient. No such transfer by any recipient agency shall be made without the approval of the appropriate distributing agency.

§ 250.5 *Eligible distributing agencies*

(a) *State and Federal agencies.* Such State and Federal agencies as are designated by the Governor of the State, by the State legislature, or by proper Federal authority and approved by the Secretary shall be eligible to become distributing agencies.

(b) *Private agencies.* Where State distributing agencies are not permitted by law to make distribution to private recipient agencies, or to any class of private recipient agency, private agencies which agree to make distribution of commodities on a State-wide basis and which apply directly to the Commodity Distribution Division, C&MS, and are approved by the Secretary shall be eligible to become distributing agencies.

(c) *Agencies now under agreement.* Notwithstanding any other provision of this section, agencies under agreement with the Department for the distribution of commodities as of the date this part becomes effective shall be eligible to enter into new agreements hereunder without obtaining further designation of approval.

(d) *Agreements with Department.* Prior to the inauguration of a distribution program, eligible agencies shall enter into written agreements with the Department which shall incorporate by reference or otherwise the terms and conditions set forth in this part. When requested by the Department an eligible agency shall present evidence of its authority to enter into such agreements.

§ 250.6 *Obligations of distributing agencies*

(a) *Determination of eligibility.* Distributing agencies shall determine that recipient agencies or recipients to whom they distribute commodities are eligible under this part, and shall impose upon public welfare agencies the responsibility for determining that recipients to whom welfare agencies distribute commodities are eligible.

(b) *Agreements.* Distributing agencies shall enter into agreements with subdistributing agencies, recipient agencies, warehousemen, carriers, or other persons to whom commodities are delivered under their distribution program. Agreements with subdistributing agencies and recipient agencies shall be in writing, except in those instances where subdistributing agencies are acting as agents for the distributing agencies. All agreements shall contain such terms and conditions as the distributing agency deems necessary to insure that (1) the distribution and use of commodities is in accordance with this part, (2) subdistributing agencies, recipient agencies, warehousemen, carriers, or other persons to whom commodities are delivered by the distributing agency are responsible to the distributing agency for any improper distribution or use of commodities, and for any loss of or damage to commodities caused by their fault or negligence, (3) subdistributing agencies and recipient agencies have and preserve a right to assert claims against other persons to whom commodities are delivered for care, handling or distribution, and (4) subdistributing agencies and recipient agencies will take action to obtain restitution in connection with claims arising in their favor for improper distribution, use or loss of, or damage to, commodities. To the extent that bills of lading and warehouse receipts afford adequate protection, the distributing agency may consider such documents as appropriate agreements.

(c) *Use of subdistributing agencies.* If distributing agencies use subdistributing

agencies to effect or assist in affecting distribution of commodities, the distributing agencies' responsibilities to the Department for overall management and control of the distribution program shall not be delegated to such subdistributing agencies.

(d) *Institutional distribution.* Distributing agencies shall submit for prior approval of the Commodity Distribution Division, C&MS, the method or methods by which the distributing agencies will determine the number of needy persons in institutions. The methods so approved shall include, but are not limited to, those which identify the persons, or the number thereof, who do not pay the full charge assessed for the services provided to them or who are unable to pay the full cost of providing such services.

(e) *Welfare distribution.* Distributing agencies, prior to making distribution to welfare agencies or households, shall submit a plan of operation for approval by the appropriate area office of the Commodity Distribution Division, C&MS. Such a plan shall incorporate the procedures and methods to be used in certifying households as in need of food assistance and in making distribution of commodities to them. No amendments to such plan shall be made without prior approval of the area office, Commodity Distribution Division, C&MS. Distributing agencies shall require welfare agencies making distribution to households to conduct distribution programs in accordance with all provisions of the plan of operation. As a minimum, the plan shall include the following:

(1) The categories of households, one or both of the following, to which distribution will be made:

(i) *Public assistance households.* Those households in which all members are receiving benefits under the Federally-aided public assistance programs authorized in the Social Security Act or under State or local welfare programs; or those households in which some of the members receive such benefits, but all members thereof are included in the determination to grant such benefits.

(ii) *Non-public assistance households.* Those households in which none of the members receive benefits as described in subdivision (i) of this subparagraph, or in which some of the members receive such benefits but all of the members are not included in the determination to grant such benefits.

(2) The name of the public welfare agency or agencies which will be responsible for certification of households.

(3) The manner in which commodities will be distributed, including, but not limited to, the identity of the agency or agencies that will distribute commodities, the storage and distribution facilities to be used and the method of financing.

(4) Assurance that Tribal Councils serving Indian households on reservations have been designated by the Bureau of Indian Affairs to so act.

(5) The specific criteria to be used in certifying households as in need of food assistance. If the standards used in the state's own welfare program are not to be used as these criteria, any other, or additional, criteria to be used must bear a direct relation to such standards.

(6) The method or methods that will be used to verify the information upon which the certification of eligibility is based, including the kinds of documentary evidence that applicants are required to furnish in connection therewith.

(7) Provisions for periodically reviewing the certification of households to discover any change in their status which would necessitate a change in the determinations of eligibility. Such provisions shall be in accord with the following:

(i) *Public assistance households.* The eligibility of households described in subparagraph (1) (i) of this paragraph shall be reviewed at intervals that are coincident with redeterminations of eligibility to receive public assistance grants or benefits.

(ii) *Non-public assistance households.* The eligibility of households described in subparagraph (1) (ii) of this paragraph, shall be reviewed at least every three months, except that such reviews may be made at longer periods, not to exceed 12 months, provided that such longer periods are based upon a determination by the certifying agency that the income and resources available to such households will probably remain essentially unchanged during such period.

(8) Provision for identifying each person who has been designated to receive commodities for a household.

(9) Assurances that welfare grants or similar aid shall not be reduced because of the receipt of commodities.

(10) Assurances that the distribution of commodities shall not be used as a means for furthering the political interest of any individual or party, and that there shall be no discrimination in the distribution of commodities because of race, creed or color.

(11) Assurances that recipients shall not be required to make any payments in money, materials or services, for or in connection with the receipt of commodities, and that they shall not be solicited in connection with the receipt of commodities for voluntary cash contributions for any purpose.

(12) The manner in which the distributing agency plans to supervise the program.

(13) Definitions of any terms used which cannot be determined by reference to Webster's New International Dictionary (second edition).

(f) *Quantities requested.* Commodities shall be requested and distributed only in quantities which can be consumed without waste. Distributing agencies shall impose similar restrictions on recipient agencies.

(g) *Distribution.* Commodities shall be distributed only to recipient agencies and recipients eligible to receive them under this part (see §§ 250.8 and 250.9). Distributing agencies shall require that welfare agencies and disaster organizations distribute commodities only to recipients eligible to receive them under this part. It is the responsibility of distributing agencies to limit distribution of section 6 commodities to those schools participating in the National School Lunch Program, on the basis of the average daily number of Type A lunches served, as evidenced by information provided by September of each year and supplemented subsequently by the school lunch agencies or the appropriate District Office, Consumer Food Programs, C&MS.

(h) *Redonations.* Whenever a distributing agency has any commodity on hand which it cannot efficiently utilize, it shall immediately request the appropriate District Office, Consumer Food Programs, C&MS, for instructions as to the disposition of such commodity. Distributing agencies requesting authority to make redonation of any commodity to the Department shall, upon the Department's request, have such commodity Federally-inspected at the distributing agencies' expense. Any commodity which the Department determines is acceptable for redonation shall be moved at the distributing agency's expense to the closest point, within the Commodity Distribution Division area in which the State is located, where it can be utilized, or to a closer point outside the area, if such a transfer is mutually agreed to by the Department and the distributing agency. In those instances in which the distributing agency satisfactorily demonstrates to the Department that the need for any redonation resulted from no fault or negligence on its part, the Department shall assume such transportation costs as it determines to be proper. Whenever a redonation is made at the request of the Department, the Department shall pay all transportation and handling costs in connection with such redonation and shall pay to the distributing agency all storage and handling costs accrued on the commodity at the time of redonation, as determined by the Department.

(i) *Distribution charges.* Recipient agencies may be required to pay part or all of the within-State costs of distribution through a system of charges assessed by distributing or subdistributing agencies. Any system of assessments operated by the distributing agency shall have the prior approval of, and be subject to review by the District Office, Consumer Foods Programs, C&MS. Any such system operated by subdistributing agencies shall have the prior approval of the distributing agency and be subject to review by the distributing agency and the District Office, Consumer Food Programs, C&MS. The charges assessed shall be reasonable in relation to the services provided and the funds collected shall be used solely in accordance with the provisions of paragraph (j) of this section. Under no circumstances shall recipients be required to make any payments in money, materials, or services for or in connection with the receipt of commodities, nor shall they be solicited in connection with the receipt of commodities for voluntary contributions for any purpose.

(j) *Use of funds accruing in operation of the program.* Funds accruing from the sale of containers, salvage of commodities, distribution charges of commodities, distribution charges, insurance, or recoveries from loss or damage claims (which are authorized under paragraph (1) of this section to be expended for program purposes) shall be used only for the payment of expenses of the commodity distribution program, including transportations, storage and handling of commodities, salaries of persons directly connected with the program, and other administrative expenses. The receipt and expenditure of funds so accrued shall be reviewed by distributing agencies periodically, but at least once each fiscal year, to determine that fund balances are not in excess of program needs. If excess funds accumulate by reason of collection of distribution charges, such excess funds shall be used to reduce such charges or shall be returned to contributors. If excess funds accrue from the sale of containers, salvage of commodities,

insurance, or recoveries from loss or damage of claims, such funds shall be (1) used to reduce distribution charges, (2) used to purchase additional foods, or (3) paid to the Department. The distributing agency shall impose upon subdistributing agencies and recipient agencies similar provisions for the use of such funds accruing in the operation of their programs.

(k) *Normal food expenditures.* Commodities shall not be distributed to any recipient agencies or recipients whose normal food expenditures are reduced because of the receipt of commodities, except that this provision shall not apply to the distribution of section 6 commodities.

(l) *Improper distribution or loss of or damage to commodities.* If a distributing agency improperly distributes or uses any commodity, or causes loss of or damage to a commodity through its failure to provide proper storage, care, or handling, the distributing agency shall, at the Department's option, (1) replace the commodity in its distribution program in kind, or, in the case of section 6 commodities, where replacement in kind may not be practicable, with other similar foods, or (2) pay to the Department the value of the commodity as determined by the Department. Upon the happening of any event creating a claim in favor of a distributing agency against a subdistributing agency, receipt agency, warehouseman, carrier, or other person, for the improper distribution, use, or loss of, or damage to, a commodity, the distributing agency shall take action to obtain restitution. All amounts collected by such action shall, at the Department's option, be used in accordance with the provisions of subparagraph (1) or (2) of this paragraph, or, except for amounts collected on claims involving section 6 commodities, shall be expended for program purposes in accordance with the provisions of paragraph (j) of this section. Determinations by a distributing agency that a claim has or has not arisen in favor of the distributing agency against a subdistributing agency, recipient agency, warehouseman, carrier, or other person, shall, at the option of the Department, be approved by the Department prior to the distributing agency's taking action thereon. Where prior approval has not been given by the Department, a distributing agency's claim determinations shall be subject to review by the Department. In the case of an inventory shortage, when the loss of any one commodity does not exceed 1 percent of the total quantity of the commodity distributed or utilized from any single storage facility during the Federal fiscal year in which the loss occurred, or during the period for which an audit was conducted by representatives of the Department, or, if approved by C&MS, during the period for which an audit was conducted by the distributing agency, if the distributing agency finds that (i) the cause of the shortage cannot be established, (ii) the lost commodities were held in noncommercial storage or other facilities owned or operated by the distributing agency, a subdistributing agency, or a recipient agency, and (iii) there is no indication that the loss was the result of negligence or continued inefficiency in operations, the distributing agency need not take any further claims action, but the factual basis for not taking further claims action shall be subject to review by the Department. Furthermore distributing agencies shall not be required to file or pursue a claim for a loss which does not exceed an amount established by State law, regulations, or procedure as a minimum amount for which a claim will be made for State losses generally, but no such claim shall be disregarded where there is evidence of violation of Federal or State statutes. Distributing agencies which fail to pursue claims arising in their favor, or fail to provide for the right to assert such claims, or fail to require their subdistributing agencies and recipient agencies to provide for such rights, shall be responsible to the Department for replacing the commodity or paying the value thereof in accordance with the provisions of subparagraph (1) or (2) of this paragraph. Distributing agencies which pursue claims arising in their favor, but fail to obtain full restitution shall not be liable to the Department for any deficiency unless the Department determines that the distributing agency fraudulently or negligently failed to take reasonable action to obtain restitution. The Department may, at its option, require assignment to it of any claim arising from the distribution of commodities.

(m) *Processing and labeling of commodities.* Distributing agencies, subdistributing agencies, or recipient agencies may employ commercial or institutional facilities to process commodities by converting them into different end-products or by repackaging them. When this is done, distributing agencies shall, and subdistributing agencies and recipient agencies shall be required to, enter into written agreements with such processing facilities. These agreements shall provide, as a minimum, that the processing facility shall (1) fully account for the commodi-

ties delivered into its possession by production of an appropriate number of units of end-product or packages, (2) be liable for the return of all commodities not so accounted for or for the value thereof, (3) use or dispose of the containers in which the commodities are received in accordance with the instructions of the distributing agency, subdistributing agency, or recipient agency, and (4) maintain records and submit reports to the distributing agency, substituting agency, or recipient agency pertaining to the performance of the contract. When commercial or institutional facilities are employed to process commodities, the end-product, if placed in containers, or the repackaged commodity, shall be plainly labeled "Contains Commodities Donated by the United States Department of Agriculture—Not To Be Sold or Exchanged" or "Donated by the United States Department of Agriculture—Not To Be Sold or Exchanged", whichever is appropriate. When distributing agencies, subdistributing agencies, or recipient agencies use their own facilities to process commodities, the containers shall be plainly labeled as provided above to the extent practicable and within the limitations of available funds and personnel.

(n) *Containers.* When containers in which commodities are received are disposed of by sale, the proceeds of such sale shall be used solely in accordance with the provisions of paragraph (j) of this section, and subdistributing agencies and recipient agencies shall be required to use proceeds from the sale of containers solely for program purposes.

(o) *Personnel.* Adequate personnel, including supervisory personnel, to review distribution programs, shall be provided to effect distribution in accordance with the requirements of this part.

(p) *Facilities.* Facilities for the handling, storage, and distribution of commodities shall be such as to properly safeguard against theft, spoilage, and other loss. Subdistributing agencies and recipient agencies shall be required to provide similar facilities.

(q) *Records.* Accurate and complete records shall be maintained with respect to the receipt, disposal and inventory of commodities, including the determination made as to liability for any improper distribution or use, or loss of, or damage to, commodities, and the results obtained from the pursuit of claims arising in favor of the distributing agency. Accurate and complete records shall also be maintained with respect to the receipt and disbursement of funds arising from operation of the distribution program. Subdistributing agencies and welfare agencies shall be required to maintain accurate and complete records with respect to the receipt, disposal and inventory of commodities and with respect to the receipt and disbursement of funds arising from operation of the distribution program. Schools and institutions shall be required to maintain records of commodities received. All records required by this section shall be retained for a period of three years from the close of the Federal fiscal year to which they pertain.

(r) *Reports.* Distributing agencies shall submit monthly reports to the District Offices, Consumer Food Programs, C&MS, covering the receipt and distribution of commodities, an annual inventory report in such form as the Department may prescribe, and such other reports covering distribution operations in such form as may be required from time to time by the Department.

(s) *Right of inspection and audit.* Representatives of the Department may inspect commodities in storage or the facilities used in the handling or storage of such commodities, and may inspect and audit all records, including financial records, and reports pertaining to the distribution of commodities and may review or audit the procedures and methods used in carrying out the requirements of this part at any reasonable time. Subdistributing agencies and recipient agencies shall be required to permit similar inspection and audit by the Department.

(t) *Complaints.* Distributing agencies shall investigate promptly complaints received in connection with the distribution or use of commodities, correct any irregularities disclosed, and promptly report each instance of serious irregularity to the Department. Distributing agencies shall maintain on file evidence of such investigations and actions. The Department reserves the right to make investigations and shall have the final determination as to when a complaint has been properly adjusted.

(u) *Demurrage.* Demurrage or other charges which accrue after a car or truck has been placed for unloading by the delivering carrier, or which accrue because placement of a car or truck is prevented, shall be borne by the distributing agency,

except that demurrage or other charges shall be borne by the Department where such charges accrue because of actions by the Department and without the fault or negligence of the distributing agency.

§ 250.7 *Disposition of damaged or out-of-condition commodities*

Commodities which are found to be damaged or out-of-condition and are declared unfit for human consumption by Federal, State, or local health officials, or by other inspection services or persons deemed competent by the Department shall be disposed of in accordance with instructions of the Department. Such instructions may direct that unfit commodities be (a) sold in a manner prescribed by the Department with the net proceeds thereof remitted to the Department, (b) sold in a manner prescribed by the Department with the proceeds thereof retained for use in accordance with the provisions of § 250.6(j), (c) used in such a manner as will serve a useful purpose as determined by the Department, or (d) destroyed in accordance with applicable sanitation laws and regulations. Dispositions under the provisions of paragraph (b) of this section shall not apply to section 6 commodities. Upon a finding by the Department that commodities were unfit for human consumption at the time of delivery to the distributing agency and when the Department or appropriate health officials require that such commodities be destroyed, the Department may pay to the distributing agency any expenses incurred in connection with such commodities as determined by the Department. The Department may in any event repossess a damaged or out-of-condition commodity.

§ 250.8 *Eligible recipient agencies*

(a) *Schools.* Schools operating lunch programs under the National School Lunch Act are eligible to receive commodities under section 416, section 32, and section 6. Other schools which operate non-profit lunch programs are eligible to receive commodities under section 416 and section 32. Schools receiving commodities under section 416 and section 32 in accordance with this part shall also be eligible to receive such foods for use in training students in home economics including college students if the same facilities and instructors are used for training both high school and college students in home economics courses. Schools receiving such commodities shall not discriminate against any child receiving lunches because of his inability to pay the full price of the lunches or because of his race, creed, or color.

(b) *Institutions.* (1) Institutions which maintain an established feeding operation on a regular basis as an integral part of their normal activities are eligible to receive commodities under section 416 and section 32 to the extent of the needy persons served by them, as determined by the method or methods approved by the Department in accordance with § 250.6(d). Institutions receiving such commodities shall not discriminate against any person receiving food because of his race, creed, or color.

(2) Private institutions, other than hospitals, must be established for the purpose of providing continuing services in the same place without marked change and, at the Department's option, approved by a public welfare agency as meeting a definite need in the community by administering to needy persons.

(3) Institutions which desire to receive commodities under this part may employ food service companies to conduct their feeding operations, provided that such services are contracted for only on a fee-for-service basis and the contracts are approved by the District Office, Consumer Food Programs, C&MS. The contracts shall expressly provide that:

(i) Where the food service company also purchases food as a part of its services, the amount due by the institution as reimbursement for food purchases shall be accounted for separate and apart from the management fee;

(ii) Commodities received by the institution shall inure only to the benefit of the institution's feeding operations; and

(iii) The books and records of the management company pertaining to the feeding operation of the institution shall be available for a period of three years from the close of the Federal fiscal year to which they pertain, for inspection and audit by representatives of the distributing agency and the Department at any reasonable time and place.

(c) *Summer camps.* (1) Nonprofit summer camps for children are eligible to receive commodities under section 416 and section 32.

(2) Nonprofit summer camps for children which desire to receive commodities under this part may employ food service companies to conduct their feeding

operations provided that such services are contracted for on the same basis as is stated in paragraph (b) of this section.

(d) *Welfare agencies.* Welfare agencies are eligible to receive commodities under section 413 and section 32, provided that they serve households certified in accordance with the plan of operation furnished by the distributing agency and approved by the Department.

(e) *Disaster organizations.* Disaster organizations are eligible to receive commodities under section 416 and section 32 for distribution to disaster victims. Distributing agencies making distribution to such organizations shall immediately inform the District Offices, Consumer Food Programs, C&MS, thereof. Such organizations shall be eligible for the duration of the disaster, as determined by the Department.

(f) State correctional institutions for minors are eligible to receive commodities under section 210.

§ 250.9 Eligible recipients

(a) *Needy persons in households.* Needy persons in households are eligible to receive commodities under section 416 and section 32, provided the household is certified in accordance with the plan of operation furnished by the distributing agency and approved by the Department.

(b) *Disaster victims.* Disaster victims are eligible to receive commodities under section 416 and section 32.

§ 250.10 Miscellaneous provisions

(a) *Sanctions.* Any distributing agency which has failed to comply with the provisions of this part or any instructions or procedures issued in connection herewith, or any agreements entered into pursuant hereto, may, at the discretion of the Department be disqualified from further participation in any distribution program. Reinstatement may be made at the option of the Department. Disqualification shall not prevent the Department from taking other action through other available means when considered necessary, including prosecution under applicable Federal statutes.

(b) *Distributing agency requirements.* Nothing contained in this part shall prevent a distributing agency from imposing additional requirements for participation which are not inconsistent with the provisions of this part.

§ 250.11 Where to obtain information

Interested persons desiring information concerning the program may make written request to the following District Offices:

"Northeast Area. Consumer Food Programs, C&MS, USDA, 346 Broadway, Room 604, New York, N.Y. 10013: Connecticut, Delaware, District of Columbia, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Vermont, and West Virginia.

"Southeast Area. Consumer Food Programs, C&MS, USDA, 1795 Peachtree Road N.E., Room 302, Atlanta, Ga. 30309: Alabama, Florida, Georgia, Kentucky, Mississippi, North Carolina, South Carolina, Tennessee, Virginia, Puerto Rico, and the Virgin Islands.

"Midwest Area. Consumer Food Programs, C&MS, USDA, 536 South Clark Street, Chicago, Ill. 60605: Illinois, Indiana, Iowa, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota, and Wisconsin.

"Southwest Area. Consumer Food Programs, C&MS, USDA, 500 South Ervay Street, Room 3-127, Dallas, Tex. 75201: Arkansas, Colorado, Kansas, Louisiana, New Mexico, Oklahoma and Texas.

"Western Area. Consumer Food Programs, C&MS, USDA, Room 734 Appraisers Building, 630 Sansome Street, San Francisco, California 94111: Alaska, Arizona, California, Hawaii, Idaho, Montana, Nevada, Oregon, Washington, Wyoming, Utah, American Samoa, Guam, and the Trust Territories of the Pacific."

§ 250.12 Amendments

The Department reserves the right at any time to modify or amend this part. The Department will give distributing agencies written notice of any modification of, or amendment to, this part and reasonable opportunity to conform their operations to any amendment which requires distributing agencies to modify their operations.

NOTE: The recordkeeping and reporting requirements herein specified have been approved by, and any further such requirements that may be established will be subject to the approval of the Bureau of the Budget in accordance with the Federal Reports Act of 1942.

CHAPTER II—CONSUMER AND MARKETING SERVICE (CONSUMER FOOD PROGRAMS),
DEPARTMENT OF AGRICULTURE

Subchapter B—General Regulations and Policies—Commodity Distribution

[Amdt. 1]

PART 250—DONATION OF FOOD COMMODITIES FOR USE IN UNITED STATES FOR SCHOOL LUNCH PROGRAMS, TRAINING STUDENTS IN HOME ECONOMICS, SUMMER CAMPS FOR CHILDREN, AND RELIEF PURPOSES, AND IN STATE CORRECTIONAL INSTITUTIONS FOR MINORS

Obligations of distributing agencies

The regulations for the operations of the Commodity Distribution Program (31 F.R. 14297) are hereby amended as follows: Section 250.6(e) (1) (i) is revised to read as follows:

§ 250.6 *Obligations of distributing agencies*

* * * * *

(e) * * *
(1) * * *

(i) *Public assistance households.* Those households in which (a) all members are receiving benefits under the federally-aided public assistance programs for the needy authorized in the Social Security Act or under State or local welfare programs; or (b) those households in which some of the members receive such benefits, but all members thereof are included in the determination to grant such benefits; or (c) those households in which all members are recipients of assistance from grants under a Work Experience and Training Program (Title V, Economic Opportunity Act of 1964).

This amendment shall be effective upon publication in the FEDERAL REGISTER.

RODNEY E. LEONARD,
Deputy Assistant Secretary.

DECEMBER 22, 1967.

[F.R. Doc. 67-15049; Filed, Dec. 27, 1967; 8:49 a.m.]

[32 F.R. 20837, Dec. 28, 1967]

TITLE 7—AGRICULTURE

CHAPTER II—CONSUMER AND MARKETING SERVICE (CONSUMER FOOD PROGRAMS),
DEPARTMENT OF AGRICULTURE

[Amdt. 2]

Subchapter B—General Regulations and Policies—Commodity Distribution

PART 250—DONATION OF FOOD COMMODITIES FOR USE IN UNITED STATES FOR SCHOOL LUNCH PROGRAMS TRAINING STUDENTS IN HOME ECONOMICS, SUMMER CAMPS FOR CHILDREN, AND RELIEF PURPOSES, AND IN STATE CORRECTIONAL INSTITUTIONS FOR MINORS

Availability of commodities

The regulations for the operation of the Commodity Distribution Program (31 F.R. 14297) are hereby amended as follows: In § 250.4, paragraph (g) is revised to read as follows:

§ 250.4 *Availability of commodities*

* * * * *

(g) *Availability for demonstrations and tests.* Notwithstanding any other provision of this part, a quantity of any commodity donated for use by any recipient agency or recipient may be transferred by the distributing agency or by the recipient agency to bona fide experimental or testing agencies, or for use in workshops, for demonstrations or tests relating to the utilization of such commodity by the recipient agency or recipient, or for use in recipient food informational and educational programs undertaken pursuant to section 10(a) of the

Food Stamp Act of 1964, as amended. No such transfer by any recipient agency shall be made without the approval of the appropriate distributing agency.

GEORGE L. MEHREN,
Assistant Secretary.

JANUARY 5, 1968.

[F.R. Doc. 68-401; Filed, Jan. 10, 1968; 8:47 a.m.]
[33 F.R. 402, Jan. 11, 1968]

Subchapter B—General Regulations and Policies—Commodity Distribution

[Amdt. 3]

PART 250—DONATION OF FOOD COMMODITIES FOR USE IN UNITED STATES FOR SCHOOL LUNCH PROGRAMS, TRAINING STUDENTS IN HOME ECONOMICS, SUMMER CAMPS FOR CHILDREN, AND RELIEF PURPOSES, AND IN STATE CORRECTIONAL INSTITUTIONS FOR MINORS

Special feeding programs

The Regulations for the operation of the Commodity Distribution Program (31 F.R. 14297) are hereby amended by adding the following new section:

§ 250.13 *Special feeding programs*

In situations of distress in which needs for food assistance cannot be met under other provisions of this part, any distributing agency may, upon request to and approval by the Secretary, distribute commodities to any institution, or to any institution, or to any association of persons engaged in charitable activities, for use in conducting special group-feeding programs on a temporary basis for persons in need of such food assistance. The distributing agency, and any such institution or association, shall conduct any distribution under this section in accordance with such instructions as the Secretary may specify, and any such institution or association shall give to the distributing agency an assurance that feeding programs will be conducted in accordance with the instructions.

This amendment shall be effective upon filing with the FEDERAL REGISTER.

Dated: May 6, 1968.

GEORGE L. MEHREN,
Assistant Secretary.

[F.R. Doc. 68-5560; Filed, May 8, 1968; 8:49 a.m.]
[33 F.R. 6973, May 9, 1968]

TITLE 7—AGRICULTURE

CHAPTER II—CONSUMER AND MARKETING SERVICE (CONSUMER FOOD PROGRAMS),
DEPARTMENT OF AGRICULTURE

Subchapter B—General Regulations and Policies—Commodity Distribution

[Admt. 4]

PART 250—DONATION OF FOOD COMMODITIES FOR USE IN UNITED STATES FOR SCHOOL LUNCH PROGRAMS, TRAINING STUDENTS IN HOME ECONOMICS, SUMMER CAMPS FOR CHILDREN, AND RELIEF PURPOSES, AND IN STATE CORRECTIONAL INSTITUTIONS FOR MINORS

Obligation of distributing agencies

The regulations for the operation of the Commodity Distribution Program (33 F.R. 14297) are hereby amended as follows:

In § 250.6, paragraph (e), subparagraph (5) is revised to read as follows:

§ 250.6 *Obligations of distributing agencies*

* * * * *

(e) * * *

(5) *The specific criteria to be used in certifying households as in need of food assistance—Each State Agency shall establish specific standards to be used in determining the eligibility of applicant households. Such standards shall include*

maximum income limitations consistent with the income standards used by the State Agency in administration of its Federally aided public assistance programs. Such standards shall also place a limitation on the resources to be allowed eligible households. The standards of eligibility for households used by each State shall be subject to the approval of C&MS.

* * * * *
Effective date. This amendment shall become effective on the date of its publication in the Federal Register.

Dated: January 9, 1969.

TED J. DAVIS,
Assistant Secretary.

[F.R. Doc. 69-479; Filed, Jan. 14, 1969; 8:47 a.m.]

[Reprinted from the Federal Register of January 18, 1969 (34 F.R. 807)]

TITLE 7—AGRICULTURE

CHAPTER II—CONSUMER AND MARKETING SERVICE (CONSUMER FOOD PROGRAMS), DEPARTMENT OF AGRICULTURE

Subchapter B—General Regulations and Policies—Commodity Distribution

[Amdt. 4]

PART 250—DONATION OF FOOD COMMODITIES FOR USE IN UNITED STATES FOR SCHOOL LUNCH PROGRAMS, TRAINING STUDENTS IN HOME ECONOMICS, SUMMER CAMPS FOR CHILDREN, AND RELIEF PURPOSES, AND IN STATE CORRECTIONAL INSTITUTIONS FOR MINORS

Supplemental food program

The regulations for the operation of the Commodity Distribution Program, as amended (31 F.R. 14297, 32 F.R. 20837, 33 F.R. 402, 33 F.R. 6973), are hereby amended by adding the following new section:

§ 250.14 *Supplemental food program*

(a) *Definitions.* For the purposes of this section:

- (1) "CFPDO" means the Consumer Food Program District Office, C&MS.
- (2) "Health facility" means any public or nonprofit private center or agency which provides free or substantially free, health services to low-income persons.
- (3) "Supplemental food" means commodities specifically made available by the Department for persons in low-income groups vulnerable to malnutrition.
- (4) "Low-income groups, vulnerable to malnutrition" means (i) infants and preschool children and (ii) women during and 12 months after pregnancy.

(b) *Eligibility for supplemental food.* Persons in low-income groups vulnerable to malnutrition who have, after consideration of age and income (location and income of parents, in the case of a minor), been found eligible for benefits under existing Federal, State or local food, health or welfare programs for low-income persons, shall be eligible to receive supplemental food donated under section 416, section 32 or other applicable authority through authorizations issued by professional or supervisory personnel of a health facility, or by other personnel the health facility may designate, or by physicians serving money-payment recipients under public welfare programs, in accordance with the provisions of this section. The food benefits provided in this section are available to any area without regard to whether there is a Food Stamp Program in such area and may be made to eligible persons whether or not they are participating in the Food Stamp Program or are otherwise receiving commodities under this part, provided that distribution is made in the immediate vicinity of their place of permanent residence in areas in which the Food Stamp Program is in effect.

(c) *Authorization for supplemental food.* Health facilities approved under this section or physicians serving money-payment recipients under Public Welfare Programs, may issue to eligible persons in low-income groups, vulnerable to malnutrition, who are determined by a physician or other staff member of such health facility, or his designee, or by such physicians serving money-payment recipients, to be in need of the nutrients in the supplemental food, au-

thorizations for the supplemental food for home consumption in specified amounts and varieties judged necessary for their health. The supplemental foods shall be distributed to such persons by health facilities, by recipient agencies, or by the Department.

(d) *Application by health facilities.* Health facilities desiring to participate in the Supplemental Food Program under this section shall negotiate a plan of operation with distributing agencies. If the distributing agency is other than an agency of the Department, the plan of operation shall be approved by the Department. State distributing agencies may design and submit, for approval by the Department, a plan of operation in behalf of several or all health facilities in a geographic area or State. As a minimum, each plan of operation shall contain the following:

(1) The name and location of the health facility(ies) and the title of the official(s) in charge.

(2) Such information regarding the nature of services provided, the criteria of eligibility for such services, the professional and supervisory personnel, and the source of financial support of the health facility as will assist the distributing agency to determine eligibility to participate in the Supplemental Food Program.

(3) The estimated number of persons from low-income groups, vulnerable to malnutrition, who would be eligible for the program based on the following categories: (i) Infants through 3 months, (ii) infants 4 months through 12 months, (iii) preschool children 1 year through 5 years, and (iv) women during and for 12 months after pregnancy.

(4) The method of identifying persons eligible for authorizations, the methods of controlling the issuance of authorizations, and the manner in which distribution will be made to include (i) the identities of the agencies and units that will store and distribute foods on presentation of authorizations, (ii) the records to be maintained, (iii) reports to be made, and (iv) the method of financing distribution. Reports will, as a minimum, show the number of persons in each category that are benefited, and the variety and quantities of foods distributed to each.

(5) The identity of the public health agency and personnel in the unit who will issue authorizations for food with an assurance that no authorizations for supplemental food will be issued except by a physician, or other staff members of the health facility, or his designee, and that issuances will be made only to persons in low-income groups, vulnerable to malnutrition, who are determined to be in need of the nutrients contained in the supplemental food.

(6) Provision for periodic review to ascertain the continuing eligibility of persons to whom authorizations are issued.

(7) Provision for identifying any person who has been designated to receive supplemental food.

(8) Assurances that the supplemental food program will not be used as a means for furthering the political interest of any individual or party, and that there will be no discrimination in the issuance of authorizations for supplemental food because of race, creed, color, or national origin.

(9) Assurances that persons in low-income groups will not be required to make any payments in money, materials or services for the supplemental foods, and that they will not be solicited in connection with the Supplemental Food Program for voluntary cash contributions for any purpose.

(10) The name of the supervising agency and the manner by which it will supervise and coordinate the Supplemental Food Program (if it is multi-agency in nature). To the extent possible, operations shall cover an entire political subdivision.

(e) *Agreements with health facilities.* (1) Distributing agencies, or CFPDO where an agency of the Department is the distributing agency, shall enter into agreements with health facilities which are approved to participate in the Supplemental Food Program. Such agreements shall be in writing and shall contain such terms and conditions as the distributing agency or CFPDO deems necessary to assure that (i) issuance of prescriptions for supplemental food is in accordance with this section; (ii) health facilities are responsible to the distributing agency or CFPDO for any distribution resulting from improper or negligent issuance by them of prescriptions for supplemental food.

(2) In situations in which health facilities will themselves distribute the supplemental food, the agreements with the health facilities shall also contain the provisions which are required with respect to recipient agencies under § 250.6 (b).

(3) Each agreement with a health facility shall provide that the health facility shall maintain accurate and complete records with respect to its activities under the Supplemental Food Program, and shall retain such records for a period of 3 years from the close of the Federal fiscal year to which they pertain.

NOTE: The reporting and/or recordkeeping requirements contained herein have been approved by the Bureau of the Budget in accordance with the Federal Reports Act of 1942.

Dated: January 15, 1969.

TED J. DAVIS,
Assistant Secretary.

TITLE 7—AGRICULTURE

CHAPTER II—CONSUMER AND MARKETING SERVICE (CONSUMER FOOD PROGRAMS),
DEPARTMENT OF AGRICULTURE

Subchapter B—General Regulations and Policies—Commodity Distribution

[Amdt. 6]

PART 250—DONATION OF FOOD COMMODITIES FOR USE IN UNITED STATES FOR SCHOOL LUNCH PROGRAMS, TRAINING STUDENTS IN HOME ECONOMICS, SUMMER CAMPS FOR CHILDREN, AND RELIEF PURPOSES, AND IN STATE CORRECTIONAL INSTITUTIONS FOR MINORS

Nonprofit lunch program

The regulations for the operation of the Commodity Distribution Program (31 F.R. 14297), as amended, are hereby amended as follows:

In § 250.3, paragraph (h) is revised to read as follows:

§ 250.3 *Definitions*

* * * * *

(h) "Nonprofit lunch program" means a food service maintained by a school for the benefit of children, all of the income from which is used solely for the operation or improvement of the food service, and which is not operated under a fee, concession or contract arrangement unless the school has been specifically approved to operate under such an arrangement pursuant to applicable regulations of the Department.

* * * * *

This amendment shall be effective upon filing with the Federal Register.

RICHARD E. LYNG,
Assistant Secretary.

March 21, 1969.

[F.R. Doc. 69-3560; Filed, Mar. 25, 1969; 8:49 a.m.]

[From the Federal Register, November 21, 1967]

TITLE 7—AGRICULTURE

CHAPTER II—CONSUMER AND MARKETING SERVICE (CONSUMER FOOD PROGRAMS),
DEPARTMENT OF AGRICULTURE

Subchapter B—General Regulations and Policies—Commodity Distribution

PART 251—FINANCIAL ASSISTANCE FOR DISTRIBUTION OF FEDERALLY
DONATED COMMODITIES

Sec.	
251.1	General purpose and scope.
251.2	Definitions.
251.3	Administration.
251.4	Eligible participants.
251.5	Agreements.
251.6	Program Plan.
251.7	Submission of Program Plans.
251.8	Payments.
251.9	Records and audits.
251.10	Miscellaneous provisions.

AUTHORITY: The provisions of this Part 251 issued under sec. 32, 49 Stat. 774; sec. 301, 80 Stat. 379; 5 U.S.C. 301, 7 U.S.C. 612c.

§ 251.1—General purpose and scope

This part contains the regulations prescribing the terms and conditions of a program under which the Department offers financial assistance to States, counties, and other political subdivisions to enable them to effect distribution of food commodities donated by the Department pursuant to the provisions of Part 250 of his chapter for use by needy persons in households. A limited amount of the funds appropriated under section 32 of Public Law 320, 74th Congress, is available for the purpose of this part. Within the limitation of available funds, financial assistance will be given on the basis of economic need in the State and local area.

§ 251.2 Definitions

For the purpose of this part:

(a) The terms used in this part that are defined in Part 250 of this chapter shall have the meanings ascribed to them therein.

(b) "C&MS" means the Consumer and Marketing Service of the Department.

(c) "Distribution expenses" means expenses incurred in the certification of eligible recipients and the distribution of commodities to needy persons in households under Part 250 of this chapter, and directly related expenses, including expenses of educational assistance for maximum utilization of commodities by recipients but not including State administrative expenses.

(d) "Program" means the program of financial assistance set forth in this part.

(e) "State agency" means the agency of a State which administers or participates directly in the Program within the State.

(f) "Unit" means a county, or a political subdivision, or any combination of two or more counties or political subdivisions.

§ 251.3 Administration

(a) *C&MS*. Within the Department, C&MS shall act on behalf of the Department in the administration of the Program.

(b) *State agency*. Within the States, responsibility for the administration of the Program in participating Units or for participation in the Program as a recipient of financial assistance shall, whenever practicable, be in the State distributing agency which has entered into an agreement under Part 250 of this chapter. If it is not practicable for the State distributing agency to accept such responsibility, the agency administering federally aided public assistance programs in the State shall have such responsibility. If no such agency of a State accepts responsibility for the administration of the Program in Units, C&MS shall be responsible for administering the Program in Units within the State.

§ 251.4 Eligible participants

(a) Those Units which are designated by C&MS, or selected by the State agency and approved by C&MS, as requiring monetary assistance in meeting distribution expenses shall be eligible to participate in the Program upon the terms and conditions set forth in this part.

(b) State agencies approved by C&MS shall also be eligible to participate in the Program, upon the terms and conditions set forth in this part, as recipients of financial assistance in (1) meeting State administrative expenses if such expenses were formerly financed by the Office of Economic Opportunity to enable a State to conduct a food distribution program for needy persons in households under Part 250 of this chapter; (2) meeting distribution expenses within local areas where Units do not distribute commodities to needy persons in households under Part 250 of this chapter; and (3) meeting expenses of local distribution functions which are performed by the State for participating Units for reasons of economy or effectiveness.

§ 251.5 Agreement

(a) *With the Department*. The Department shall enter into a written agreement with each State agency covering its responsibility for the administration of the Program in participating Units or its responsibility for participation in the Program as a recipient of financial assistance, or both. No agreement for participation of a State agency in the Program will be executed until a Program Plan, when required by C&MS, has been approved. The Department shall also enter into written agreement with each Unit whose Program Plan has been approved by C&MS where C&MS administers the Program. The agreements entered into under this paragraph shall incorporate by reference or otherwise the provisions set forth in this part, and shall include such other provisions as

may be required by law or may be determined to be appropriate for the conduct of the Program within the State. When requested by C&MS, State agencies and Units shall present evidence of their authority to enter into such agreements.

(b) *Between State agencies and Units.* Each State agency shall enter into written agreements with Units whose Program Plans it has approved. Such agreements shall contain such terms and conditions as will insure that (1) the funds provided by C&MS are used in accordance with this part, (2) Units account to the State agency for all funds paid to them, (3) Units return any unobligated funds upon termination of participation in the Program, and (4) participation in the Program may be terminated immediately for failure to comply with provisions of the Program or on 30 days written notice by either party to the agreement. Such agreements shall contain such additional terms and conditions as required by the State agency's agreement with the Department and may contain such terms and conditions, not inconsistent with this part, as the State agency deems desirable to carry out the Program.

(c) *Term of agreements.* Agreements entered into under this part shall not extend financial assistance beyond the Federal fiscal year in which executed but the Department may renew agreements for each fiscal year thereafter by giving notice in writing. Provisions for termination upon written notice shall be included in the agreements.

(d) *State agencies and Units now under agreement.* Notwithstanding any other provision of this part, State agencies and Units, which prior to the effective date of this part have executed an Agreement for Financing Distribution of Donated Commodities during the Federal fiscal year 1968, may continue to operate under such Agreement until it is expressly terminated according to the terms thereof or until the end of the Federal fiscal year 1968, whichever is earlier. Such State agencies and Units shall be eligible to enter into new agreements under this part upon the termination of the existing agreements without obtaining further designation or approval under section 251.4.

§ 251.6 Program plan

Each Unit, and each State agency desiring financial assistance under this part shall formulate and set forth on Form CFP 109 a Program Plan consisting of three parts:

(a) Part 1: General information of a nature which will enable C&MS to evaluate applicant's eligibility for participation, including a statement of applicant's need for financial assistance and a justification of the level of assistance requested from C&MS.

(b) Part 2: A plan of operation setting forth the procedures and methods to be used in certifying households as in need of food assistance and in making distribution of commodities to them, and including the requirements set forth in paragraph 250.6(e) of Part 250 of this chapter which are relevant to the Program under this part.

(c) Part 3: A budget showing the items of expense and the amount of expenses to be incurred, the contribution to be made by the State agency or the Unit, or both, or from any source within the State, in cash or in kind, to the proposed budget, and the maximum amount of expenditures in connection therewith for which C&MS is requested to make payment.

§ 251.7 Submission of program plans

(a) *By State agency.* Each eligible State agency desiring financial assistance shall submit its proposed Program Plan to C&MS for approval. A State agency's Program Plan may be amended or a new Program Plan adopted with the written approval of C&MS. A Program Plan shall be amended or a new Program Plan adopted at the direction of C&MS.

(b) *By Units.* Each eligible Unit shall submit to the State agency, or to C&MS where C&MS administers the Program, its proposed Program Plan. The State agency shall submit the Unit Program Plans approved by it to C&MS for approval. A Unit Program Plan may be amended or a new plan adopted with the written approval of C&MS where C&MS administers the Program, or with the written approval of both the State agency and C&MS. A Unit Program Plan shall be amended or a new Program Plan adopted at the direction of C&MS.

§ 251.8 Payments

(a) *Maximum obligation.* The maximum amount which C&MS shall be obligated to pay to any State or Unit is the smaller of (1) its approved budgeted expenses or (2) the expenses actually incurred by it in connection with approved budgeted items.

(b) *To State agencies.* For use in each Federal fiscal quarter year, C&MS shall advance funds to each State agency, for its use and for payment to participating Units, in an amount equal to the sum of the approved monthly expenses to be incurred by the State agency and Units during such quarter year, as set forth in the respective approved budgets. If the amount so advanced to the State agency by C&MS for any quarterly period exceeds the expenses actually incurred in connection with approved budgeted items for such period, the amount to be advanced by C&MS to the State agency for a subsequent quarterly period shall be reduced by the amount of such excess.

(c) *To Units.* State agencies, and C&MS where C&MS administers the Program, shall, on a monthly basis, (1) pay to each participating Unit an amount equal to the distribution expenses actually incurred by it in connection with approved budgeted items, or (2) advance funds to each participating Unit in an amount equal to its approved budgeted monthly distribution expenses, if need for an advance is shown in the Program Plan. If the amount advanced by C&MS or by the State agency to a participating Unit for any month exceeds the expenses actually incurred in connection with the approved budgeted items, the amount to be advanced by C&MS or by the State agency to the participating Unit for a subsequent month shall be reduced by the amount of such excess.

(d) *Unused funds.* State agencies shall require each Unit to return to them for transmittal to C&MS any Federal funds paid to such Unit under the Program which are unobligated upon termination of the Program in the Unit. State agencies, and Units where C&MS administers the Program, shall return to C&MS any Federal funds paid to them under the Program which are unobligated at the termination of the Program in the State or Unit. Such return shall be made as soon as practicable but in any event no later than 30 days following demand made by C&MS. State agencies, and Units where C&MS administers the Program, shall also pay C&MS any interest paid or credited on Federal funds paid to them under the Program.

§ 251.9 *Records and audits*

State agencies and Units shall (a) maintain, and retain for 3 years from the close of the Federal fiscal year to which they pertain, complete and accurate records of all amounts received from C&MS and of all amounts disbursed under the Program, and (b) permit representatives of the Department and of the General Accounting Office of the United States to inspect, audit, and copy such records at any reasonable time. Each participating Unit shall furnish to the State agency, or to C&MS where C&MS administers the Program, on Form CFP 110, a certified record of the monthly expenses incurred by such Unit under its approved Program Plan. Each State agency shall submit to C&MS, on a quarterly basis, on a form approved by C&MS, a certified record of all disbursements made under the Program and of the balance of funds on hand, and unobligated, at the end of each quarter.

§ 251.10 *Miscellaneous provisions*

(a) *Defaults.* Any State agency or any Unit may be disqualified from future participation in the Program if it fails to comply with the provisions of this part and of its agreement with the Department or the State agency. If any part of the money received by a State agency or by a Unit where C&MS administers the Program, by any improper or negligent action is diminished, lost, misapplied, or diverted from the Program by the State agency or by the Unit, repayment shall be made to C&MS promptly upon demand. If any part of the money received by a Unit where a State agency administers the Program, by any improper or negligent action is diminished, lost, misapplied or diverted from the Program by the Unit, the State agency shall promptly take action to obtain restitution and shall pay to C&MS all money recovered. Until the money is repaid, no subsequent payment under the Program shall be made to the State agency or the Unit. The State agency or the Unit shall have full opportunity to submit evidence, explanation, or information concerning instances of diversion of funds before a final determination is made in such cases. Disqualification from participation or repayment of a claim does not preclude the possibility of other action being taken through other means available where necessary, including prosecution for fraud under applicable Federal statutes. No provision of this part shall be construed as making the State agency liable in any respect for any default of any Unit if there exists no fault or negligence on the part of the State agency.

(b) *Amendments.* Any and all provisions of this part may be withdrawn or amended at any time by the Department, but no withdrawal or amendment shall be made without 30 days' prior written notice to State agencies, or to Units where C&MS administers the Program.

NOTE: The reporting and/or recordkeeping requirements contained herein have been approved by the Bureau of the Budget in accordance with the Federal Reports Act of 1942.

Effective date. This part shall be effective on publication in the Federal Register.

Dated: November 15, 1967.

RODNEY E. LEONARD,
Deputy Assistant Secretary.

[F.R. Doc. 67-13600; Filed, Nov. 20, 1967; 8:45 a.m.]

440 COUNTIES HAVE NO FOOD STAMP PROGRAM

Senator McGOVERN. Mr. Secretary, with regard to the President's message in which he indicates that all counties in the United States will have some kind of a family food assistance program by the end of this fiscal year, I think that envisions covering some 440 counties that now have no food program at all, either in direct distribution or food stamp program. Is that basically what the \$270 million that you are asking in fiscal 1970 will be spent for, to cover those 440 counties that are presently excluded?

Secretary FINCH. Gentlemen, I don't know how best you want to work as the committee proceeds.

It seems to me rather than having to go all over this material twice, and since, obviously, Secretary Hardin is more concerned with the delivery aspects of this, it might be the will of the chairman of the committee that he respond to these questions as well as myself?

What is your pleasure?

Senator McGOVERN. I think if it is agreeable with the rest of the members of the committee, maybe what we ought to do is have Secretary Hardin testify at this point and give us his statement, if you can remain.

Secretary FINCH. I am at your disposal. I just want to make sure we get the work done.

Senator McGOVERN. Unless there is objection, we will hear Secretary Hardin now and, after he has completed his statement, perhaps you could answer questions as a panel. We can direct questions to both of you and whichever one is best equipped to respond can do so.

Secretary FINCH. Fine.

Senator McGOVERN. Is there objection to that procedure?

If not, we will hear from Secretary Hardin and delay questioning of the two Secretaries until both statements have been completed.

STATEMENT OF HON. CLIFFORD M. HARDIN, SECRETARY OF THE DEPARTMENT OF AGRICULTURE; ACCOMPANIED BY RICHARD E. LYNG, ASSISTANT SECRETARY FOR CONSUMER AND MARKETING SERVICES, U.S. DEPARTMENT OF AGRICULTURE

Secretary HARDIN. Mr. Chairman and members of the committee, along with Secretary Finch, I very much appreciate the kind words that have been said here this morning. Of course, we are very pleased to make this presentation to you. I want to also reinforce what he said

with respect to the usefulness of your committee in alerting the American people to the problems of poverty in the midst of plenty.

If I may, I will proceed through my statement, Mr. Chairman. Is that your desire?

Senator McGovern. Yes.

(The prepared statement by Hon. Clifford M. Hardin, Secretary of Agriculture, follows:)

PREPARED STATEMENT OF HON. CLIFFORD M. HARDIN, SECRETARY OF AGRICULTURE

Mr. Chairman, and Members of the Committee, I welcome this opportunity to discuss with this Committee the present status of our food assistance programs and our plans to make them more effective in improving nutrition in this country. This Committee is serving a most useful purpose in alerting the American people to the problems of poverty in the midst of plenty.

The problems of poverty and malnutrition are intricate and interrelated. And there is a close relationship between food programs and public assistance. So I am pleased that Secretary Finch is appearing with me today. We have been working together on these programs.

We have taken a good, thorough look at the food assistance programs of the United States Department of Agriculture. Although the day will come—must come—when such programs will not be necessary—that day is not yet here. We are, therefore, working to streamline and expand existing programs so they will better meet the need for improved nutrition.

I am very pleased to be able to comment today on the food and nutrition program proposed by the Administration. This is the largest, most comprehensive effort to eliminate poverty-caused hunger and malnutrition ever proposed by any Administration.

It is a program that will build on operations already in progress to combat malnutrition. We are not starting from scratch. We are not discarding any worthwhile programs already in progress. We are improving and expanding an attack on hunger in America that is already well underway.

Before commenting on the details of the proposed program, I believe it would be helpful to summarize the present situation.

Among our population, those who are most vulnerable to the effects of continuing inadequate diets are new and expectant mothers, infants and children. Of these vulnerable groups the largest consist of children from the immediate pre-school age through secondary school.

We *must* reach these children. And we must reach them on a year-round basis. We can supply one or two good meals a day to these children through schools, day care centers and summer recreational programs during vacation when the schools are not open.

We already have the legislation to do this.

We have asked for a substantial increase in the funding for these programs for fiscal year 1970. Last year—fiscal year 1968—some 2.3 million *needy* children received lunch free or at a greatly reduced price. With the money the Congress appropriated for the current fiscal year, we hope to reach about 3.5 million *needy* children. With the money requested for fiscal year 1970, we should be able to close the gap and provide 6.6 million *needy* school children with free or greatly reduced priced lunches.

To accomplish this we will need the full cooperation of the Nation's elementary school systems, particularly those in the big cities. We are aggressively soliciting their help. And we are making some notable break-throughs. Since last fall we have brought into a school food service for the first time 566 schools with 140,307 children participating.

We now have enough flexibility to be able to reach every *needy* child—those in schools with an enrollment drawn almost entirely from the children of low-income parents and those in schools with a mixture of poor and near-poor children.

This Committee will be pleased to know that, with the funds requested for next year, we will be able to provide at least one-half of the daily nutritional requirements for *needy* children wherever we can get these youngsters together in groups and where local agencies will cooperate fully.

An increased level of funding has been requested to get our supplemental food package program into operation in as many low-income areas as possible. We operate this program in cooperation with the Public Health Service and

OEO. It offers a variety of enriched foods selected to meet the special nutritional needs of expectant and new mothers, infants and very young children.

This program is open to *any* local jurisdiction—whether they have the food stamp or commodity donation program or no family food assistance program at all. At the moment, there are 83 of these programs in operation with a participation of 25,000—about 70 percent of the participants are infants and young children.

Our programs for family food assistance—commodity distribution and food stamp—are steadily acquiring additional muscle. We are now down to some 440 counties and independent cities that do not yet have a food assistance program. Programs are operating in areas that have 86 percent of the total U.S. population. In February, participation in both programs totaled 6.8 million persons.

We have asked for \$30 million for fiscal year 1970 for the Extension Service nutrition aides program—three times the amount programmed for this year.

By July 1, 1969, there will be 5,300 aides recruited from low-income families, trained in the basics of good nutrition, food buying and menu planning. They will be working with their neighbors in low-income areas, telling the story and selling the importance of good nutrition and how to get it.

They will be assisting 100,000 families. As of March 31, our reports show that 3,591 aides had been trained and were at work in 39 States. There were 54,223 families with 261,500 family members in the program, beginning to learn about good nutrition. An additional 418 aides were in training.

We have great hopes for this program. Although it has been in operation only a few months the aides *are* finding ways to communicate. We think this is an activity which fully merits support.

That summarizes three major food and nutrition service activities of the Department: Child feeding programs, food distribution and nutrition education.

As we look at the nation's needs, however, it is obvious that major changes are required, particularly with respect to programs serving families.

We must take a new look at our food stamp efforts. Our current rate of expenditures for food stamps funded on an annual basis is \$340 million and this is the amount we had earlier requested in the 1970 budget. This is the maximum currently authorized under the law.

We do not think this is enough if we are going to be effective in meeting the nutritional requirements of the very poor.

There is also a need to achieve a greater concentration of effort.

And there is a need to galvanize public sentiment and support behind an effective attack on malnutrition.

This Administration, therefore, is proposing action to meet all these needs.

NEW RECOMMENDATIONS ON FOOD AND NUTRITION

1. We propose an expansion of the food stamp program sufficient to provide, for those now under the program, a fully nutritional diet. For a typical family of four this requires an expenditure for food of about \$100 per month. For the poorest families this represents an increase of approximately 65 percent.

2. We propose during fiscal year 1970 to establish a stamp program or a direct food distribution program in each county in the United States. Eventually the modified food stamp program will be progressively expanded and will be given priorities over the food distribution program.

3. Food stamps will be given without cost to families without income or those in the very lowest income brackets—\$30 per month or less for a family of four.

4. The cost of food stamps to any family will not exceed 30 percent of income and will be less than this for the poorest families.

5. A Food and Nutrition Service will be established as a separate agency within the U.S. Department of Agriculture with the Administrator reporting directly to the Secretary. Food programs are currently a part of USDA's Consumer and Marketing Service, a large and complex agency. With the food programs rapidly expanding, the new Service will permit greater concentration and emphasis on these operations. Coordination and effectiveness of the programs will be correspondingly improved.

6. Pilot programs will be established to use a cash voucher system in the special supplemental food program for expectant and new mothers, infants, babies, and small children. We will attempt in this way to eliminate some of the logistical problems involved in providing the supplemental food packages by taking full advantage of the private food marketing system.

7. There will be established (under the Food and Nutrition Committee of the Council on Urban Affairs) an Interdepartmental Food and Nutrition Liaison Committee concerned with poverty, malnutrition, and health. An especially close interdepartmental relationship will be maintained between USDA, HEW, and OEO.

8. A White House Conference on Food and Nutrition will be called. Leaders from the food industry, farm groups, labor and community service organizations, churches, education institutions, and other groups will be asked to mount a greatly expanded private sector campaign against hunger and malnutrition. This will be coordinated with HUD's new Voluntary Action Program.

9. Research on the relationship between malnutrition and the intellectual, emotional, and physical development of the child will be expanded.

10. As I mentioned earlier, 1970 budget requests for child food assistance programs will bring a free or reduced-priced lunch to all school children from low-income families. A legislative proposal will be developed to provide standards of eligibility for the school lunch and breakfast programs.

11. Legal authority will be requested to permit the Secretary of Agriculture to authorize operation of both a food stamp and direct distribution program in the same county or city under certain conditions such as:

(a) During the period of transition from direct distribution to a food stamp program,

(b) When the Secretary determines the special needs of the community demand both programs, and provided that State or local authorities agree to pay the added costs of administration.

We hope all these new programs may be made effective during the next fiscal year. Some of them we can put into effect administratively much sooner, but others will require legislative action.

For fiscal 1970 the expansion in the food stamp program will require an estimated \$270 million to \$275 million above the presently proposed budget. In addition, funds will be requested for new research programs.

In fiscal year 1971 it is estimated that the added costs of the proposed new and expanded programs, including a progressive changeover from food distribution to food stamps, will be in excess of one billion dollars.

Before closing, I want to emphasize two points. One is that the proposed expansion of food programs has been fully worked out with the Department of Health, Education and Welfare. The proposed food programs are so structured that they will adjust easily to possible changes in welfare programs. We have been, and are, working with Secretary Finch and his staff to develop a coordinated food and public assistance plan for the long term.

The second point—and I want to emphasize it as strongly as I can—is that the success or failure of our Federal efforts to eliminate hunger and poverty-induced malnutrition depends heavily on the level of concern and action by the States and local communities.

We are going to ask for a higher level of participation by the private sector. We are going to ask everyone active in church groups, civic groups, civil rights and business and labor organizations to support us in this drive to bring good nutrition to every child and family in this country. We are going to ask them to take a good look at what their State is doing—what their community is doing—and to join wholeheartedly in wiping out in this land of plenty the scourge of poverty-caused hunger and malnutrition.

Secretary HARDIN. The problems of poverty and malnutrition are intricate and interrelated. And there is a close relationship between food programs and public assistance. So I am pleased that Secretary Finch is appearing with me today. We have been working together on these programs.

We have taken a good, thorough look at the food assistance programs of the U.S. Department of Agriculture. Although the day will come—must come—when such programs will not be necessary—that day is not yet here.

We are, therefore, working to streamline and expand existing programs so they will better meet the need for improved nutrition.

I am very pleased to be able to comment today on the food and

nutrition program proposed by the administration. This is the largest, most comprehensive effort to eliminate poverty-caused hunger and malnutrition ever proposed by any administration.

It is a program that will build on operations already in progress to combat malnutrition. We are not starting from scratch. We are not discarding any worthwhile programs already in progress. We are improving and expanding an attack on hunger in America that is already well underway.

Before commenting on the details of the proposed program, I believe it would be helpful to summarize the present situation.

Among our population, those who are most vulnerable to the effects of continuing inadequate diets are new and expectant mothers, infants, and children. Of these vulnerable groups the largest consists of children from the immediate preschool age through secondary school.

We must reach these children. And we must reach them on a year-round basis. We can supply one or two good meals a day to these children through schools, day-care centers, and summer recreational programs during vacation when the schools are not open.

We already have the legislation to do this.

We have asked for a substantial increase in the funding for these programs for fiscal year 1970. Last year—fiscal year 1968—some 2.3 million needy children received lunch free or at a greatly reduced price.

With the money the Congress appropriated for the current fiscal year, we hope to reach about 3.5 million needy children.

With the money requested for fiscal year 1970, we should be able to close the gap and provide 6.6 million needy schoolchildren with free or greatly reduced-price lunches.

To accomplish this we will need the full cooperation of the Nation's elementary school systems, particularly those in the big cities. We are aggressively soliciting their help. And we are making some notable breakthroughs.

Since last fall, we have brought into a school food service for the first time 566 schools with 140,307 children participating.

We now have enough flexibility to be able to reach every needy child—those in schools with an enrollment drawn almost entirely from the children of low-income parents and those in schools with a mixture of poor and near-poor children.

This committee will be pleased to know that, with the funds requested for next year, we will be able to provide at least one-half of the daily nutritional requirements for needy children wherever we can get these youngsters together in groups and where local agencies will cooperate fully.

This represents a shift in emphasis, an emphasis to get to the needy, the poor children. Sometimes these programs have been across the board and have taken care of the well-to-do as well as the needy.

SUPPLEMENTAL FOOD PACKAGE PROGRAM

We are attempting to concentrate on the ones that need it most.

An increased level of funding has been requested to get our supplemental food package program into operation in as many low-income areas as possible. We operate this program in cooperation with the Public Health Service and OEO.

It offers a variety of enriched foods selected to meet the special nutritional needs of expectant and new mothers, infants and very young children.

This program is open to any local jurisdiction—whether they have the food stamp or commodity donation program or no family food assistance program at all.

At the moment, there are 83 of these programs in operation with a participation of 25,000—about 70 percent of the participants are infants and young children.

This program was initiated very recently in the city of Washington.

Our programs for family food assistance—commodity distribution and food stamp—are steadily acquiring additional muscle. We are now down to some 440 counties and independent cities that do not yet have a food assistance program.

This is out of a total of approximately 3,150 counties and independent cities in the Nation.

Programs are operating in areas that have 86 percent of the total U.S. population. In February, participation in both programs totaled 6.8 million persons.

We have asked for \$30 million for fiscal year 1970 for the Extension Service nutrition aids program—three times the amount programmed for this year.

This program was started late in the year so on an annualized basis it is less than a doubling of the aids program.

By July 1, 1969, there will be 5,300 aids recruited from low-income families, trained in the basics of good nutrition, food buying, and menu planning.

They will be working with their neighbors in low-income areas, telling the story and selling the importance of good nutrition and how to get it.

They will be assisting 100,000 families. As of March 31, our reports show that 3,591 aids had been trained and were at work in 39 States.

There were 54,223 families with 261,500 family members in the program, beginning to learn about good nutrition. An additional 418 aids were in training.

We have great hopes for this program, and especially so on the basis of reports that have been coming in the past few weeks.

Although it has been in operation only a few months the aids are finding ways to communicate. We think this is an activity which merits full support.

That summarizes three major food and nutrition service activities of the Department: Child feeding programs, food distribution, and nutrition education.

As we look at the Nation's needs, however, it is obvious that major changes are required, particularly with respect to programs serving families.

A NEW LOOK AT OUR FOOD STAMP EFFORTS

We must take a new look at our food stamp efforts. Our current rate of expenditures for food stamps funded on an annual basis is \$340 million and this is the amount we had earlier requested in the 1970 budget. This is the maximum currently authorized under the law.

We do not think this is enough if we are going to be effective in meeting the nutritional requirements of the very poor.

There is also a need to achieve a greater concentration of effort.

Senator MCGOVERN. Mr. Secretary, in that connection, is the \$270 million increase in fiscal 1970 that the President is now requesting above the \$340 million authorized in the previous Johnson budget, or is it \$270 million above the \$279 million that we are actually spending?

Secretary HARDIN. It is above the \$340 million. Of course, there does have to be an amendment to provide for this to be appropriated.

Senator MCGOVERN. Yes.

Secretary HARDIN. We also think there is a need to galvanize public sentiment and support behind an effective attack on malnutrition.

This administration, therefore, is proposing action to meet all these needs.

New recommendations on food and nutrition:

1. We propose an expansion of the food stamp program sufficient to provide, for those now under the program, a fully nutritional diet.

This is a key point and gets to the question you directed to Secretary Finch a moment ago.

For a typical family of four, this requires an expenditure for food of about \$100 per month.

This is the minimum diet recommended by the Department of Agriculture.

For the poorest families, this represents an increase of approximately 65 percent.

2. We propose during fiscal year 1970 to establish a stamp program or a direct food distribution program in each county in the United States. Eventually the modified food stamp program will be progressively expanded and will be given priorities over the food distribution program.

We think, in the long run, it is the better of the two programs.

3. Food stamps will be given without cost to families without income or those in the very lowest income brackets—\$30 per month or less for a family of four.

COST OF FOOD STAMPS

4. The cost of food stamps to any family will not exceed 30 percent of income and will be less than this for the poorest families.

This, may I say parenthetically, removes a lot of the incentive not to work. Under the existing schedules, often when a person received increased income they had to give more than half of it for the stamps.

Therefore, there was a built-in disincentive to work. We feel it is very important that we keep the disincentive as low as possible.

Senator YARBOROUGH. Mr. Chairman, may I interrupt the Secretary at this point?

Mr. Secretary, I am glad that both of you Secretaries are here because, as I travel in my State, and in many other States, I hear more complaints about the Federal programs creating a disincentive to work than any other one thing.

People tell me to go try to hire people to work on farms, work in yards, work in buildings, do all kinds of work, and people will not work.

They say, "If we work, our income will be cut down," or, "If we work, and are on relief, we cannot get back on."

I think this whole relief program should be studied. There should be a ready flow of people who are on relief into the work force. If their work terminates, they go back on relief. It is a disincentive. It is keeping many people from working who would work some. People complain constantly.

We know there are people physically able to work, with the capability of working, but they fear that their payments will be cut, their relief payments, their unemployment insurance, that they can't get it back again. They will lose so many weeks.

I am hearing this from prospective employers who go to talk to the people, asking why won't they work.

We need a whole restudy of Federal relief programs in food, welfare, unemployment, to so structure it that people can readily move from one to the other and do away with the disincentives to work.

I am glad you mentioned that.

Secretary HARDIN. I don't know any subject we have given more time to than this one in the past several weeks. We have been examining all of these programs with just exactly this in mind, recognizing that any program of welfare has some incentive not to work in it, just automatically, because it is free.

But we think there are a great many ways that the disincentive can be reduced, and this is what we are working on.

Senator YARBOROUGH. I do not mean reduce it by refusing people food or refusing relief. I think it should be more flexible. You should have that relief there, but have it flexible so that they can get a job and work a day, a week, or 2 days a week, and not lose the opportunity to participate in the other programs.

That is why so many people are afraid to go work, be hired for a few days, because they will lose out for weeks or months. Then the work will terminate.

Maybe it is a little seasonal work, harvesting an agricultural crop, and they are off for many weeks. Relief or whatever else they are drawing money from is terminated.

I think if we have a greater flexibility in programs, if people could be assured they wouldn't lose the opportunity to go back on unemployment or back on relief, I think they would be glad to work, because they would get more pay per day than any relief program can provide, if they will just work somewhere.

They say they would like to work, but they will lose out.

Thank you.

Secretary HARDIN. 5. A Food and Nutrition Service will be established as a separate agency within the U.S. Department of Agriculture with the Administrator reporting directly to the Secretary.

Food programs are currently a part of USDA's Consumer and Marketing Service, a large and complex agency. With the food programs rapidly expanding, the new Service will permit greater concentration and emphasis on these operations. Coordination and effectiveness of the programs will be correspondingly improved.

PILOT PROGRAMS

6. Pilot programs will be established to use a cash voucher system in the special supplemental food program for expectant and new mothers, infants, babies, and small children.

We will attempt in this way to eliminate some of the logistical

problems involved in providing the supplemental food packages by taking full advantage of the private food marketing system.

7. There will be established, under the Food and Nutrition Committee of the Council on Urban Affairs, an Interdepartmental Food and Nutrition Liaison Committee concerned with poverty, malnutrition, and health. An especially close interdepartmental relationship will be maintained between USDA, HEW, and OEO.

8. A White House Conference on Food and Nutrition will be called. Leaders from the food industry, farm groups, labor, and community service organizations, churches, education institutions, and other groups will be asked to mount a greatly expanded private sector campaign against hunger and malnutrition. This will be coordinated with HUD's new voluntary action program.

Secretary Finch has already mentioned the program of research looking into the relationship between malnutrition and the intellectual, emotional, and physical development of the child.

10. As I mentioned earlier, 1970 budget requests for child food assistance programs will bring a free or reduced price lunch to all schoolchildren from low-income families. A legislative proposal will be developed to provide standards of eligibility for the school lunch and breakfast programs.

11. Legal authority will be requested to permit the Secretary of Agriculture to authorize operation of both a food stamp and direct distribution program in the same county or city under certain conditions such as—

(a) During the period of transition from direct distribution to a food stamp program;

(b) When the Secretary determines the special needs of the community demand both programs, and provided that State or local authorities agree to pay the added costs of administration.

We hope all these new programs may be made effective during the next fiscal year. Some of them we can put into effect administratively much sooner, but others will require legislative action.

For fiscal 1970, the expansion in the food stamp program will require an estimated \$270 to \$275 million above the presently proposed budget. In addition, funds will be requested for new research programs.

In fiscal year 1971, it is estimated that the added costs of the proposed new and expanded programs, including a progressive change-over from food distribution to food stamps, will be in excess of \$1 billion.

In direct answer to your question, most of the money, and I can't give you an exact amount, of the \$270 to \$275 million suggested here, will be to move from the \$58 figure to the \$100 figure for the family of four, to use that as an index, with corresponding adjustments for others.

But it will permit some expansion, and we do hope to get into these additional 440 counties with one program or the other.

But a large portion of the money will go to increase the allowances at the low-income level.

Senator MCGOVERN. And, in effect, increasing the bonus value of the stamps.

Secretary HARDIN. And providing for the free stamps for the very poorest.

Senator McGOVERN. Do you have any approximate breakdown, Mr. Secretary, as to how much of the \$270 million would fund the free food stamp program and what percentage would be used to increase the bonus value of the stamps for those not qualifying for free food stamps?

Secretary HARDIN. I don't have the exact figures here, but by far the largest portion of this would be increasing the value. That is the big piece.

The smaller item would be the free stamps.

Senator McGOVERN. I saw a figure, Mr. Secretary, that in the present food stamp program only about 265,000 people who are now participating in that program are below the \$30-a-month income level.

If that figure is somewhere right, it would indicate that a very small fraction of the money would actually be needed to fund a free food stamp program.

Secretary HARDIN. The figure is nearer 300,000 and it is about \$10 million. But it is in the ball park.

Senator McGOVERN. That 300,000 figure would be the number of those participating in the existing food stamp program. But it is a fact that there are many times that number who would be eligible for free food stamps if we reached everyone under the \$30-a-month income; is that not true?

Secretary HARDIN. Absolutely true.

Senator McGOVERN. Do you have any idea what those figures might be?

Secretary HARDIN. The only specific evidence we would have, Mr. Chairman, is from the Beaufort and Jasper Counties experiment in South Carolina. We had an increase of 18 percent when we started the free stamp program. Eighteen percent more people came in than were in before. We don't have very exact data. We will have later.

FREE FOOD STAMPS

Senator McGOVERN. I recognize, Mr. Secretary, we would be considerably better off to provide free food stamps even for people with an income of \$30 a month or less than we are now. At least, that is a step in the right direction.

But isn't it a very meager guideline to say that if a family makes, say, \$31 a month, a family of four, that they are ineligible for free food stamps?

It seems to me that you set that figure at a very lean level when you say anybody who earns over \$30 a month with a family of four has to pay for the stamps.

As I say, that is a step in the right direction, but it is a very limited step.

Secretary HARDIN. But bear in mind that the table provides that the cost for the \$31 people is very, very low, indeed. It is a very nominal figure at this point. We have greatly smoothed this down in favor of the very poorest people in the schedule we have proposed, and no one will go above 30 percent. But it is less than this for these very low-income people.

Secretary FINCH. If I may, Mr. Chairman, to round this out, at some point, the welfare system comes into play, and to the extent that we can achieve minimum welfare payment standards there will be no one, in my opinion, at the income level you are talking about.

Senator MCGOVERN. Let us make sure I understand this. If you put the figure at 30 percent, that no family would be required to allocate more than 30 percent of their income for food, let us take a family with a \$100 a month income. They would be required, under the guidelines of your program, to pay \$30 of that \$100 for food.

Is that the correct interpretation?

Secretary HARDIN. No, that is not correct. It would be less than that.

Senator MCGOVERN. Could you explain how that works in a concrete case? Let us take a family with \$100-a-month income. Under the proposed guidelines you are suggesting here, and either of the Secretaries can respond to this, what percentage of that income would the family spend for food?

Secretary HARDIN. I think what we better do is submit, Mr. Chairman, a copy of this schedule. We do not have it with us. We would like to submit it for the record.

It is considerably less than the 30 percent at the low-income levels. It rises to a maximum of 30 percent. But it wouldn't be \$30.

Senator MCGOVERN. They would have to get to an income considerably higher than \$100 a month before you would require them to pay as much as 30 percent for food.

Can you give us some guidance? Senator Javits just raises the question of what is the guidance?

Senator JAVITS. What is the maximum at which they would have to pay 30 percent?

Secretary HARDIN. At about \$3,600 annual income for a family of four, the bonus would stop. We are talking this 30 percent not in terms of totals, but in terms of a net increment of income. That is a difference—

Senator MCGOVERN. I think it would be helpful if you could provide the committee with a table showing what families at various income levels would be expected to devote to food purposes under this new proposal.

Secretary HARDIN. We know it is less than \$25 on the \$100 family.

Senator MCGOVERN. I didn't hear you.

Secretary HARDIN. On the \$100 family, I don't know the exact figure, but it is less than \$25. The 30 percent would only apply—there is the \$30 free and then a \$70 increase per month, and that would be \$25 or something less than that, because it doesn't go the full 30 percent of that \$100 income level.

We will supply you this information. These are details that we didn't anticipate we would be discussing today. This would come in more with the specific legislative proposals.

(The information referred to follows:)

The estimated coupon charge for a four-person household at various income levels would be as follows:

Monthly income :	Charges
\$30 -----	\$0
\$40 -----	3
\$50 -----	6
\$70 -----	13
\$100 -----	23
\$200 -----	56
260 -----	76

Secretary HARDIN. As Secretary Finch points out, if you are going to be concerned with the fine points of free stamps and so forth, this must be considered in terms of the total welfare program, because they do interrelate. You can't consider these completely in isolation.

Senator MCGOVERN. Do I understand you to say, then, that, of the \$270 million increase, you see the real heart of that program and the bulk of the funds being devoted not so much to the free food stamp program but to lifting the bonus value of the stamps to all families so that anyone participating in the program has at least \$100 a month in stamps that are available to them?

Secretary HARDIN. Right. That is with this additional qualification: With more favorable consideration also to all of the very poor. In other words, the values are improved, not only for those who qualify for the free stamps, but those just above them.

So this whole schedule is to put more emphasis on the very poor and then up to about \$3,600.

Senator MCGOVERN. Mr. Secretary, you recognize that \$270 million is not going to go very far, is it, toward covering guidelines of that kind?

If you offer every family in America under \$30-a-month income free food stamps, and then above and beyond that provide \$100 a month in food for every family that participates in this program, \$270 million isn't going to go very far, is it?

Secretary HARDIN. Well, of course, we are assuming that this will build up to the \$1 billion figure that we talked about for the year following.

Yes; you are right, it isn't enough if you are annualizing it completely. But we do feel that we are in the ball park here with respect to a program that will substantially move malnutrition.

Secretary Finch pointed out earlier no one really knows the full extent of poverty-related malnutrition in the country today.

We know it is serious. We know there is a lot of it. We feel we have to keep our program flexible until more of this information is available but be prepared to move with all possible speed in the meantime so we don't deny people.

Senator JAVITS. Will the Chair yield?

Senator MCGOVERN. Yes.

Secretary JAVITS. Could we try to lay a basic proposition down with which we will all agree, that we on the committee and you in the administration, will do our utmost, and use our best efforts, so that every family whose cash income is less than \$360 a year per person is reached—is that right?

Secretary HARDIN. No; about \$3,600 per year, per family.

Senator JAVITS. I am talking about \$30 a month. Is that per family of four or per person?

Secretary FINCH. A family of four.

Senator JAVITS. Every family which has a cash income of less than \$360, the norm being a family of four, will get free food stamps.

The second objective, that every family, again a norm of four, whose maximum in cash income is \$3,600 a year, will get some concession below 30 percent of income, apportioned to what else they need to keep body and soul together. That every family above that

who still remains in the poverty level and still qualify for food stamps will pay not more than 30 percent of income.

Is that correct?

Secretary HARDIN. Right.

Senator JAVITS. And finally, that we will endeavor to reach every family which needs food aid in the country. That is our objective. We all join in that.

Secretary HARDIN. Right.

Senator JAVITS. We have to be sure that the bridge is not built a yard too short.

Thank you, Mr. Chairman.

Senator McGOVERN. I would like to turn to Secretary Finch for just a moment on this point of the lack of reliable information on the extent and nature of malnutrition in this country.

It seems to me one of the most reliable efforts which have been made in the direction of getting that information for us is the work of Dr. Schaefer and the Public Health Nutritional Survey that has been underway for the last few months.

Can you tell the committee in as much detail as possible what your plans are for supporting and forwarding the efforts of Dr. Schaefer and the nationwide survey that he has underway?

Secretary FINCH. The total cost of the survey is in excess of \$5 million. The 1968 program involved, as you know, Texas, Louisiana, Michigan, Kentucky, New York City, and New York State.

The 1969 program involves Washington, California, Massachusetts, West Virginia, South Carolina, and that is about \$2.9 million.

I think I would like to have Dr. Schaefer respond as to the geographic parameters of the study and how it relates to a nationwide study. But I would like to say that, in my sense of priorities, we can study this thing to death on an individual State-by-State basis, and while we have to have some fundamental data as quickly as possible, we now have to move into continuous monitoring—this surveillance system.

I think that is the better use of our dollars over the long haul. I would like Dr. Schaefer to speak to the precise content of the survey as it now stands.

Senator McGOVERN. I want to make it perfectly clear that I share very strongly your conclusion that we have enough information now to begin moving on a substantial food assistance program. But from time to time there are those, as you know, both in the administration and in the Congress, who say we don't have enough information to really construct an adequate food assistance program.

To get at that second part of the problem, what I am asking here is what plans the administration has to really push this survey to completion so that we can clear up these problems once and for all as to the extent and the nature of malnutrition in this country.

Can we do it with a 10-State survey? Does it take a 20-State survey? Does the administration intend to continue the Schaefer survey, or are there plans to move it into some other agency?

Secretary FINCH. I can have Dr. Schaefer show you the lashes on his back. I would like him to explain the scope of the survey. We have added more dollars to the program. I would like him to respond directly, if you will allow.

Dr. SCHAEFER. Senator McGovern, the current proposal, of course, is to immediately finish the 10 States. I think all of us appreciate there have been constraints on funds and personnel.

We are now assured that we will have funds to complete those 10 States.

The next issue that faces us, however, is that there are certain special groups that are outside of the purview of the study, such as Indian groups, that may make it essential to do additional studies in special Appalachia areas, and the migrant workers.

To approach this problem, we have proposed for the coming year funds be made available under the terms of technical assistance to States or for special areas that would now endeavor to study local problems or areawide problems, and, in essence, they would be similar to the surveys but they would be reduced in scope.

Senator MCGOVERN. Dr. Schaefer, didn't your advisory committee originally recommend that the initial 10-State survey be supplemented with a 20-State survey?

Dr. SCHAEFER. Yes, sir, they did. The first suggestion was 20 States. We are looking at the technical assistance form of the budget, trusting we can get this, to enable us to be responsive to at least 10 to 14 additional States.

Currently we have requests in, and evidence of interest to assist, 14 States to date.

This is where we would more or less say our second phase of activity would be concentrated in approximately 10 more States or areas.

However, it would focus on not the same kind of sampling, but assisting these States to define those areas that have major problems.

We can gear our overall sampling in a different perspective. One would be to find the problem, determine the cause, and hopefully follow immediately with some action programs.

Senator DOMINICK. Will the Senator yield?

Senator MCGOVERN. Yes.

Senator DOMINICK. Just on that same point, and maybe one of the Secretaries can answer this, it would seem to me that one of the great benefits that will be derived from the new system will be to obtain the State and local analysis of the situation within their own areas, which data, in turn, will be of assistance to the National Nutrition Survey.

Also, we will be going ahead with present programs at the same time: we are getting the data to increase our knowledge of specific problems, so that we can deal with them immediately.

Secretary FINCH. That is a very valid point, Senator. In that regard, we have had discussions with Census representatives about their census techniques and whether their monthly surveys would be useful to us.

I would like Dr. English to describe to you how we are comparing the information which we have collated to the technical assistance which we provide to the State and local governments on an ongoing basis.

Dr. ENGLISH. Thank you, Mr. Secretary.

Senator, I think the Secretary has indicated the priority that he is giving to the completion of this 10-State survey.

As he has mentioned, better than \$5 million will have been invested by the end of fiscal year 1970 in that effort.

I think our concern, as that moves to completion, is the ability to

do something that really should have been going on in this country a long time ago.

I think the tragedy, myself, is that we did not have a regular reporting system in this country some years ago as we do for infant mortality, as we do for maternal mortality, as we do for other kinds of diseases.

We did not have that kind of effort at the national level. I think the contribution of Dr. Schaefer's work indicates now the need for developing a national monitoring and surveillance system for the next 10 years, really, that will continue to monitor on a national basis, as a part of the national health survey, how we are doing in relation to this problem in the United States.

Its purpose will not only be to look on a nationwide basis at the incidence of this problem in our population, but, really, to evaluate the effects on the health of the people in selected areas of our country of the programs, the food programs, for example, that have been talked about here this morning.

So that is the second phase of this expanded effort.

But then, simultaneously with that, we hope to use Dr. Schaefer's capacity, experience, and technical assistance to the States in a way that the Secretary has described. Twelve States have indicated an interest in starting their own surveillance systems, to get down to the county level, and also begin to move on doing something about these problems.

We hope that his team would be able to move into this activity now as well.

Senator MCGOVERN. Mr. Secretary and Dr. English, and others who would like to respond, what I am trying to get at is what the administration envisions for work of Dr. Schaefer's survey. Will the responsibility be moved to some other area within the Department efforts?

There are reports that the Communicable Disease Center at Atlanta may move in and take over the continuing responsibility that Dr. Schaefer has started. I am trying to find out what the administration has in mind with reference to the Schaefer survey, whether it is going to go ahead under the present basis, whether the responsibility will be moved to some other office, or what we can look to in the way of changes.

Secretary FINCH. I will have to refer this to Dr. English. My understanding is that he will complete the survey. The surveillance system, which I think will do more in terms of continuing to highlight the importance of this program and to keep the State and local officials involved with it and grappling with it, is going to be operated through the National Center for Health Statistics and partly through the Communicable Disease Center in Atlanta.

Senator MCGOVERN. Doctor, would you respond specifically to this? Is Dr. Schaefer's work considered to be completed when the 10 States have been surveyed, or are there plans to continue the Schaefer survey in 20 States or 15, or what does the administration have in mind with reference to the continuance of this program?

Dr. ENGLISH. Senator McGovern, Dr. Schaefer's work in terms of its first phase only will be completed at the time those 10 States' surveys are finished. That is going to take another year to do that.

TECHNICAL ASSISTANCE

We are going to give every priority to his being able to continue and complete that work. But beyond that, we would like to see his team move into the technical assistance role, not only in relationship to States that are asking this kind of assistance but into further surveys that may, indeed, be needed as he was just suggesting, of migrants, of Indian populations, of the Alaskan natives, other more specialized kinds of surveys that might be required.

I think what we are trying to say is that since the Secretary has placed such a high priority on this activity that we are trying to engage all the efforts within HEW on this problem of malnutrition: the regional medical program service, the National Center for Health Statistics—we are trying to build the surveillance system into the National Health Survey, itself, which I think should have been done a long time ago.

We are trying to involve the resources of the National Communicable Disease Center in responding to the technical assistance in local medical departments.

Now that this problem is becoming more well known around the country, we hope to get demonstration projects going in at least 50 parts of the country where we will actually be able to move CDC personnel in to help with technical assistance.

We are trying to get medical societies and other groups into an action phase.

The point is that there is not a part, really, of the Health Services Administration that is not going to be engaged in this effort in some way.

Senator MCGOVERN. I have a number of additional questions, but I want to defer to other members of the committee. We will come back later on.

Senator JAVITS.

Senator JAVITS. I ask unanimous consent that questioning in this round be limited to 10 minutes for each member and that the Chair designate someone to keep the time.

I wish to point out that there are eight members present. As I would be the first affected, I think it proper for me to make the suggestion.

Senator MCGOVERN. Is there objection?

The Chair hears none. The committee staff director will arrange the time.

Senator JAVITS.

Senator JAVITS. First, I would like to ask the witnesses about the numbers problem, which is a very serious question. The President says there are 7 million in the program for food stamps and direct food distribution.

I note also that a reference is made in the very last paragraph of the President's message in which he says, "More is at stake here than the health and well-being of 15 million American citizens who will be aided by these programs."

How do we reconcile those two figures, Mr. Secretary, if we reconcile them at all?

Mr. LYNG. Senator Javits, this includes an estimate of the participation at the end of fiscal year 1970 when this program would be in effect, and it would also include those poor schoolchildren receiving

reduced or free school lunches. That is where the 16 million figure comes from.

Senator JAVITS. So it is fair to say that we are not today reaching by food programs even a majority of those whom we ought to reach and that we propose to reach?

Mr. LYNG. I don't think that is quite true, Senator. We are expanding it considerably during this coming fiscal year. We are almost doubling the number of schoolchildren under our proposal. So it isn't so far wrong.

Senator JAVITS. There is also quite a difference in figures about the schoolchildren themselves. Secretary Hardin's statement speaks of "the money requested for fiscal 1970, we should be able to close the gap and provide 6.6 million needy schoolchildren with free or greatly reduced priced lunches."

Secretary HARDIN. The key there is "needy."

Senator JAVITS. That is right.

We had a survey here about a year ago made by a number of women's organizations entitled "Their Daily Bread." They found that of 50 million public elementary- and secondary-school children, only about 18 million then participated in the national school lunch program.

Again, this tremendous range of figures, the concept that, roughly speaking, something in the area of 16 percent or something like that of American families are in the poverty category.

If you lay that beside the 50 million figure you would get to a much higher figure than your 6.6 million.

Again, what do we do about knowing that we really are targeting the need, even though we may not be able to meet it immediately?

Mr. LYNG. Senator Javits, I think this becomes a problem for us in monitoring these programs as well as some surveillance to see the effectiveness of them. They are conducted through local schools, local school districts, as you know.

The figures are hard for us to pin down unless we conduct continuous monitoring of the effectiveness of the program.

Senator JAVITS. I believe it is my judgment that we are reaching not more than half of the need today and one of the fantastic results of the war on poverty has been to uncover the real disgrace of our country, which is that we did not even know it. Could you give us the most authoritative figure on the target for the food programs and the target for the school lunch programs? I think this is critically important.

(The information referred to follows:)

PARTICIPATION TARGETS FOR NEEDY PERSONS SCHOOL LUNCH AND FOOD PROGRAMS

[In thousands of dollars]

	1969 estimate	1970 budget estimate, as amended
School lunch program.....	3,500	6,600
Breakfast program.....	370	500
Nonschool food program.....	80	100
Food stamp.....	3,630	3,950
Direct distribution to families.....	3,600	4,100
Special packages.....	106	567

Secretary FINCH. I can also respond to that, Senator. If we could get full funding for the free and reduced price school lunch program it would certainly help in terms of taking the pressure off of title I funds, of which \$35 million to \$40 million are now going into food services.

Seventy percent of that goes into the Southern States. It would give us much more flexibility under title I, if we could get the free lunch program fully funded.

Senator JAVITS. Could we add another objective to the objectives we are all pledging ourselves to, and that is to see if we can relieve funds devoted or earmarked for Federal Aid to Education from the drain of school lunch or other food programs?

Secretary FINCH. Yes, sir.

Senator JAVITS. And you say you estimate about \$35 or \$40 million a year is now being diverted for that purpose?

Secretary FINCH. Yes, sir, under title I.

Senator JAVITS. It indicates very clearly that much of a short call in the school lunch program.

Secretary FINCH. Right.

OEO PARTICIPATION

Senator JAVITS. The other question I have, and I shall have another opportunity to ask questions, is about the OEO. We have not heard anything about the OEO in these discussions.

If Don Rumsfeld were confirmed, he would no doubt be here with you.

Secretary FINCH. We were going to plan a three-man act but we thought two at a time would be enough, Senator.

Senator JAVITS. Could you give us anything on that score? Where will the OEO fit into what we are doing?

I realize the President had a set of directives for the OEO. I appreciate that. For example, I assume you gentlemen are anticipating utilizing the Community Action Agency.

Secretary FINCH. We have already had conversations along that line, sir.

Senator JAVITS. For nutrition education?

Secretary FINCH. Yes, and in other areas. And, as a matter of fact, the basic agreement on nutrition, that Secretary Hardin and I signed, will be modified and expanded and we will make him a signatory to that agreement so that we can precisely spell out what OEO's role would be.

We couldn't do that until that position was filled, obviously.

Senator JAVITS. You have just said, in my judgment, one of the most constructive things developed here all day. I think the war on poverty is critical to the country. I think it is entitled to equal rank in terms of Cabinet status.

If I understand you correctly, you are going to cut the OEO Administrator in as an equal partner so that you will have to get his agreement to the techniques by which the whole food distribution show will be handled.

Secretary FINCH. That is correct. And, as you know, he is also now a member of the Urban Affairs Council.

Senator JAVITS. I think that is splendid. I am delighted to hear it. I have two other points and I will be through.

I noticed with great interest, Secretary Finch, that you say in your statement, on page 2, that the keystone of the effort is the expansion of a food stamp program.

Question: Should we include school lunch in that? Should we include nutrition education? Or should we stick to that, the keystone of the effort is the expansion of the food stamp program?

Secretary FINCH. We are talking about the need now as against the constraints of this budget. I think the food stamp program is the way to go. In my Department, there is the longer range problem that you are alluding to. I tried to indicate what our response is to that.

We are trying to move as quickly as we can to this urgent need where it is clearly demonstrated.

Senator JAVITS. Is that your view, too, Secretary Hardin?

Secretary HARDIN. Yes. We are closer to being able to handle the school lunch and these other programs and this is where we are placing emphasis.

Senator JAVITS. Finally, notwithstanding the cynicism of our time—as evangelism is still, I think, the way to move the world—I would like to ask you both whether you agree with as full a heart as I think we do on the committee with the President's statement, "But the moment is at hand to put an end to hunger in America for all time"?

I guess we can all say aye to that.

Secretary FINCH. We can all say aye to that.

Senator JAVITS. I think this is really one of the real historic steps forward in our country, both for the discovery, for which I give credit to those Senator Yarborough mentioned in our committee, Labor and Public Welfare, and to Senator McGovern and this committee, to many other heroes in it, like Ralph Abernathy, for example, who led the Poor Peoples' Campaign last year and made a great deal of the fact that there was great hunger in our country that was very real, and now to the recognition by the administration.

Thank you, Mr. Chairman.

Senator MCGOVERN. Senator Talmadge has been attending an important meeting of the Committee on Agriculture and is himself the author of, I think, a very attractive and important food assistance program that he has recently introduced.

Senator Talmadge.

Senator TALMADGE. Thank you, Mr. Chairman.

As you have explained, I must apologize to the committee and the witnesses for my delay in arriving, but we did have an executive committee meeting of the Agriculture Committee this morning, and I was delayed there.

My first question is to Secretary Hardin: I am delighted to see that you intend to take positive action to improve our food assistance program.

I have noticed with some interest that your proposals are very similar to the bill I have introduced, S. 1864. For example, you propose to give free stamps to families with \$30-per-month income or less.

The bill I have offered proposed \$40 a month. My bill provides for increased funding for the food stamp program to \$525 million in 1970, \$900 million in 1971. This cost figure is based on expected participation of 5.5 million in 1970, and 6,580,000 people in 1971.

You recommend an expenditure of approximately \$625 million for fiscal 1970. How many participants do you expect in the year 1970?

Secretary HARDIN. I would have to guess on that, Senator Talmadge, but I suspect it is not too far from yours.

Senator TALMADGE. I think that is about right, because my staff and your Department worked very closely together in preparing my bill. I notice with some pride that those results seem to have washed off in your Department, Mr. Secretary.

How many participants do you expect for 1971? Do you have any estimate on that?

Secretary HARDIN. We don't have.

Senator TALMADGE. Your added cost for that year, I believe, is \$1 billion, whereas, the added cost in my bill is about \$900 million. So they are quite similar. I congratulate you, sir.

There is one other thing. You emphasize the need for improved distribution of food stamps. As you may know, the bill that I offered provides for distribution of food stamps by the Post Office Department.

I felt that the Post Office Department has good facilities and I believe just about everyone knows where his post office is.

It seems to me if the Post Office Department can sell duck stamps, they could also sell food stamps. Does your plan contemplate the utilization of post office facilities for this purpose?

Secretary HARDIN. We had not considered that, Senator Talmadge, at this point.

Senator TALMADGE. Thank you.

The next question is for Secretary Finch.

Mr. Secretary, I am sorry I wasn't here to hear your testimony, but you were kind enough to send a copy of it to my office. I have read it very hurriedly.

You stated that the most important effort in this area was being made by HEW under title I of the Elementary and Secondary Education Act, with the bulk of expenditures allegedly going for food and nutrition in schools.

Can you explain, under those conditions, why HEW insists on a policy of cutting off funds to school systems that are being spent for school lunchroom programs for needy children?

Is that not inconsistent with the announced purpose in your statement?

Secretary FINCH. You point up a very vexatious, to put it mildly, dilemma that I find myself in in attempting to comply with the Supreme Court and the 1964 Civil Rights Act.

I must say, particularly because of the evidence that has come before this committee, that we are not just talking about feeding the body; we are also talking about feeding the mind, in feeding these youngsters.

Congress set up this mechanism and it is up to me to administer it.

I am trying to work with the Justice Department on a way to bring the courts into the cutoff process. As I tried to make it clear, we regard that only as the ultimate weapon. We don't derive any satisfaction out of cutting off school funds. But where Congress said it had to be invoked, and where it would affect food, clearly affect the food programs, food services, we would like to be able to work with

Justice and have Justice move under a court order so that we can avoid that.

Senator TALMADGE. Are you aware of the fact that the then Senator Humphrey from Minnesota, who was floor manager of the bill that you are acting under, stated that if it would result in a single child being deprived of his school lunchroom program, he wouldn't support it?

Secretary FINCH. I am not aware of that particular statement.

Senator TALMADGE. If you study the Congressional Record, you will find that is legislative history of that act.

As you know, there are about 121 school systems that have had their HEW funds cut off, causing untold damage not only to the overall educational program for deprived children, but also denying them perhaps the only nourishing meal they get in a day in the school lunch program.

I have been very much concerned about this program, as you know, especially at a time when all of the country is focusing its attention on the needs of poor people and hungry children. I have introduced legislation to keep the Department of Health, Education, and Welfare from cutting off funds to school lunch programs. I hope the Congress will act on it as soon as possible.

EXTENT OF DAMAGE

Also, I have written to 121 of these school systems that have been cut off to inquire into the extent of damage done to education and school lunch programs.

I have had about 60 replies thus far, and they are coming in daily. The results, I may say, are deplorable.

I would like for you and the committee to hear some excerpts from some of these responses. Here is one from a Georgia school superintendent:

I would estimate an additional 500 students are not adequately fed, either at home or in school at present. These 500 could be cared for nutritionally with restored ESEA funds.

Here is one from a Mississippi school superintendent:

Approximately 1,250 needy children are going without lunch which was being provided by title I funds. We were also taking care of dental corrections, furnishing glasses to pupils who need them who are unable to pay for them.

Here is one from an Arkansas school superintendent:

We were feeding about 600 people from title I. We are now feeding about 150.

Here is one from a South Carolina school superintendent:

We were furnishing free hot lunches to approximately 500 children and free milk to 250 children. Since Federal funds were terminated, we are furnishing free or reduced-price lunches to approximately 300.

That is a loss of about 450.

Here is one from another Georgia school system:

Our project as approved allowed us to feed 1,347 of these children free with the use of title I funds. The remainder, or 149 additional children, were fed by the system. In short, every deprived child in Sumter attending a predominantly Negro school was able to eat at least one nutritionally adequate meal daily. Our records show that failures dropped from 442 to 296 annually during the 2 years of participation in the title I program, attesting to the fact that

hungry children simply do not learn as rapidly as children receiving a nutritionally sound diet.

Here is one from a Texas school system :

The number who lost free and reduced lunches was 260.

With these reports I have given you, it totals about 4,200 children in these cases alone, but each and every one of the replies that I have received to date are equally as severe.

I wrote Mr. Leon Panetta, of your office, about this problem, and he told me he agreed that the cutoff of Federal funds resulted in great human suffering, especially among small children.

I find it very difficult to reconcile efforts on the one hand by HEW, to try to alleviate poverty and improve nutrition, and then on the other of continuing its unwarranted policy of taking lunches away from needy children.

It seems strange, indeed, when we have two Secretaries of the Cabinet here today running, to some extent, identical programs.

Agriculture is doing all it can to aid in this effort. HEW in 121 systems has deprived these children of nutritious meals.

Secretary FINCH. Senator, let the record show I did not cut off 121 districts in my brief tenure. I think it would be in the magnitude of nine. So in terms of policy, I just wanted the record to be clear that I, as Secretary, had not cut off 121 districts.

Senator TALMADGE. Have you restored any of them ?

Secretary FINCH. As a matter of fact, I think several have been restored, though not in your State.

Senator TALMADGE. My time has expired.

Secretary FINCH. If I may respond fully, as I said earlier in response to Senator Javits' question, I think it is the wrong use for title I funds to go into these food programs. I think we should fully fund the agricultural program, the free lunch program, and use title I for the things he is talking about, glasses and other remedial work.

I think it is a great mistake and it is a kind of hypocrisy to use title I money for food services programs. That is why I made the reply I did to Senator Javits.

So my response is we should fully fund the school lunch programs. There are no civil rights compliance problems there, since school lunch is exempted from title VI. So Secretary Hardin is not confronted with the same problem I am with title I food programs.

Senator TALMADGE. It is Federal money going to the same schools.

Senator MONDALE. Might I ask a question on my time, Mr. Chairman ?

Do I understand that last response to mean that if we funded the school breakfast and school lunch program under those programs rather than through title I of the ESEA, the cutoff of funds to those schools would not reduce the nutrition problem at all ?

Secretary FINCH. That is correct.

Senator MONDALE. So that is the answer.

Senator MCGOVERN. Senator Percy.

Senator PERCY. I would like to join with you in commending Senator Talmadge, I will not say for his liberal attitude in this area, I don't think this is an ideological problem, but for his humanitarian approach to this problem.

I think it is an interesting point that men of all philosophical persuasions have joined together in what we not only consider a necessary and right program but also the best investment the country can make.

Senator TALMADGE. If the Senator will yield, I think every Senator in some quarters is considered a reactionary and in some quarters every Senator is considered a liberal.

Senator PERCY. I think we all also agree that this not only is one of the best investments we can make, but that certainly with the Office of Education represented today knowledge is power, and I think in this case we could say that knowledge of nutrition is purchasing power for the poor.

I would like to concentrate a few of my questions in the area of nutritional education and knowledge. I think the poor, the low-income families of this country, potentially can increase their purchasing power 25 percent with knowledge rather than just additional money. No matter how much they have, they can increase the nutrition they can give to their children and members of that family if they know how to use the money, how to use the food stamps.

I am really appalled, as I have visited families of low-income families, to see the kind of food products that are on their shelves, and to stand at the checkpoint counters in slum and ghetto areas, not only sometimes and see the poor quality and high prices of food they are getting, but also the lack of judgment they have, many times, in not knowing how to use the food stamps and the money they have.

Can both Secretaries and both Departments address themselves to the question of what are we doing to learn more about the buying habits of the poor, how they buy food, how they store it, how they use food so that we can improve our educational and nutritional knowledge.

Secretary HARDIN. This is for the nutritional aid program. They are going in to discuss it with them, with better ways to buy, better ways to feed their families, better ways to prepare food for additional nutrition.

I don't know how to put a number on it but the problem is partly income and partly lack of knowledge.

Secretary FINCH. I would like Dr. Schaefer to respond to that, too, but I think it is important that we can pursue the inquiry that you are discussing both with the OEO programs and model cities.

As I indicated earlier in my testimony, there is a large component in the demand on the part of the cities for this kind of information.

Could I ask Dr. Schaefer to respond? His survey did address itself in part to the question you are asking.

Dr. SCHAEFER. Senator Percy, we are getting data, of course, on food buying habits, expenditure of funds, and this data will be made available to your committee here, we trust, within a month.

This is fundamental to determine really the cause of some of the problems we are running into.

We are vitally concerned with involving industry also in this education approach.

Senator PERCY. I have talked to members of the food industry and they are anxious to help in this program.

The administration, I think, is launching a major program to get Americans involved as volunteers in many things that we just do not have the money to hire people for.

I certainly am pleased to see the number of professional people you are adding in this field, but I think we could quadruple the number of people if we could tap the volunteers.

I have just come back from a tour of 10 college campuses, where there I tried to get students involved in contributing their services where they are so desperately needed.

Are the Departments doing enough now to cooperate in this volunteer program?

For instance, there are thousands of retired home economists, their names and their addresses must exist in Department of Agriculture files. I think they would be glad to get involved in this program without compensation, maybe just expenses, if necessary, if they could be tapped.

Secretary FINCH. Senator, on that point we are doing some experimental work with volunteer mothers who come in, where there is an inadequate cafeteria or no services, to come in and help provide food under the free lunch money program.

Under the teachers, too. They get away from the children for an hour.

Senator PERCY. May I ask, Secretary Finch, if the Office of Education is getting teachers and doctors involved in nutrition education?

Secretary FINCH. We hope to. We contemplate that they have to be a part of this nutritional delivery system. I discussed this with the heads of State organizations as well as with the head of the AMA, Dr. Wilbur. We think a strong component in our community college initiative would be giving people special training in the nutritional field.

OEO HEALTH CENTERS

Senator PERCY. I have been visiting OEO health centers. I started this tour with Dr. English, who I think has brilliantly conceived and carried out this program in OEO. I just visited another one on Sunday in Louisville.

I am impressed with the fact that for the first time the poor are getting dental care. Unfortunately dental care is usually way down in priority.

As a former employer of thousands of low-income people from the rural South, our personnel department was impressed with the dental problems the people have. Think of the impression they make as they walk in with a mouthful of poor teeth or missing teeth, the psychological impact it has on the poor.

What is being done in the area of research on dental problems to see what the correlation is between inadequate diets, poor nutrition, and the loss of the most visible evidence of good health, the teeth, which cannot simply be replaced?

Secretary FINCH. Again, this comes under the purview of Dr. Schaefer's study. If you want a specific response, that is a very heavy component of the Schaefer study.

Dr. SCHAEFER. I think in our first testimony we pointed out that nearly 90 percent of the participants we have studied had an average of six teeth that required immediate filling, and as great as an average of 11, that is one-third of all the teeth in your mouth, being either decayed, missing or filled.

I think the part that was especially alerting to us was that 18 per-

cent of our participants indicated it hurt to chew, and, therefore, this had some effect on their food habits, what foods they were actually purchasing and using.

We will have data on the effect of fluoridation in reducing dental decay. Basically, this is virtually a complete lack of preventive dentistry. It doesn't exist in this population group.

Secretary FINCH. I was amazed when I came into this office to find we didn't have the comprehensive national dental policy, and that the organization of my Department had that fragmented badly around the various shops.

We are trying for reorganization to pull it together in HEW now.

Senator PERCY. I have just one minute left and I would like to squeeze two short questions in.

I think we will only need short answers on them.

MENTAL RETARDATION

First, on mental retardation. There is now conflicting evidence. We have had evidence from Dr. Letterberg and Dr. Birch that malnutrition, undernutrition, causes mental retardation if the expectant mother malnourishes the fetes in the womb, and that this does cause brain damage, which is a permanent, crippling damage.

In recent days, I have seen recent evidence that this is not true.

First, is it true? What is the evidence today?

Second, what is being done to remove the stigma of being poor? How can you best do it?

Food delivery, commodity delivery, sometimes is a stigma. Food stamps are a stigma, to an extent, as I have watched them being used. People are ashamed to use them at the counters. They would rather use them than not use them, but it is a mark in front of their neighbors and everyone there that they are poor and are on relief.

What are we doing to remove every vestige we can of the stigma of being poor?

Secretary FINCH. That is the goal we are hoping to solve in our proposed Family Security program.

The first of your questions I would like Dr. Charles Lowe to respond to, because he has just received some recent data.

Dr. Lowe is Scientific Director of the National Institute of Child Health and Human Development.

Dr. LOWE. In the statement I presented to this committee I left the issue indeterminate. At that time, we had no unambiguous evidence of a correlation between malnutrition and mental retardation.

A recent study, in fact, only yesterday, became available which bears directly upon the issue in this country. This is a study of 49 infants who were admitted to hospital with severe protein calorie malnutrition in the United States.

The distressing, in fact, appalling, evidence from this study is that 3½ years later all children whose malnutrition had begun at 4 months or later were mentally retarded, on the average.

I think this is extremely important evidence and permits me to answer your question in the affirmative.

Senator PERCY. It is the best evidence we have, that this is a wise investment to the country. If you take out the humanitarian aspects,

it is, I think, the first priority investment we can make in our national resources.

Thank you very much.

Senator McGOVERN. Senator Yarborough.

Senator YARBOROUGH. I yield to Senator Talmadge for a question.

Senator TALMADGE. I thank the distinguished Senator for yielding.

Mr. Secretary Finch, one final question: The HEW Appropriation Act of 1968, states specifically that school lunch funds will not be cut off to overcome racial imbalance.

Why has not the Department adhered to that mandate of the Congress?

Secretary FINCH. I will have to give you a specific response to that, Senator. I just cannot speak to the several cases since I have come in.

Senator TALMADGE. Would you inform me of that?

Secretary FINCH. Yes.

(The material referred to follows:)

STATEMENT FOR INCLUSION IN RECORD OF HEARINGS BEFORE THE SELECT
COMMITTEE ON NUTRITION AND HUMAN NEEDS, MAY 7, 1969

HEW has adhered to the mandate of the Congress. It does not require racial balance in schools by cutting off funds or otherwise.

The question concerns a proviso in Section 410 of the 1969 HEW-Labor Appropriation Act (P.L. 90-557):

"Provided further, that notwithstanding any other provision of law, funds or commodities for school lunch programs or medical services may not be recommended for withholding by any official employed under appropriations contained herein in order to overcome racial imbalance: . . ."

This proviso is part of Section 410 of the Act which, along with Section 409, was adopted by the Senate to replace two provisions directed to HEW's school desegregation program which had been inserted in the bill by the House Appropriations Committee and passed by the House. The Senate provisions had the effect of confirming existing law, and the House subsequently agreed to them, fully aware that it was withdrawing the restrictions it had sought to impose. Congressman Laird, the minority whip, speaking in favor of the Senate provisions during the House's reconsideration of Section 409, for example, stated as follows:

"The House amendments write new civil rights law—the Senate amendments basically maintain the present law." (Congressional Record (daily issue) October 3, 1968, p. H9445)

The law to which Mr. Laird referred was Titles IV and VI of the Civil Rights Act of 1964 and section 704 of the Elementary and Secondary Education Act of 1965, as amended by PL 89-750, as well as the Constitution, particularly the 14th Amendment, and decisions of the Federal courts. This law has three aspects:

1) It requires local school systems to correct promptly all practices, wherever they may be found, which deny students equal protection of the laws.

2) It neither requires nor prevents local school systems from achieving racial balance for its own sake in their schools, whenever they consider it advisable to do so.

3) It bars the Federal Government from requiring the assignment or transportation of students to the schools of racially unbalanced school districts where it is not necessary for the correction of unconstitutional discriminatory practices.

This distinction between discriminatory practices which must be corrected, and nondiscriminatory racial imbalance, which need not be corrected, first appeared in statutory law in sections 401(b) and 407 of the Civil Rights Act of 1964. These sections bar the correction of racial imbalance where there is no discriminatory conduct by State or local officials.

Congress affirmed its adherence to this distinction when it amended Section 704 of the Elementary and Secondary Education Act of 1965 through the enactment of PL 89-750 in 1966. That amendment bars the Government from requiring "the assignment or transportation of students or teachers in order to overcome racial imbalance."

The Federal courts follow this distinction. The Seventh Circuit's decision in *United States v. School District 151 of Cook County, Illinois*, 409 F. 2d 1125 (7th

Cir. 1968), for example, concerned a school system just South of Chicago where Negroes lived in one section of the district and local officials had acted to keep two of the system's six schools Negro schools. The court's opinion states (404 F. 2d at p. 1130) :

"Defendants next contend that they have no constitutional duty to bus pupils, in the District, to achieve a racial balance. It is true that 42 U.S.C. § 2006 [Section 407 of the Civil Rights Act of 1964] withholds power from officials and courts of the United States to order transportation of pupils from one school to another for the purpose of achieving racial balance. However, this question is not before us. Although we recognize that past residential segregation itself, in the District, severely unbalanced racially the school population, the district court's judgment is directed at the unlawful segregation of Negro pupils from their White counterparts which is a direct result of the Board's discriminatory action. Therefore, the court's order is directed at eliminating the school segregation that it found to be unconstitutional, by means of a plan which to some extent will distribute pupils throughout the District, presumably by bus. This is not done to achieve racial balance, although that may be a result, but to counteract the legacy left by the Board's history of discrimination.

"The Constitution forbids the enforcement by the Illinois School District of segregation of Negroes from Whites merely because they are Negroes. The congressional withholding of the power of courts in Section 2000 c-6 [Section 407] cannot be interpreted to frustrate the constitutional prohibition. The order here does not direct that a mere imbalance of Negro and White pupils be corrected. It is based on findings of unconstitutional, purposeful segregation of Negroes, and it directs defendants to adopt a plan to eliminate segregation and refrain from the unlawful conduct that produced it." [Footnote omitted.]

There is an extensive discussion of this distinction in *United States v. Jefferson County Board of Education*, 372 F. 2d 836 (5th Cir. 1966) ; aff'd 380 F. 2d 385 (5th Cir. 1967) ; cert den 389 U.S. 840 (1967) between pages 878 and 881.

HEW follows this law scrupulously. Under the HEW compliance program, a school system which has discriminated against students on the ground of race, color, or national origin, whether by maintaining a dual structure or otherwise, must, as the law requires, take whatever steps may be necessary to overcome the effects of the discrimination.

School systems out of compliance with the law, whether they are responding to HEW or an order of the Federal Courts, typically take one or more of the following steps to achieve compliance :

School reorganization, such as changing the grades assigned to particular schools.

The closing of schools, particularly if they are too small or antiquated to support the system's educational program.

The assignment of students to specific schools on the basis of attendance areas.

In some cases, these steps increase the transportation of students to school on buses ; in other cases such transportation is decreased because children are no longer transported beyond the school nearest to their homes to attend a more distant school where their race is predominant.

In conclusion this Department acts only in situations where discrimination has been present. It cannot and does not act to eliminate racial imbalance where there has been no discrimination.

Senator MCGOVERN. If the Senator will yield for a moment, I would hope that Secretary Finch and Secretary Hardin, now that we have had a chance to look into your testimony today and look into these matters more in detail, perhaps 3 or 4 weeks down the road we could have you come back again for a second round, if agreeable.

Secretary FINCH. I will be very happy to return, Mr. Chairman.

Senator YARBOROUGH. Mr. Chairman, in view of the fact that it is 5 minutes to 12 and I know the Secretaries have other duties, and with three other Senators to be heard, I will limit my questions to one and a half minutes. If it takes longer than that to answer them, since the gentlemen are coming back, they can bring the answers then.

Secretary Finch, how many children are of prime school age in the

United States for elementary and secondary education—the commonly accepted prime school ages?

Secretary FINCH. We estimate 52 million children enrolled in both public and non-public schools from kindergarten through twelfth grade.

Senator YARBOROUGH. You will take five or six the beginning age and 17 or 18 the cutoff.

Secretary FINCH. Yes, that estimate is for ages 5–17.

Senator YARBOROUGH. Of those, how many are in school, either public or private school, of that 52 million? Is it virtually all of them?

Secretary FINCH. I understood the question to be in school, elementary and secondary. That figure is 50.7 million.

Senator YARBOROUGH. Of a total 52 million?

Secretary FINCH. Yes.

Senator YARBOROUGH. How many of those participate in the school breakfast program sponsored by the Federal Government?

Secretary FINCH. That is Secretary Hardin's program.

Secretary HARDIN. We will supply that for the record.

Senator YARBOROUGH. It is less than a half million, is it not?

Secretary HARDIN. Yes.

Senator YARBOROUGH. How many participate in the school lunch program? I will ask these questions since I have put a limitation on myself with regard to time.

How many are from poverty families? How many not from poverty families have school lunches? How many do without?

I know a certain school, in a city in Texas, that is Anglo white and not considered in a poverty area. People move there because they want to be in a better-off section. I have had teachers tell me, that children faint in class for lack of food, with their parents trying to keep up with the Jones', with payments on the house and clothes. They do not have school lunch money.

I do not think, in a school lunch program, we ought to limit this to those from poverty families. You are not going to get all of the hungry fed, if you do.

I am asking these questions now and we will explore it further when you gentlemen come back. I hope you will follow this line of questioning.

Secretary HARDIN. We will supply for the record a table, and I think we must do this, because we have used several figures giving you the total participating in the school lunch program and school breakfast, the number regarded as needy, currently and projected for 1970.

Senator YARBOROUGH. By then probably we will have the OEO representatives, also. I wanted to ask these questions now so that when you gentlemen come back you can be prepared on that.

Thank you, Mr. Chairman.

(The information referred to follows:)

SIZE OF ATTENDANCE IN SCHOOLS WITH A FEEDING PROGRAM AVAILABLE, THE NUMBER OF CHILDREN PARTICIPATING, AND PERCENT SERVED FREE OR REDUCED-PRICE MEALS, FEBRUARY 1969

Program	Average daily attendance	Average daily participation	Percent meals free ¹	Number from poverty families
Breakfast program.....	1, 205, 632	419, 209	71. 5	299, 734
Lunch program.....	35, 520, 111	19, 548, 813	14. 8	2, 893, 224

¹ Assumption: All those receiving free meals are from low-income families. The total number receiving meals include children receiving both breakfast and lunch—the amount of duplication is not available.

Note: In addition it is estimated that about 9,000,000 children attend schools without a food service program.

SCHOOL LUNCH AND BREAKFAST PROGRAM—TOTAL NUMBER OF CHILDREN PARTICIPATING

[In thousands]

	Fiscal year 1969 (estimate)	Fiscal year 1970 (estimate)
School lunch program.....	20, 100	24, 000
Needy children.....	(3, 500)	(6, 600)
Breakfast program.....	370	500

Senator McGOVERN. Senator Dominick.

Senator DOMINICK. Thank you, Mr. Chairman.

I will take about 1 minute and then I will submit questions in writing, if I may.

I want to congratulate both the Secretaries who are here, their assistants and the President for actually taking action on a problem which is of such great significance.

I would like to find out about these nutritional aides, Secretary Hardin, if I might.

Who recruits them? Who pays them? Who supervises them? Who determines whether or not they are doing their job and things of that kind?

Secretary HARDIN. The nutritional aides are a part of the Agricultural Extension Service, so, in a sense, they are part of the staff of a land-grant university.

Within the land-grant university it is the responsibility, in all States, of the Director of the Agricultural Extension, and the actual recruiting is done mostly at the local level, which is a cooperative venture between the county agent and the county board and the district supervisors of Extension.

Senator DOMINICK. So, in fact, wherever we have a land-grant college which is in almost every one of the States, we immediately have a nutritional aide; is that right?

Secretary HARDIN. Yes. These have been apportioned according to an estimate of the numbers of needy people in each of the States. It hasn't been on a traditional formula for the distribution of extension funds.

These aides are working in the urban areas as well as the rural areas.

Senator DOMINICK. One other short question to Secretary Finch.

It is my understanding that we said we were going to expand the opportunities for people to get food stamps, to get direct food, and to do things of this kind—prompter and simpler certifications, financing arrangements, and so forth.

Can you give us any details to tell us how you would go about this?

Secretary FINCH. One of the areas, for example, we are working on with the Department of Agriculture, has to do with the fact that many of the financial institutions involved actually in handling these stamps do not like to do so.

It is not productive work from their standpoint. In some counties they would like very much to deduct the amount from the welfare payment and send the stamps directly in the mail. That is one possibility, for example.

If you go to a simpler declaration for welfare, instead of having to repeat the whole process of having another set of declarations to become eligible for food stamps, you might do it with a single, simplified document or application. These are things we are exploring.

Senator DOMINICK. But the exact details have not yet been worked out?

Secretary FINCH. No, sir.

As you know, Senator, the States are mandated now to come back by the 1st of July with model programs to test whether the simplified form or declaration for application for welfare is a good or bad thing, whether it increases the caseloads and all the rest of it.

Senator DOMINICK. Thank you.

Senator McGOVERN. Senator Mondale.

Senator MONDALE. Thank you, Mr. Chairman.

Secretary HARDIN, does the proposed liberalization of the food stamp program include authorizing in the Secretary of Agriculture to institute a food stamp program in a county in which the county board does not consent?

Secretary HARDIN. No, not on the food stamp program.

Senator MONDALE. Is the basic thrust of this program to shift from direct commodities to the food stamp program?

Secretary HARDIN. We do have the authority, Senator Mondale, however, to institute direct distribution.

Senator MONDALE. Yes, but not in food stamps.

Secondly, what authority does the Secretary of Agriculture have even where counties have consented to the food stamp program but have instituted only a nominal program, to assure that it will reach the most needy and will be a substantial program that above all serves the need of the hungry in the country?

Secretary HARDIN. I guess the only tool we would have would be withdrawal if it was being improperly handled.

Senator MONDALE. Do you see that to be an effective tool?

Secretary HARDIN. And there would be substituting the other program. That would be one possibility.

Senator MONDALE. Let us assume you substituted direct commodity foods. What authority do you have to insist that it be a substantial program if the county administers it?

Secretary HARDIN. We have no real authority on that, Senator, except that with the direct distribution apparently we do have the authority to go in and see that it is done.

I think I am speaking correctly on this.

Senator MONDALE. In the breakfast and lunch programs, is there any authority in the President's proposal to permit you to set up a substitute school lunch or school breakfast program where the local school does not have one or refuses to have one?

Secretary FINCH. If I may respond to that, I think this is one of

the flexible options afforded by the OEO program. That is implicit, I would hope, in the President's statement with regard to the use of OEO programs in this area.

Senator MONDALE. Since, according to the study to which Senator Javits has made reference, nearly two-thirds, or I think even more, of the poorest poor are not served by the school lunch program, let alone the breakfast program; how much new money is in the President's budget to try to reach that need?

Secretary FINCH. If you want the aggregate figure drawn from all sources, model cities, OEO, Agriculture, HEW, we will have to get that figure for you. I can't give it to you off the top of my head.¹

Senator MONDALE. If limited to the key source of funding, the Agricultural budget, is there any proposed increase of funding for the school lunch program?

Secretary HARDIN. Yes.

Senator MONDALE. How much?

Secretary HARDIN. Sufficient to double the number of free lunches for the needy children.

Senator MONDALE. How much is the budget increase?

Secretary HARDIN. I don't have the dollars with me.

Senator MONDALE. Can you supply that for the record?

Secretary HARDIN. Yes. But I would like to add this, Senator, if I may, lest we give the wrong impression here, on these specific questions on authority, we have been tremendously pleased in the past months with the excellent cooperation that we are getting from local school districts and from county and State welfare people. The degree of cooperation has been very satisfactory.

(The information referred to follows:)

DEPARTMENT OF AGRICULTURE CONSUMER AND MARKETING SERVICE—PROGRAM BUDGET CHANGES

[In thousands of dollars]

Child feeding programs	Fiscal year 1969 obligations (estimated)	Fiscal year 1970 budget, as amended	Change from 1969
1. Cash grants to States:			
(a) School lunch (sec. 4).....	162,041	168,041	+6,000
(b) Special assistance (sec. 11).....	10,000	44,800	+34,800
(c) School breakfast.....	3,500	10,000	+6,500
(d) Nonfood assistance.....	750	10,000	+9,250
(e) State administrative.....	750	750	-----
(f) Nonschool food program.....	5,750	10,000	+4,250
(g) Special milk.....	103,314	-----	-103,314
(h) Special sec. 32.....	43,941	89,000	+45,059
Total, cash to States.....	330,046	332,591	+2,545
2. Commodities to States:			
(a) School lunch (sec. 6).....	64,325	64,325	-----
(b) Sec. 32.....	80,500	90,411	+9,911
(c) Sec. 416.....	144,872	146,838	+1,966
Total, commodities.....	289,697	301,574	+11,877
3. Federal operating expenses:			
(a) School lunch.....	2,161	3,100	+939
(b) Nonschool feeding.....	500	750	+250
(c) Special milk.....	681	-----	-681
Total, operating expenses.....	3,342	3,850	+508
Total, child feeding.....	623,085	638,015	+14,930

¹ See apps. A and B on p. 2449.

Senator MONDALE. Let me make a statement about that. I am convinced that until some governmental level—Federal, State, or local—is required to achieve our announced objective of finding the hungry and feeding them, it won't be done, and that those who need it the most will be the least likely to get it.

In many of the counties with food stamp and direct commodity programs, the programs are hardly worth the name.

This committee heard the chairman of a county board say that he had no responsibility for feeding the poor. Indeed, he said it was illegal for the county to distribute food, and then he said, "They are not our people anyway. They are Federal people."

We all know that there are counties in this country that not only don't believe in these food programs but believe that if you feed the hungry they won't work. We all know, and this committee has found undeniable evidence, that those who most desperately need it, the poorest, the oldest, the children, the depressed, the disoriented, mothers with huge families who are tied down, the ones who most desperately need it are not receiving the help.

PROGRAM OF OUTREACH

Unless these programs tie in a program of outreach, a responsibility to move around recalcitrant local governments and local officials who refuse to help and begin first with a clear responsibility somewhere to find the hungry and feed them, it is going to fail. It will fail with those who most desperately need it.

I ask your prayerful consideration, because to speak of a liberalized food stamp program with no authority to go into these fields is to almost doom the program before it starts.

Secondly, I would like to ask Secretary Hardin about the problem of discrimination in his Department in the delivery of these services through the extension service and elsewhere.

You have a letter from the Attorney General of the United States dated April 16, 1969, which delivers a stinging and severe indictment of discrimination in your Department.

Among other things, it says that the solution of discrimination is essential to the alleviation of hunger in this country.

My time is nearly up, so I want to provide a series of questions about that letter, about the policies of your Department in the field of elimination of discrimination, because it is directly related to these services that are going to be required if we can eliminate hunger in our country.

One final comment.

Dr. Schaefer, a few days ago I wrote the Governor of my State urging a statewide survey of hunger in our State. I do not know whether we are one of the States that is being considered included in your national search or not. Could you tell me?

Dr. SCHAEFER. Senator Mondale, Minnesota is not in the first 10 States.

Senator MONDALE. Have we made a request yet?

Dr. SCHAEFER. No, you haven't, but there had been earlier a query from some of the groups in the State health department and the University of Minnesota.

Senator MONDALE. I am going to submit a copy of this letter to you and I urge that Minnesota be included.

Thank you, Mr. Chairman.

Senator McGOVERN. Senator Cook.

Senator COOK. Thank you, Mr. Chairman.

First, Secretary Finch and Secretary Hardin, I want to congratulate both of you, and I want to congratulate the President, in regard to his remarks yesterday and your remarks today.

I agree, Secretary Finch, with what you said, that we have been living under a penalizing welfare system. But I want to expand it and say it has not only been a penalizing welfare system for those who have been under it, but it has been a penalizing welfare system to the rest of the national economy.

For those of us who have been in local government for many, many years, we have been requesting of the Congress of the United States for a lot of years to get away from this kind of system.

I want to congratulate both of you, that you have been working and will continue to work in that direction.

Secretary Finch, I was delighted to hear Senator Percy say that he had been in Louisville, to Park Duval Center. One of the things that bothers me about this, and I hope it will bother you, is that I, too, have been there, and I spent most of the day there. I talked to all of the people. But would it interest you to know that they have to make seven applications to seven Federal departments to get funded during the course of the year to operate one health center?

Secretary FINCH. I am troubled by the cases we found where they have to file multiple applications like that to operate health centers.

Senator Cook. Would it also bother you to know that there is now more competition between, for instance, OEO and Public Health because these things are established? Public Health has now said, "We are going to get more strongly into this field and, consequently, it is going to become a nip-and-tuck battle whether you file with OEO or whether you file with Public Health, and if you file with them you may not get it from us"?

Isn't this, as the saying goes, a helluva' way to run a railroad?

Secretary FINCH. It has just become a very refined art, Senator.

Senator Cook. I think you are right. One of the disturbing things in that center in the west end of Louisville is that the head of the dental clinic will tell you that 80 percent of the schoolchildren who have attended that clinic have never owned a toothbrush. That is pretty amazing in this country of ours.

Secretary Hardin, is there one national guideline for certifying that the poor can participate in commodities and/or food stamp programs?

Secretary HARDIN. No.

Senator Cook. Do you have, in fact, 50 different contracts with 50 different States in regard to the participation of either food stamp programs or commodity programs?

Secretary HARDIN. Yes, we do.

Senator Cook. Would you supply this committee with the 50 separate contracts that you have with the States so that we can see the differences between the contracts with each State.

Secretary HARDIN. I will be glad to furnish the States standards for eligibility.

(The information requested follows:)

FOOD STAMP PROGRAM NET INCOME BASIS OF ISSUANCE TABLES

These tables set forth the food coupon purchase requirement, amount of bonus or free coupons, and total food coupon allotment, by household size and monthly net income. These are master tables and as such the maximum net monthly income figures shown on the tables for the various size households go up to a high level. But, the eligibility standards vary by States, and these tables are applicable within a given State only up to the maximum income limitations which each State establishes in line with those used in its own federally aided welfare programs.

Table No. 1 is most commonly used. Table No. 2 was especially developed for the Southeastern States to reflect, basically, the lower food costs in the South. It is currently in use in the States of Alabama, Arkansas, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina, Tennessee, and Virginia.

Research studies show that household income, and household size, are the principal determining factors which influence the amount of money families normally spend for food. Thus, the amount of food coupons which a household is required to purchase has been developed, based upon Department surveys of what families actually spend for food, depending on the number of people in the household and its total net monthly income. As household income increases, the coupon purchase requirement increases, reflecting the increase that takes place in normal food expenditures. As family income rises, the amount of bonus coupons received decreases, reflecting a decreased financial need for food assistance.

The purchase and bonus amounts shown on the tables are the basic amounts. An individual family may be charged less than the amount shown on the table if he is in a "hardship" situation as far as food expenditures are concerned. Thus, recognition is given to the fact that some households are not in the "average" position—that they have unusual situations which affect the amount of money available for food. For example, before determining the amount of food coupons which a household may be required to purchase, deductions may be made from net monthly income for excessive shelter (rent plus utilities) costs; i.e., when they are more than 30 percent of the monthly income; for medical expense payments; child care and other unusual or emergency non-food expenses.

FOOD STAMP PROGRAM NET INCOME BASIS OF COUPON ISSUANCE

Monthly net income	Monthly			Semimonthly		
	Purchase	Bonus	Total	Purchase	Bonus	Total
1-person household:						
\$0 to \$19.99	\$0.50	\$17.50	\$18	\$0.25	\$8.75	\$9
\$20 to \$29.99	4.00	14.00	18	2.00	7.00	9
\$30 to \$39.99	8	10.00	18	4.00	5.00	9
\$40 to \$49.99	10.00	10.00	20	5.00	5.00	10
\$50 to \$59.99	12.00	10.00	22	6.00	5.00	11
\$60 to \$79.99	16.00	6.00	22	8.00	3.00	11
\$80 to \$99.99	18.00	6.00	24	9.00	3.00	12
\$100 and over	20.00	6.00	26	10.00	3.00	13
2-person household:						
\$0 to \$19.99	1.00	29.00	30	.50	14.50	15
\$20 to \$29.99	4.00	26.00	30	2.00	13.00	15
\$30 to \$39.99	8.00	24.00	32	4.00	12.00	16
\$40 to \$49.99	12.00	22.00	34	6.00	11.00	17
\$50 to \$59.99	16.00	20.00	36	8.00	10.00	18
\$60 to \$69.99	20.00	18.00	38	10.00	9.00	19
\$70 to \$79.99	24.00	16.00	40	12.00	8.00	20
\$80 to \$99.99	28.00	16.00	44	14.00	8.00	22
\$100 to \$119.99	32.00	16.00	48	16.00	8.00	24
\$120 to \$139.99	36.00	14.00	50	18.00	7.00	25
\$140 and over	40.00	12.00	52	20.00	6.00	26
3-person household:						
\$0 to \$19.99	1.50	44.50	46	0.75	22.25	23
\$20 to \$29.99	4.00	42.00	46	2.00	21.00	23
\$30 to \$39.99	8.00	40.00	48	4.00	20.00	24
\$40 to \$49.99	12.00	36.00	48	6.00	18.00	24
\$50 to \$59.99	18.00	34.00	52	9.00	17.00	26
\$60 to \$69.99	24.00	30.00	54	12.00	15.00	27
\$70 to \$79.99	30.00	26.00	56	15.00	13.00	28
\$80 to \$89.99	34.00	26.00	60	17.00	13.00	30
\$90 to \$99.99	38.00	24.00	62	19.00	12.00	31
\$100 to \$119.99	44.00	24.00	68	22.00	12.00	34
\$120 to \$139.99	50.00	22.00	72	25.00	11.00	36
\$140 to \$159.99	54.00	20.00	74	27.00	10.00	37
\$160 to \$179.99	58.00	18.00	76	29.00	9.00	38
\$180 to \$199.99	62.00	18.00	80	31.00	9.00	40
\$200 to \$219.99	66.00	18.00	84	33.00	9.00	42

FOOD STAMP PROGRAM NET INCOME BASIS OF COUPON ISSUANCE—Continued

Monthly net income	Monthly			Semimonthly		
	Purchase	Bonus	Total	Purchase	Bonus	Total
3-person household—Continued						
\$220 to \$239.99	\$70.00	\$18.00	\$88	\$35.00	\$9.00	\$44
\$240 to \$269.99	74.00	18.00	92	37.00	9.00	46
\$270 to \$299.99	78.00	18.00	96	39.00	9.00	48
\$300 to \$329.99	82.00	18.00	100	41.00	9.00	50
\$330 to \$359.99	86.00	18.00	104	43.00	9.00	52
\$360 to \$389.99	90.00	18.00	108	45.00	9.00	54
\$390 to \$419.99	94.00	18.00	112	47.00	9.00	56
4-person household:						
\$0 to \$19.99	2.00	58.00	60	1.00	29.00	30
\$20 to \$29.99	6.00	54.00	60	3.00	27.00	30
\$30 to \$39.99	10.00	52.00	62	5.00	26.00	31
\$40 to \$49.99	14.00	48.00	62	7.00	24.00	31
\$50 to \$59.99	20.00	44.00	64	10.00	22.00	32
\$60 to \$69.99	26.00	40.00	66	13.00	20.00	33
\$70 to \$79.99	32.00	38.00	70	16.00	19.00	35
\$80 to \$89.99	36.00	36.00	72	18.00	18.00	36
\$90 to \$99.99	40.00	36.00	76	20.00	18.00	38
\$100 to \$109.99	44.00	34.00	78	22.00	17.00	39
\$110 to \$119.99	48.00	34.00	82	24.00	17.00	41
\$120 to \$139.99	52.00	32.00	84	26.00	16.00	42
\$140 to \$159.99	56.00	30.00	86	28.00	15.00	43
\$160 to \$179.99	60.00	28.00	88	30.00	14.00	44
\$180 to \$199.99	64.00	26.00	90	32.00	13.00	45
\$200 to \$219.99	68.00	24.00	92	34.00	12.00	46
\$220 to \$239.99	72.00	24.00	96	36.00	12.00	48
\$240 to \$269.99	76.00	24.00	100	38.00	12.00	50
\$270 to \$299.99	80.00	24.00	104	40.00	12.00	52
\$300 to \$329.99	84.00	24.00	108	42.00	12.00	54
\$330 to \$359.99	88.00	24.00	112	44.00	12.00	56
\$360 to \$389.99	92.00	24.00	116	46.00	12.00	58
\$390 to \$419.99	96.00	24.00	120	48.00	12.00	60
\$420 to \$449.99	100.00	24.00	124	50.00	12.00	62
5-person household:						
\$0 to \$19.99	2.50	65.50	68	1.25	32.65	34
\$20 to 29.99	6.00	62.00	68	3.00	31.00	34
\$30 to 39.99	10.00	62.00	72	5.00	31.00	36
\$40 to 49.99	16.00	56.00	72	8.00	28.00	36
\$50 to 59.99	22.00	52.00	74	11.00	26.00	37
\$60 to 69.99	28.00	48.00	76	14.00	24.00	38
\$70 to 79.99	34.00	46.00	80	17.00	23.00	40
\$80 to 89.99	38.00	44.00	82	19.00	22.00	41
\$90 to 99.99	42.00	44.00	86	21.00	22.00	43
\$100 to 109.99	46.00	42.00	88	23.00	21.00	44
\$110 to 119.99	50.00	42.00	92	25.00	21.00	46
\$120 to 129.99	54.00	40.00	94	27.00	20.00	47
\$130 to 139.99	56.00	38.00	94	28.00	19.00	47
\$140 to 159.99	60.00	36.00	96	30.00	18.00	48
\$160 to 179.99	64.00	34.00	98	32.00	17.00	49
\$180 to \$199.99	68.00	32.00	100	34.00	16.00	50
\$200 to \$219.99	72.00	30.00	102	36.00	15.00	51
\$220 to \$239.99	76.00	28.00	104	38.00	14.00	52
\$240 to \$259.99	80.00	28.00	108	40.00	14.00	54
\$260 to \$279.99	84.00	28.00	112	42.00	14.00	56
\$280 to \$299.99	88.00	28.00	116	44.00	14.00	58
\$300 to \$329.99	92.00	28.00	120	46.00	14.00	60
\$330 to \$359.99	96.00	28.00	124	48.00	14.00	62
\$360 to \$389.99	100.00	28.00	128	50.00	14.00	64
\$360 to \$419.99	104.00	28.00	132	52.00	14.00	66
\$420 to \$449.99	108.00	28.00	136	54.00	14.00	68
\$450 to \$479.99	112.00	28.00	140	56.00	14.00	70
\$480 to \$509.99	116.00	28.00	144	58.00	14.00	72
6-person household:						
\$0 to \$19.99	3.00	73.00	76	1.50	36.50	38
\$20 to \$29.99	6.00	70.00	76	3.00	35.00	38
\$30 to \$39.99	10.00	70.00	80	5.00	35.00	40
\$40 to \$49.99	16.00	64.00	80	8.00	32.00	40
\$50 to \$59.99	22.00	60.00	82	11.00	30.00	41
\$60 to \$69.99	28.00	56.00	84	14.00	28.00	42
\$70 to \$79.99	34.00	54.00	88	17.00	27.00	44
\$80 to \$89.99	40.00	52.00	92	20.00	26.00	46
\$90 to \$99.99	44.00	52.00	96	22.00	26.00	48
\$100 to \$109.99	48.00	50.00	98	24.00	25.00	49
\$110 to \$119.99	52.00	48.00	100	26.00	24.00	50
\$120 to \$129.99	56.00	46.00	102	28.00	23.00	51
\$130 to \$139.99	60.00	44.00	104	30.00	22.00	52
\$140 to \$159.99	64.00	42.00	106	32.00	21.00	53
\$160 to \$179.99	68.00	40.00	108	34.00	20.00	54
\$180 to \$199.99	72.00	38.00	110	36.00	19.00	55
\$200 to \$219.99	76.00	36.00	112	38.00	18.00	56
\$220 to \$239.99	80.00	34.00	114	40.00	17.00	57
\$240 to \$259.99	84.00	32.00	116	42.00	16.00	58
\$260 to \$279.99	88.00	32.00	120	44.00	16.00	60

FOOD STAMP PROGRAM NET INCOME BASIS OF COUPON ISSUANCE—Continued

Monthly net income	Monthly			Semimonthly		
	Purchase	Bonus	Total	Purchase	Bonus	Total
6-person household—Continued						
\$280 to \$299.99	\$92.00	\$32.00	\$124	\$46.00	\$16.00	\$62
\$300 to \$329.99	96.00	32.00	128	48.00	16.00	64
\$330 to \$359.99	100.00	32.00	132	50.00	16.00	66
\$360 to \$389.99	104.00	32.00	136	52.00	16.00	68
\$390 to \$419.99	108.00	32.00	140	54.00	16.00	70
\$420 to \$449.99	112.00	32.00	144	56.00	16.00	72
\$450 to \$479.99	116.00	32.00	148	58.00	16.00	74
\$480 to \$509.99	120.00	32.00	152	60.00	16.00	76
\$510 to \$539.99	124.00	32.00	156	62.00	16.00	78
\$540 to \$569.99	128.00	32.00	160	64.00	16.00	80
7-person household:						
\$0 to \$19.99	3.00	81.00	84	1.50	40.50	42
\$20 to \$29.99	6.00	78.00	84	3.00	39.00	42
\$30 to \$39.99	10.00	76.00	86	5.00	38.00	43
\$40 to \$49.99	16.00	70.00	86	8.00	35.00	43
\$50 to \$59.99	22.00	66.00	88	11.00	33.00	44
\$60 to \$69.99	28.00	62.00	90	14.00	31.00	45
\$70 to \$79.99	34.00	60.00	94	17.00	30.00	47
\$80 to \$89.99	40.00	58.00	98	20.00	29.00	49
\$90 to \$99.99	44.00	58.00	102	22.00	29.00	51
\$100 to \$109.99	50.00	56.00	106	25.00	28.00	53
\$110 to \$119.99	54.00	54.00	108	27.00	27.00	54
\$120 to \$129.99	58.00	52.00	110	29.00	26.00	55
\$130 to \$139.99	62.00	50.00	112	31.00	25.00	56
\$140 to \$149.99	66.00	48.00	114	33.00	24.00	57
\$150 to \$159.99	68.00	46.00	114	34.00	23.00	57
\$160 to \$179.99	72.00	46.00	118	36.00	23.00	59
\$180 to \$199.99	76.00	44.00	120	38.00	22.00	60
\$200 to \$219.99	80.00	42.00	122	40.00	21.00	61
\$220 to \$239.99	84.00	40.00	124	42.00	20.00	62
\$240 to \$259.99	88.00	38.00	126	44.00	19.00	63
\$260 to \$279.99	92.00	36.00	128	46.00	18.00	64
\$280 to \$299.99	96.00	36.00	132	48.00	18.00	66
\$300 to \$319.99	100.00	36.00	136	50.00	18.00	68
\$320 to \$339.99	104.00	36.00	140	52.00	18.00	70
\$340 to \$359.99	108.00	36.00	144	54.00	18.00	72
\$360 to \$389.99	112.00	36.00	148	56.00	18.00	74
\$390 to \$419.99	116.00	36.00	152	58.00	18.00	76
\$420 to \$449.99	120.00	36.00	156	60.00	18.00	78
\$450 to \$479.99	124.00	36.00	160	62.00	18.00	80
\$480 to \$509.99	128.00	36.00	164	64.00	18.00	82
\$510 to \$539.99	132.00	36.00	168	66.00	18.00	84
\$540 to \$569.99	136.00	36.00	172	68.00	18.00	86
\$570 to \$599.99	140.00	36.00	176	70.00	18.00	88
8-person household:						
\$0 to \$19.99	3.00	87.00	90	1.50	43.50	45
\$20 to \$29.99	6.00	84.00	90	3.00	42.00	45
\$30 to \$39.99	10.00	82.00	92	5.00	41.00	46
\$40 to \$49.99	16.00	76.00	92	8.00	38.00	46
\$50 to \$59.99	22.00	72.00	94	11.00	36.00	47
\$60 to \$69.99	28.00	68.00	96	14.00	34.00	48
\$70 to \$79.99	34.00	66.00	100	17.00	33.00	50
\$80 to \$89.99	40.00	64.00	104	20.00	32.00	52
\$90 to \$99.99	44.00	64.00	108	22.00	32.00	54
\$100 to \$109.99	50.00	62.00	112	25.00	31.00	56
\$110 to \$119.99	54.00	60.00	114	27.00	30.00	57
\$120 to \$129.99	58.00	58.00	116	29.00	29.00	58
\$130 to \$139.99	62.00	56.00	118	31.00	28.00	59
\$140 to \$149.99	66.00	54.00	120	33.00	27.00	60
\$150 to \$159.99	70.00	54.00	124	35.00	27.00	62
\$160 to \$179.99	74.00	52.00	126	37.00	26.00	63
\$180 to \$199.99	78.00	50.00	128	39.00	25.00	64
\$200 to \$219.99	82.00	48.00	130	41.00	24.00	66
\$220 to \$239.99	86.00	46.00	132	43.00	23.00	67
\$240 to \$259.99	90.00	44.00	134	45.00	22.00	65
\$260 to \$279.99	94.00	42.00	136	47.00	21.00	68
\$280 to \$299.99	98.00	40.00	138	49.00	20.00	69
\$300 to \$319.99	102.00	40.00	142	51.00	20.00	71
\$320 to \$339.99	106.00	40.00	146	53.00	20.00	73
\$340 to \$359.99	110.00	40.00	150	55.00	20.00	75
\$360 to \$389.99	114.00	40.00	154	57.00	20.00	77
\$390 to \$419.99	118.00	40.00	158	59.00	20.00	79
\$420 to \$449.99	122.00	40.00	162	61.00	20.00	81
\$450 to \$479.99	126.00	40.00	166	63.00	20.00	83
\$480 to \$509.99	130.00	40.00	170	65.00	20.00	85
\$510 to \$539.99	134.00	40.00	174	67.00	20.00	87
\$540 to \$569.99	138.00	40.00	178	69.00	20.00	89
\$570 to \$599.99	142.00	40.00	182	71.00	20.00	91
\$600 to \$629.99	146.00	40.00	186	73.00	20.00	93
\$630 to \$659.99	150.00	40.00	190	75.00	20.00	95

TO EXTEND TABLES FOR ELIGIBLE HOUSEHOLDS WITH INCOME ABOVE THE MAXIMUM SHOWN AND TO PROVIDE FOR ISSUANCE TO HOUSEHOLDS OF MORE THAN EIGHT PERSONS USE THE FOLLOWING FORMULAS

A. For households of one and two persons:

The Basis of Issuance for eligible households with income above the maximum shown on the one and two person schedules will be the same as listed at the highest income level in the appropriate schedule.

B. For households of three to eight persons:

(1) For eligible households with income above the maximum shown on the schedules add \$4 to the maximum monthly purchase requirement, and \$2 to the maximum semi-monthly purchase requirement for each \$30 of monthly income (or portion thereof) over the maximum income shown for the last income interval on the appropriate schedule.

(2) The bonus will be the same as listed at the highest income level in the appropriate schedule.

C. For households of more than eight persons:

(1) Use the purchase requirement by income level for 8 person household up to the maximum shown. For each \$30 worth of income (or portion thereof) over the maximum income shown, add \$4 to the maximum monthly purchase requirement shown and \$2 to the maximum semi-monthly purchase requirement.

(2) Add \$4 to the appropriate monthly bonus coupons, or \$2 to the appropriate semi-monthly bonus for each person in excess of 8.

FOOD STAMP PROGRAM NET INCOME BASIS OF COUPON ISSUANCE

Monthly net income	Monthly			Semimonthly		
	Purchase	Bonus	Total	Purchase	Bonus	Total
1-person household:						
\$0 to \$19.99	\$0.50	\$15.50	\$16	\$0.25	\$7.75	\$8
\$20 to \$29.99	2.00	14.00	16	1.00	7.00	8
\$30 to \$39.99	6.00	10.00	16	3.00	5.00	8
\$40 to \$49.99	8.00	10.00	18	4.00	5.00	9
\$50 to \$59.99	10.00	8.00	18	5.00	4.00	9
\$60 to \$69.99	14.00	6.00	20	7.00	3.00	10
\$70 to \$89.99	16.00	5.00	22	8.00	3.00	11
\$90 and over	18.00	5.00	24	9.00	3.00	12
2-person household:						
\$0 to \$19.99	1.00	29.00	30	.50	14.50	15
\$20 to \$29.99	3.00	27.00	30	1.50	13.50	15
\$30 to \$39.99	7.00	25.00	32	3.50	12.50	16
\$40 to \$49.99	10.00	24.00	34	5.00	12.00	17
\$50 to \$59.99	16.00	20.00	36	8.00	10.00	18
\$60 to \$79.99	20.00	18.00	38	10.00	9.00	19
\$80 to \$99.99	24.00	14.00	38	12.00	7.00	19
\$100 to \$119.99	28.00	12.00	40	14.00	6.00	20
\$120 to \$139.99	32.00	10.00	42	16.00	5.00	21
\$140 and over	36.00	10.00	46	18.00	5.00	23
3-person household:						
\$0 to \$19.99	1.50	42.50	44	.75	21.25	22
\$20 to \$29.99	3.00	41.00	44	1.50	20.50	22
\$30 to \$39.99	6.00	40.00	46	3.00	20.00	23
\$40 to \$49.99	10.00	36.00	46	5.00	18.00	23
\$50 to \$59.99	16.00	32.00	48	8.00	16.00	24
\$60 to \$69.99	22.00	28.00	50	11.00	14.00	25
\$70 to \$79.99	28.00	22.00	50	14.00	11.00	25
\$80 to \$89.99	32.00	22.00	54	16.00	11.00	27
\$90 to \$109.99	36.00	20.00	56	18.00	10.00	28
\$110 to \$129.99	42.00	18.00	60	21.00	9.00	30
\$130 to \$149.99	46.00	16.00	62	23.00	8.00	31
\$150 to \$169.99	50.00	14.00	64	25.00	7.00	32
\$170 to \$189.99	54.00	14.00	68	27.00	7.00	34
\$190 to \$209.99	58.00	14.00	72	29.00	7.00	36
\$210 to \$229.99	62.00	14.00	76	31.00	7.00	38
\$230 to \$249.99	66.00	14.00	80	33.00	7.00	40
\$250 to \$279.99	70.00	14.00	84	35.00	7.00	42
\$280 to \$309.99	74.00	14.00	88	37.00	7.00	44

FOOD STAMP PROGRAM NET INCOME BASIS OF COUPON ISSUANCE—Continued

Monthly net income	Monthly			Semimonthly		
	Purchase	Bonus	Total	Purchase	Bonus	Total
4-person household:						
\$0 to \$29.99	\$2.00	\$56.00	\$58	Q1.00	\$28.00	\$29
\$30 to \$39.99	8.00	50.00	58	4.00	25.00	29
\$40 to \$49.99	12.00	48.00	60	6.00	24.00	30
\$50 to \$59.99	18.00	42.00	60	9.00	21.00	30
\$60 to \$69.99	24.00	38.00	62	12.00	19.00	31
\$70 to \$79.99	30.00	34.00	64	15.00	17.00	32
\$80 to \$89.99	36.00	32.00	68	18.00	16.00	34
\$90 to \$109.99	40.00	30.00	70	20.00	15.00	35
\$110 to \$129.99	44.00	26.00	70	22.00	13.00	35
\$130 to \$149.99	48.00	24.00	72	24.00	12.00	36
\$150 to \$169.99	52.00	22.00	74	26.00	11.00	37
\$170 to \$189.99	56.00	22.00	78	28.00	11.00	39
\$190 to \$209.99	60.00	20.00	80	30.00	10.00	40
\$210 to \$229.99	64.00	18.00	82	32.00	9.00	41
\$230 to \$249.99	68.00	18.00	86	34.00	9.00	43
\$250 to \$279.99	72.00	18.00	90	36.00	9.00	45
\$280 to \$309.99	76.00	18.00	94	38.00	9.00	47
\$310 to \$339.99	80.00	18.00	98	40.00	9.00	49
\$340 to \$369.99	84.00	18.00	102	42.00	9.00	51
5-person household:						
\$0 to \$29.99	2.50	63.50	66	1.25	37.75	33
\$30 to 39.99	8.00	58.00	66	4.00	29.00	35
\$40 to \$49.99	14.00	54.00	68	7.00	27.00	34
\$50 to \$59.99	20.00	48.00	68	10.00	24.00	35
\$60 to \$69.99	26.00	44.00	70	13.00	22.00	33
\$70 to \$79.99	30.00	40.00	70	15.00	20.00	37
\$80 to \$89.99	35.00	38.00	74	18.00	19.00	34
\$90 to \$99.99	40.00	36.00	76	20.00	18.00	38
\$100 to \$109.99	44.00	34.00	78	22.00	17.00	39
\$110 to \$129.99	48.00	32.00	80	24.00	16.00	40
\$130 to \$149.99	52.00	30.00	82	26.00	15.00	41
\$150 to \$169.99	56.00	28.00	84	28.00	14.00	42
\$170 to \$189.99	60.00	26.00	86	30.00	13.00	43
\$190 to \$209.99	64.00	24.00	88	32.00	12.00	44
\$210 to \$229.99	68.00	24.00	92	34.00	12.00	46
\$230 to \$249.99	72.00	22.00	94	36.00	11.00	47
\$250 to \$269.99	76.00	22.00	98	38.00	11.00	49
\$270 to \$289.99	80.00	22.00	102	40.00	11.00	51
\$290 to \$319.99	84.00	22.00	106	42.00	11.00	53
\$320 to \$349.99	88.00	22.00	110	44.00	11.00	55
\$350 to \$379.99	92.00	22.00	114	46.00	11.00	57
\$380 to \$409.99	96.00	22.00	118	48.00	11.00	59
Six-person household:						
\$0 to \$29.99	3.00	71.00	74	1.50	35.50	37
\$30 to \$39.99	8.00	66.00	74	4.00	33.00	37
\$40 to \$49.99	14.00	62.00	76	7.00	31.00	38
\$50 to \$59.99	20.00	56.00	76	10.00	28.00	38
\$60 to \$69.99	26.00	52.00	78	13.00	26.00	39
\$70 to \$79.99	32.00	48.00	80	16.00	24.00	40
\$80 to \$89.99	38.00	46.00	84	19.00	23.00	42
\$90 to \$99.99	42.00	44.00	86	21.00	22.00	43
\$100 to \$109.99	46.00	42.00	88	23.00	21.00	44
\$110 to \$119.99	50.00	40.00	90	25.00	20.00	45
\$120 to \$129.99	52.00	38.00	90	26.00	19.00	45
\$130 to \$149.99	56.00	36.00	92	28.00	18.00	46
\$150 to \$169.99	60.00	34.00	94	30.00	17.00	47
\$170 to \$189.99	64.00	32.00	96	32.00	16.00	48
\$190 to \$209.99	68.00	30.00	98	34.00	15.00	49
\$210 to \$229.99	72.00	28.00	100	36.00	14.00	50
\$230 to \$249.99	76.00	26.00	102	38.00	13.00	51
\$250 to \$269.99	80.00	26.00	106	40.00	13.00	53
\$270 to \$289.99	84.00	26.00	110	42.00	13.00	55
\$290 to \$319.99	88.00	26.00	114	44.00	13.00	57
\$320 to \$349.99	92.00	26.00	118	46.00	13.00	59
\$350 to \$379.99	96.00	26.00	122	48.00	13.00	61
\$380 to \$409.99	100.00	26.00	126	50.00	13.00	63
\$410 to \$439.99	104.00	26.00	130	52.00	13.00	65
7-person household:						
\$0 to \$29.99	3.00	77.00	80	1.50	38.50	40
\$30 to \$39.99	8.00	72.00	80	4.00	36.00	40
\$40 to \$49.99	14.00	68.00	82	7.00	34.00	41
\$50 to \$59.99	20.00	62.00	82	10.00	31.00	41
\$60 to \$69.99	26.00	58.00	84	13.00	29.00	42
\$70 to \$79.99	32.00	54.00	86	16.00	27.00	43
\$80 to \$89.99	38.00	52.00	90	19.00	26.00	45
\$90 to \$99.99	42.00	50.00	92	21.00	25.00	46
\$100 to \$109.99	46.00	48.00	94	23.00	24.00	47
\$110 to \$119.99	50.00	46.00	96	25.00	23.00	48
\$120 to \$129.99	54.00	44.00	98	27.00	22.00	49
\$130 to \$139.99	58.00	42.00	100	29.00	21.00	50

FOOD STAMP PROGRAM NET INCOME BASIS OF COUPON ISSUANCE—Continued

Monthly net income	Monthly			Semimonthly		
	Purchase	Bonus	Total	Purchase	Bonus	Total
7-person household—Continued						
\$140 to \$149.99	\$60.00	\$40.00	\$100	\$30.00	\$20.00	\$50
\$150 to \$169.99	64.00	38.00	102	32.00	19.00	51
\$170 to \$189.99	68.00	36.00	104	34.00	18.00	52
\$190 to \$209.99	72.00	34.00	106	36.00	17.00	53
\$210 to \$229.99	76.00	32.00	108	38.00	16.00	54
\$230 to \$249.99	80.00	30.00	100	40.00	15.00	55
\$250 to \$269.99	84.00	30.00	114	42.00	15.00	57
\$270 to \$289.99	88.00	30.00	118	44.00	15.00	59
\$290 to \$309.99	92.00	30.00	122	46.00	15.00	61
\$310 to \$329.99	96.00	30.00	126	48.00	15.00	63
\$330 to \$349.99	100.00	30.00	130	50.00	15.00	65
\$350 to \$379.99	104.00	30.00	134	52.00	15.00	67
\$380 to \$409.99	108.00	30.00	138	54.00	15.00	69
\$410 to \$439.99	112.00	30.00	142	56.00	15.00	71
\$440 to \$469.99	116.00	30.00	146	58.00	15.00	73
8-person household						
\$0 to \$29.99	3.00	83.00	86	1.50	41.50	43
\$30 to \$39.99	8.00	78.00	86	4.00	39.00	43
\$40 to \$49.99	14.00	74.00	88	7.00	37.00	44
\$50 to \$59.99	20.00	68.00	88	10.00	34.00	44
\$60 to \$69.99	26.00	64.00	90	13.00	32.00	45
\$70 to \$79.99	32.00	60.00	92	16.00	30.00	46
\$80 to \$89.99	38.00	58.00	96	19.00	29.00	48
\$90 to \$99.99	42.00	56.00	98	21.00	28.00	49
\$100 to \$109.99	46.00	54.00	100	23.00	27.00	50
\$110 to \$119.99	50.00	52.00	102	25.00	26.00	51
\$120 to \$129.99	54.00	50.00	104	27.00	25.00	52
\$130 to \$139.99	58.00	48.00	106	29.00	24.00	53
\$140 to \$149.99	62.00	46.00	108	31.00	23.00	54
\$150 to \$169.99	66.00	44.00	110	33.00	22.00	55
\$170 to \$189.99	70.00	42.00	112	35.00	21.00	56
\$190 to \$209.99	74.00	40.00	114	37.00	20.00	57
\$210 to \$229.99	78.00	38.00	116	39.00	19.00	58
\$230 to \$249.99	82.00	36.00	118	41.00	18.00	59
\$250 to \$269.99	86.00	34.00	120	43.00	17.00	60
\$270 to \$289.99	90.00	34.00	124	45.00	17.00	62
\$290 to \$309.99	94.00	34.00	128	47.00	17.00	64
\$310 to \$329.99	98.00	34.00	132	49.00	17.00	66
\$330 to \$349.99	102.00	34.00	136	51.00	17.00	68
\$350 to \$379.99	106.00	34.00	140	53.00	17.00	70
\$380 to \$409.99	110.00	34.00	144	55.00	17.00	72
\$410 to \$439.99	114.00	34.00	148	57.00	17.00	74
\$440 to \$469.99	118.00	34.00	152	59.00	17.00	76
\$470 to \$499.99	122.00	34.00	156	61.00	17.00	78

TO EXTEND TABLES FOR ELIGIBLE HOUSEHOLDS WITH INCOME ABOVE THE MAXIMUM SHOWN AND TO PROVIDE FOR ISSUANCE TO HOUSEHOLDS OF MORE THAN EIGHT PERSONS USE THE FOLLOWING FORMULAS

A. For households of one and two persons:

The basis of issuance for eligible households with income above the maximum shown on the one- and two-person schedules will be the same as listed at the highest income level in the appropriate schedule.

B. For households of three to eight persons:

(1) For eligible households with income above the maximum shown on the schedules add \$4 to the maximum monthly purchase requirement, and \$2 to the maximum semimonthly purchase requirement for each \$30 of monthly income (or portion thereof) over the maximum income shown for the last income interval on the appropriate schedule.

(2) The bonus will be the same as listed at the highest income level in the appropriate schedule.

C. For households of more than eight persons:

(1) Use the purchase requirement by income level for eight person household up to the maximum shown. For each \$30 worth of income (or portion thereof) over the maximum income shown, add \$4 to the maximum monthly purchase requirement shown and \$2 to the maximum semimonthly purchase requirement.

(2) Add \$4 to the appropriate monthly bonus coupons, or \$2 to the appropriate semimonthly bonus for each person in excess of eight.

FOOD STAMP PROGRAM—ELIGIBILITY STANDARDS FOR NONASSISTANCE HOUSEHOLDS

(Standards in State plans approved under the Food Stamp Act of 1964)

State	Monthly allowable income by household size										Additional person for each person	Resources—Allowable liquid assets ¹
	1	2	3	4	5	6	7	8	9	10		
Alaska ²	\$135	\$200	\$255	\$325	\$390	\$445	\$495	\$550	\$600	\$650	\$50	Same as for public assistance.
Alabama ³	100	120	145	175	205	235	265	295	325	350	30	4 times monthly scale.
Arkansas ³	85	170	180	200	200	210	220	235	250	265	(4)	1, \$500; 2 or more, \$1,000. ¹
California	169	205	237	292	348	404	451	497	538	579	40	1, \$1,000; 2 or more, \$1,500.
Colorado ³	128	178	213	248	283	318	353	388	423	458	None	1, 2, 3, \$1,000; add \$250 for each additional person to maximum of \$2,000. ¹
Connecticut	140	185	235	280	335	365	395	420	445	470	25	1, \$1,000; 2 or more, \$1,500.
District of Columbia ³	120	180	220	250	285	320	350	375	400	425	25	Do.
Georgia ³	90	140	195	215	245	270	290	305	320	335	(5)	1, \$800; 2 or more, \$1,600.
Hawaii ³	120	180	210	250	285	325	370	415	455	495	40	1, \$1,000; 2 or more, \$1,500.
Illinois	139	182	212	259	299	337	375	414	451	490	25	1, \$400; 2, \$600.
Indiana	130	185	230	275	315	355	395	435	470	500	30	1, \$500; 2, \$800; 3, \$900; 4 and over, \$1,000.
Iowa	130	200	250	295	330	370	405	455	490	540	35	1, \$750; 2, \$900; 3, \$1,000; 4, \$1,100; 5, \$1,200; 6, \$1,300; 7, \$1,400; 8, \$1,500; 9 and over, \$1,550.
Kansas	(6)	(6)	(6)	(6)	(6)	(6)	(6)	(6)	(6)	(6)	(6)	1, \$750; 2 or more, \$1,250. ¹
Kentucky ³	110	140	170	200	230	255	280	305	330	350	15	4 times monthly scale.
Louisiana ³	110	130	150	165	185	220	240	275	295	315	22	1, \$500; 2 or more, \$1,000. ¹
Maine	132	190	230	271	320	363	404	445	485	527	41	1, \$1,000; 2 or more, \$1,200.
Maryland ³	100	140	165	185	220	240	265	290	315	340	25	1, \$1,000; 2 or more, \$1,500; add \$500 for each person age 65 and over.
Massachusetts	148	190	240	286	330	380	430	480	520	560	40	1, \$1,000; 2 or more, \$1,500.
Michigan	125	185	225	265	295	330	365	400	435	470	35	1, \$750; 2 through 5, \$1,000; add \$100 for each additional person.
Minnesota	135	205	250	290	335	370	390	425	460	495	30	1, \$750; 2 or more, \$1,000; add \$250 for each person over 65 years.
Mississippi	90	130	155	180	210	230	250	270	290	310	15	1, \$500; 2 or more, \$1,000.
Missouri	140	190	230	270	310	350	390	430	470	510	40	1, \$750; 2 or more, \$1,500.
Montana ³	125	183	212	253	290	318	353	388	413	438	25	1, \$1,000; 2 or more, \$1,500.
Nebraska	120	180	230	270	305	335	360	385	410	435	25	1, \$750; 2 or more, \$1,500.
New Jersey	160	220	265	310	355	390	425	470	510	550	40	1, \$1,000; 2 or more, \$1,500; if head of household is age 65 or over, add \$500.
New Mexico	110	150	180	215	245	275	305	345	375	405	30	1, \$250; 2 or more, \$300.
New York	160	220	305	350	405	455	505	555	605	640	45	3 times maximum allowable income. ¹
North Carolina ³	110	140	170	195	215	230	240	255	270	280	15	1, \$500; 2, \$700; 3, \$750; 4 or more, \$600.
North Dakota	140	185	260	295	330	365	385	415	440	460	25	1, \$1,000 per household.

See footnotes at end of table.

FOOD STAMP PROGRAM—ELIGIBILITY STANDARDS FOR NONASSISTANCE HOUSEHOLDS—Continued

State	Monthly allowable income by household size										Addi- tional for each person	Resources—Allowable liquid assets ¹
	1	2	3	4	5	6	7	8	9	10		
Ohio.....	\$130	\$200	\$225	\$260	\$295	\$330	\$365	\$400	\$435	\$470	\$35	1, \$1,000; 2 or more, \$1,500.
Oregon.....	128	193	221	258	288	328	357	386	411	426	25	1, adult, \$500; 2 or more, \$1,000.
Pennsylvania.....	130	195	235	275	315	345	385	425	465	505	30	1, \$1,000; 2 or more, \$1,500.
Rhode Island.....	130	175	205	245	285	325	365	400	435	470	35	1, \$1,000; 2, 3, and 4, \$1,500; add \$250 for each additional person.
South Carolina ³	100	130	140	160	180	200	225	250	275	300	None	1, \$750; 2 or more, \$1,000.
South Dakota.....	125	175	215	250	285	320	355	390	425	455	50	1, \$1,000; 2, \$2,000; add \$300 for each additional person.
Tennessee.....	95	130	165	200	240	275	315	350	385	420	35	1, \$500; 2 or 3, \$1,000; 4 or more, \$1,500.
Texas.....	110	150	170	190	210	230	250	270	290	310	15	1, \$300; 2, \$450; add \$50 per person to maximum of \$600. ¹
Utah.....	115	163	210	227	274	307	350	383	422	455	(C)	1, \$400; 2 or more, \$800. ¹
Vermont.....	145	205	250	285	325	365	400	435	470	505	35	1, \$1,000; 2 or more, \$1,500.
Virginia ³	125	160	195	225	250	275	300	325	350	375	25	1, \$500; 2, \$600; 3 or more, add \$50 each to maximum of \$1,000. ¹
Washington.....	170	215	255	290	325	360	395	430	465	500	35	1, \$1,000; 2 or more, \$1,500.
West Virginia.....	130	170	215	250	290	315	360	395	440	475	None	Do.
Wisconsin.....	135	185	215	260	295	350	385	420	445	460	30	1, \$750; 2, \$1,500; add \$100 for each additional person.
Wyoming.....	145	200	235	300	330	360	390	435	480	520	40	1, \$1,000; 2 or more, \$1,500. ¹

¹ The States indicated also have limitations on other resources such as real estate, automobiles, etc.

² Rent up to maximum of \$125 is also allowed.

³ For households containing both public assistance recipients and nonrecipients, eligibility is based on the income and resources of the nonassistance members only. Other States base eligibility on the total income and resources of all members.

⁴ \$15 each to maximum of \$325.

⁵ 11 or more, \$355.

⁶ Household eligible if a budget deficit exists.

⁷ 11, \$494; 12, \$527; 13, \$560; 14, \$594; plus \$33 for each additional person.

⁸ Scale will be at local option and will be applicable throughout the political subdivision involved.

Senator COOK. I would like to have them. I have heard that these contracts do, in fact, exist. If we are going to go to standard disciplines, then I would think that it would be necessary, first of all, to eliminate the necessity for a department in the Department of Agriculture to have 50 separate negotiations with 50 separate States in regard to the distribution of either commodity foods or food stamps.

Secretary HARDIN. We have also recommended that there is a need for a national standard in this.

Senator COOK. Thank you, Mr. Chairman.

Senator MCGOVERN. Senator Pell.

Senator PELL. Thank you, Mr. Chairman.

In connection with the 10 States where you are conducting hunger surveys, is my own State of Rhode Island among them or not?

Secretary FINCH. No; it is not. I just handed the list to Senator Mondale of States which have requested surveys. I am pleased to tell him that his State is already on there.

Senator PELL. But mine is not.

Also, in this connection, I had a survey conducted in my State as to what the degree of malnutrition or hunger was. In the reports that I received from health officials in my State indicated that in the last few years we have had 16 deaths attributed to malnutrition, five in 1966, seven in 1967, and four in 1968.

This may seem surprising in a seemingly prosperous State as our own is, but it is a fact.

Also, another fact that came out of the report that I got from my State was that the main occurrence of malnutrition or hunger was in those who are over 45. I am wondering, if in our very proper emphasis on the future strength of America, the young, if we haven't somewhat glossed over the problems of the old. I am wondering if the old people living with rising costs in rents and fixed incomes are not suffering from malnutrition as much or more than the young.

I would be interested in the views of either Mr. Finch or Mr. Hardin on this matter.

Secretary FINCH. Dr. Schaefer may want to speak to this, since he did the survey. His testimony would probably be the best.

Dr. SCHAEFER. To date, the most vulnerable group is the preschool child. However, we are finding what we consider serious malnutrition problems, anemia, low blood, in the aged.

One of our real concerns, of course, is in the age group of 25 up. We have another kind of malnutrition; this is obesity. It certainly has relevance to many of the chronic diseases. We think it must be associated with physical fitness and proper nutrition, which means weight control as a preventive measure to avoid many of the chronic diseases, heart disease, diabetes, and so forth.

There isn't any single group that is, let's say, lily white, that doesn't have a problem, nor is there any income group that necessarily is completely lily white.

So it is a problem that does hit all segments.

In priority of groups, the preschool children, pregnant mothers, and then are the aged.

Senator PELL. If I pressed you on this matter and said in the United States today are there a greater number of people suffering from malnutrition who are over 45 than under 21, what would be your reply?

Dr. SCHAEFER. I trust I can give you a real firm answer on that shortly. Right now I would guess and say the greater percentage would be under 21.

Senator PELL. The greater total quantity.

Dr. SCHAEFER. It would be under 21, I am confident.

Senator PELL. In the order of 2 to 1? What would be the ratio?

Dr. SCHAEFER. If the trends we found today can be projected, and keep in mind we haven't studied the other income groups that much, the ratio would probably be 2 to 1, twice as many in the lower primarily preschool children. This would be our numbers.

Senator PELL. In a general connection with the problem, and this question would be directed more to Mr. Finch, have you any plans in your Department with regard to population control?

One of the problems we see is the fact that the families where the youngsters are suffering from malnutrition or hunger are usually very large families, indeed.

I am wondering if you are going to go any further in the directions that are available to you under the law in this regard.

Secretary FINCH. Both in terms of budget request and a budget that we otherwise had to cut \$1 billion, that is one of the major areas we are increasing by some \$20 million both in the areas of basic research and in delivering more effectively the materials and information that we already have in hand for family planning.

Senator PELL. Is there any way that the incentive, which I think sometimes occurs, to have large families in order to perhaps benefit more from some of the Government programs can be reduced?

Secretary FINCH. We are examining that in this welfare family security program that we have in-house now, Senator.

Senator PELL. Thank you, Mr. Chairman.

Senator McGOVERN. Thank you very much, Senator Pell.

Mr. Secretary, either Secretary Hardin or Secretary Finch, I notice in the President's message he talks about the creation of a new food and nutrition service to coordinate the various food assistance programs.

Has any judgment been reached yet as to where that service will be located, whether it be in Agriculture, HEW, or whether it would be at the White House? Is it still an open question?

Secretary HARDIN. We are planning, Senator, to create a food and nutrition service within the Department of Agriculture.

Then the President, I think, does plan to set up his council group also, an interdepartmental group, to coordinate activities.

Secretary FINCH. I think he went one step further, Mr. Chairman. That is, he is contemplating the sub-Cabinet on the Urban Affairs Council which will involve itself in this area.

Senator McGOVERN. I noticed our largest farm organization, the Farm Bureau, has just passed a resolution recommending that the whole food stamp operation be moved over to HEW.

Secretary FINCH. I have a very strong feeling about that, sir, speaking for HEW. I would be very much opposed to it.

Senator McGOVERN. You think it should stay primarily in Agriculture?

Secretary FINCH. Yes, sir, for the reason—and I will let Secretary Hardin speak for himself—that I hope this program is a transitory

thing. I hope that down the road we will come to a situation where we don't put people in the position of having to take stamps, and that we can evolve a system where we put direct purchasing power in their hands.

To threaten even an imperfect delivery system which we have now by trying to transfer it to my department which is already the largest conglomerate—I expect to be filed upon by the Attorney General any day—to add that to my bag of problems just isn't the way to go.

Senator McGOVERN. In other words, you see the whole food assistance program as essentially a temporary device until such time as we can get adequate income guarantees?

Secretary FINCH. Yes, sir. I speak specifically to the food stamp program.

Senator McGOVERN. Do you share that?

Secretary HARDIN. Yes, sir. And in working together on a total assistance program, we are trying to gear this in such a way that if we go to some different type of program, the stamp program could be placed into it.

Senator McGOVERN. Secretary Hardin, there came to my attention the other day a fascinating report out of your Department. I think it is a startling report and one that ought to be read very carefully by Members of the Congress and members of the executive branch.

I think there is a general impression that we have a problem among poorer families, not only of a deficiency in income in purchasing foods, but also that they tend to know less about how to get their money's worth for their food dollar.

Yet, a report from your Department dated January 1968 reveals very clearly that dollar for dollar, poor people do a better job of using their food dollars to get nutritious foods than rich people do, or that middle-income people do; that a family under \$3,000 will buy more proteins, more calories, more minerals, more vitamins, than will a family above \$3,000 income.

Isn't it a fact that that is not generally known, that we have a good many people who think that the basic problem with the poor is that they do not know how to spend their food dollars wisely?

Secretary HARDIN. I haven't read this report.

Senator McGOVERN. It is the Agricultural Research Service Document 62-17, January 1968, called "Dietary Levels of Households in the United States."

Secretary HARDIN. I suspect it might have something to do with the fact that at the higher income levels they can afford more of the luxury foods and do buy them. We have had a number of reports back from our nutrition State supervisors who have been in the homes to indicate that there is a very large lack of knowledge among many of the poor families on how to buy.

Senator McGOVERN. But you would find even more dramatic evidence of that in families of higher income, that they know even less.

Secretary HARDIN. This may well be. Hopefully, our total educational program in nutrition which will have many aspects—it hasn't been discussed here this morning—will meet some of these people, also. I think they will.

Senator JAVITS. Will the Chair yield?

Senator McGOVERN. Yes.

NO RANGE OF CHOICE

Senator JAVITS. Isn't it a fact that it is much more damaging to the poor family that does not know? If you take a family at a high economic level, even if they are buying a lot of candy and ice cream, they are also buying a lot of other stuff. They can do it. But in the poor family, if they lack knowledge or is ignorant as to what is needed, then it really hits them right in the solar plexus, because they have no range of choice.

If they make a mistake, they are stuck with it. It has a marked effect on health.

Senator PERCY. Will the Chair yield?

Senator MCGOVERN. Yes.

Senator PERCY. I think the Senator's point is perfectly valid. My only point is of what relevance is it. The question is how much more can we increase the purchasing power of the poor with knowledge?

Just take breakfast alone. Cold prepared cereals, sugar-coated, add to the health detriment, in effect, because of the teeth damage that is done. There are high cost prepared foods, cold cuts, things of that type, that dollar for dollar provide less than a bowl of oatmeal in the morning which is a hot breakfast, which could easily be prepared, which is high on nutrition and very low on cost.

In pounding that point home with a group of 100 families that we took in the 29th ward of Chicago, that one point alone, the nutrition people that we had work with us stretched the dollars a great deal.

Many of the women were amazed. They did not know that there was that much nutrition in a bowl of oatmeal, a basic fact to most housewives except those who were simply never told—never told a lot of things, as a matter of fact.

Senator MCGOVERN. I did not mean to imply in any way that we do not need more nutrition education. What I am trying to bring out is that there are some of our colleagues and I suppose some members in the administration who feel that this is basically a matter of education, that even if you had additional funds available to the poor they would not know how to spend them.

The point I am trying to make is that the poor are doing a better job now of stretching that food dollar than the higher income families are.

There is more ignorance, in other words, in the way food dollars are being expended by higher income families than there are among the poor.

We can do a better job in both areas.

I was personally glad to see the President state in his message that we need to do a nutritional education job on the middle-income families as well as the poor.

Senator JAVITS. Mr. Secretaries, I think the emphasis on the private enterprise system is critically important. Senator Percy has already brought out the volunteer problem. I think that is great.

But you do have an enormous complex of retail establishments, and so forth, who now tell us—and I think they are sincere—that they would like to find some way of turning themselves to social good.

Think of the enormous outlet you would have for education, for

stocking economical and fortified foods, for irradiation or whatever other concepts that would be very new.

It really would be a great revolution in American life. It would directly be tied into the fact that the poor family would now go to the retail store instead of to the local depot. I know both of you have great backgrounds. I hope very much you will pursue that, especially with the big chains. With them, you could make one contract and you knock over a big block of outlet. I think they want to.

They always complain that they want to but nobody tells them how to do it or designs it feasibly. This seems to be such a natural in terms of a little piece of a store where this particular effort will be carried out, notwithstanding the critical importance of space in a super-market.

They will shake loose some space if you fellows package it and show them what you want done. I think it can be of enormous assistance.

Secretary HARDIN. We have had conversations with a great many of the food company representatives, both retail and manufacturing, in recent weeks. They are tremendously interested in helping and want to help. We are going to continue to work with them.

Senator JAVITS. There is one question I would like to ask that arises from Senator Mondale's question, though perhaps he would like to put it himself.

He brought out the fact that you have county option in the stamp business. We are worried about that.

We saw its effects in Collier County, for example, in Florida. Would you gentlemen—and do not tell us now—you are doing great and we do not want to tie you up in knots—think over and tell us now or tell us later if you see any great objection to our giving the Secretary the same power in respect of food stamps that he has in respect of direct distribution of commodities? So that if he feels he has to, he can make a change so as to avoid the worst of this kind of county lack of empathy?

Secretary FINCH. I would like to respond that I think this would help temporarily, Senator Javits, but I think we can do more by way of getting incentive into those local units that thus far have resisted through some of the OEO experimental and emergency food programs.

When we return, we will have the head of OEO with us. He has some ideas we discussed along this line.

Senator JAVITS. Think of it in terms of legislation because it is always nice to have a way out. When you get in, you want to get a way out.

Secretary FINCH. We have to count on those people to deliver the system. If we have to club them, sometimes it is a little more difficult. But I think it is an option that ought to be available to the Secretary.

Senator JAVITS. That is all I say, Mr. Secretary, nothing else. Sure, don't club them: sure, woo them. Do everything in the world you can. But in the final analysis, the problem of our Government and of our Republican Party has been that we have not accepted the fact that we can't let them frustrate us.

That is what I am talking about. In the final analysis, it is the

best disposition and the best mind, and that is now evidenced to be that of the President, that has to have a way to do it.

If we block a way to do it, you are dead.

Senator MONDALE. Will the Senator yield?

Senator MCGOVERN. Senator Mondale.

Senator MONDALE. I think the precedent in the direct commodity foods case is constructive, and it has been used recently, where a county refuses to institute a program the Secretary has the authority to move around him and meet the problem through the agency of the Federal Government or a private volunteer organization.

I think that is essential if you are going to deal with this problem. But not even that will do it, in my opinion. For example, in my State in recent months, and I think this is true nationally, many of the counties have shifted from direct commodity foods to food stamps. When they did so, 50 percent of the people being served in the first program were dropped in the second program.

I had reports of county board members who were told they had been assured by the welfare board to go ahead and accept the food stamp program, they could guarantee that not many people would be served by it.

It was a way of getting the heat off from the Federal level and not doing the job. It is bargaining.

The figures we have of counties that have one or the other programs are very misleading because so many of those programs are thin, shallow, sham programs. They are not serving the hungry. More than that, they are not serving at all those in greatest need.

I think one of the greatest, obvious inadequacies of every one of these programs is that no one is responsible or charged with finding hungry people and feeding them. I am not being partisan here.

I think one of our profound problems of the poor today is that we keep authorizing dreams and appropriating peanuts. It is time that what we talk about here in Washington affect the lives of the most impoverished every place in this country.

EXPOSING HUNGER

I am terribly concerned that after arousing all of this interest, after exposing hunger, after the President of the United States eloquently points out that hunger is a serious and profound problem in this country, that we will adopt a program which is underappropriated and also in which there is not to be found some way, a responsibility to find the hungry and to see that they are fed.

Secretary HARDIN. I think there probably needs to be some enforcement. We recognize we are working through State and local people.

This is the way the program works, the way the legislation is drawn. It is my firm conviction after looking into some of these things that you mentioned, on the breakdowns in delivery, that under our present system, if we are going to be more successful it is going to have to come by the involvement of local volunteer groups who will, indeed, take responsibility and bring some people to people into this effort other than just an automatic issuance of stamps under certain conditions.

I think this is one of the things that will grow up around the OEO, the Agriculture extension, these other efforts that are being made.

We are now beginning to try a national program to involve local groups. This involves not only saying, "Will you do it?" but it will involve providing some training for them.

Senator MONDALE. Assuming you do that, and I am all for volunteers, the private sector and the rest, would you go further and agree that somewhere in this legislation ought to be found the responsibility and the authority and the funding to permit and to require finding hungry people and making certain that they are fed?

I think if we do not do that, there are going to be millions of hungry people when we are done.

Secretary HARDIN. It may be that some more teeth are needed.

Senator MONDALE. This is not exactly a theoretical issue, Mr. Secretary, as you well know. We have had years and years of experience. We have had a school lunch program since the late thirties, and half of the schoolchildren of this country are not being fed and most of the poorest of the poor are not receiving breakfast.

That is a case of a volunteer, local option thing with many volunteers.

We have had the direct commodity program for over 20 years and it is a nonexistent program for most of the hungry of this country.

We have had a food stamp program where the same thing is true.

In many counties they have neither. We have a breakfast program that is barely worth talking about because it is so small. I don't believe that one can answer the question of the adequacy of a food program, in the light of all the experience that we have, in terms of either volunteers or the private sector, as much as we need them to be involved.

If we do not pass a bill that requires somebody, somewhere to find the hungry and see that they are fed, millions will remain hungry.

Senator MCGOVERN. Senator Percy.

Senator PERCY. Mr. Chairman, this panel, and all of its members, have been exceedingly patient and helpful.

I have just one other subject to comment on that in my judgment may end up to be the most important, and we have put very little time in on it in our hearings.

I think it can probably well be said that unless we are able to do something about the population problem both here and abroad we are in really serious trouble, foodwise, in the future.

I know the cliché goes "women on welfare just have more children to get more welfare money."

That is the most stupid statement I have ever heard, and people who are not supposed to be stupid have made it many times. There is no verification for that that any of us could ever find.

In fact, there is no question but what welfare is so inadequate that the more children a family has the less care that they get, the less nutrition they have, and the less of many things of life.

Here, again, is the ratio that is almost in indirect proportion between income level and knowledge of family planning. It is a terrible tragedy.

We can verify this in every one of the neighborhood health centers. As soon as you start to put in family planning programs, you make available for the first time to women who sometimes have seven and eight children the knowledge that there can be some control over this, the unwanted child coming into the family.

I am proud to support an increase in the authorization for foreign

aid so we can take up to \$100 million now of foreign aid and provide birth control information if a nation wants that knowledge.

I would hope that there should be coordinating with OEO and the Department of Agriculture to reach people, perhaps, in rural communities who cannot be reached otherwise—and HEW—so that we can place a very high priority on this matter.

Once it is given, once it is known, it can't be taken away. It is low cost and it is an investment for the future. It is humanitarian and it is right. It is utterly preposterous to have a country such as we have with the knowledge we have and the means of communication and yet have so many hundreds of thousands of women not have this service and knowledge available to them.

I would simply ask can we do more? Are we doing enough? Can we put the priority on family planning that I think this deserves to have?

Secretary FINCH. As I indicated in my earlier testimony, Senator Percy, despite the other cuts and the other constraints we have almost doubled our commitment both in terms of basic research, because there is still a good many things we need to know about the devices currently available, as well as the delivery of the services—and information—in a more effective way.

I couldn't agree with you more that we have a very great difficulty as a nation demanding that other nations do well in this area when we do very poorly ourselves.

Senator PERCY. Secretary Hardin, do you want to comment at all?

Secretary HARDIN. No, Senator.

Senator PERCY. Mr. Chairman, could I bring to our attention a couple of sentences that we became aware of sometime ago from Dr. Ralph David Abernathy?

His much maligned poverty crusade I think has had an impact. There were some sordid aspects of that, but there were some very salutary and helpful aspects of that crusade.

He said in a statement made a little less than a year ago:

We are not going to go away, just as hunger is not going to go away, until you act with your full authority to stop the starvation and hunger which you are empowered to avoid. We are going to come back again and again. We cannot conceive how you or we can do less than what is necessary and just. To do less would be a disservice to our Nation and an insult to the God of righteousness whom we seek to serve. We do not think that the country would want either of us to do less. Nor would God.

I think in the last 24 hours we have had probably the most positive and hopeful indication not only of what is to be done today but a commitment of this Nation to the future to eradicate this national disgrace and do something in rewriting the priorities of expenditures. I would even be willing to vote against the ABM if it would mean that we would get more money for hunger in this country.

Thank you very much.

Senator McGOVERN. Secretary Finch and Secretary Hardin, and members of your staff, we do want to thank you for your testimony this morning.

In my judgment, this is very close to a model demonstration of the way the executive branch and the legislative branch ought to work on an important national problem.

I, for one, have more questions that could keep us here for a number of hours, and I think other members of the committee feel the same

way. But you have been generous in your time this morning. We do hope we can have you back at an early date after all of us have had a little better chance to evaluate the President's message and to look at some of the things that were contained in your testimony today more in detail.

We do thank you for your testimony and your candor this morning.

Secretary FINCH. Mr. Chairman, probably we should let the record show that we are not trying to establish any precedent in having Secretaries appear in tandem.

Senator MCGOVERN. Senator Mondale.

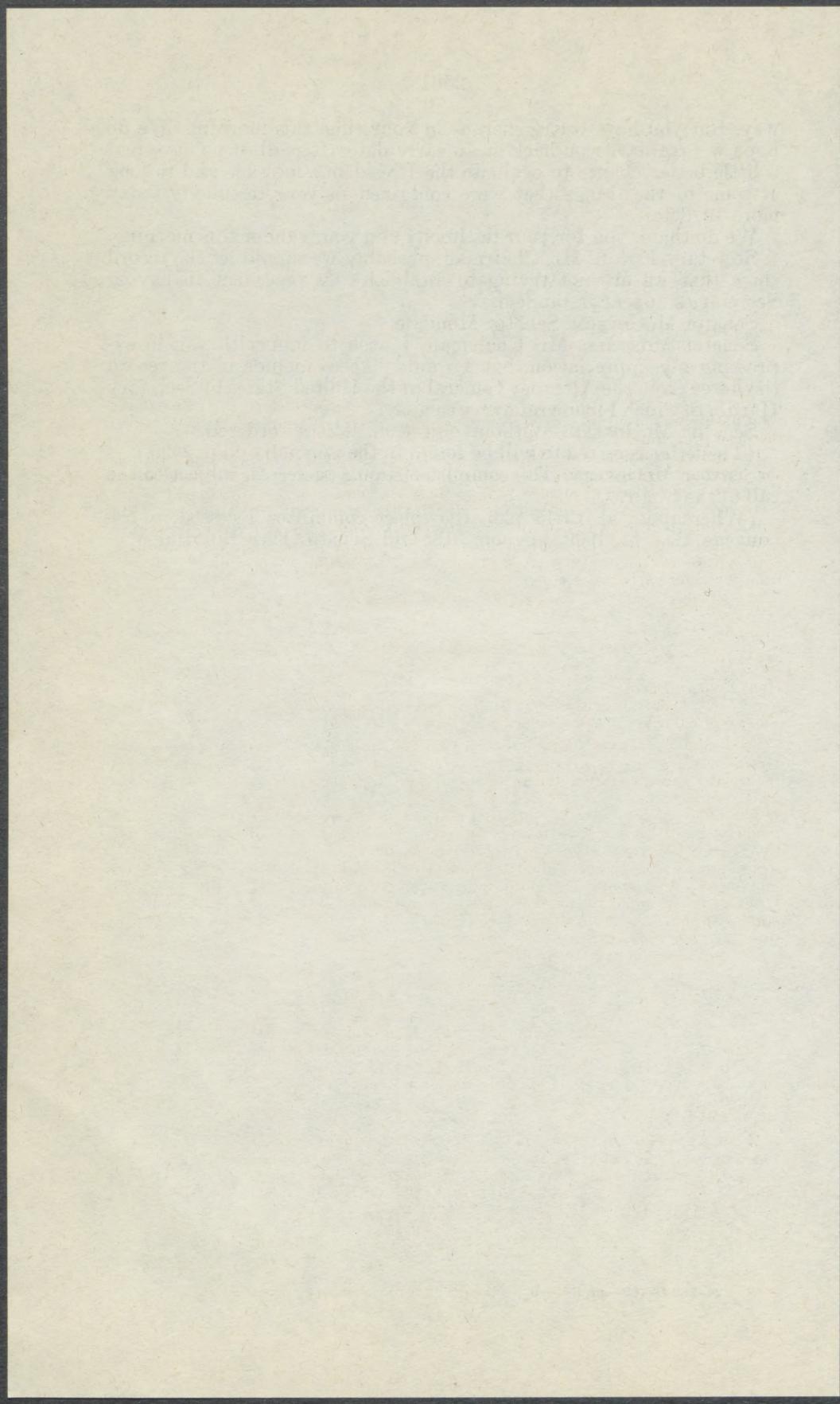
Senator MONDALE. Mr. Chairman, I wish to join with you in expressing my appreciation, but I would like to include in the record the letter from the Attorney General of the United States to Secretary Hardin to which I made reference earlier.

Senator MCGOVERN. Without objection, it is so ordered.

(The letter referred to will be found in the appendix on p. 2690.)

Senator MCGOVERN. The committee stands in recess, subject to the call of the Chair.

(Whereupon, at 12:45 p.m. the select committee recessed, to reconvene May 14, 1969, in room 318, Old Senate Office Building.)



APPENDIX

CORRESPONDENCE WITH CABINET OFFICIALS

MARCH 19, 1969.

HON. CLIFFORD M. HARDIN,
*Secretary, U.S. Department of Agriculture,
Washington, D.C.*

DEAR MR. SECRETARY: I understand that the Administration is preparing proposals to Congress which may request increased appropriations for our federal food assistance programs and recommend administrative and legislative reforms in these programs.

The Select Committee on Nutrition and Human Needs will be holding continuing hearings on these and other proposals including those made by members of Congress and private groups as well as those suggested by the Administration.

As soon as may be convenient for you after the Administration's proposals are announced, the Committee would very much like you to appear at our hearings.

We have extended the same invitation to Secretary Finch and our Committee staff will be in touch with your staff to work out a mutually convenient date and time for your appearance.

Sincerely yours,

GEORGE MCGOVERN,
Chairman.

MARCH 19, 1969.

HON. ROBERT FINCH,
*Secretary, U.S. Department of Health, Education, and Welfare,
Washington, D.C.*

DEAR MR. SECRETARY: I understand that the Administration is preparing proposals to Congress which may request increased appropriations for our federal food assistance programs and recommend administrative and legislative reforms in these programs.

The Select Committee on Nutrition and Human Needs will be holding continuing hearings on these and other proposals including those made by members of Congress and private groups as well as those suggested by the Administration.

As soon as may be convenient for you after the Administration's proposals are announced, the Committee would very much like you to appear at our hearings.

We have extended the same invitation to Secretary Hardin and our Committee staff will be in touch with your staff to work out a mutually convenient date and time for your appearance.

Sincerely yours,

GEORGE MCGOVERN,
Chairman.

THE SECRETARY OF HEALTH, EDUCATION, AND WELFARE,
Washington, D.C., March 23, 1969.

HON. GEORGE MCGOVERN,
*Chairman, Select Committee on Nutrition and Human Needs,
U.S. Senate,
Washington, D.C.*

DEAR MR. CHAIRMAN: This is to acknowledge your letter of March 19 concerning my appearing before your Select Committee on Nutrition and Human Needs.

I would suggest after the Administration proposals have been announced that your staff consult Assistant Secretary Creed C. Black concerning a mutually convenient date for our Department's testimony.

Sincerely,

ROBERT H. FINCH,
Secretary.

DEPARTMENT OF AGRICULTURE,
OFFICE OF THE SECRETARY,
Washington, D.C., March 27, 1969.

HON. GEORGE MCGOVERN,
Chairman, Select Committee on Nutrition and Human Needs,
U.S. Senate,
Washington, D.C.

DEAR SENATOR MCGOVERN: Thank you for your letter of March 19 in which you extended an invitation to me to appear at a hearing of the Select Committee on Nutrition and Human Needs.

The Administration is making a comprehensive study of Federal food assistance programs. It will be my pleasure to accept your invitation at a mutually convenient time after the Administration's study has been completed.

Sincerely yours,

CLIFFORD M. HARDIN,
Secretary of Agriculture.

APRIL 29, 1969.

HON. CLIFFORD M. HARDIN,
Secretary, U.S. Department of Agriculture,
Washington, D.C.

DEAR MR. SECRETARY: The Select Committee on Nutrition and Human Needs will hold hearings on Tuesday, May 6 and Wednesday, May 7, 1969 in order to hear testimony from representatives of the present Administration.

The Committee requests you to appear and testify on Tuesday, May 6 at 10:00 a.m.

We have also asked the Secretary of Health, Education, and Welfare and the Director of the Bureau of the Budget to appear Wednesday. If your schedule does not permit your appearance on Tuesday, we would be happy to make arrangement to reschedule your testimony for Wednesday, May 7.

We will be reviewing at these hearings the Administration's current and proposed efforts to deal with the problems of hunger and malnutrition.

The other members of the Committee and I look forward to your appearance.

Sincerely yours,

GEORGE MCGOVERN, *Chairman.*

APRIL 29, 1969.

HON. ROBERT H. FINCH,
Secretary, U.S. Department of Health, Education, and Welfare,
Washington, D.C.

DEAR MR. SECRETARY: The Select Committee on Nutrition and Human Needs will hold hearings on Tuesday, May 6 and Wednesday, May 7, 1969 in order to hear testimony from representatives of the present Administration.

The Committee requests you to appear and testify on Wednesday, May 7, at 10:00 a.m.

We have also asked the Secretary of Agriculture to appear Tuesday. If your schedule does not permit your appearance on Wednesday, we would be happy to make arrangements to reschedule your testimony for Tuesday, May 6.

We will be reviewing at that time the Administration's current and proposed efforts to deal with the problems of hunger and malnutrition.

As part of your testimony we ask that you provide the Committee with detailed information related to the funding of the National Nutrition Survey and HEW plans for continuing surveillance of malnutrition and related problems. We request that you also indicate the specific uses to which your Department will put monies reprogrammed for nutrition, and provide budget estimates and plans for nutrition related activities throughout your Department in FY 1969 and FY 1970.

The other members of the Committee and I look forward to your appearance.

Sincerely yours,

GEORGE MCGOVERN, *Chairman.*

APRIL 29, 1969.

Mr. ROBERT P. MAYO,
Director, Bureau of the Budget,
Washington, D.C.

DEAR MR. MAYO: The Select Committee on Nutrition and Human Needs will hold hearings on Tuesday, May 6 and Wednesday, May 7, 1969 in order to hear testimony from representatives of the present Administration.

The Committee requests you appear and testify on Wednesday May 7 at 11:00 a.m.

We have also asked the Secretaries of Agriculture and Health, Education and Welfare to appear. If your schedule does not permit your appearance on Wednesday, we would be happy to make arrangements to reschedule your testimony for Tuesday, May 6.

We will be reviewing at that time the Administration's current and proposed efforts to deal with the problems of hunger and malnutrition. We ask that you be prepared to testify in detail about the revised FY 1970 budget for nutrition-related activities throughout the Federal government.

The other members of the Committee and I look forward to your appearance.

Sincerely yours,

GEORGE MCGOVERN,
Chairman.

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington, D.C., May 5, 1969.

HON. GEORGE MCGOVERN,
Chairman, Select Committee on Nutrition and Human Needs, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: This is in reply to your letter of April 28, 1969, inviting me to appear and testify before your Select Committee on Nutrition and Human Needs on either May 6, or May 7, 1969.

Your letter indicated that Secretary of Agriculture Hardin and Secretary of Health, Education, and Welfare Finch are also being invited to appear before your Committee. Upon consulting them I have found that they are both planning to be with you. The press of business on the Bureau is extremely heavy and both Secretaries are fully conversant with all aspects of Administration policy on human nutrition, including being fully prepared to deal with the relevant budgetary problems. Under the circumstances, I feel that my not appearing will in no way hinder your Committee's work.

Thank you for extending me the invitation.

Sincerely,

ROBERT P. MAYO,
Director.

URBAN AFFAIRS COUNCIL MATERIALS ON HUNGER AND
MALNUTRITION

STAFF MEMORANDUM, MAY 1, 1969

SUMMARY OF REPORTED NIXON ADMINISTRATION ACTIVITIES ON HUNGER AND
MALNUTRITION

The Urban Affairs Council at the White House, as the principal domestic policy making group in the Nixon Administration established a food and nutrition

committee of the Council sometime in February. The Food and Nutrition Committee is a Cabinet level Committee on which Secretaries Finch, Hardin and Stans sit. Secretary Hardin is the Chairman. This Committee, in turn, has a Subcommittee at the Assistant Secretary level chaired by Assistant Secretary of Agriculture Lyng. The Food and Nutrition Committee and Subcommittee were staffed by Deputy Assistant Secretaries and others familiar with nutritional-related problems drawn from HEW and USDA.

The Hardin Food and Nutrition Committee presented its recommendations to the Urban Affairs Council, March 17, 1969.

Reportedly, at about the same time the same or another Committee, was also working on a welfare reform proposal. A decision was made by the Urban Affairs Council, or by Dr. Moynihan, that the welfare reform proposals and food reform proposals were to be examined together. The food reform package was apparently at some time presented to the President and also was reviewed by Dr. Arthur Burns, Counsellor to the President. Reportedly, Dr. Burns was of the belief that the hunger problem has been exaggerated and that if there is a food shortage in this country it is a problem of medical malnutrition and lack of nutritional education. To reinforce this opinion, Dr. Burns went over all of Dr. Arnold Schaefer's statements and reports on the preliminary results of the National Nutrition Survey and prepared a memorandum apparently concluding that the Survey was inconclusive, ambiguous, and not worthy of consideration in determining hunger policy.

The President reportedly took the advice of Dr. Burns, Secretaries Stans and the Bureau of the Budget in rejecting the Hardin Committee's proposed food reform package.

It has been reported to the Committee staff that Secretary Hardin was informed by the Bureau of the Budget that if additional funds were to be budgeted for food programs, he would have to find those funds elsewhere within USDA by cutting back in subsidies to farmers. This he declined to do.

On about April 14 the Nixon Budget was announced. While the Nixon Budget for food programs accepted the overall increase proposed by President Johnson for Fiscal Year 1970, it also increased that budget by \$15 million for the USDA Extension Service's Nutrition Aides Program. This \$15 million will be spent to provide nutrition education to low-income families. It was decided that because of inflation and in view of other priorities that there would be no further increase in food assistance programs.

Thus, at least insofar as they would have recommended increased food assistance expenditures for Fiscal Year 1970, the Hardin Committee's recommendations to the President were rejected. It has been reported that some of these recommendations are still under consideration, that a volunteer effort will be mobilized either to help people sign up for food assistance programs, or otherwise help with their nutritional problems, but aside from this and the \$15 million for nutrition education as well as a limited pilot free food stamp program in two South Carolina Counties, there has been no apparent response by the Nixon Administration to hunger and malnutrition problems exposed over the past four months by the Select Committee on Nutrition.

Welfare reform, however, is still under active consideration within the Urban Affairs Council. HEW's welfare reform proposals do include provisions for increased welfare benefits to be used for public assistance recipients for the purchase of food stamps. However, Burns, once again, has made his own recommendations and they do not involve food stamps.

FACTS AND CONCLUSIONS CONSIDERED BY URBAN AFFAIRS COUNCIL COMMITTEES

The documents used by the Food and Nutrition Committee and Subcommittee of the Urban Affairs Council reveal that in compiling the Committee's recommendations to the President the following facts and conclusions about the extent of hunger and malnutrition and present food assistance efforts were discussed or considered:

The Extent of Hunger and Malnutrition

"Undernutrition—There seems to be no reason to assume that there is any significant proportion of the 'poor' who are *not* in this category. One-half of *all* infants are likely to be in this category.

"Malnutrition—At least one half of the poor in the Southern states, 20 percent of the poor in the non-Southern states.

"Although we are uncertain, scattered evidence indicates 5 to 10 million are suffering from severe hunger and malnutrition.

"Evidence indicates that malnutrition during pregnancy or early childhood may preclude normal intellectual development. This particularly vulnerable group is largely beyond the reach of our present institutional food programs."

Food and the Income of the Poor

The Social Security Administration and OEO calculate that approximately 12 million Americans live in families with incomes less than the equivalent of \$2,200 a year for a family of four. Yet, USDA's economy food budget sets an absolute minimum of \$1200 a year for a family of four for food. "It is unrealistic to believe that a family in dire poverty will spend 55 percent of its income for food, while the average American spends 17 percent."

Census Bureau figures of March 1967 show in excess of 11 million persons with family incomes under \$2,200 per year.

OEO estimates that 5.5 million persons live in families with an income of less than the equivalent of \$1,000 for a family of four.

"Most food assistance recipients cannot purchase (nor have been given enough food for) an adequate diet."

Food and Welfare Assistance

"Less than 9 million of the country's 25 million persons living in families with less than \$3,000 annual income receive any form of welfare assistance.

The Diets of Low Income Americans

"14 million of the poor consume food not meeting recommended (dietary) allowances.

"8 million of the poor are with a diet providing less than two-thirds of the recommended allowances for one or more essential nutrients."

Conclusions About Current Family Food Assistance Programs

"Current family food programs offer meager assistance.

"Three-quarters of the poor do not receive help from either one of these two family food programs."

Commodity Program

"The direct distribution commodity program offers benefits worth \$13 per person per month in the relatively few counties which all 22 commodities are made available by USDA.

"Only 380 counties out of 1,400 accept 20 or more of the 22 commodities made available by USDA under the Commodity Distribution Program."

The complete package of 22 commodities offered adequate amounts (of nutrients) for 6 nutrients and less than adequate amounts for energy (calories) and Vitamin A.

Food Stamps

"The Food Stamp Program offers an average of \$6.90 assistance per person per month to 2.8 million persons . . . many persons cannot afford to buy into the program—particularly when its benefits leave families well below USDA's economy food budget level after participating." *Note:* The economy food budget calls for \$25 per person per month.

Current payment and value schedules are inequitable and appear to strongly discourage participation.

"Those in extreme poverty receive stamps which meet only 60% of their minimum needs.

"State eligibility requirements, which range from \$1,920 to \$4,140 for a family of four, are inequitable and have no relation to geographic differentials in food prices.

Conclusions with Respect to Child Nutrition

"The Child Nutrition Program (primarily the school lunch effort) is widely accepted, but their large resources are not going where they are needed.

"Of the 20 million beneficiaries, only 2.5 million are the poor who receive free or near free lunches; another 4-5 million poor children need priority attention at this time.

"Less than one-half of the children of families with poverty level incomes receive a free or reduced price lunch."

Nutrition Education

"There is little or no connection between classroom discussion of food habits, the school lunch, food advertising, and the grocer's shelf. Nutrition education is generally out of date, and it does not educate the consumer for the prepared foods of today and tomorrow."

Recommendations Made to the President by the Food and Nutrition Committee of the Urban Affairs Council

The Food and Nutrition Committee recommended the submission of a Presidential Message to the Congress incorporating its recommendations. These recommendations are summarized below.

Food Stamp Program

Raise the value of food stamps to all participants to enable them to purchase an adequate diet, to a level of \$1,200 a year for a family of four, USDA's economy food plan.

Reduce the cost of food stamps to not less than 30 percent of income, and less for the poorest families.

Uniform nationwide maximum eligibility standards for food stamps.

Free food stamps for families with less than \$50 per month income.

The annual cost of this recommendation would have been \$1.7 billion per year more than is presently being expended. It would assume 11.5 million people participating in family food assistance programs.

Additional Recommended Reforms in Family Food Assistance Programs

Priority for food stamps over commodity program.

Free food stamps for not less than 3 months in counties transferring from commodities to food stamps.

Operation of food stamps and commodities in the same county where the Secretary determines this is desirable.

Authority for the Federal government to share administrative costs of the Food Stamp Program using Section 32 funds.

Certification through use of a personal declaration form.

Mailing of food stamps, prompter and simpler certification, appeal mechanisms.

Distribution of commodities at all times to meet minimum nutritional requirements.

Inter-county and inter-state accreditation of beneficiaries.

Supplemental Food Programs for Infants and Mothers

Use of books of special vouchers for specified food items redeemable at grocery and drugstores.

Funding at the rate of \$79 million in Fiscal 1970 and \$100 million annually thereafter.

School Lunch and Breakfast

National eligibility standards and uniform guidelines.

First priority for free and reduced price lunches and breakfasts for all needy children.

Use of convenience foods and modern technology in schools without the proper food preparation facilities.

Use of school lunch and breakfast programs for food and nutrition education.

Administrative Reorganization

A new Food and Nutrition Service in USDA to administer all USDA food assistance programs.

A sub-Cabinet coordinating Committee.

Local level Federal expeditors to coordinate Federal programs.

Private Industry Recommendations

The President to call a meeting of 10-15 heads of major food processing and distribution companies to consider the development of new foods and fortification of present foods, improvement of government commodities, replacement of government commodities by privately developed commodity packages, and market analyses of food, shopping and purchasing consumption habits of the poor.

A coordinated advertising and packaging campaign for nutrition education.

Volunteer Efforts

"Priority should be given under the voluntary action program developed by the Committee on Voluntary Action to involve private, non-profit organizations in helping those beyond the reach of the food health programs."

Nutrition Education

Expansion of USDA Extension Service Nutrition Aides Programs. (No funds recommended.)

Nutrition and Manpower Training.

Nutrition Research

\$3 million in Fiscal 1970 for research on the relationship between malnutrition and intellectual, emotional and physical development of the child.

Administration Responses to the McGovern Committee

The Committee heard witnesses from South Carolina as a result of which, and after a meeting with Senators McGovern and Hollings, Secretary Hardin announced free food stamps for those families in Beaufort and Jasper Counties, South Carolina, with incomes of less than \$20 per month. Senator McGovern subsequently wrote Secretary Hardin asking that this pilot program be expanded to include free food stamps for those with incomes of less than \$1,000 per year, simpler certification procedures, easier access to stamps and grocery stores through transportation assistance, etc. . . .

Following the Committee's field trip to Collier County, Florida, Senators Ellender, McGovern and Mondale wrote Secretary Hardin asking that free commodities be provided in Collier County and pointing out that the Office of Economic Opportunity had agreed to pay the administrative costs of \$30,000 and that the local community action agency had agreed to administer the program. Secretary Hardin responded that the recommendations contained in the letter were under consideration and the negotiations were proceeding with OEO and others to institute a commodity program in Collier County, Florida. At this writing no program has as yet been instituted.

Following the District of Columbia hearings, Senator Javits called a press conference which was attended by Secretary Hardin and Mayor Washington. At the press conference it was announced that a supplementary feeding program for infants and mothers would be started in the District of Columbia, administered by the Health Department, and would serve 45,000 people at a cost of \$3 million. It was also announced that a \$3-4½ million non-school child feeding program would be instituted this summer to serve some 100,000 school children. The entire non-school feeding Nixon budget is \$10,500,000. The above, and \$15 million more for nutrition education, are the only Administration responses to the activities of the Select Committee.

Welfare Reform Proposals Before the Urban Affairs Council

HEW has reportedly developed a Family Security Plan for income maintenance that would provide an income floor based on family composition and figured on a sliding scale. Under this plan the AFDC program would disappear as a Federal/State effort. Funds for families would be 100% federally financed, and administered through the Social Security Administration. Unlike the present AFDC category which does not provide supplements for under-earning male heads of families, this program would blanket those persons in, adding approximately 6 million to those eligible for family assistance.

The proposal has been submitted to the Urban Affairs Council and is under consideration. There two factions have developed, one pressing for the Family Security Plan and actively pursuing the President's endorsement, and the other faction developing counter-proposals which include job-related and other components, and competing for endorsement.

The Family Security Plan has been presented in three forms

1. A family of four members with no income would be entitled to cash payments up to \$1500 (approximately \$30 per person/per month); earned income would reduce payments by 50% to provide a work incentive feature. A two-person family would receive \$750 if there is no other income, and would also keep half of additional earned income.

The cost of this program is estimated by one source to be about \$5.4 billion per year (the figure is not HEW's). Since only 9 States now pay less than the amount slated, it must be assumed that States will have to operate programs on top of the federal program, entirely at State expense—unless a schedule of

federal matching is developed which would perhaps result in dual administrative systems.

2. A family of four would receive cash payments of \$1500 if there is no other income, plus being entitled to \$750 worth of Food Stamps at a cost to them of \$250. Thus their income would be estimated at a value of \$2,000 (\$1500 plus \$750—\$250). A sliding scale would be applied to develop comparable rates for those with some earnings or different family composition.

Based upon some assumptions relating to the number of family groups of different sizes, the food component of this option would cost \$.9 billion. Using the first estimate, the total for this option would be \$6.3 billion.

3. A family of four with no other income would be entitled to cash payments of \$1500 and also be entitled to \$1200 worth of food stamps at a cost to them of \$450. Thus their income would be estimated at a value of \$2250 (\$1500 plus \$1200—\$450).

Based on the first estimate, this option would cost \$6.9 billion per year.

These figures relate only to the costs of a program to substitute for AFDC plus other families in need, and represent only federal costs. Excluding vendor payments for medical care, administrative, training and services costs, and the work incentive program, estimated federal costs for FY 1969 for cash payments for public assistance amount to \$5.2 billion. This figure includes State and local contributions. Thus the most generous of the proposals would cost substantially more in federal dollars alone than combined costs of all participants now. However this approach does not reflect the money which reverts to the States for their use, nor does it reflect what must be assumed will be reduced administrative costs. Even the least generous of the proposals would cost more than present federal contributions for public assistance payments, \$3.4 for FY 1969.

In the face of these expensive proposals, Dr. Arthur Burns has prepared a paper, "Investing in Human Dignity." His plan assumes that through compulsory job placement or training there will be a substantial reduction in the numbers on welfare. He speaks of those on welfare and those who are "welfare prone". Among his recommendations is a request for legislation to provide a national computerized job bank, proposals for tax incentives for business to encourage them to hire ghetto residents, vastly expanded training programs, day care that is 100% federally financed.

His plan would provide a mandatory minimum of \$40 per person/per month, with a mandatory Unemployed Father provision for all States. Financing would occur through a system of revenue sharing. There is no provision for including food programs in any form.

The total cost (whether this figure includes State contributions is unclear) would be \$2.4 billion, or \$1.1 billion less than last year's federal cost for cash payments.

The Burns proposal speaks to four goals:

- assurance of a decent level of living for "all who can help themselves";
- A reduction of the number who require welfare;
- raising the lowest welfare payments to assure all who receive aid a decent amount;
- modify manpower programs to extend work opportunities to women now on welfare.

In his proposal Burns indicates that the present welfare mess is due to:

- rapid increases in benefit levels;
- liberalization of State Administration of programs;
- changing attitudes toward welfare;
- a growing trend in thinking toward income maintenance that would provide help to all who need irrespective of "worthiness";

He criticized HEW's Family Security System for:

- preserving or even exacerbating the present trend toward rising rolls;
- it does not deal with non-AFDC types;
- the partnership between federal and State governments would suffer;
- the absence of earning fathers would be encouraged (because they would not want to add in their incomes and have additional income taxed);
- the marginal tax rate in the plan—50%—is too low;
- there would be pressure to increase benefits still higher;
- the cost estimates are unrealistic;
- the plan is open to welfare rates of 50-60 million.

There are strong implications in the Burns proposal that eligibility will be tightened and that administration and investigation will continue in the States. The number and type of those covered (and whether or not paid while) in training is not made clear. Burns made no provision for the working poor.

CALIFORNIA COURT CASES

Last November, cases were filed in Federal District Courts in more than 20 States in class actions by four residents of counties without food programs seeking court orders requiring the Department of Agriculture to institute food programs in those counties. The Constitutional basis of the suits was that the equal protection clause prohibits discrimination against poor people with respect to their eligibility for food assistance solely on the basis of their county of residence. The California case involved the 16 California counties with no food programs.

On December 30, 1969, the U.S. District Court for the Northern District of California issued an affirmative temporary injunction which was subsequently interpreted by the Court to require (1) that the Secretary of Agriculture institute either food stamps or commodities in each of the 16 counties, and (2) that with respect to the institution of commodity programs in the 16 counties, USDA pay the administrative expenses. At the time of the Court order, the Court found (1) that the counties themselves had refused to request or approve either program; (2) "a substantial amount of hunger" in each county; (3) that the plaintiffs would suffer immediate and irreparable harm if they did not get food; (4) that commodities were available in warehouses in California to feed the plaintiffs; (5) that the Secretary of Agriculture had full and unlimited authority to institute commodity programs in the counties; (6) that USDA had paid commodities program administrative expenses in more than 40 counties in the United States; and (7) that \$300 million of Section 32 funds were available to pay for the administration of the commodities programs in the 16 California counties. Most of the above findings were stipulated by USDA.

The three judge Court denied USDA's subsequent motion to stay the temporary injunction. The three judge Court has not, to this date, ruled on the merits of the case. However, USDA remains under court order as described above.

USDA has never complied with the Court order with respect to the commodity programs.

USDA's apparent tactic has been to refuse to pay for a commodities program while at the same time trying to render the case moot by getting food stamp programs into the 16 counties. During the last 5 months it has persuaded 13 of the 16 counties to apply for a food stamp program.

In doing this, USDA set a deadline of May 15 for applications by the counties for either a food stamp program (under which the counties pay the administrative costs) or for a commodities program (again with the counties paying the administrative costs).

However, the Committee staff has been told that there is no chance that any food stamp program will actually be in operation before July or August.

The remaining three counties have refused to approve a Food Stamp program. Not one person in any of the 16 counties has yet received either food stamps or commodities, and USDA has consistently refused to pay for a commodities program in any county.

While this is going on in California, other counties throughout the United States now on commodities and wishing to switch to food stamps are being told by USDA not to apply for food stamps because USDA lacks food stamp funds.

There is presently pending before the California District Court an application for a contempt citation filed by the plaintiffs against USDA.

USDA is apparently quite worried that the California case and other cases may eventually require it to use Section 32 funds to pay for commodity programs in the 480 counties in the country that have no food programs.

Another aspect of this case relates to the Select Committee's efforts to get a commodity program into Collier County, Florida. At one time, in 10 of the 16 California counties, local Community Action Agencies volunteered to operate and provide administering funds for Commodity Distribution Programs. USDA refused to designate CAP agencies as commodity distribution agents. USDA has also failed thus far to accept the offer of OEO funds and local CAP administration for a commodity distribution program in Collier County, Florida.

FOOD AND NUTRITION COMMITTEE RECOMMENDATIONS ON FOOD PROGRAM REFORM,
MARCH 17, 1969

BACKGROUND

The Food and Nutrition Committee of the Urban Affairs Council has concerned itself with *poverty related malnutrition*. The problem of insufficient or unbalanced diet in the general population was considered less immediate than the issue of malnutrition among the poor.

Malnutrition and under-nutrition among the American poor began to emerge as a political issue with the hearings on Hunger and Malnutrition before the Senate Subcommittee on Employment, Manpower and Poverty in the Spring and Summer of 1967. The issue was further stimulated by a number of private documents such as "Hunger USA" and the CBS television documentary "Hunger in America." Additional Senate hearings were held in the summer of 1968, leading to the establishment of the Select Committee on Nutrition and Human Needs, which held its first session on December 17, 1968.

The exact extent of critical, poverty-related malnutrition in the United States is not fully known at the present time. Such knowledge as we do have indicates that malnutrition among the poor is in fact a serious problem.

The National Household Food Consumption Survey, conducted every 10 years by the Agricultural Research Service of the Department of Agriculture, reported that in its 1965 survey two-thirds of households with annual incomes under \$3,000 had diets that did not meet the Recommended Dietary Allowances for 1963 of the Food and Nutrition Board of the National Academy of Sciences-National Research Council. Half of these households—one-third of those with annual incomes under \$3,000—consumed diets providing less than two-thirds of at least one of the essential nutrients in the Council's Recommended Dietary Allowances.

The National Nutrition Survey presently being conducted by the Public Health Service of HEW is surveying all indices of malnutrition, rather than food consumption alone. To date 12,000 individuals have been examined in Texas, New York, Kentucky and Louisiana, 80 percent with family incomes under \$5,000. Preliminary data indicate, in the words of the surveys' director, Dr. Arnold Schaefer, "an alarming prevalence of characteristics associated with undernourished groups."

For example:

1. 15 percent of those studied were anemic, having hemoglobin levels so low as to require medical attention. The figure for children (under 6) was 33 percent.
2. 5 percent of those studied had goiter.
3. 13 percent of those studied and 33 percent of the children in the group had "unacceptably low" Vitamin A levels.
4. 4.5 percent of those studied had traits associated with protein and calorie malnutrition.
5. There were seven cases of marasmus and kwashiorkor.

The attached recommendations constitute, in the opinion of the Food and Nutrition Committee, a proper program aimed at the problems of poverty related malnutrition. It should be understood, however, that the Committee has not at this time considered the priority of these programs and added expenditures compared to the needs of other domestic programs.

The Committee recommends the submission of a Presidential message to the Congress incorporating these recommendations. Some of the recommended program modifications would require legislation and increased appropriations. Others are within the authorities of the Secretary of Agriculture and the Secretary of Health, Education, and Welfare, but it is recommended that a legislative mandate also be sought for these changes.

Family Food Assistance Programs

There are two Family Food Assistance programs—Food Stamp and Direct Distribution.

A. *The Food Stamp Program.* Food stamps provide a bonus for food purchases which varies with the income and family size of the recipient. Current schedules provide an average bonus of \$6.90 per person per month in food purchasing power. A family of four with a monthly income under \$30 (\$360 annual) pays \$2 per month and receives \$58 in food stamps. At the other end of the schedule, a family with a monthly income of \$250 (\$3,000 annual) pays \$76 and receives \$100 in food stamps. Thereafter the monthly bonus for such a family (\$24) remains con-

stant up to the eligibility cut-off point, which depends upon state eligibility standards, the highest being \$4,140 a year.

Stamp purchases may be made on a monthly, semi-monthly, or in some cases a weekly basis. Participants must be certified eligible by local welfare agencies. The program is operated by state welfare agencies, except for the approval and supervision of participating retailers and wholesalers, which is done by USDA. Presently about 1,200 counties operate Food Stamp programs, with about 2.8 million program participants.

B. Direct Distribution Program. An agency of the state government is responsible for operation of the program within the state, under a Plan of Operation approved by USDA. The state agency must order and accept shipments of commodities from USDA (usually in carlot quantities) and arrange for their subsequent shipment to local distribution centers operated by the officials of participating areas. Participating families come to these centers to pick up their monthly allotment of commodities. At the local level, staff and facilities must be available where families can be certified as eligible for the program under State standards of eligibility.

USDA is currently offering 22 foods to states for donation to low-income families, worth about \$13 retail per person per month. The complete package of 22 foods offers adequate amounts for 6 nutrients and less than adequate amounts for energy and vitamin A, according to the National Research Council's Recommended Dietary Allowances. However, few participating counties (380) accept 20 or more foods to offer recipients, and many recipients are unwilling to accept those foods offered.

The program operates in about 1,400 counties, cities, and territories, as well as on Indian Reservations. There are about 3.7 million individual recipients.

There are 480 counties or independent cities, with about 10 percent of the poor, that have no Family Food Assistance program and no present plans to initiate one.

In program areas about one-third of those with incomes below the poverty line receive food assistance. Over 6 million now receive food stamps or free commodities, among them 40 percent of the nearly 9 million public assistance recipients.

Food participation

3.6=PA
2.4=Non PA

In the judgment of the committee the food stamp program is preferable to direct distribution. There are, however, a number of flaws in the present Food Stamp program. Current payment and value schedules are inequitable and appear to strongly discourage participation. The current schedule requires payment of up to 47 percent of income to participate in the program. (Middle-class families pay on the average 17 percent of their income for food.) The program is therefore inadequate for those whose income is too meager and too erratic to make periodic bloc payments. For those with incomes below the poverty line, over 90 percent of the participants, the schedule provides stamps insufficient to purchase food for an entire month under minimum USDA criteria. Those in extreme poverty receive stamps which meet only 60 percent of minimum needs. Finally, State eligibility requirements, which range from \$1,920 to \$4,140 for a family of four, are inequitable and have no relation to geographic differentials in food prices.

The food stamp schedule should be revised to provide food incomes sufficient to purchase adequate diets, to permit more of the poor to participate, and to focus Government resources on the very poor.

1. The value of stamps issued to all participants should be sufficient to purchase an adequate diet. The recommended standard is the Economy Food Plan, the minimally adequate food budget calculated by the Agricultural Research Service of the Department of Agriculture (description attached). This budget varies with age, sex, geographic location and changes in food prices. The current average cost for a family of four with school-age children is \$100 per month.

2. The cost of food stamps should be not greater than 30 percent of income, and should be less than this for the poorest families.

3. A uniform maximum eligibility standard should be used to eliminate inequities between states and to insure that government funds are focused on the very poor.

Within these guidelines a range of alternatives are possible. Two are described on the graph, p. 2575.

Alternative #1 requires a minimal payment from those with family incomes less than \$60 per month. Stamp prices for those above this level would be based on percentage of income, rising from 25 percent of income to 30 percent at the eligibility cut-off level, \$333 per month (\$4,000 annual income).

Alternative #2 offers food stamps at no cost to those with incomes less than \$50 per month for a family of four. This is our recommended modification. In our judgment people with incomes this low are in such extreme poverty, with incomes so erratic and unpredictable, that any charge at all for stamps is a major barrier to participation. There are approximately 2 million Americans with incomes at this level.

Under Alternative #2 stamp prices for families with incomes over \$50 per month would rise from 25 to 30 percent of income over \$50 per month, and the eligibility cut-off would be \$333 per month.

If the recommended modifications were fully implemented in FY 1970, and the Food Stamp program completely replaced the Direct Distribution program by FY 1973, the annual cost for Family Food Assistance in that year is estimated to be about \$2.5 billion—about \$1.7 billion more than would be spent at that time under present programs. This assumes 11.5 million people would participate in the modified program, about 5 million above present participation. The annual cost of Alternative #1 would be about \$.6 billion lower.

If the recommended modifications became operational on January 1, 1970, the FY 1970 cost is estimated to be about \$700 million—\$350 million more than is now budgeted. The FY 1970 cost of Alternative #1 is estimated to be about \$100 million less.

Implementation on July 1, 1969 would result in a FY 1970 cost approaching \$1 billion.

FOOD STAMP PROGRAM—PRESENT AND ALTERNATIVE LEVELS OF ASSISTANCE FOR A FAMILY OF 4

Annual income level:	Present program			Alternative No. 1 (pay 25-30 percent of income)			Alternative No. 2 (free stamps to \$50 monthly income, pay 25-30 percent of income above \$50)		
	Payment	Bonus	Total	Payment	Bonus	Total	Payment	Bonus	Total
\$240-----	\$24	\$696	\$720	\$24	\$1,176	\$1,200	-----	\$1,200	\$1,200
\$500-----	168	576	744	125	1,075	1,200	-----	1,200	1,200
\$1,000-----	432	432	864	250	950	1,200	\$100	1,100	1,200
\$1,200-----	528	408	936	309	891	1,200	180	1,020	1,200
\$1,500-----	624	384	1,008	396	804	1,200	300	900	1,200
\$2,000-----	720	336	1,056	543	657	1,200	500	700	1,200
\$2,000-----	816	288	1,104	696	504	1,200	675	525	1,200
\$3,000-----	912	288	1,200	857	343	1,200	840	360	1,200
\$3,500-----	960	288	1,248	1,024	176	1,200	1,015	185	1,200
\$4,000-----	1,056	288	1,344	(1,200)	-----	(1,200)	(1,200)	-----	(1,200)
\$4,500-----	1,104	288	1,392	(1,200)	-----	(1,200)	(1,200)	-----	(1,200)

Additional recommendations for improving the Family Food Assistance programs are as follows:

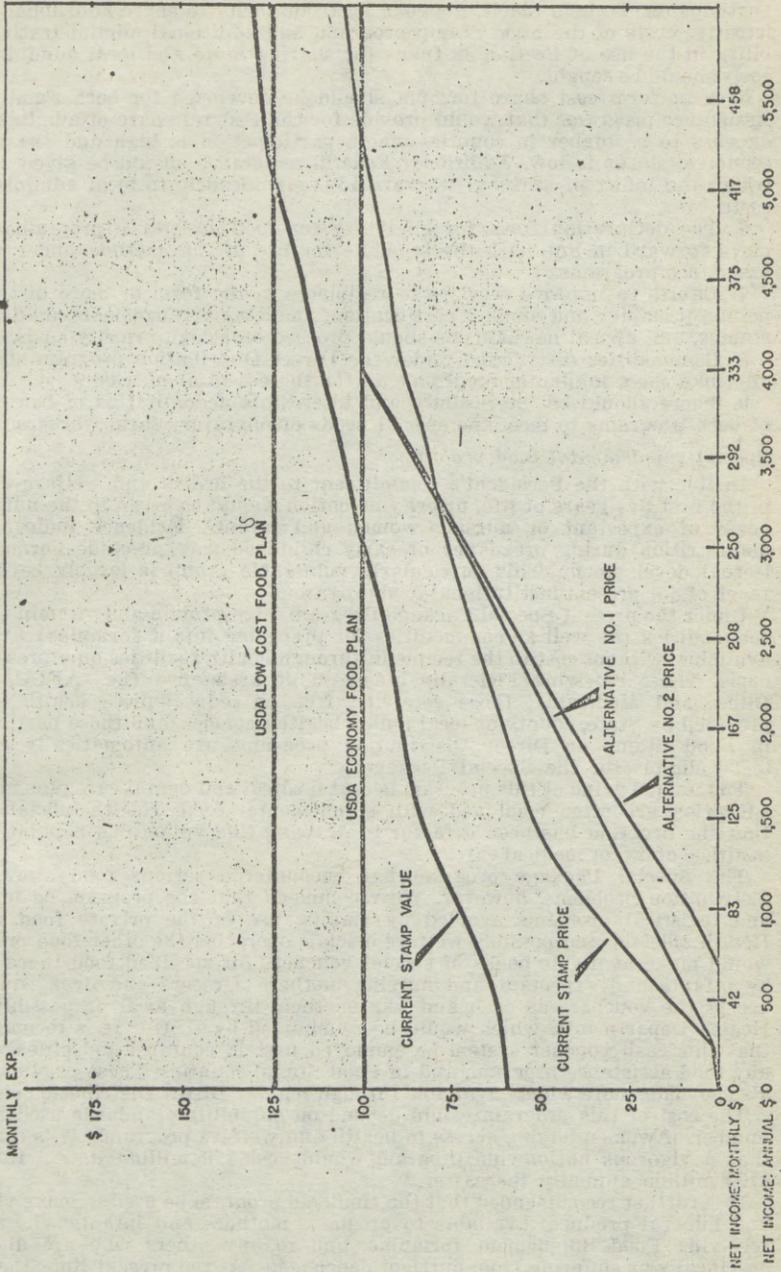
1. The modified Food Stamp program should be given priority over the Direct Distribution program in expanding the geographic coverage of the Family Food Assistance programs, once it has been shown to increase individual participation. Since the Food Stamp program operates through retail food stores and thereby eliminates the need for operating a separate food distribution system, sparsely populated areas should be encouraged to shift to the Food Stamp program first.

2. Legislative authority should be broadened to permit both free food stamps for a minimum of three months in areas transferring from Commodity Distribution to the food stamp program. A longer period of time should be permitted when participation in the food stamp program is significantly below that formerly achieved under the direct distribution program.

3. Legal authority should be requested to permit the Secretary to authorize the operation of both the Food Stamp and Direct Distribution programs in the same county or city when the Secretary determines this would be desirable and when State or local authorities agree to pay any additional costs of administration.

4. Special efforts should be made to bring either the Food Stamp or Direct Distribution program into the 480 counties and cities now without a Family Food Assistance program, and to ensure counties and cities participating in the

FOOD STAMP PROGRAM MODIFICATIONS FOR A FAMILY OF FOUR



Commodity Distribution program are offering the full range of commodities to participants. To help reach this goal, legal authority to share additional administrative costs of the Food Stamp program, and additional administrative flexibility in the use of Section 32 funds for sharing State and local administrative costs should be sought.

5. A uniform cost share formula should be developed for both Family Food Assistance programs that would provide for the Federal share of administrative expense to be higher in counties where participation is high and the relative economic status is low. Additional Federal assistance should be given counties where the influx of seasonal workers adds significantly to local administrative costs.

6. The declaration form for eligibility for food assistance programs should move forward in line with the schedule for use of this method under welfare assistance programs.

7. Efforts to improve services to recipients in the form of more distribution points, prompter and simpler certification, financing arrangements, mailing food stamps, and appeal mechanisms should proceed on a high priority basis.

8. Commodities distributed under the Direct Distribution program should at all times meet minimum requirements for the essential nutrients.

9. There should be inter-county and inter-State accreditation of beneficiaries of both programs to meet the special needs of migratory farm workers.

Special supplemental food program

In line with the President's commitment to the health and welfare of those in the first five years of life, priority attention should be given to the nutritional needs of expectant or nursing women and infants. Evidence indicates that malnutrition during pregnancy or early childhood may preclude normal intellectual development. This particularly vulnerable group is largely beyond the reach of our present institutional food programs.

Under the present Special Package Program, high protein and vitamin fortified commodities (as well as commodities for preparing infant formulas) are made available, without cost to the recipient, through health facilities on a prescription basis. Those receiving Federally aided public assistance (i.e., AFDC, Aid to Blind, and Medicaid), those receiving free or reduced-price health services provided by State, county or local public health agencies, and those participating in Food Stamp or Direct Distribution programs are automatically certified to be eligible for the Special Package.

The unique value of this program is that medical and dental care plus nutrition education are often combined with supplemental food. Health officials relate that the program has been a factor in drawing this vulnerable population into health centers for medical care.

The Special Package program has encountered serious food storage and distribution problems, however. We recommend that the program be improved and logistical problems avoided by making use of the private food market. Health officials, and possibly welfare officials operating the other food programs, would make available books of special vouchers for specified food items needed by infants and expectant and nursing mothers. Grocers and druggists would accept the vouchers as cash and redeem them through local or possibly State Health Departments, which would be reimbursed by USDA. It is recommended that this cash voucher system be employed first in counties and cities without any food assistance program, and in Food Stamp counties. These products could also be made more widely available through regular Direct Distribution channels.

The cost of this program would depend on eligibility standards used and the number of women having access to health and welfare programs. It is estimated that a vigorous nationwide program would cost \$79 million in FY 1970, and \$100 million annually thereafter.

It is further recommended that the Medicaid program be used to make vitamins and mineral products available to pregnant mothers and infants who are not receiving Food Supplement formulas, and to any others who are diagnosed specifically as suffering from nutrient deficiencies. At the present time, the States control the identification of drugs and medicines which they will reimburse under Medicaid, and several States have excluded vitamins. HEW would seek to encourage the States to include vitamins for this limited purpose, but a legislative change would be necessary to mandate inclusion.

Child food assistance programs

Cash and commodity grants are made for school lunches, breakfasts, milk, food service equipment, and State administrative expenses. Under a program begun this year, assistance is also provided for children in nonschool situations.

With few exceptions the programs are administered through State educational agencies. Exceptions are mostly nonprofit private schools and child-care institutions in states where the state government may not administer programs in other than public schools and institutions. Until this fiscal year, when some funds were provided to strengthen state administration of the programs, all administrative costs were borne by state and local governments. Two states appropriate significant amounts for school lunches.

The programs operate under formal Federal-State agreements which incorporate the detailed regulations. The Department establishes nutritional standards, apportions funds to each state under statutory formulas, provides technical assistance, and audit. State agencies contract with local school districts and make payments monthly on the basis of performance, i.e., number of meals or breakfasts served. States where a high proportion of the children are from low-income families receive larger Federal payments. The Federal cash and commodity contribution averages about 18 cents per lunch under the regular school lunch program. About 19 million children participate in the school lunch program. Nearly 3 million receive a free or reduced-price lunch.

Although 19 million children participate in the school lunch program, less than one-half of the children from families with poverty level incomes receive a free or reduced-price lunch. The inability of the program to fully reach this target group has led to criticism. Attempts have been made in the past to reduce the funds available under child food assistance programs primarily serving middle-class families, so that more could be channeled to needy children. These attempts have been unsuccessful. Another problem has been the lack of uniform regulations to guide the states in distributing funds to local schools. The result has been wide disparity in per pupil benefits from state-to-state. A final problem is schools without food service equipment—primarily in urban ghettos and isolated rural areas where the incidence of poverty is high. Without food service equipment the problems associated with providing school lunch and breakfast programs are far more difficult.

RECOMMENDATIONS

1. The major emphasis of the Child Food Assistance programs should be to bring a free or reduced-price lunch and breakfast to all children from low-income families attending school or in Head Start, day care, and summer camp programs. A legislative proposal should be developed providing national eligibility standards for the school lunch and breakfast programs. Uniform guidelines should be included for the states to use in distributing Federal funds to local schools or school districts. First priority should be to insure a free or reduced-price lunch and breakfast for all needy school children.

2. To insure greater efficiency of operation, maximum use should be made of free commodities in the out-of-school and pre-school programs of USDA and HEW. These programs must continue to be carefully coordinated.

3. In connection with efforts to bring the School Lunch and School Breakfast programs to schools now without facilities, every effort should be made to make more effective use of convenience foods and modern technology where this would be more effective and economical than constructing full food preparation facilities in the individual schools.

4. Greater efforts should be made to use the School Lunch and School Breakfast programs for food and nutrition education.

ORGANIZATION

1. A new agency (Food and Nutrition Service) should be created in the Department of Agriculture. All food assistance programs presently administered by the Consumer and Marketing Service (USDA) should be transferred to the new agency. The food programs now have to compete with meat and poultry inspection and a range of agricultural marketing programs for the Administrator's attention. The creation of a new agency would permit greater specialization and a stronger commitment to purpose.

2. The provision of food assistance alone will not be adequate in many depressed rural counties where conditions are so poor that food assistance alone

will not have a measurable impact on the health status of the people. In these counties marked improvement in health status requires better housing, water systems, and waste disposal facilities. To help meet this problem, the President should initiate an inter-Departmental effort. A sub-Cabinet committee would insure coordination between the food and nutrition programs and other health, welfare, education and anti-poverty programs. At the local level, Federal expeditors, who could be USDA, HEW, or OEO representatives, would coordinate the programs of the various Federal agencies and ensure that no critical programs were omitted. This could provide the basis for a kind of interagency coordination in rural areas which is now being attempted in urban under the Model Cities program.

PRIVATE INDUSTRY

The American private food market is the most effective food distribution system in the world. Efforts should be made to extend its reach to those it presently misses. We recommend that the President call a meeting (and appoint an Advisory Committee) of 10-15 heads of major food processing and food distribution companies.

Possible subjects would be:

1. Market analysis of the particular food shopping, purchasing, and consumption habits of the poor.
2. Development of popular, highly nutritious foods, fortification of particular food favorites of those in need of food assistance, and fortification of regional and cultural favorites (e.g. tortillas in the Southwest).
3. Improvement of Government commodity packages. Replacement of Government packages by privately developed commodity packages.
4. Possible partnerships between established food industry representatives and minority business enterprises.

In addition, this committee should work with representatives of the advertising industry, and the Advertising Council to develop a coordinated advertising and packaging campaign to bring the importance of good diets to the attention of the American people, especially the poor. Particular attention should be given to the potential for the use of Federally approved nutrition symbols to be used in advertising, food packaging, Federal food programs, and nutrition education courses.

VOLUNTEER EFFORTS

Priority should be given under the voluntary action program developed by the Committee on Voluntary Action to involve private, non-profit organizations in helping those beyond the reach of the food and health programs.

NATIONAL NUTRITION SURVEY

1. As indicated at the beginning of this report, precise knowledge about malnutrition in the United States is presently lacking. The National Nutrition Survey should be expanded in both FY 1969 and 1970 to allow it to build a fully adequate sample and to improve analysis of data collected. It is estimated that \$1.3 million in additional funds would be necessary in FY 1969, and an additional \$2.5 million in FY 1970. Not only would the survey be used to establish the initial dimensions of the problem, but a certain amount of continuing monitoring or surveillance would be authorized to evaluate food program effectiveness.

The Survey might be limited only to the number of states needed to establish a full sample, or might go into all states on the grounds that it would stimulate greater concern and effort by state and local governments. (Five states have asked HEW to extend the Survey to their areas.)

2. Consideration should be given to providing immediate medical attention to those persons found by the survey to be suffering from serious malnutrition.

NUTRITION EDUCATION AND RESEARCH

1. The Cooperative Extension Service uses nutrition aides recruited from the poor to work directly with low-income families to help them learn principles of good nutrition, dietary habits, and the proper methods of food purchasing, storage, preparation, and sanitation should be expanded. We recommend that this service be expanded. There are also significant resources available at the local level—through HEW and OEO programs in particular—which should be used in this nutrition education effort.

2. Federal educational assistance programs should encourage increased emphasis by medical schools on training for diagnosis and treatment of malnutrition.

3. A program for the support of nutrition manpower training to include both professionals and sub-professionals alike should be initiated. Legislative proposals to provide education and training programs for teachers, food service workers, operators and participants should be supported.

4. An additional sum of \$3 million for fiscal year 1970 should be set aside for research on the relationship between malnutrition and intellectual, emotional and physical development of the child. These funds would be administered by the National Institute of Child Health and Human Development and the National Institute of Mental Health. The following issues should be given highest priority:

the effects of maternal malnutrition on prematurity, infant morbidity and mortality, and subsequent child development.

the effects of malnutrition on resistance to infection and disease.

the permanence or reversibility of the effects of malnutrition on growth, brain function, learning capacity, and emotional development.

separation of the effects of malnutrition from the effects of the physical, biological and socio-cultural environment.

the improvement of methods for assessing individual nutritional status and deficits related to malnutrition.

the development of effective nutritional supplementation programs.

GLOSSARY

A. *Malnutrition* is defined in medical textbooks as an "impairment of health resulting from failure to meet the total physiological nutrient requirements of an individual." Malnutrition is a clearly defined entity, or set of entities, demonstrable by physical examination, biochemical and X-ray tests. Examples of clinical malnutrition are scurvy, rickets, pellagra, and kwashiorkor. In addition the term is often used to describe any nutritional intake less than recommended amounts, or to describe intake of the wrong *kinds* of foods. Thus, obesity and cardiovascular diseases are often said to be a result of malnutrition.

B. *Undernutrition* is insufficient caloric intake. It is also used, rather more loosely, to describe failure to consume sufficient amounts of food or failure to consume a diet of recommended nutritional content.

C. *Hunger* is the result of undernutrition, and the two terms are often used interchangeably.

D. *Starvation* is prolonged critical undernutrition, resulting in wasting of body tissues and ultimately death. The clinical term for starvation in children is marasmus.

FOOD STAMP PROGRAM

COST AND PARTICIPATION ESTIMATES FOR ALTERNATIVES PRESENTED TO URBAN AFFAIRS COUNCIL

[In millions]

	Annual per capita income				Total
	0-\$300	\$300-\$600	\$600-\$900	\$900-\$1,200	
Total persons, 1966.....	6.0	11.0	15.5	19.5	52.0
Maximum participants under any program.....	4.0	5.5	3.9	1.8	15.3
Current food stamp program:					
December participation.....	.9	1.2	.4	.3	2.8
Participation if in all counties.....	2.2	3.2	1.1	.8	7.2
Current program (December, annual rate).....	\$103	\$93	\$28	\$19	\$243
Persons (average).....	.9	1.2	.4	.3	2.8
Cost (average).....	\$119	\$76	\$65	\$65	\$87
Alternative 1 (annual rate).....	\$840	\$900	\$117	\$8	\$1,865
Persons (average).....	3.2	5.0	1.3	.5	10.0
Cost (average).....	\$263	\$180	\$90	\$15	\$187
Alternative 2 (annual rate).....	\$1,156	\$1,155	\$147	\$8	\$2,466
Persons (average).....	4.0	5.5	1.5	.5	11.5
Cost (average).....	\$289	\$210	\$98	\$15	\$214

Total persons 1966

From data in Census P-60, No. 53, December 28, 1967; pp. 24-25.

Maximum participants under any program

It is assumed that not all persons would participate in any program and that the percentage of persons participating decreases as per capita income rises. Reasons for these assumptions include: some persons would participate in no program, however structured (for example, because of pride); the income statistics exclude income in kind, and include persons who, for the survey year, had nonrecurring low incomes or net losses (for example, in farm and nonfarm businesses).

Assumptions:

\$0-\$300: $\frac{2}{3}$ of potential.

\$300-\$600: $\frac{1}{2}$ of potential.

\$600-\$900: $\frac{1}{4}$ of potential.

Current Food Stamp program

Participation if in all counties.—Food Stamp programs were in 39 percent of all counties in December 1968. Assuming expansion to all counties and the same participation pattern and level, participation would be as indicated (i.e., December participation + 39 percent).

ALTERNATIVE 1

	0-300	300-600	600-900	900-1,200
Income.....	0-300	300-600	600-900	900-1,200
Pay.....	6-77.25	77.25-170.00	170-260	260-300
	\$41	\$123.62	\$215	\$280
Cost.....	300	300	300	300
USDA.....	263	180.00	90	15

ALTERNATIVE 2

	0-300	300-600	600-900	900-1,200
Income.....	0-300	300-600	600-900	900-1,200
Pay.....	0-45	45-163	163-258	258-300
	\$22.50	\$104	\$210	\$279
Cost.....	300	300	300	300
USDA.....	289	210	98	15

¹ Dropoff at upper level.

A FOOD AND NUTRITION PROGRAM

Initial Draft USDA-PEP Staff, March 5, 1969

I. The Paradox

This is,

the richest Nation in the world, with a food production, marketing and distribution system that is the envy of the world; with a capacity to produce more food than is possible to consume; and with a lower share of income being spent for food than in any other country of the world.

Yet,

100 million consume a diet that does not meet recommended dietary allowances.

40 million consume a diet providing less than two-thirds of the recommended allowances for one or more essential nutrients.

14 million of the poor consume food not meeting recommended allowances.

8 million of the poor are with a diet providing less than two-thirds of the recommended allowances for one or more essential nutrients.

Although we are uncertain, scattered evidence indicates 5 to 10 million are suffering from severe hunger and malnutrition.

11 million are in families with an annual income level below \$500 per person, and it costs \$375 to buy a low-cost but adequate diet.

Most food assistance recipients cannot purchase (nor have been given enough food for) an adequate diet.

(The above numbers are preliminary and subject to revision.)

THE SCOPE OF THE PROBLEM OF HUNGER/MALNUTRITION

Discussion Draft, March 8, 1969

Poverty-induced hunger and malnutrition afflicts millions. Several sources give one an idea of the prevalence of these conditions, yet indicate the need for further research:

Both the Social Security Administration and the Office of Economic Opportunity calculate that approximately *12 million* persons live in families with incomes under \$550 per capita in 1968—\$2200, for a family of four. USDA's Economy Plan Budget for foods for such families sets an absolute minimum of \$25 per person per month or \$300 per year, but it is unrealistic to believe that a family in dire poverty will expend 55% of its income for food while the average American spends 17%.

The Census Release updated to March 1967 confirms these figures. Table 4 (p. 60, No. 53) interpolations show in excess of *11 million* persons with family incomes under \$2200 per year, \$550 per capita.

OEO estimates that *5.5 million* persons live in families where per capita income is below \$250 per year, or \$1000 for a family of four.

One would hope that the welfare programs of this country coped with such poverty.

We find, however, that less than 9 million of the country's 25 million persons living in families with less than \$3000 annual income receive any form of welfare assistance.

Even more shocking is the evidence that those who do receive welfare payments, having their food budgets allotted, face a situation in which, in 2 of the 50 states, the food allotment does not reach USDA's Economy Plan minimal level of \$100 per month for a family of four.

The food consumption patterns at low income levels show a potential for malnutrition:

USDA's 1965 Food Consumption Survey showed 36% of those in households with under \$3000 annual income—or *9.7 million* persons—had diets short of $\frac{2}{3}$ of Recommended Daily Allowances in one or more categories.

The same survey shows that in households short of full NRC allowances in *four or more* categories, the incidence was 60% higher among those with incomes under \$3000.

The medical evidence of the effects of these low eating levels is becoming clear:

The first report of the National Nutrition Survey studied 12,000 persons, half of whom had incomes under \$3000 per family. The survey revealed:

- 33% of those under 6 had unacceptable hemoglobin levels and hence were considered *anemic*;
- 33% of those under 6 had Vitamin A findings at unacceptable levels;
- 12-16% of those of all ages had Vitamin C findings at unacceptable levels;
- 16.3% had serum protein findings at unacceptable levels;
- 3.5% showed bone growth retardation—a stark indication of the toll of malnutrition.

This data is solid confirmation of smaller surveys conducted in Mississippi, Alabama, Boston, New York City, South Carolina, North Carolina and Florida in the past several years.

These needs might have been offset by a strong nutrition education program supported by aggressive distribution of foods through public programs.

But the current family food programs offer meager assistance.

The Food Stamp Program offers an average of \$6.90 assistance per person per month to 2.8 million persons, in 1300 of the nation's 3100 counties. Many persons cannot afford to "buy-in" to the program—particularly when its benefits leave families well below USDA's Economy Food Budget level after participating.

The Direct Distribution Commodity Program offers benefits worth \$13 per person per month in the relatively few counties which offer all 22 commodities made available by USDA. 3.4 million persons participate in 1300 counties.

Three-quarters of the poor do not receive help from either one of these two Family Food Programs.

The Child Nutrition Program (Primarily the School Lunch effort) is widely accepted, but their large resources are not going where they are needed.

The Federal School Lunch Program is in 75,000 of the Nation's 100,000 schools.

20 million of the country's 50 million students receive help.

Of the 20 million beneficiaries, only 2.5 million are the poor who receive free or near-free lunches; another 4-5 million poor children need priority attention at this time.

The Child Nutrition Programs lack a strong educational component. There is little or no connection between classroom discussion of food habits, the school lunch, food advertising, and the grocer's shelf. Nutrition education generally is out of date, and it does not educate the consumer for the prepared foods of today and tomorrow.

BACKGROUND MATERIAL ON FOOD AND NUTRITION PREPARED FOR THE STAFF OF THE SUBCOMMITTEE ON FOOD AND NUTRITION, URBAN AFFAIRS COUNCIL

FOOD AND NUTRITION

DEFINITIONS

*Malnutrition*¹ is defined in the medical textbooks as an "impairment of health resulting from failure to meet the total physiological nutrient requirements of an individual." Malnutrition is a clearly definable medical entity, or group of entities, and may be demonstrable by physical examination, biochemical and X-ray tests. Scurvy, rickets, pellagra, kwashiorkor are examples of clinical malnutrition. But undernutrition is a continuum through which the undernourished person gradually passes until he drops below the borderline of "health," to "disease"—malnutrition. Medical studies can only show the overt disease.

*Malnutrition*² means ill health due to poor or inadequate nutrition. This may be primary, because of poor nutrient intake, or it may be secondary because of a variety of aggravating factors as, for example, long continual or repeated diarrhea or infection.

*Undernutrition*¹ is defined for the purposes of this report as insufficient quantity of food consumed or a lack of one or more essential nutrients.

*Hunger*¹ as used here is the result of underfeeding or undernutrition, for which the term may be substituted. *Serious hunger* is due to prolonged insufficient intake of food. If continued, the physiological effects are those of starvation.

*Starvation*¹ results from insufficient consumption and utilization of calories, the effect of which is wasting of body tissues, and ultimately death. Marasmus in children is a clinical term for starvation.

In dealing with groups, there may be wide variation among individuals in levels of nutrients found, all of which are described as *normal*.

*Normal*¹ is a range, not a fixed point. A group of adults or children or families in certain geographic areas, or in certain income groups, may show normal biochemical nutrient levels, and yet be at a relatively low point in that range, and may be chronically underfed. This would be suspected if cases of malnutrition were found in these same groups, or areas, or income levels. This "iceberg" effect—a few cases of frank malnutrition in a chronically underfed population—is what dictates the emphasis on finding population groups that are chronically underfed or undernourished.

¹ Source: Report by the Secretary of Health, Education, and Welfare, "Incidence and Locations of Serious Hunger and Malnutrition and Health Problems Incident Thereto," printed in *Hunger and Malnutrition in the United States* (Hearings before Employment, Manpower, and Poverty Subcommittee on S. Res. 281 to establish a Select Committee on Nutrition and Human Needs, May 23, 29, and June 12 and 14, 1968), p. 362.

² Source: Frederick J. Stare, "Malnutrition and Hunger in the USA," *Nutrition Reviews* (August 1968), Vol. 26, No. 8, p. 227.

DIETARY LEVELS OF HOUSEHOLDS IN THE UNITED STATES, SPRING 1965, A PRELIMINARY REPORT ARS, JANUARY 1968

SUMMARY

A survey of the food consumption of a nationwide sample of 7,500 households made in the spring of 1965 shows that:

Amounts of food used in U.S. households were sufficient, on the average, to provide diets meeting the Recommended Dietary Allowances set by the Food and Nutrition Board of the National Academy of Sciences-National Research Council for calories and protein; for the minerals, calcium and iron; and for the vitamins, vitamin A value, thiamine, riboflavin, and ascorbic acid.

Half of the households had diets that met the allowances for all nutrients. These diets were rated "good."

	1955	1965
Households with "good" diets (RDA's for all nutrients).....	60%	"half"
Households with poor.....	15%	21%

The other half of the households had diets that failed to meet the allowances for one or more nutrients. Calcium, vitamin A value, and ascorbic acid were the nutrients most often found to be below allowances.

About one-fifth of the diets provided less than two-thirds of the allowances for one or more nutrients. These diets were rated "poor."

Southern household.....	24% of all households.
Northcentral household.....	22% of all households.
West household.....	18% of all households.
Northwest household.....	17% of all households.

Similar proportions of urban and rural households had diets below the allowances for one or more nutrients. More rural than urban diets were below allowances for vitamin A value and ascorbic acid. But for most of the other nutrients studied, more urban than rural diets were below allowances.

At each successively higher level of income, a greater percentage of households had diets that met allowances. High income of itself, however, did not insure good diets. More than one-third, 37 percent, of the households with incomes of \$10,000 and over had diets that were below the allowances for one or more nutrients.

Almost two-thirds, 63 percent, of the households with incomes under \$3,000 had diets that did not meet the allowances for one or more nutrients.

Over one-third, 36 percent, of the households with incomes under \$3,000 had poor diets. At this income level poor diets occurred most frequently among urban households in the North Central and rural households in the South.

EVIDENCE OF SERIOUS HUNGER AND MALNUTRITION

Schaefer's Nutrition Survey

1. Preliminary data released on analysis of 60-70 percent of data from a group of 12,000 individuals surveyed in low income areas of Texas, Louisiana, New York, and Kentucky. Their income ranged from \$180-\$42,000 per year, 80 percent with less than \$5,000.

2. Nutritional status evaluated through:

- Clinical and dental exams,
- Biochemical measurements,
- Food intake studies.

Schaefer

1. "... alarming prevalence of ... characteristics associated with undernourished groups. ..."

2. The most widespread nutritional problem is one of multiple nutrient deficiency of a combination of one or more nutrients such as proteins, vitamins, minerals, and calories.

3. Clearly indicate malnutrition in an unexpectedly large portion of sample populations.

4. Trends may continue as further data become available. However, assumptions should not be made that this will occur. This preliminary data should be viewed as describing only a sub-sample total national survey.

5. Only after prolonged malnutrition do the classical deficiency diseases appear.

6.

Children with retarded bone growth.	3.5%.
Severe malnutrition	7 cases of marasmus and kwashiorkor.
Anemia	1/3 of children and 15% of population under 6 with hemoglobin at unacceptable levels.
Goiter	5% of population with enlarged goiter. 40% of Texas markets fail to stock iodized salt.
Vitamin A	33% of children and 13% of population under 6 years at unacceptable levels.
Vitamin C	12-16% of all age groups less than acceptable.
Vitamin D	3.7% of 0-6 year old deficient.
Traits associated with protein and calorie malnutrition.	4-5%.

[In percent]

	Sample population	Less than acceptable				
		Age				
		0 to 5	6 to 9	10 to 15	16 to 59	60 plu
Vitamin A	13	33	29	18	8.6	3.8
Vitamin C	16	16	12	13	16.0	16.0
Hemoglobin	15	34	15	12	8.8	8.1
Plasma protein	16					
Serum albumin	17					
Urinary riboflavin	19					
Thiamine	9					

DEPARTMENT OF AGRICULTURE,
OFFICE OF THE SECRETARY,
Washington, March 3, 1969.

HOWARD: Attached are summaries of studies, containing quantitative data on undernutrition, as reported in the following Congressional Hearings:

Title	Committee	Date
Hunger and Malnutrition in America	Senate Subcommittee on Employment, Manpower, and Poverty (Senator Clark).	July 1967.
Health Care in America	Senate Subcommittee on Executive Reorganization (Senator Ribicoff).	April 1968.
Nutrition and Human Needs	Senate Select Committee on Nutrition and Human Needs (Senator McGovern).	December 1968.

Guesses about the magnitude of undernutrition in the U.S. supplied by witnesses to the McGovern Committee appeared to be strongly influenced by the 10 million figure featured in "Hunger, USA":

Estimate

Dr. Jean Mayer, professor of nutrition, Harvard University	10 to 20,000,000.
Dr. Michael C. Latham, professor of international nutrition, Cornell University	"Probably far more than 10,000,000."
Dr. Margaret Mead, adjunct professor of anthropology, Columbia University	10,000,000.

On the basis of this fragmentary inventory, a few estimating factors suggest themselves:

Undernutrition.—There seems to be no reason to assume that there is any significant proportion of the "poor" who are not in this category. One-half of all infants are likely to be in this category.

Malnutrition.—At least one-half the poor in the Southern States, 20% of the poor in the non-Southern States.

BILL CARLSON.

SENATE COMMITTEE ON LABOR AND PUBLIC WELFARE, SUBCOMMITTEE ON
EMPLOYMENT, MANPOWER, AND POVERTY

Senator Clark, Chairman (July 11, 12, 1967)

Testimony of D. Cyril A. Walwyn (p. 11-13)

Headstart Program, Mississippi.—An examination of 59 children in the Headstart Program in Yazoo County, and 89 in Issaquena County, Mississippi, in June 1967 revealed that

64% in Yazoo County had hemoglobin below 10 percent (normal is 15);
76% in Issaquena County had hemoglobin below 10 percent.

A report from Dr. Britten who examined 847 children in 4 counties in Mississippi found

62% were anemic;
81% in one county (Washington) were anemic.

Testimony of Dr. Robert Coles (p. 26)

Vicksburg Examinations.—Examination of 76 children in Vicksburg, Mississippi, in 1965 revealed 83% with chronic anemia.

Testimony of Dr. Alan C. Mermann (p. 53-55)

TICEP Survey (Alabama).—A survey for the Tuskegee Institute Community Education program (TICEP) in 12 rural Alabama counties in July 1966, involving 709 Negro children and 110 Negro adults, found that

80% of the children had hemoglobin values of 9.4 gms. or less (average expected would be 13.0 gms.);

8% of the children had albumin in the urine, about twice the expected rate;

15% of adults had albumin in the urine;
80% of adult women had hemoglobin of 9.4 gms. or less.

SENATE COMMITTEE ON GOVERNMENT OPERATIONS, SUBCOMMITTEE ON
EXECUTIVE REORGANIZATION

Senator Ribicoff, Chairman (Part 1, April 22-25, 1968)

Testimony of Drs. Robert Coles and Joseph M. Brenner

Special Report—Southern Regional Council, May 1967.—An on-site visit in six Mississippi counties in May 1967, to assess nutritional conditions of infants and children, found that

"Almost every" child was in a state of negative nitrogen balance (i.e., body consuming its own protein tissue);

"Almost every" child showed evidence of parasitic disease (trichinosis, enterobiasis, ascariasis, hookworm);

"Most children" had some kind of skin disease;

"Many" were suffering from degenerative joint diseases.

SELECT COMMITTEE ON NUTRITION AND HUMAN NEEDS

Senator McGovern, Chairman (Part 1, Dec. 17, 18, 19, 1968)

Testimony of Dr. Michael C. Latham, Professor of International Nutrition, Cornell, University:

Roxbury (Boston, Mass.) Study (p. 51-52).—A study of the nutritional status of children in the fourth, fifth, and sixth grades of two schools indicated

22% of children had hemoglobin below 14 grams per 100 millimeters (evidence of anemia);

20% had low excretions of thiamine.

"This study showed that evidence of malnutrition was common in children attending schools in a poor area of a northern city." Details in the *Journal of the American Dietetic Association* (53, 226-242, 1968).

New York City Study (p. 52).—A study conducted by Cornell University Medical Center found that

- 21% of black children had "severe" anemia;
- 11% of Puerto Rican children had "severe" anemia;
- 2% of white children had "severe" anemia.

No citation to the literature was provided.

Testimony of Dr. Herbert G. Birch, Research Professor, Yeshiva University

Filer-Martinez Study (p. 88).—A nutritional study of 4,642 six-month old infants from a nationally representative sample, found that

Over half the infants did not get the lowest recommended provisions of iron;

Infants of mothers with no more than a grade school education received a mean intake of only 6.7 milligrams of iron a day, compared to 9.1 mg. mean intake for infants whose mothers had attended high school;

Malnutrition, at least with respect to iron deficiency, "is widely prevalent in lower class infants."

Details in *Clinical Pediatrics* (3, 633, 1964).

Jones-Schendel Study (p. 88-89).—A study of low-income Negro infants in Greenville County, South Carolina, in 1966 (36 infants in a Well-Baby Clinic) revealed that

29% had serum albumin concentrations at levels associated with marginal protein nutrition;

61% had total protein concentrations below normal;

33% had serum ascorbic acid concentrations indicating suboptimal intake of Vitamin C.

Details in *American Journal of Clinical Nutrition* (18, 407).

Bryan-Anderson Study (p. 89).—A study of dietary and nutritional problems of 164 crippled children in 5 rural counties of North Carolina in 1965 found that

Diets of 73% were "less than adequate";

71% of the Negro children, and 35% of the white children, had diets rated probably or obviously inadequate.

Details in *American Journal of Public Health* (55, 1, 545).

Palm Beach County, Florida, Study (p. 90).—A detailed study of the eating habits of migrant farm worker families in 1961 found that

Only 20% of the families met the National Research Council calorie requirements;

Over 50% of the families failed to meet the NRC requirements for thiamine, protein, vitamin A, and iron;

80% failed to meet NRC requirements for calcium and riboflavin;

97% did not have enough vitamin C;

None of the families met requirements for milk, green and yellow vegetables.

Details in *Public Health Report* (Wash.) (76, 349).

DIETS AND NUTRITION
PROGRAM LEVELS AND OUTPUTS

[Participants in thousands; dollars in millions]

	1969 ¹				
	1968	Available for year	Expenditures			1970 ^{1}
July to December			January to June		
FAMILY FOOD ASSISTANCE					
Food stamp.....	\$188.1	\$279.9	\$110.8	\$169.1	\$340.0
Participants:					
Average.....	2,211	3,040	2,634	3,470	3,792
End of period.....	2,412	3,630	2,783	4,157	3,950
Project areas.....	1,027	1,553	1,219	1,610	1,637
Direct distribution to families.....	\$124.0	\$258.2	\$193.8	\$64.4	\$365.0
Participants:					
Average.....	3,234	3,595	3,503	3,500	4,090
End of period.....	3,213	3,640	3,660	3,600	4,100
Project areas.....	1,384	1,378	1,426	1,426	1,456
Special package (mothers, babies, children).....		\$5.8	\$0.01	\$5.7	\$34.5
Participants:					
Average.....		80	2	158	484
End of period.....		225	11	316	1,000
CHILD FOOD ASSISTANCE					
Regular school lunch program:					
Cash grants to States.....	\$154.9	\$162.1	\$48.4	\$113.7	\$168.0
Commodities to States.....	\$278.3	\$289.7	\$209.8	\$79.9	\$301.5
Participants:					
Average.....	17,700	18,800	18,800	18,800	19,800
End of period.....	18,600	19,000	19,000	19,000	19,400
Free and reduced price lunches ²	\$4.8	\$43.6	\$2.1	\$41.5	*\$125.8
Participants:					
Average.....	200	1,200	156	2,306	2,700
End of period.....	200	2,200	400	4,210	4,100
School breakfasts.....	\$2.1	\$6.5	\$0.6	\$5.9	\$11.0
Participants:					
Average.....	77	241	44	437	407
End of period.....	165	407	150	724	407
Equipment assistance.....	\$0.7	\$7.2	\$0.2	\$7.0	\$15.0
Schools assisted.....	755	1,140		1,140	1,500
State administrative expenses.....		\$1.0	\$0.1	\$1.0	\$2.0
Federal administrative expenses.....	\$2.0	\$2.1	\$1.0	\$2.1	\$3.1
Special milk.....	\$103.1	\$104.0	\$36.7	\$67.3	
Participants:					
Average.....	16,846	16,993	16,993	16,993	
End of period.....	17,000	17,000	17,000	17,000	
Nonschool food program (day care, etc.).....		\$7.0	\$0.1	\$6.9	\$11.5
Participants:					
Average ⁴		38	(⁵)	90	68,333
End of period.....		80	(⁵)	180	140,000
OTHER PROGRAMS					
Direct distribution to institutions.....	\$40.0	\$62.8	\$26.1	\$36.7	\$53.8
Food and nutrition aides.....		\$10.0	\$1.5	\$8.5	\$75.6
Aides:					
Average (man-years).....		1,600		1,600	10,000
End of period.....		5,000		5,000	10,000
Families reached.....		183,000		183,000	1,000,000
Extension nutrition program.....	\$2.8	\$2.9	\$1.4	\$1.5	\$3.5
Food and nutrition research.....	\$4.5	\$4.3	\$2.1	\$2.2	\$6.2

¹ Reflect modifications requested from Budget Bureau, week of February 24, 1968.

² Excludes free and reduced price lunches provided under the regular lunch program.

³ Includes funds for free and reduced price lunches and for milk.

⁴ Computed at \$12.50 per child per month.

⁵ Less than 1,000.

USDA PROGRAMS, OPERATIONS AND ISSUES

Family food assistance programs

Three family food programs are available: legally, a county (or other administrative unit) may have either a food stamp or regular direct distribution program; in addition, it may have a special package program. State welfare agencies are delegated the authority for determining eligibility of recipients, disbursing program benefits, and providing technical assistance and supervision. State and local governments pay most of the intrastate costs of administering the programs. USDA establishes regulations and standards, audits State operation, and provides technical assistance. USDA directly operates 49 local regular direct distribution programs and financially assists operation in 188 others.

As of January 24, 1969, USDA family food assistance programs were in operation in 2,520 of the 3,126 counties and independent cities in the 50 States and the District of Columbia. Assistance in about half of these counties and cities was under commodity distribution; about half of them were operating a food stamp program. An additional 130 counties and cities—now without a program—are actively planning programs. A total of 24 more have requested participation in the food stamp program. The remaining 476 counties and cities have no plans for inaugurating a family food program. (About 17 percent of the U.S. population reside in these 476 areas.) In December, about 6.4 million were assisted—2.8 million food stamp and 3.6 million direct distribution—and about 11 thousand were receiving special packages.

Food stamp program.—By law, the State welfare agency is responsible for operation of the program within the State, except for the approval and supervision of participating retailers and wholesalers, which is done by USDA. These agencies also have a State Plan of Operation approved by USDA. Local counterpart offices of the State welfare agency must, by law, certify families as eligible under State standards of eligibility. Staff and facilities must also be available at the local level where families can be issued their allotment of coupons for the payment of the required purchase requirement. Generally, the family may make its purchase of coupons on a monthly or semi-monthly basis—but some localities offer a weekly service.

The amount of Federal assistance (bonus coupons) varies by income and family size. Schedule modifications announced in December 1968 (to be effective not earlier than February 1969) will provide an average of \$6.80–\$6.90 per month in food purchasing power. When the modifications are in effect, the monthly amount of assistance to a person in a family of four in the North will range from \$14.50 for the poorest family (under \$30 a month in income) to \$6.00 for a family of four with a monthly income of \$250. The total monthly coupon purchasing power (the value of coupons purchased plus the bonus coupons) of the family with less than \$30 a month in income is only about 60 percent of the retail cost of the USDA low-cost food plan.

Issues relating to food stamp include:

- Modification of the purchase and bonus schedules. Aspects include: free stamps and the legislative requirement for maintaining “normal purchasing power”; whether to revise across-the-board or only at certain income levels; and whether to revise only the purchase schedule, only the bonus schedule, or both.
- Establishing Federal eligibility standards for participation—should they be implemented and at what level.
- The nature and level of Federal assistance to administration.
- Replacing the direct distribution program with the food stamp program—should it be done and how fast.

Regular direct distribution to families.—An agency of the State government is responsible for operation of the program within the State, under a Plan of Operation approved by USDA. The State agency must order and accept shipments of commodities from USDA (usually in carlot quantities) and arrange for their subsequent shipment to local distribution centers operated by the officials of participating areas. Participating families come to these centers to pick up their monthly allotment of commodities. At the local level, staff and facilities must be available where families can be certified as eligible for the program under State standards of eligibility.

USDA is currently offering 22 foods to States for donation to low-income families, worth about \$13 retail per person per month. If the recommended quantities of all 22 foods were consumed, participants would receive from 81 to 151 percent of the National Research Council's recommended dietary allowance

(RDA) for 8 nutrients. However, not all distribution centers offer 22 foods and some participants do not take all that is offered.

Issues relating to this program include:

- Replacing direct distribution with food stamp—should it be done and how fast.
- Financial assistance to and direct USDA operation of local programs—USDA now operates 49 programs and assists 188 others. Should help be expanded to other areas now with programs? If a decision is made to expand programs to the nearly 500 no-program counties, will it be necessary to extend assistance?
- Modifications in kind and number of foods offered and efforts to encourage State and local administration to handle all foods.
- Establishing Federal eligibility standards for participation—should they be implemented and at what level.
- Providing more conveniently located centers and more frequent times for distribution—the amount of food made available per month weighs over 30 pounds per person.

Special direct distribution packages.—This new program focuses on persons especially vulnerable to poor nutrition: needy new and expectant mothers, babies, and children under 6 years of age. Foods offered include evaporated milk, corn syrup, enriched farina, and fruit juices. Certification is done by medical doctors and public health personnel at clinics serving low-income families. They prescribe the kinds and amount of available foods needed by women and children—the prescriptions are redeemed at a distribution center. The program is operating in about 67 counties and several Indian reservations. The current target for FY 1969 is 63 thousand mothers, 62 thousand infants, and 100 thousand children, located in food stamp and regular direct distribution areas.

Issues include:

- The difficulty to participants of transporting donated foods from the distribution center to home.
- The best delivery system for the program (public health clinics are now used).

Child food assistance programs

The child programs provide cash and commodity grants for school lunches, breakfasts, milk, food service equipment, and State administrative expenses; under a program begun this year, assistance is also provided for children in non-school situations.

All of the programs are administered through State educational agencies. The single exception is program administration in nonprofit private schools and child-care institutions in those States where the State government may not administer programs in other than public schools and institutions. In these instances, USDA takes agreements directly with the eligible outlet involved. Until this fiscal year, when some funds were provided to strengthen State administration of the programs, all administrative costs were borne by State and local governments. A few States appropriate significant amounts of program funds as well.

The programs operate under formal Federal-State agreements which incorporate the detailed regulations. The Department establishes nutritional standards, apportions funds to each State under statutory formulas, provides technical assistance, and audit. State agencies contract with local school districts and make payments monthly on the basis of performance, i.e., number of meals or breakfasts served.

State level appropriations for child programs include large sums in New York, Louisiana, Massachusetts, Puerto Rico and in a few other States.

Most States, however, do not appropriate program funds although the trend in recent years has been for more States to take on responsibility for part of program financing (for example, New Jersey and Vermont).

In Spring 1968, a nationwide survey of school lunch programs was made. Results of the survey are being compiled and studied—they are expected to be available in about two months. This data, when released, will give a more current, accurate fix on the status and needs of school food programs.

Cash grants to States for regular school lunches.—Under this program, cash grants for school lunches are made to States under a statutory formula. The average USDA reimbursement rate is about 4.8 cents per lunch in addition to commodities donated by the Department. Of the total lunch cost, children pay

about 55 percent, USDA (cash and commodities) about 22 percent, and State, local, and private pay the remaining 23 percent.

The lunch program is operating in schools attended by almost 80 percent of all elementary and secondary students enrolled in school. (Some 9 million children attend schools without a food service.) Peak participation in the lunch program is expected to be about 19 million children this fiscal year. An average of about 2.4 million children will receive a lunch free or at reduced price under this program in addition to those receiving free and reduced price lunches under the separate program (below).

Issues for regular school lunch include:

- Expansion of the program to schools without programs and to nonparticipating children in schools with programs.

- The amount of costs borne by USDA, State and local governments and children.

- The use of private catering companies and central kitchens in urban areas.

Commodities to States.—Commodity donations supplement the cash grants for regular and free and reduced price lunches. Three authorities are used: Section 32 (surplus commodities), Section 416 (price support commodities), and Section 6 (commodities purchased specifically for the lunch program on the basis of nutritive value). The average value per lunch is 4 cents for Sections 6 and 32 and 5 cents for Section 416.

Free and reduced price lunches.—Cash grants to States are made under a statutory formula for free and reduced price lunches to needy children. The average USDA reimbursement per lunch is 23 cents under a revised regulation recently issued. Funds from the special Section 32 appropriation are being used this year to sharply expand the program to reach over 4 million needy children by the end of FY 1969. The current plan for 1970 includes funds sufficient to reach all of the estimated 6.5 million needy school children by the end of FY 1970.

Issues for this program include:

- Recognizing that an unknown number of poor children are priced out of a lunch at different reimbursement rates, what should be the level of USDA assistance.

- The use of private catering companies and central kitchens in urban areas which have the highest concentration of needy children.

School breakfast program.—Formula cash grants are made to States to reimburse part of the cost of school breakfast. USDA pays an average of 15 cents per breakfast, State and local governments 2-3 cents, and children about 5 cents. A peak of about 370 thousand children can be reached in FY 1969 under current funding plans; the budgeted amount for 1970 will allow full year participation by those children. This is a relatively new program having gained permanent legislative status this fiscal year. It is well suited to helping children who must travel long distances to school and needy children who don't get a breakfast at home. A major issue for the program is to determine a long-run rate of expansion.

Equipment assistance.—Formula cash grants are made to States to help purchase food service equipment for school food programs. The major needs for equipment are in low-income ghetto and rural areas. Pending completion of the school lunch survey, it is estimated that there are about 6,000-7,000 of these schools and it will cost USDA an average of \$10 thousand per school. Equipment funds have been sharply increased under current plans to \$7.2 million and \$15.0 million in FY's 1969 and 1970, respectively.

Equipment issues include:

- How best to take advantage of technological advances in food service equipment and economies of scale through use of central kitchens in urban areas.

- Providing funds for private catering versus funds for equipment.

State administrative expenses.—FY 1969 is the first year of operation for this program. Issues which need to be answered for both the short- and long-terms include:

- The best method of allocation of funds to States—currently, funds are allocated on the basis of State justifications of need.

- The amount of USDA control over the use of the funds—alternative earmarks include amounts for increased clerical workload attending sharp program expansion, supervision of local operations, and technical assistance to local operations.

- The level of need of State administration and their ability to pay.

Federal administrative expenses.—Included are operating expenses for six programs: regular cash grants to States, commodities to States, free and reduced price lunches, school breakfasts, equipment assistance, and State administrative expenses.

The main issue is improving reporting and evaluation systems for the six administered programs.

Special milk program.—Cash grants are made to States to reimburse part of the cost of milk served to children. The program is available to 19 out of every 20 children enrolled in school. An estimated 3 billion half-pints can be served this fiscal year to a peak of about 17 million children. This is in addition to about 3 billion half-pints served in the school lunch program. The current plan for 1970 proposes abolishing special milk, on the theory that, since complete meals are provided under lunch and breakfast programs, special milk is no longer needed. A study is near completion which will indicate the amount of dairy products to be used in the domestic food assistance programs under current plans for 1969 and 1970.

Nonschool child nutrition program.—Under this program, assistance is provided to nonprofit food service programs for children in institutions (such as day-care centers, settlement houses, and recreation centers) from low-income areas with a high concentration of working mothers. Legally, funds may be used for: formula cash grants for institutions for food (breakfast, lunch, dinner, and snacks), operating expenses, and equipment; commodity grants under Sections 32, 416, and 709 (no amounts are budgeted for this purpose in FY's 1969-1974); cash grants for State administration; and Federal operating expenses.

Current plans provide funds sufficient to cover peak numbers of children in 1969 and 1970 of 80 thousand and 140 thousand, respectively. The program is new in FY 1969; about 6 thousand children are now participating.

Program issues, several of which should be answered soon, include:

- The number and location (geographic and institutional) of eligible participants and their requirements.
- Supplementing the cash grants with commodity grants.
- The relation of this program to similar programs funded by other Federal agencies.
- How long-run demand for the program will be affected by increases in programs of other Departments (such as the WIN program and AFDC).

A note on the special food assistance (special Section 32 program).—The special food assistance program (also called special Section 32) identifies activities and funds first authorized for FY 1969 in the 1969 USDA Appropriation Act (P.L. 90-463). It has aspects both of:

- A *fund source*—since its resources are used to conduct five other separately identified programs: (1) free and reduced price lunches, (2) school breakfast program, (3) special direct distribution packages for food stamp areas, (4) equipment assistance, and (5) State administrative expenses.
- A *separate program*—since activities conducted with its resources may be conducted without some of the constraints imposed by the five supported programs (e.g., free and reduced price lunches funded under special Section 32 need not be subject to the formula constraints of regular funds) and since there is some discretion as to the division of resources among the five programs.

Current plans are:

	1969	1970
Free and reduced price lunches.....	\$33.6	\$31
School breakfast.....	3.0	1
Special packages for food stamp areas.....	1.0	11
Equipment assistance.....	6.4	5
State administration.....	1.0	2
Total.....	45.0	50

Other programs

Direct distribution to institutions.—Food donations are made to public and private nonprofit institutions, penal institutions, and military installations. Institutions participating include mental hospitals, TB sanitariums, nursing homes for the aged, orphanages, summer camps for children, and child-care centers. The institutional caseload is quite stable from year to year, running about 1.2 million persons in some 9,000 institutions. Distribution is made on the basis of number of needy persons served by the institution. Institutions generally do not receive the full range of commodities. When supplies of Section 32 items are limited, for example, the need of the school lunch program and the needy family programs are met before institutions receive such commodities. (A substantial increase for this program has been in donations to the military.)

Food and nutrition aides program.—Nonprofessional aides are recruited from among the poor, trained and supervised to go into their communities—urban and rural—to work with hard-to-reach poor families, teaching them effective ways to use donated foods, the wise use of food stamps, and how to plan and prepare nutritious meals. Experience shows that these families, living in social isolation, often with limited education as well as low income, require more intensive individual work than the Extension Service has been able to give with limited professional staff.

For FY 1969, \$10 million has been budgeted for aides—this is the first year of nationwide operation. Funds are distributed to States according to the percentage of poor residing in the States, to be concentrated within the State in the areas most in need. By the end of FY 1969, about 183 thousand families will be served through more than 5,000 part-time and full-time aides. As of the end of January all State programs have been approved and begun; more than half have completed agent training and about one-third are in the process of employing and training aides.

For FY 1970, current plans are for a \$15 million level, which is not sufficient to fund the end of FY 1969 program now contemplated—a total of \$25 million will be needed in FY 1970 if the 1969 plans are achieved.

Regular extension nutrition program.—Achievement of optimum dietary levels in the population has always been an area of major emphasis by the Cooperative Extension Service. About one-fourth of the total resource devoted to Extension home economics programs is directed toward this goal. About 5,000 home economists at university and local levels carry on programs to improve family living in every county and most urban areas.

In recent years, the Extension service has made a special effort to reach those known to be prone to nutritional difficulties—adolescents, young homemakers, the obese, and the aged.

Current plans call for a State extension effort of 502 and 537 man-years for FY's 1969 and 1970, respectively. Fund increases for FY 1970 are \$646 thousand for professional assistance to the food and nutrition aide program and \$54 thousand to annualize the nutrition component of the District of Columbia Extension service.

Food and nutrition research.—For over 70 years, the Department has conducted research in nutrition in order to meet agriculture's responsibility for the production of a wholesome, nutritious food supply for the Nation. To fulfill its mission, agriculture must be informed through continuing research of: (1) the qualities of its products that make them essential and acceptable to the consumer and methods by which these qualities may be conserved or enhanced, and the development of new and improved food products, (2) the human requirements for nutrients and how food can best supply these needs, and (3) the food consumption and dietary adequacy of population groups as a basis for action and education programs. Agriculture's research, both in the Department and the land-grant institutions, is characterized by the overview taken of food as a dynamic force throughout the lives of normal, healthy persons as part of a family unit. The land-grant institutions and the Department have a close and effective working relationship. Through joint planning and conduct, the programs are integrated to supplement and strengthen each other. These relationships expedite the application of research results through teaching and extension programs.

Department and State Experiment Station current programs of food and nutrition research are divided into three major areas. The level of effort in funds and scientist man-years (SMY) in each area for fiscal year 1969 is as follows:

[Dollar amounts in thousands]

Research problem area	ARS	SAES supported by CSRS	USDA total	SAES supported by other funds (estimated)
Food choices, habits, and consumption.....	\$692	\$188	\$880	\$247
Quality of food in homes and institutions.....	446	170	608	459
Human nutritional well-being.....	1,798	1,159	2,908	4,029
Total	2,936	1,517	4,396	4,735
Estimated scientist man-years:				
Food choices, habits, and consumption.....	17	5	23	6
Quality of food in homes and institutions.....	8	4	12	12
Human nutritional well-being.....	31	23	55	82
Total	56	32	90	100

ARS research.—Current research of the Agricultural Research Service includes research on human requirements for nutrients and foods; quality and safety of food in homes and institutions; effect of pesticides on nutrition; food choices, habits, and consumption of the nation and specific population groups; and application of research findings to USDA and other programs.

Increases for 1970 under the current plan are for short-term research of immediate application to support the Federal effort to feed hungry people and to improve the nutritional status of the American people, particularly the poor. A study will be made of food consumption and management practices of families representative of the food and nutrition aide target groups, to be used as a base from which to measure benefits of alternative action programs. To provide guidance on the optimum use of foods for human health, the content and biological activity of nutrients in foods must be known. At present there is inadequate or no data for some nutrients in the Department's tables of food composition. Studies to fill these gaps in knowledge will be accelerated.

In the longer run, methodology studies are being undertaken to expedite the planning for the nationwide household food consumption surveys in 1972-73. Increased attention will be given to studies of food habits and alternative approaches to improving the nutrition of people.

Expanded research is planned to increase our knowledge of human requirements for nutrients, nutrient values in foods, nutritional status of selected high risk groups of our population, and the effects of nutritional improvements on productivity and life span of individuals.

CSRS research.—The research-instruction-extension complex is a unique feature in the SAES program of nutrition research. Graduate students in nutrition—a manpower category in short supply—are being trained as they participate in the research under the leadership of the scientist responsible for a given project. The number now participating is difficult to estimate from the present reporting system. Thesis listings in previous reporting systems indicate a large proportion at the M.S. level. Findings from the research are made available to Extension staff at the institution for appropriate use in services to consumers. Research initiated under CSRS funding usually leads to support from other sources. The SAES invest approximately \$3.67 of non-Federal funds for each dollar input from the CSRS program. SAES current research includes studies on nutritive value of foods; metabolism; nutritional status of special population groups; consumer food practices; and techniques for nutritional advantage in proposed foods.

For 1970, CSRS increases, like ARS increases, are currently planned to fund short-term research of immediate application in action programs.

Ultimate national nutrition goals demand systems not only to establish optimum nutrition expeditiously but to maintain optimum national nutrition as well. The systems should be geared to individuals rather than groups. Long-term research is therefore needed to develop guidelines for the following: personal profiles of nutrition; systems for the consumer to keep the personal profile of nutrition at an optimum level; systems to keep current the population description with respect to nutrition; and systems to keep current the functional use of the research-instruction-extension complex for the benefit of the consumer.

CSRS has an established base to coordinate and expedite the current and proposed programs. A degree of Station leadership has been identified based on the current program:

Physical and mental parameters for selecting subjects—California (B) and (D), Iowa, Alabama, Vermont; Human Subject Studies—Nebraska, (pre-school) Virginia, Louisiana, Tennessee (pre-adolescent), Vermont (adolescent), Indiana, Pennsylvania, Ohio, Wisconsin, Rhode Island, Vermont (young adults), Iowa, Utah (elderly), Mississippi (whole families), and Arizona (Spanish-Americans); Socio-economic Characteristics—Southern and North Central regions; Food-based Supplements—New Jersey, Rhode Island, Maine, New York, Illinois, Texas, Wyoming, Hawaii, New Mexico, South Carolina, Tennessee, California, Minnesota, Kentucky; and Statistical correlations—Iowa, Louisiana, Vermont.

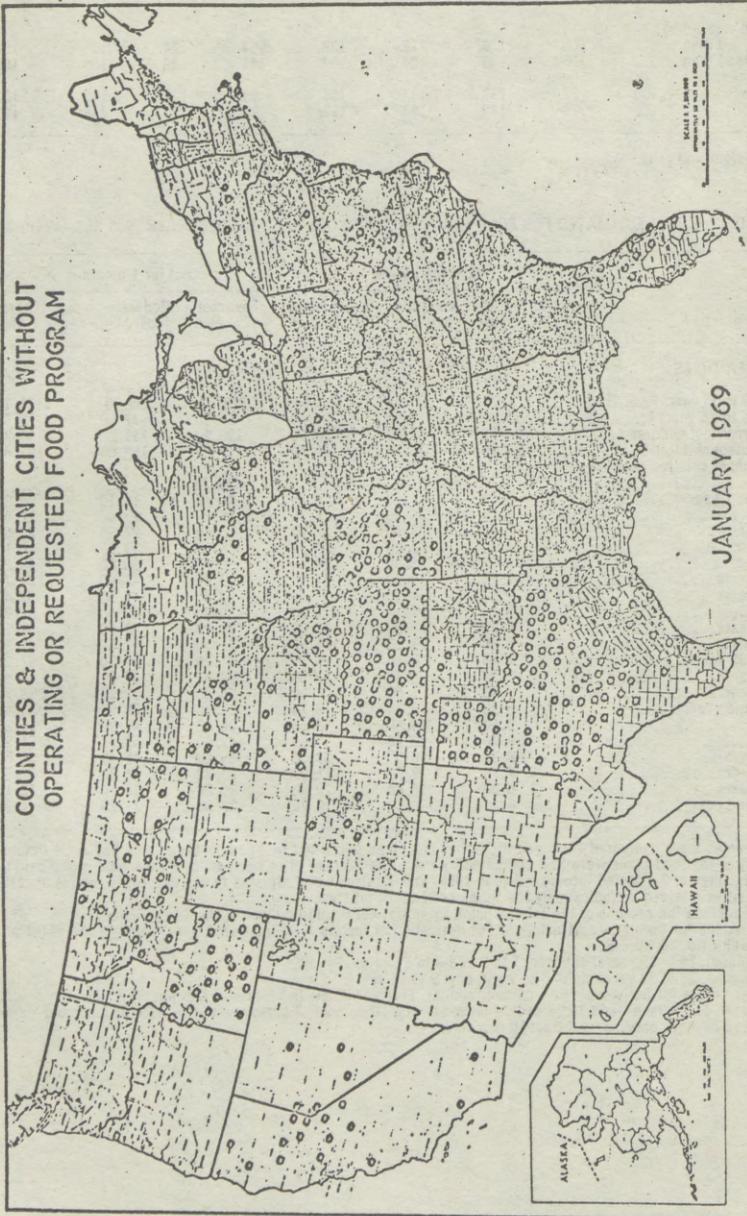
Other supporting activities.—In addition to ARS and CSRS-SAES research, support for food and nutrition programs is provided by two other USDA agencies: Economic Research Service (ERS) and International Agricultural Development Service (IADS).

ERS research on food as it relates to the nutritional status of the U.S. involves three major areas: general measurement of the status of nutrition through continuing research and statistical series on food demand and consumption; evaluation of the impact of USDA food programs for low-income families; and food marketing in low-income urban areas.

The group on International Nutrition Improvement in IADS has worked, on an *ad hoc* basis, to apply some of the lessons of international food programs to domestic programs. Activities have included work with the Office of Economic Opportunity to stimulate the American food industry to design foods particularly useful to low-income groups and to build factories for such foods in depressed areas—an OEO-funded contract has been signed with Ballantine Brewery to develop a nutritious beverage under these terms, and two additional contracts are in the final stages; and work to bring fortified foods (such as protein-rich macaroni) into USDA food programs and to utilize latest food technology and delivery techniques.

MAP A

COUNTIES & INDEPENDENT CITIES WITHOUT OPERATING OR REQUESTED FOOD PROGRAM



JANUARY 1969

Key: • Indicates a county or independent city which is not operating or planning to operate a food stamp or direct distribution program.

DIETS AND NUTRITION—RECOMMENDED DIETARY ALLOWANCES

	Food energy	Protein	Calcium	Iron	Vitamin A value	Thiamine	Riboflavin	Ascorbic acid
Percent of RDA's supplied:								
Low-cost food plan.....	105	176	112	138	164	124	151	188
Economy food plan.....	105	159	104	132	144	122	136	163
D.D. package:								
20 foods ¹	77	137	134	107	88	122	146	122
22 foods.....	79	140	134	112	90	129	146	122

¹ Excludes bulgur and grits.

COST OF FOOD AT HOME¹ ESTIMATED FOR FOOD PLANS AT THREE COST LEVELS, DECEMBER 1968, U.S. AVERAGE

Sex-age groups ²	Cost for 1 week			Cost for 1 month		
	Low-cost plan	Moderate-cost plan	Liberal plan	Low-cost plan	Moderate-cost plan	Liberal plan
FAMILIES						
Family of 2, 20 to 35 years ³	\$17.00	\$21.60	\$26.40	\$73.50	\$93.20	\$114.10
Family of 2, 55 to 75 years ³	13.90	17.90	21.40	60.30	77.70	93.30
Family of 4, preschool children ⁴	24.70	31.40	38.00	106.90	135.60	164.70
Family of 4, school children ⁴	28.70	36.50	44.70	124.20	158.00	193.40
Family of 4, school children (economy plan)				99.70		
Children, under 1 year.....	3.30	4.20	4.70	14.40	18.10	20.30
1 to 3 years.....	4.20	5.30	6.30	18.30	23.00	27.50
3 to 6 years.....	5.00	6.50	7.70	21.80	27.90	33.50
6 to 9 years.....	6.10	7.80	9.70	26.50	33.90	42.10
Girls, 9 to 12 years.....	7.00	8.90	10.40	30.20	38.70	45.20
12 to 15 years.....	7.70	9.90	11.90	33.30	42.90	51.70
15 to 20 years.....	7.80	9.80	11.60	33.90	42.50	50.40
Boys, 9 to 12.....	7.10	9.10	11.00	30.90	39.50	47.60
12 to 15 years.....	8.30	10.90	13.00	36.10	47.10	56.10
15 to 20 years.....	9.60	12.10	14.60	41.50	52.50	63.20
Women, 20 to 35 years.....	7.20	9.10	10.90	31.00	39.30	47.20
35 to 55 years.....	6.90	8.70	10.50	29.80	37.90	45.40
55 to 75 years.....	5.80	7.50	8.90	25.30	32.50	38.70
75 years and over.....	5.30	6.70	8.20	22.90	28.90	35.40
Pregnant.....	8.50	10.60	12.50	36.90	45.90	54.20
Nursing.....	9.90	12.20	14.30	42.90	53.00	61.90
Men, 20 to 35 years.....	8.30	10.50	13.10	35.80	45.40	56.50
35 to 55 years.....	7.70	9.70	11.90	33.20	42.20	51.50
55 to 75 years.....	6.80	8.80	10.60	29.50	38.10	46.10
75 years and over.....	6.40	8.50	10.20	27.60	36.70	44.30

¹ These estimates were computed from quantities in food plans published in "Family Economics Review," October 1964. The costs of the food plans were first estimated by using the average price per pound of each food group paid by urban survey families at 3 selected income levels in 1965. These prices were adjusted to current levels by use of retail food prices by cities released periodically by the Bureau of Labor Statistics.

² Age groups include the persons of the 1st age listed up to but not including those of the 2d age listed.

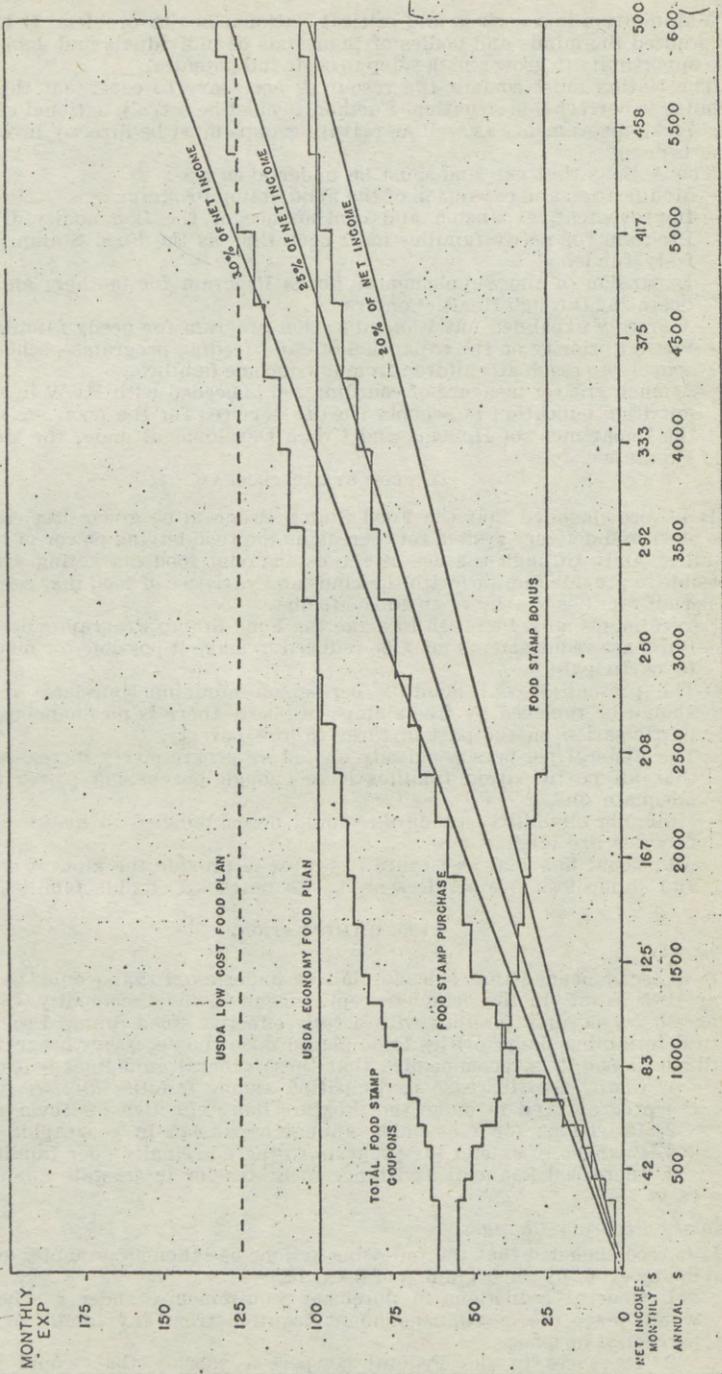
³ 10 percent added for family size adjustment. For derivation of factors for adjustment, see "Family Food Plans and Food Costs," HERR No. 20, app. B.

⁴ Man and woman, 20 to 35 years; children, 1 to 3 and 3 to 6 years.

⁵ Man and woman, 20 to 35 years child, 6 to 9 and boy, 9 to 12 years.

⁶ The costs given are for individuals in 4-person families. For individuals in other size families, the following adjustments are suggested: 1 person—add 20 percent; 2 persons—add 10 percent; 3 persons—add 5 percent; 5 persons—subtract 5 percent; 6 or more persons—subtract 10 percent.

NET INCOME AND FOOD EXPENDITURES FOR A FAMILY OF FOUR



PROPOSALS FOR FOOD AND NUTRITION PROGRAMS (DRAFT)

Malnutrition is a serious and critical National health problem. It has warped or stunted the minds and bodies of thousands of individuals and denied to them the opportunity to grow and develop to their full potential.

The Nation must commit the resources necessary to carry out the measures require to correct this situation. Further, it must be a truly national effort. State and local governments as well as private groups must be directly involved in all that is done.

The Actions that can and must be undertaken are :

- Modification and expansion of the Food Stamp Program.
- Improvement, expansion and continuance of the Commodity Distribution Program for needy families until such time as the Food Stamp program is fully funded.
- Expansion of the Supplemental Foods Program for mothers and children, operating through Health Centers.
- A greatly expanded nutrition education program for needy families.
- Special priority on the expansion of child feeding programs—school and pre-school—to reach all children from low-income families.
- A much greater measure of coordination is needed with HEW in the area of nutrition education in schools (health services for the poor, etc.) and with the Department of Housing and Urban Development under the Model Cities Program.

I. FOOD STAMP PROGRAM

It is recommended that the Food Stamp Program be given first emphasis on the preferred delivery system for increasing the food buying power of low-income families. Only through the use of the commercial food marketing system, is it possible to provide families with the kinds and varieties of food that are necessary to permit families to achieve an adequate diet.

Several steps must be taken to make the Food Stamp Program more effective :

- Purchase requirements must be reduced to make it possible for more families to participate.
- The present 50-cent monthly per-person minimum purchase requirement should be replaced by free stamps to insure there is no financial barrier to participation on the part of those in dire poverty.
- The Federal per-person subsidy should be progressively increased in order that all participating families have enough purchasing power to buy an adequate diet.
- Minimum eligibility standards should be established to insure all poverty families are eligible.
- Additional financial assistance to States to provide the kind of certification and stamp issuance services needed to reach all eligible families.

RECOMMENDATIONS

General

It is recommended that a basic plan be undertaken that would, by the fiscal year 1975, result in the complete replacement of the Commodity Distribution Program for poverty families with a fully effective Food Stamp Program.

In determining the priorities to be placed upon the necessary program changes outlined above, it is recommended that these general guidelines be established :

1. Changes to increase participation among families *already* eligible for the program and to make the program more effective for them ;
2. Provisions for reasonable annual expansion in geographic coverage ;
3. Changes to extend the program to the marginally poor families ;
4. Increased financial assistance to States for intrastate administrative costs.

Priority Program Changes

It is recommended that the following actions be taken as promptly as possible, and in any event by the beginning of fiscal 1970 :

1. General reductions in purchase requirements, under a schedule that would place the *maximum* amount required from any family at about 25 percent of income ;
2. Increases in the Federal per-person subsidy that would provide a *minimum* total stamp purchasing power of at least 60 percent of the cost of a low-cost adequate diet ;

3. Issue stamps free to those families that now are qualified to participate at the 50-cent minimum purchase requirement;

4. Provide for the expansion of the program in fiscal 1970 into sufficient new areas to meet priority requests such as that of New York City, or counties without a food program, and other sensitive counties that "demand" a shift from commodity distribution to food stamps;

5. Provide for a more orderly transfer of counties from the Commodity Distribution Program to the Food Stamp Program. This would be accomplished by authorizing such counties to continue to offer commodity assistance to eligible families during up to the first three months the Food Stamp Program is in operation in such counties;

6. Announce now that the Federal subsidy would be further progressively increased until it provided all families with a stamp purchasing power equal to the full cost of an adequate diet, as rapidly as possible.

Other Possible Program Changes

The following additional changes, which are, or could be, necessary for a fully effective program, could also be inaugurated in 1970 if they could be accomplished in addition to the priority program changes:

1. *Minimum Eligibility Standards.*—The establishment of national minimum eligibility standards will be necessary to insure that the program reaches all poverty families. However, it is not recommended that such action be considered for 1970 if, because of funding considerations, it could be accomplished only at the sacrifice of any of the priority program changes outlined above.

Further, it would be essential to coordinate the specifics of such a proposal with action by HEW to establish minimum eligibility standards under its public assistance programs. Therefore, it would seem essential to coordinate the timing of any Agriculture/HEW proposals to insure consistent minimum standards under welfare and food programs.

2. *Authority for Direct Federal Operation of the Food Stamp Program.*—Thus far, requests for the Food Stamp Program have generally exceeded the funding available for expansion.

Nonetheless, authority for direct operations could be a desirable "last-resort" authority to have if—after the proposed changes were made in the program—there still were counties that would refuse the program.

But, it also has some disadvantages. Once reluctant, or financially hard-pressed, areas know that the Secretary of Agriculture is able to take over both program and financial responsibility for local programs, there may be many counties that would be happy to turn the job over to the Federal Government. And, widespread direct USDA operation of local programs is not practical in the long run.

3. *More Liberal Federal Assistance for Local Administrative Costs.*—By law Federal funds are available to pay a limited part of the cost of certifying non-welfare households. (Any additional cost of certifying welfare families is regarded by HEW under the matching provisions for State administration of the federally-aided welfare programs.) States and/or localities must finance all other administrative costs, including the issuance of the coupons.

More liberal matching payments for intrastate administrative costs by the Federal Government are desirable. But, this does not necessarily insure that services will be improved—the States and localities might choose to reduce their current expenditures on such services. Although an attempt could be made to tie more liberal payments into some minimum level of services that must be continued, there are many practical limitations. Defining a minimum level of certification and issuance services for some 3,000 counties is not easy. And, the only real enforcement tool is withdrawal of the matching payments, or the program, if you decide the minimum service level has not been met.

Legislative Changes

To accomplish, at a minimum, the priority program changes recommended for 1970, the following changes in the Food Stamp Act would be needed:

1. *Appropriation Authorities.*—Appropriation authorities under the Food Stamp Act now are available only through December 1970 and limit the maximum appropriation to \$340 million for fiscal 1970 and \$170 million for July–December 1970.

The Act should be amended to provide an "open-end" authorization for any subsequent fiscal year. The specific level of each annual appropriation would be developed through the planning, budgeting, and appropriation process.

2. For the Priority Program Changes:

a. The Act's requirement concerning the maintenance of normal food expenditures should be modified by amendment or by a statement of Congressional intent as to how they expect that provision of the Act to be interpreted.

b. Clear Congressional concurrence in the elimination of the 50-cent minimum purchase requirement should be obtained, if necessary, by amendment to the Act.

c. Similar Congressional concurrence is desirable in connection with the proposal to provide an orderly shift from commodities to stamps by allowing such counties to temporarily operate both programs for up to three months.

3. For Other Changes.— Specific amendments to the Food Stamp Act would be required to: (a) Establish minimum eligibility standards; (b) authorize direct Federal operation of a food stamp program; and (c) liberalize Federal payments for intrastate administrative costs.

Funding Priority Program Changes

Preliminary estimates have been made of the level of food stamp funding required in fiscal 1970 and 1971 to permit the inauguration of the priority program changes by the beginning of fiscal 1970.

If assurance could be obtained from the Congress that such a 1970 funding level would be provided, and if 1968 funding permits, it is recommended that these priority program changes be inaugurated prior to July 1969.

Required funding for fiscal 1970

Funds required to:	<i>Millions</i>
Maintain 1969 program unchanged.....	\$333
To eliminate 50-cent minimum.....	5
To modify stamp schedule.....	250
Reduce purchase requirements and provide minimum of 60 per cent of low-cost diet cost	
For program expansion.....	45
Total	633

Required funding for fiscal 1971

Funds required to:	
Maintain 1970 program.....	750
For program expansion.....	38
Total	788

Alternative Food Stamp Approach

Many groups have recommended that coupons be distributed to all families free of charge—either in amounts equal to the full cost of an adequate diet, or in varying amounts inversely related to income.

This approach is not recommended for consideration because:

1. If started on a basis that the amounts of free stamps would be inversely related to income (a supplement to what the family could afford to spend for food), there would soon be pressure to increase the amounts to the full cost of an adequate diet. The cost of such a program could quickly run into over \$10 billion annually.

2. With the issuance of free stamps to all families up to the poverty line, substantial amounts of the free stamps could be used to substitute for a family's regular expenditures in order to release former "food dollars" for nonfood uses. Thus, even with the expenditure of billions of dollars annually, there still might be serious problems of malnutrition.

3. When a family is able to substantially use food stamps as if they were dollars, it would be cheaper and more efficient to carry on a welfare cash grant program for poverty families.

COMMODITY DISTRIBUTION PROGRAM

Pending adequate funding and authority for modification and expansion of the Food Stamp Program, special efforts must be directed toward improvement and expansion of the Commodity Distribution Program. This program is now operating in 1328 administrative units with 3.6 million persons participating.

RECOMMENDATIONS

(a) Maintain as a minimum the present nutritional contribution contained in the 22 items currently available.

(b) Explore the substitution of items which will be more acceptable to participating families and be equal or greater in nutritional value.

(c) Push vigorously to introduce this program, on at least an interim basis, into the 480 counties and cities now without a food program.

(d) Provide administrative funds to the States and counties in order to help finance expansion to new counties, improve services to recipients in the form of more distribution points, prompter certification, better outreach, and facilities to handle the distribution of all the items available.

(e) To implement item (d) we estimate that \$3 million be provided in 1969 in addition to the \$7 million already available, and \$15 million additional in 1970.

SUPPLEMENTAL FOODS FOR MOTHERS AND PRE-SCHOOL CHILDREN

The most serious incidence and danger of malnutrition exists among new and expectant mothers in situations of inadequate income and their young children of pre-school age. A new program is under way to supply a number of highly nutritious foods to this vulnerable group. The program operates through health centers or clinics where doctors or health nurses certify as to need. A very important by-product of this effort is that it encourages low-income families to come to the health centers so that total maternal and child care services can be provided. OEO, HEW, and HUD are cooperating in this joint effort.

Currently, the package program operates in 71 counties serving 18,000 persons. Four of these opened this month in Food Stamp areas. A number of additional areas are scheduled to begin operations in the near future including a statewide operation in South Carolina. A number of other areas have expressed great interest. The program is targeted to reach one million persons in fiscal year 1970.

RECOMMENDATIONS

It is recommended that we expand this program as rapidly as possible concentrating on low-income rural counties and the large urban centers.

It is also recommended that an alternative program be developed which, under a cash voucher system, would provide the needed foods through regular retail channels. The logistics of direct food donation from USDA stocks present multiple complications in a national program of this nature. A special supply problem is encountered in counties which do not have a Commodity Program.

The cash voucher program could be operated and funded under Section 32 authority in Commodity Distribution counties and under the emergency Section 32 authority for Food Stamp counties in the Appropriation Act.

To implement this program, a list of special nutritional value food items would be developed in cooperation with interested agencies of HEW. Such items would be those normally carried by retail food or pharmaceutical outlets (special baby formulas). Doctors or nurses would prescribe on a voucher form the specific food items from this list needed for mothers and children. Grocers would accept the vouchers as cash and redeem them through the local health department or possibly at the level of the State Health Department. The funds necessary to provide reimbursements to vendors would be allocated to State Health Departments by USDA. It is recommended that this approach be employed first in Food Stamp counties.

Nutrition Education

All of the experience and knowledge available leads to the conclusion that education and training in nutrition is an essential adjunct of food programs to improve diets among low-income families. Ignorance of the elements and importance of good nutrition and of the more important causes of malnutrition and can be the chief cause in individual family situations.

The present program of the Extension Service, using program aides to work directly with low-income families, offers the best opportunity to overcome ignorance of the principles of good nutrition, poor dietary habits and the lack of essential knowledge of the proper methods of food purchasing, storage, preparation and sanitation.

Moreover, this approach can be pinpointed to meet specific nutritional deficiencies that exist among certain age groups or segments of our population—the very young, the aged, and ethnic groups.

RECOMMENDATION

That the program level of \$10 million in Section 32 funds for fiscal year 1969 be greatly expanded for fiscal year 1970 and subsequent fiscal years.

I. CHILD FEEDING PROGRAMS

The major thrust in child feeding should be toward reaching the needy children who do not now benefit from either the school lunch or the school breakfast program.

Legislation is on the books that makes it possible to improve the nutrition in groups wherever they may be found and on a year-round basis. Inputs are needed from HEW to promote the teaching of nutrition in schools and to help fund a portion of the cost of labor and monitoring services in schools through Title I funds.

A. School lunch

There are actually two school lunch programs—the original program that has in recent years provided an average of 4.5 cents in cash for each lunch served plus about 10 to 12 cents per meal in donated foods. This level of support has been reasonably adequate to assure viable programs in most participating schools. This level of support has also been adequate to finance the free and reduced-price lunch need in those schools where only a small proportion of the enrollment requires this assistance.

The second drive is to get lunch programs operating in those schools serving low-income areas where viability is dependent on a far higher level of federal support per lunch.

The target group is 6.6 million children who should be receiving a lunch free or at a reduced price. In the 1967-68 school year, only 2.3 million were reached. In the 1968-69 school year, this number should rise to 3.4 million.

RECOMMENDATIONS

1. Provide the revised budget request of \$104.8 million to reach the total target group by the end of the 1970 school year.

2. Provide the full \$15 million requested in the revised budget for equipment assistance for low-income area schools. This is essential if the target group—most of whom are in urban elementary schools is to be reached. This equipment assistance will move in two directions: To strengthen up existing food preparation capabilities in secondary schools so that they may serve satellite schools and the rental or purchase of equipment for centralized kitchens to service groups of schools.

3. Continue support for H.R. 515, the measure that amends the National School Lunch and Child Nutrition Acts in a number of important areas—particularly in the requirement for greater program support from State tax sources.

4. Muster a substantial input from DHEW and HUD in the form of aides to supervise in cafeterias and classrooms as well as financing a part of labor costs. Teachers are understandably increasingly reluctant to take on lunchroom monitoring and it represents one of the major obstacles to persuading principals to initiate and maintain food service programs in their schools. USDA can pay for food costs and most of the equipment costs but cannot fund labor costs.

5. One feature of H.R. 515 provides for nutrition education and training for food service workers, operators and participants. Funding of this is automatically provided in the legislation. The Office of Education assistance will be essential to develop the necessary curricula and to encourage all types of educational outlets to adopt the curricula.

B. School Breakfast

This is frequently the program of choice in many situations in low-income areas because it can get under way with relatively limited costs for equipment and labor. In addition, the legislation authorizes Federal payment of up to 80 percent of total operating costs in situations of severe need. And school administrators point out that breakfast is the most neglected meal of the day, particularly in low-income areas.

The major inhibiting factor to program growth is the reluctance to reschedule bus services and to the early arrival required of school personnel.

RECOMMENDATIONS

1. Provide the revised budget request of \$11 million for fiscal year 1970.
2. Muster and in-put from DHEW and HUD in the form of aides to help schools take on the additional work required to operate a breakfast program.

C. Special Milk Program

This has been a useful supplement to improved child nutrition for many years but it is now time to shift a major share of the Federal resources from this program to the programs that provide a complete meal that includes a half pint of milk. This has been a subsidy that was available to all children, regardless of need.

RECOMMENDATION

1. Provide the \$21 million carried in the revised budget request. This would enable continuation of the program in schools that do not have a regular food service and continuation of the program as is in child care institutions and summer camps.

D. Non-School Feeding

The availability of nonprofit child care centers is very limited and progress under the day care service amendments to the Social Security Act has been slow. We have followed a policy of not funding the Head Start centers which are already providing food service.

Because existing facilities for needy children are operated by private organizations for the most part, they can be identified and reached only through personal visits to specific areas.

The big potential for this program in the immediate future lies in funding food service in summer recreational projects in day camps, playground activities, etc. Some \$3 million has been reserved for this purpose for the summer of 1969.

RECOMMENDATIONS

1. Provide the revised budget request of \$10 million for this program in fiscal year 1970.
2. Explore with Head Start the possibility of future funding by USDA of the food component so that total enrollment in Head Start may be increased.

COORDINATION OF FOOD AND NUTRITION PROGRAMS

The food and nutrition programs of the Federal Government need to be better coordinated. The major child and family food assistance programs are administered by the Department of Agriculture. The Office of Economic Opportunity makes cash grants for food and food stamps in emergency situations; The Head Start program includes funds for food; the Office of Education grants funds for free or reduced price school lunches and other food services, including equipment; the Bureau of Indian Affairs provides funds for distribution of food and for school lunch programs for Indians; food and nutrition research and evaluation is conducted or funded by USDA, OEO, DOD, and HEW; and nutrition education is provided through the Federal-State-local extension education system and facilitated through programs administered by the Office of Education.

It is essential that the full range of programs designed to overcome undernutrition be coordinated. Lack of coordination leads to an overall food and nutrition program that is less effective, is more inefficient and that simply prolongs the time period required to overcome hunger and malnutrition and eliminate undernutrition.

The President should create a Sub-Cabinet Committee to insure coordination of food and nutrition programs and to insure the food and nutrition programs are fully coordinated with health, education, welfare, and other poverty programs. Alternatives:

- a. Cabinet Committee.
- b. Council on Urban Affairs.
- c. Bureau of the Budget.

The following is a series of recommendations on food and nutrition programs:

1. The Federal Government should establish the food stamp program as the country's only major food supplement program.
2. Increase the bonus of food stamp programs to permit all participating households to obtain an adequate diet with their stamps (purchase requirement plus bonus).

3. Adjust the purchase requirement schedule to take into consideration the target population's actual expenditure patterns (including the income elasticity of the demand for food and non-food items) and whether or not the potential recipient has been participating in another food program which has reduced the food expenditures from another pattern.

4. Permit emergency recertification and reestablishment of household purchase requirements when income changes.

5. Establish a loan program to permit the purchase of stamps by households whose paydays coincide conveniently with the food stamp issuance period.

6. Establish emergency loan programs for participants who have a large part of their income invested in food stamps.

7. Provide free to households whose income is below a certain level (taking family size and composition into consideration) enough food stamps to purchase an adequate diet in its entirety.

8. Enlarge the market basket of commodities in a commodity distribution program to provide a fully adequate diet in its entirety for households whose income is below a certain level (taking family size into consideration). Under this sub-program, the Government could issue, along with the commodities, coupons for the necessary perishable items which the program could not handle.

9. The Federal Government should establish a plan for expansion of the food stamp program based on nutritional need, indicated by low income if necessary.

10. Pay administrative costs of food programs in communities which cannot afford to pay such costs. Such determination could be based on an index and a proportion of the total population who are classified as poor.

11. Operate food programs where need can be established and where the community refuses to operate a program.

12. Establish uniform Federal standards of eligibility in food programs based on the official poverty lines.

13. Establish eligibility procedures for the food stamp program which require a simple application containing a sworn statement as to household income and assets. These applications should be available in schools, clinics, hospitals, churches, and other places that are part of the normal routine of low income families. Provide for the processing of such applications by mail.

14. Make an integral part of all food programs in education component using indigenous aides when possible to inform the target population about the existence of the program, the procedures for applying, and the benefits and constituents of an adequate diet.

A. Stamp Program Alternatives

1. *Bonus stamps should be used to encourage the purchase of nutritious foods.*—The food stamp bonus schedule should be used to encourage its beneficiaries to purchase and use nutritious foods. At the present, a family of four persons residing in the North with a monthly net income of \$60 pays \$26 for \$66 worth of stamps. It might be possible to increase the value of these stamps as a reward for the purchase of especially nutritious foods. The objective of this alternative would be to encourage people to buy foods which were nutritious and would at the same time educate them as to which foods were nutritious. It might well be a more cost-effective way of educating the poor than by using nutrition aides or other educational means. A hypothetical incentive plan is shown in Table I. Under this plan, the total purchasing power is increased by one-third when, on the basis of nutrient value, 75 percent of the total value of the food purchased with stamps is available for a bonus. The value of additional stamps, which would be dispensed to customers at the time of purchase, would range from 33 cents to \$21.78 as shown in the last line of the table.

Assume that the customer has purchased \$10 worth of food with his stamps, of which 60 percent is eligible for a bonus. The customer would receive \$2.40 in additional food stamps. In a similar fashion, if the consumer spends \$66 for food of which 75 percent fell into the nutrition-bonus class, the customer would receive an additional \$21.78 in food stamps. The consumer is encouraged to weight his purchase toward eligible, nutritious foods insofar as the reward goes from zero percent through 7, 15, and 24 percent up to a maximum of 33 percent. The advantages of this alternative are as follows: (a) families are encouraged to buy nutritious foods; (b) health and nutrition education is imparted and "good" behavior is rewarded; (c) the stamp plan can be more easily expanded to the point of affording a nutritious diet at least cost—that is, beneficiaries would be guided in their use of extra dollars in an expanded program.

TABLE I.—HYPOTHETICAL SCHEDULE FOR ADDITIONAL BONUS STAMPS TO REWARD THE PURCHASE OF NUTRITIOUS FOODS

Percent of purchases eligible for stamp bonus		\$1	\$10	\$40	\$66
0.30	A	0.30	3.00	12.00	20.00
	B	0	0	0	0
.40	A	.40	4.00	16.00	26.00
	B	.07	.75	3.00	4.50
.50	A	.50	5.00	20.00	33.00
	B	.15	1.50	6.00	9.90
.60	A	.60	6.00	24.00	40.00
	B	.24	2.40	9.60	15.85
.75	A	.75	7.50	30.00	50.00
	B	.33	3.30	13.20	21.78

Note: A equal cost of foods eligible for additional bonus stamps; B equal value of additional bonus stamps.

2. *Stamp plan payments should be put on installment basis similar to installment plans used in the purchase of consumer durables or should be available on a daily purchase basis.*—For example, if a four-person household earns \$30 per month, instead of paying the full purchase price of \$10 for \$62 worth of stamps, the householder could pay \$2.50 per week for the month. The beneficiary would simply declare his eligibility and an installment stamp book would be issued.¹ The first payment of the month would be due the following week, and the last payment for the month would be due in the first week of the next month. This type of arrangement will be more in keeping with the manner in which people actually purchase groceries—week by week.

It would also have the advantage of not penalizing a person for the entire month if he were unable to pay the full amount at one time. If the beneficiary were unable to meet the payment for the last week of the month, he would be penalized for that week only and not for the entire month.

Alternatively, stamps could be purchased daily at a post office or some other convenient place and eligibility established by presenting a previously issued food stamp credit card. The credit card would be punched to show the value of benefits remaining to the consumer in a manner similar to a train commuter's monthly ticket.

3. *Food stamp bonus schedules should be altered so that people are not penalized because of their income levels.*—Under the present schedule the total value of the stamps is strongly related to income. For example, a four-person household in the North earning a monthly net income of less than \$20 receives a value of \$60 worth of stamps for a \$2 purchase. Similarly, with a net monthly income of \$60, a \$26 purchase allows a total value of \$66 of food stamps. However, there is no reason to presume that equal sized families earning different levels of income require different levels of food. An alternative would be to provide a sufficient value of stamps to provide an adequate diet for those in poverty, but to graduate the purchase price more steeply for those at the high end of the poverty index.

4. *Stamps should be priced such that they do not cost more than 25 to 30 percent of a family's income.*—Present stamp payments frequently take a significant portion of a family's monthly income. The costs of increasing the bonus benefits such that the purchase price of the stamps is a lower percentage of family income should be examined. Another alternative along this line is to reduce the number of income breaks in the food stamp schedule. At the present time, they are as little as \$10 per month.

B. Welfare Program Alternatives

1. *Standardization of welfare payments, Federal cash grants, or child allowances should be used to increase people's ability to purchase food.*—Insofar as stamps are a form of money, a reasonable alternative would be a standardization of the income of the poor so that they could afford to buy food. This alternative emphasizes the income maintenance aspect of food stamps and also tends to spread the financing cost of the nutrition programs such that there would be improved financial feasibility of funding a solution to the nutrition problem.

¹ See E-7 under Miscellaneous for a related alternative.

C. Nutrition Education Alternatives

1. Initiate a program for the support of nutrition manpower training to include both professionals and subprofessionals alike.
2. Indigenous workers should be used as nutrition aides in poverty areas after an initial period of training.
3. TV advertisements selling good nutrition habits should be used extensively in coordination with the efforts of Agriculture Extension agents or other person-to-person nutrition education efforts.
4. The school lunch program should be used for nutrition education of children through the introduction of symbols on foods to represent their nutritional quality. These symbols could be used throughout the United States on food packages, TV advertisements, etc., to reinforce early learning with regard to human nutritional requirements. This becomes especially important insofar as there will be a significant expansion in new foods whose nutritional values will be different from today's more conservative or more traditional diets.
5. The facilities of the school lunch program should be used on a year-round basis to feed elderly people and preschool children. This would be a means whereby the elderly and mothers of pre-schoolers would learn good nutrition habits, as well as maintaining adequate nutrition levels. It might also help to overcome the fact of poor cooking facilities in a significant number of poverty homes.

D. New Foods Alternatives

1. Grants should be given to food processors to encourage them to produce popular high-nutrition foods. For example, it would be highly beneficial to produce a popular high protein soda pop for low income areas. In this particular area the Federal Government would be entering the market as a provider for a new type of product on the behalf of those who were poorly nourished. It should be noted that, under the previous plan mentioned in alternative 1, these new products would be eligible for bonus stamps, thus underwriting their market testing. Also, some market testing could be done through the school lunch program.

E. Miscellaneous

1. The nutritional needs of Indians and migrants should be a Federal responsibility.
2. Catering and other innovative means of reaching low income school (and preschool?) children should be extended rather than the present effort to construct school kitchens in low income areas.
3. There should be inter-county and inter-State accreditation of beneficiaries of the commodity distribution program and the stamp program.
4. The changeover period from stamps to commodities should be longer or there should be dual operation within a county of the stamp and commodity programs, or free stamps, whichever of the three is most cost-effective.
5. There should be bilingual labeling of commodity packages and the use of attractive, reasonable-size, rodent proof, water resistant packages.
6. The present data files of such as Social Security and Medicaid should be used to form eligibility lists and ensure speedy certification.
7. Sampling should be used in the food stamp and commodity programs to check the eligibility of beneficiaries rather than exhaustive investigations.
8. Nutrition programs should be included in model cities areas.
9. Mail trucks should be used to deliver direct distribution commodities.
10. The special direct distribution program for children and mothers should be handled through the mails and packaged in attractive serving-size packets.

LAUNDRY LIST

A. Legislative Proposals

1. Food stamp program :
 - (a) Remove 1970 authorization limitation.
 - (b) Provide for free stamps to poorest families.
 - (c) Provide for adequate diet.
 - (d) Provide for special supplementary program to correct nutritional inadequacies among those in poverty with particular nutritional problems—such as the sick, the elderly, infants, and pregnant women—to operate in same counties as food stamp or direct distribution.
 - (e) Establish minimum eligibility standards.

(f) Provide Federal assistance to States to operate programs.

(g) Enable Secretary to operate programs directly where communities refuse to do so.

2. Child feeding programs: Provide in omnibus legislation for the consolidation of all child feeding programs in a single authority, establishing more equitable formulas for the distribution of grants.

B. Administrative Proposals

1. Direct distribution: Expand program to deliver supplementary commodity packages into areas and families with special nutritional problems where food stamps and direct distribution fail to reach.

C. Specific actions to be taken now

1. The President should make a widely publicized speech or statement about the problem of malnutrition and his determination to do everything possible to lift it to the forefront of man's concerns. In doing this he should commit the Federal Government to the principle that every American has a fundamental right to a decent and adequate diet.

He should further set forth as the objectives of the Administration by the end of FY 1970:

(a) the establishment of a family food program in every county in the country available to every person in poverty.

(b) the upgrading of the programs to provide an adequate diet for recipients and improvements in the food stamp program to assure that no one is priced out.

(c) the guaranteeing of free school lunches for every child in poverty by the end of 1970.

2. The President should direct the U.S. departments and agencies to give highest priority to this problem. He should also direct agencies to actively seek out the poor to involve in the administration of the programs.

3. The President should appoint a cabinet level Nutrition Council of Representatives of these departments and agencies, with a board of consultants drawn from private industry. The question of a broad or narrow authority remains moot at this point.

Several modifications in present statutes should be made to attain the objective of the Act and to facilitate administration of the food service programs:

A. Family Food Assistance

1. The "normal expenditure for food" concept in the present Food Stamp Act should be replaced with the concept that no family or household be required to pay more than a specified percent of its income for food. (The latter concept has been enacted into law by the Congress for housing programs.) The legislation could be drafted so that this concept could be made real over a three year time period. For example, no family or household receiving family food assistance be required to pay more than—

30 percent of its income for food in FY 1970;

25 percent of its income in FY 1971; and

no greater percentage of its income in FY 1972 and subsequent years than is paid by the average of all household or families.

The present concept is untenable. It says that simply because a family has been paying say, 50 percent of their income for food or at the extreme, 100 percent, they should continue to spend this amount to be eligible for food assistance. This is an inequitable and unrealistic provision of law.

2. To accomplish the objectives of the Act the law should require that the direct distribution program provide, as a minimum, a package of food that meets the minimum requirements for the essential nutrients as recommended by the National Research Council. The level of assistance under the Food Stamp program should be geared, as a minimum, to an amount that, after taking into account the purchase requirement, would provide sufficient funds for the household to purchase an economy plan diet. (Economy, low-cost and moderate plans are calculated by the Agricultural Research Service. These plans explicitly recognize variations in requirements due to age and sex and due to price differentials by region of the country.) It may be advisable to phase this requirement in over a two or three year period.

The above two changes would automatically establish eligibility lines. The economy plan diet now costs a family of four about \$1,200 a year. Therefore, if the purchase requirement were 30 percent (25 percent, 20 percent) all four

member families with an annual income below \$4,000 (\$4,800, \$6,000) would be eligible for food assistance.

3. Additional flexibility is needed to improve effectiveness and facilitate administration of the special supplementary food program. (Designed to meet the special needs of pregnant women, new mothers, babies and infants.) The enabling legislation should authorize the use of food stamps, a voucher system, and direct distribution of food to meet these special needs. This program should be broadened to include in the target group all those with unusual health needs.

4. Free food or free food stamps should be authorized for those with extremely low income and to meet emergency situations.

5. Provisions authorizing sharing of cost with State-local partners should be liberalized and placed on a comparable basis for all family food assistance programs.

6. Uniform certification procedures by local agencies should be applied to all family food assistance programs. The relationships between the family and child food assistance programs should be recognized.

7. Authority should be provided for full Federal operation of all family food assistance programs if this is the only way of bringing a food assistance program to persons in need.

8. The legislation should authorize the use of all family food assistance programs in the same geographic area if necessary to accomplish the purpose of the Act.

9. The basic statute should not contain a limitation on the amount of funds available for the program but should simply authorize amounts necessary to meet the purpose of the Act. The specific amount in any one year would be developed through the planning, budgeting and appropriation processes.

10. The Secretary should be given authority to shift program funds from one family food assistance program to another, as necessary to accomplish the purpose of the Act.

B. Child Food Assistance

1. Incentives for State and local partners to increase their share of the cost of the programs should be provided.

2. Authority to shift program funds from one child food assistance program to another as necessary to meet special needs and to accomplish the purpose of the program should be provided.

3. Greater flexibility may be needed in the standards for meals served in school lunch schools.

4. Encouragement to take advantage of the economies in distribution through the use of catering services, central kitchens, and so forth should be given.

5. Authority should be provided to allow food assistance to institutions of higher education (colleges, trade and business schools) in addition to high schools, particularly those serving youths from low-income households.

6. More flexibility in the use of funds for administrative and overhead costs associated with child food assistance programs is needed.

C. Food Assistance to Institutions

1. Additional authority is needed to provide food assistance for those—particularly for the elderly—living together in group situations or living alone but eating together. A program should also be authorized to meet the food needs of migrant workers.

D. General Modifications Applicable to All Food Service Programs

1. Authority should be provided to the Secretary to purchase commodities needed (for any food program) to accomplish the purpose of the Act irrespective of the surplus or nonsurplus position of those commodities at that point in time. The basic legislation should make clear that funds available from all existing authorities (Sections 32, 416, 709, and so forth) are available to meet the purpose of the Act.

POSITION PAPER

BACKGROUND

The Food and Nutrition Committee of the Urban Affairs Council has concerned itself with *poverty-related malnutrition*. The problem of insufficient or unbalanced diet in the general population was considered less immediate than the issue of malnutrition among the poor.

Malnutrition and under-nutrition among the American poor began to emerge as a political issue with the hearings on Hunger and Malnutrition before the Senate Subcommittee on Employment, Manpower and Poverty in the Spring and Summer of 1967. The issue was further stimulated by a number of private documents such as "Hunger USA" and the CBS television documentary "Hunger in America." Additional Senate hearings were held in the summer of 1968, leading to the establishment of the Select Committee on Nutrition and Human Needs, which held its first session on December 17, 1968.

The extent of critical, poverty-induced malnutrition in the United States is unavailable at present. Such knowledge as we do have indicates that malnutrition among the poor is in fact a serious problem.

The National Household Food Consumption Survey, conducted every 10 years by the Agricultural Research Service of the Department of Agriculture, reported that in its 1965 survey two-thirds of households with annual incomes under \$3,000 had diets that did not meet the Recommended Dietary Allowances of the Food and Nutrition Board of the National Academy of Sciences-National Research Council. Half of these households—one-third of those with annual incomes under \$3,000—consumed diets providing less than two-thirds of the Recommended Dietary Allowances.

The National Nutrition Survey presently being conducted by the Public Health Service of HEW is surveying clinical evidence of malnutrition rather than food consumption. To date 12,000 individuals have been examined, in Texas, New York, Kentucky and Louisiana. Incomes ranged from \$180 to \$42,000 per year, 80 percent with incomes under \$5,000. Preliminary data indicate, in the words of the surveys' director, Dr. Arnold Shaefer, "an alarming prevalence of characteristics associated with undernourished groups."

A. 15 percent of the population was anemic, having hemoglobin levels so low as to require medical attention. The figure for children (under 6) was 33 percent.

B. 5 percent of the population had goiter.

C. 13 percent of the population and 33 percent of children had "unacceptably low" Vitamin A levels.

D. 4.5 percent of the population had traits associated with protein and calorie malnutrition.

E. There were seven cases of marasmus and kwashiorkor.

Finally, specific nutrition studies of extreme poverty areas have typically found evidence of widespread malnutrition. For example, a study of six Mississippi counties by Drs. Robert Coles and Joseph Brenner in 1967 found "almost every" child with a negative nitrogen balance (i.e., the body consuming its own protein tissue), "almost every" child with some parasitic disease, "most" children with some skin disease, and "many" children with degenerative bone diseases.

The Food and Nutrition Committee recommends that a Presidential message be submitted to the Congress, incorporating the attached recommendations. Some of the recommended program modifications will require legislation and increased appropriations. Others are within the authority of the Secretaries of Agriculture and Health, Education, and Welfare, but it is recommended that a legislative mandate be sought for these changes also.

RECOMMENDATIONS

Family Food Assistance Programs

There are two family food assistance programs—Food Stamp and Commodity Distribution.

A. *The Food Stamp Program.*—Food Stamps are sold to those certified eligible by local welfare agencies, and provide a bonus for food purchases which varies with the income and family size of the recipient. Current schedules provide an average bonus of \$6.90 per person per month in food purchasing power. A family of four with a monthly income under \$30 (\$360 annual) would pay \$2.00 per month and receives \$58.00 in food stamps. At the other end of the schedule, a family with a monthly income of \$250 (\$3,000 annual) would pay \$76 and receive \$100 in food stamps. The monthly bonus for such a family (\$24) would remain constant up to the eligibility cut-off point, which depends upon state welfare eligibility standards, the highest being \$4,140 a year.

The program is operated by state welfare agencies within states, except for the approval and supervision of participating retailers and wholesalers, which is done by USDA. Presently about 1,200 counties operate Food Stamp programs, with about 2.8 million program participants.

B. Commodity Distribution Program.—An agency of the state government is responsible for operation of the program within the state, under a Plan of Operation approved by USDA. The state agency must order and accept shipments of commodities from USDA (usually in carlot quantities) and arrange for their subsequent shipment to local distribution centers operated by the officials of participating areas. Participating families come to these centers to pick up their monthly allotment of commodities. At the local level, staff and facilities must be available where families can be certified as eligible for the program under State standards of eligibility.

USDA is currently offering 22 foods to states for donation to low-income families, worth about \$13 retail per person per month. If the recommended quantities of all 22 foods were consumed, participants would receive from 81 to 151 percent of the National Research Council's recommended dietary allowance (RDA) for 8 nutrients. However, not all distribution centers offer 22 foods and some participants do not take all that is offered.

The program operates in about 1,400 counties, cities and Indian Reservations in the states, with about 3.2 million participants.

1. The major criticisms of the Food Stamp program are based on the current payment and value schedules which are inequitable and which appear to strongly discourage participation. The schedule should be revised to permit more of the poor to participate, to provide food incomes sufficient to purchase adequate diets, and to focus government resources on the very poor.

The current schedule requires payment of up to 47 percent of income to "buy in" to the program; all but those in dire poverty must pay close to this percentage to participate. Most middle-class families pay 17 percent of their income for food. The program is therefore inadequate for those whose income is too meager and too erratic to make periodic bloc payments. Second, for those with incomes below the poverty line, over 90 percent of participants, the schedule provides stamps insufficient to purchase food for an entire month under minimum USDA criteria. Those in extreme poverty receive stamps which meet only 60 percent of minimum needs. Finally, State eligibility requirements, which range from \$1,920 to \$4,143 for a family of four, are inequitable and have no relation to geographic differences in food prices.

To correct these inequities and deficiencies we recommend:

1. The value of stamps issued to participants be enough to enable program participants to purchase an adequate diet. The standard we recommend is the USDA Economy Food Plan budget. This plan presently costs about \$100 a month for a family of four with school-age children. The cost varies with age, sex, and changes in food prices. With care in selecting and preparing food, this amount can provide the essential nutrient and energy requirements.

2. The maximum charge for stamps be 30 percent of income, with a smaller percent charged those with less income.

3. Free food stamps should be issued to those whose income is so small or erratic that they are, for all practical purposes without income. We believe a family of four with less than \$50 a month should receive free stamps.

4. A uniform maximum eligibility standard be used. We suggest a family of four with an annual income up to \$4,000 a year should be eligible to participate.

Within these guidelines a range of alternatives can be developed. Two alternatives, shown on the attached chart and table were given detailed consideration. Alternative II described above, is the one we recommend. Under alternative I, no participant would receive food stamps unless a payment were made (50 cents per person per month minimum). The payment schedule would require a higher percent of income from participants except those at the maximum income eligibility point would still be required to pay 30 percent of their income.

If the recommended modifications were fully implemented in FY 1970 and the food stamp plan completely replaced the direct distribution program by FY 1973 the annual cost for family food assistance is estimated to be between \$2.25 and \$2.5 billion—about \$1.4 to \$1.7 billion more than under present programs. This assumes 11.5 million people would participate in the modified program—or about 5 million above present participation. The annual cost of Alternative I would be about \$.5 billion lower.

The FY 1970 cost of the recommended program is estimated to be about \$650 million—or about \$310 million more than is now budgeted. This assumes the modified program would become operational on January 1, 1970. If the program were operational on July 1, 1969 the FY 1970 cost would be near a billion dollars.

The FY 1970 cost of Alternative I is estimated to be about \$85 million below the recommended plan.

The food stamp program should be given priority over the direct distribution program in expanding the geographic coverage of the family food assistance programs, with sparsely populated areas encouraged to shift to the food stamp program first. The food stamp program operates through retail food stores and thereby eliminates the need for a separate food distribution system.

Legislative authority should be broadened to permit both free food and food stamps for a minimum of three months in areas transferring from direct distribution to the food stamp program. A longer period of time should be permitted when participation in the food stamp program is significantly below that formerly achieved under the direct distribution program. At present a one month transition is provided, too short to facilitate a smooth transition.

Legal authority should be requested to permit the Secretary to authorize the operation of both the food stamp and direct distribution program in the same county or city when the Secretary determines this would be desirable and when State or local authorities agree to pay any additional costs of administration.

Special efforts should be made to bring either the food stamp or direct distribution program into the 480 counties and cities now without a family food assistance program and to ensure counties and cities participating in the direct distribution program are offering the full range of commodities to participants. To help them reach this goal, legal authority to share additional administrative costs of the food stamp program, and additional administrative flexibility in the use of Section 32 funds for sharing State and local administrative costs should be sought.

A uniform cost share formula should be developed for both family food assistance programs that would provide for the Federal share of administrative expense to be higher in counties where participation is high and the relative economic status is low. Additional Federal assistance should be given counties where the influx of seasonal workers adds significantly to local administrative costs.

The declaration form for eligibility for food assistance programs should move forward in line with the schedule for the use of this method under welfare assistance programs.

Efforts to improve services to recipients in the form of more distribution points, prompter and simpler certification, financing arrangements, mailing food stamps, and appeal mechanisms should proceed on a high priority basis.

Commodities distributed under the direct distribution program should at all times meet minimum requirements for the essential nutrients and energy.

There should be inter-county and inter-State accreditation of beneficiaries of the commodity distribution program and the stamp program to meet the special needs of migratory farm workers.

SPECIAL PACKAGE PROGRAM

In line with the President's commitment to the health and welfare of those in the first five years of life, priority attention should be given to the nutritional needs of expectant or nursing women, infants and children up to age 6. Evidence indicates that malnutrition during pregnancy or early childhood may be damaging to the intellectual and emotional development of the child. This particularly vulnerable group is largely beyond the reach of our present institutional food programs.

Under the present Special Package Program, high protein and vitamin fortified commodities (as well as full formula needs for infants) are made available, without cost to the recipient, through health facilities on a prescription basis. Those receiving Federally aided public assistance (i.e., AFDC, Aid to Blind, and Medicaid), those receiving free or reduced-price health services provided by State, county or local public health agencies, and those participating in food stamp or commodity distribution programs are automatically certified to be eligible for the Special Package.

The Special Package program has encountered serious food distribution problems. The program could be improved, logistical problems avoided, by making use of the private food market. Doctors and nurses would prescribe on a voucher

form the specific food items needed by expectant and nursing mothers and infants under one year of age. Grocers would accept the vouchers as cash and redeem them through local or possibly State Health Departments, which would be reimbursed by USDA. Manufacturers of proprietary formulas such as Similac have indicated that they would provide them through this program at a cost to the government competitive with the evaporated milk-corn syrup products supplied in the current Special Packages. Costs could be partially met by USDA making some formula ingredients available to manufacturers through commodity distribution channels. It is recommended that this cash voucher system be employed first in counties and cities without any food assistance program and in food stamp counties.

Unlike expectant and nursing mothers and infants, the nutritional needs of children 1-6 years old can be met from table food. However, the consequences of malnutrition in this group can be particularly severe. The recommended Food Stamp schedule revisions would provide for the needs of this group under the Economy Food Plan. Until such time as the Food Stamp schedule provides adequate food incomes, this recommended Special Emphasis program should be used to supplement the food purchasing power of families with children aged 1-6.

The cost of this program would depend on eligibility standards used, the number of women having access to health centers (plus those attracted to them by the program), and the degree to which it would be used to supplement the food incomes of families with children 1-6 years old. A fully implemented program would probably cost about \$100 million annually.

HEALTH PROGRAM MODIFICATIONS

In addition, the Medicaid program should be used to make vitamins and mineral products available to pregnant mothers and infants under one year of age, and to any others who are diagnosed specifically as suffering from nutrient deficiencies. At the present time, the States control the identification of drugs and medicines which they will reimburse under Medicaid, and several States have excluded vitamins. HEW would seek to encourage the States to include vitamins for this limited purpose, but a legislative change would be necessary to mandate this inclusion.

A technical assistance program through the Health Services and Mental Health Administration, to help communities mount efforts to identify malnourished populations and to correct the health problems associated with malnutrition should be developed. This kind of technical assistance-operation program would be linked to the National Nutrition Survey and would follow up on the findings of survey results.

Teams of health workers would determine the community resources available for identifying and correcting the health problems which have been aggravated by malnutrition, and would seek to develop continuing surveillance and preventive programs to maintain a high health status once the initial problems have been corrected. It is estimated this program would cost about \$2-3 million in FY 1970.

A related question concerns the provision of medical followup for critical cases of malnutrition which are uncovered in Federally assisted survey operations. The major existing authority for the purchase and delivery of medical services is through the Emergency Food and Medical Program operated by the OEO. OEO personnel should be connected with the technical assistance teams so that this authority can be involved where needed. The best resource for these medical care services, however, is through local private physicians. Every effort should be made to include representatives of local health societies and private practitioners on the technical assistance teams. HEW can make administrative funds available to cover supplies and overhead costs of private doctors who might volunteer their services to supply this emergency treatment. Where Medicare is available, it can be used to reimburse the costs involved.

D. Child Food Assistance Programs.—Cash and commodity grants are made for school lunches, breakfasts, milk, food service equipment, and State administrative expenses. Under a program begun this year, assistance is also provided for children in nonschool situations.

The programs are administered through State educational agencies except in nonprofit private schools and child-care institutions in states where the state government may not administer programs in other than public schools and institutions. Until this fiscal year, when some funds were provided to strengthen state administration of the programs, all administrative costs were borne by state

and local governments. A few states appropriate significant amounts of program funds as well.

The programs operate under formal Federal-State agreements which incorporate the detailed regulations. The Department establishes nutritional standards, apportions funds to each state under statutory formulas, provides technical assistance, and audit. State agencies contract with local school districts and make payments monthly on the basis of performance, i.e., number of meals or breakfasts served. States where a high proportion of the children are from low-income families receive larger per pupil payments. The Federal cash and commodity contribution averages about 18 cents per lunch under the regular school lunch program. About 19 million children participate in the school lunch program. Nearly 3 million receive a free or reduced-price lunch.

Although 19 million children participate in the school lunch program, less than one-half of the children from families with poverty level incomes receive a free or reduced-price lunch. The inability of the program to fully reach this target group has led to criticism. Attempts have been made in the past to reduce the funds available under the regular program so that more could be channeled to needy children. These attempts have been unsuccessful. Another problem has been the lack of uniform regulations to guide the states in distributing funds to local schools. The result has been wide disparity in per pupil benefits from state-to-state. A final problem is that to qualify for Federal assistance a school must serve meals meeting standards prescribed by USDA. Schools without food service equipment—primarily in urban ghettos and isolated rural areas where the incidence of poverty is high—have difficulty in meeting these standards.

RECOMMENDATIONS

The major emphasis of the Child Food Assistance programs should be to bring a free or reduced-price lunch and breakfast to all children from low-income families attending school or in Head Start, day care, and summer camp programs. A legislative proposal should be developed providing national eligibility standards for the school lunch and breakfast programs; uniform guidelines for the states to use in distributing Federal funds to local schools (or school districts) should be provided. First priority should be to insure a free or reduced-price lunch and breakfast for all needy school children.

To insure greater efficiency of operation, maximum use should be made of free commodities in the out-of-school and pre-school programs of USDA and HEW. These programs must continue to be carefully coordinated.

In connection with efforts to bring the School Lunch and School Breakfast programs to schools now without facilities, every effort should be made to make more effective use of convenience foods and modern technology where this would be more effective and economical than constructing full food preparation facilities in the individual schools.

ORGANIZATION

1. A new agency (Food and Nutrition Service) should be created in the Department of Agriculture. All food assistance programs presently administered by the Consumer and Marketing Service (USDA) should be transferred to the new agency. The food programs now have to compete with meat and poultry inspection and a range of agricultural marketing programs for the Administrator's attention. The creation of a new agency would permit greater specialization and a stronger commitment to purpose.

2. The provision of food assistance alone will not be adequate in many of the very poor rural counties where conditions are so poor that food assistance alone will not have a measurable impact on the health status of the people. In these counties marked improvement in health status requires adequate housing, water systems, and waste disposal facilities. To help meet this problem, the President should initiate an inter-Department effort. A sub-Cabinet committee would insure coordination between the food and nutrition programs and other health, welfare, education and antipoverty programs. At the local level a Federal expediter—in one place using a USDA representative, in another, an HEW representative—would coordinate the programs of the various agencies and ensure that no critical programs were omitted. This could provide the basis for a kind of interagency coordination in rural areas which is now being attempted in urban areas under the Model Cities program.

NATIONAL NUTRITION SURVEY

1. The National Nutrition Survey should be expanded in both FY 1969 and 1970 to allow it to build a fully adequate sample and to improve analysis of data collected. It is estimated that \$1.3 million in additional funds would be necessary in FY 1969, and an additional \$2.5 million in FY 1970. Not only would the survey be used to establish the initial dimensions of the problem, but a certain amount of continuing monitoring or surveillance would be authorized to evaluate food program effectiveness.

The Survey might be limited only to the number of states needed to establish a full sample, or might go into all states on the grounds that it would stimulate greater concern and effort by State and local governments. (Five states have asked HEW to extend the Survey to their areas.)

2. Those persons found by the National Nutrition Survey to be seriously malnourished should not be forgotten. Areas of critical malnutrition uncovered by the Survey should be given immediate medical attention. The major existing authority for the purchase and delivery of medical services is through the Emergency Food and Health Service of OEO. The Federal expeditors recommended previously could work with local communities to provide technical medical assistance through this program. Teams of representatives of local health societies and private practitioners could work with local, state, and Federal health assistants to determine the community resources available for correcting health problems which have been aggravated by malnutrition, and develop continuing programs to maintain high health status once the initial problems have been corrected. HEW could make administrative funds available to cover supplies and overhead costs of private doctors who might volunteer their services. Where medical care programs exist they could be used to reimburse costs. It is estimated this program would cost \$2 to \$3 million in FY 1970.

PRIVATE INDUSTRY

The American private food market is the most effective food distribution system in the world. Efforts should be made to extend its reach to those it presently misses. The President should call a meeting (and appoint an Advisory Committee) of 10-15 heads of major food processing and food distribution companies to discuss the food industry's role in addressing the problem of malnutrition.

Possible subjects would be:

1. Market analysis of the particular shopping and food buying habits of the poor.
2. Development of popular, highly nutritious foods, fortification of particular food favorites of those in need of food assistance, and fortification of regional and cultural favorites (e.g., tortillas in the Southwest).
3. Improvement of Government commodity packages. Replacement of Government packages by privately developed commodity packages.
4. Possible partnerships between established food industry representatives and minority business enterprises.

In addition, this committee should work with representatives of the advertising industry, and the Advertising Council to develop a coordinated advertising and packaging campaign to bring the importance of good diets to the attention of the American people, especially the poor. Particular attention should be given to the potential for the use of Federally approved nutrition symbols to be used in advertising, food packaging, Federal food programs, and nutrition education courses.

VOLUNTEER EFFORTS

Priority should be given under the voluntary action program developed by the Committee on Voluntary Action to involve private, non-profit organizations in helping those beyond the reach of the food and health programs.

NUTRITION EDUCATION AND RESEARCH

1. The present program of the Cooperative Extension Service, using program aides to work directly with low-income families to help them learn principles of good nutrition, dietary habits, and the proper methods of food purchasing, storage, preparation, and sanitation should be expanded. However, there are significant resources available at the local level—through HEW and OEO programs in particular—which should also be used in this nutrition education effort.

2. Federal educational assistance programs should encourage nutrition courses

in medical school so that physical education and teacher college curricula be included.

3. A program for the support of nutrition manpower training to include both professionals and sub-professionals alike should be initiated. Legislative proposals to provide education and training programs for food service workers, operators and participants should be supported.

4. An additional sum of \$3 million for fiscal year 1970 should be set aside for research on the relationship between malnutrition and intellectual, emotional and physical development of the child. These funds would be administered by the National Institutes of Child Health and Human Development and the National Institute of Mental Health. The following issues should be given highest priority:

- the effects of maternal malnutrition on prematurity, infant morbidity and mortality, and subsequent child development
- the effects of malnutrition on resistance to infection and disease
- the permanence or reversibility of the effects of malnutrition on growth, brain function, learning capacity, and emotional and development
- separation of the effects of malnutrition from the effects of the physical, biological and socio-cultural environment
- the improvement of methods for assessing individual nutritional status and deficits related to malnutrition
- the development of effective nutritional supplementation programs.

PRESS REPORTS

[From the Washington Post, May 3, 1969]

CABINET PLAN URGED BIGGER HUNGER FUND

(By Spencer Rich, Washington Post Staff Writer)

The plan to combat hunger rejected by President Nixon last month called for tripling Federal outlays to hungry families by 1973 and providing free food stamps to any family of four with an income of less than \$50 a month.

The proposals—obtained yesterday by The Washington Post—were made to the President March 17 by a special subcommittee of his Urban Affairs Council consisting of Secretary of Agriculture Clifford M. Hardin, Secretary of Health, Education and Welfare Robert H. Finch and Secretary of Commerce Maurice H. Stans.

Hardin and Finch argued strongly for their plan but it was turned down by the White House, which granted only a \$15 million boost in funds to feed the poor. While some Administration officials continue to insist there may be some further boost, they concede it could not be nearly as much as proposed March 17.

The Senate Select Committee on Nutrition and Human Needs, headed by Sen. George S. McGovern (D-S.D.), plans to question Hardin and Finch next Tuesday and Wednesday on why the President did not accept their recommendations.

DETAILS WITHHELD

Details of the March 17 proposals have never been released to the public, but a copy of the Cabinet team's report has been obtained.

It calls "malnutrition among the poor" a "serious problem"; cites Agriculture Department figures showing that in a 1965 survey, two-thirds of the households in the Nation with incomes of under \$3000 had diets far short of standards recommended by the National Academy of Sciences-National Research Council; and quotes recent HEW hunger studies to show "an alarming prevalence of characteristics associated with undernourished groups," such as low hemoglobin levels and goiter.

The report recommends that direct food distribution be phased out and the food stamp program be expanded into the major food-aid effort. Under the stamp program, families buy food stamps which, when taken to a participating grocery, will buy more in food than the stamps cost. The Federal Government makes up the difference.

\$700-MILLION COST

At present, direct food distribution and food stamp programs are slated to cost about \$700 million in fiscal 1970 and reach some 7 million hungry persons. Except in two experimental counties, no free stamps are issued.

The March 17 recommendations called for giving free stamps to every family of four with a \$50 a month income or less. Families earning up to \$333 a month

were to pay no more than 30 per cent of their income for stamps. Each eligible family would have received at least \$100 a month worth of stamps.

The report estimated that such a program would increase the Government's cost of feeding hungry families to \$2.5 billion a year by 1973 and that about 11.5 million persons would be receiving stamps.

The 11.5 million figure was something of a surprise. All past Government statements on the number needing food aid have put the figure at no higher than about 9 million.

The report estimated that to begin implementing the expanded program during the fiscal year starting this July 1 would cost \$1 billion.

It recommended a number of changes in the food stamp program and proposed that all Federal food programs be united in a single agency—a Food and Nutrition Service—within the Agriculture Department. At present these programs are administered by the same agency that handles meat and poultry inspection and agricultural marketing.

The report also called for upgrading—from the current \$34.5 million a year to \$100 million—of a special food aid program for expectant or nursing mothers and infants, to prevent brain damage to children through malnutrition in pregnancy or early infancy. In addition, it asked some medical, housing, and sanitation aid for the very poor and more service for poor children in the school lunch and related child-feeding programs, but it put no dollar recommendations on these.

The Nixon Administration's recent budget review did not put any of these recommendations into effect. It simply increased the over-all budget figure in 1970 from the \$1.446 billion recommended by former President Johnson to \$1.461 billion—a \$15 million boost. The over-all figure includes food stamps and direct distribution as well as school lunches and related programs.

Any new recommendations by Mr. Nixon may await the completion of Budget Bureau "cost-benefit" studies on hunger now being initiated. Their main purpose is to determine the best way to use a given amount of money against hunger, but another aim is to convince skeptics that more money is needed by demonstrating that malnutrition does damage with measurable social costs.

[From the Washington Star, Apr. 29, 1969]

HUNGER WAR CONTROVERSY SPLITS KEY NIXON AIDES

(By Richard Critchfield, Star Staff Writer)

A disagreement has developed within the Nixon administration over whether the federal government should declare war on hunger as well as poverty.

According to administration sources, Agriculture Secretary Clifford M. Hardin and Health, Education and Welfare Secretary Robert H. Finch earlier this month strongly recommended spending at least \$300 million to \$400 million more next year to help reduce nutritional deficiencies among the poor.

They were successfully opposed, the sources said, by President Nixon's three top domestic advisers. White House counselor Dr. Arthur F. Burns, Daniel P. Moynihan, urban affairs adviser, and Robert P. Mays, budget director, favored allocating scarce resources to a jobs and income antipoverty strategy.

The disagreement, which has still not been fully resolved, has come at a moment when key congressional Democrats are threatening to delay confirmation of Nixon's appointee, Rep. Donald Rumsfeld, R-Ill., as new director of the Office of Economic Opportunity.

Democratic opponents of Nixon's plan to reshape OEO reportedly want to wait until current House and Senate poverty hearings are over.

Nixon, soon after he took office exactly 100 days ago, promised that his administration would make a concerted attack to "wipe out hunger" in America. Since then, the need to slow the economy and check inflation has been a more urgent priority.

Even so, Nixon in his revised 1970 budget recommended spending \$15 million more to combat hunger than the Johnson administration requested. This would bring federal spending on hunger to a record \$1.461 billion.

Of this total amount, \$638 million has been earmarked for child feeding programs, \$34.5 million for a new program for pregnant and nursing mothers and infants, \$340 million for food stamps, and \$365 million for commodity distribution programs.

Agriculture Department officials said yesterday the emphasis will be refocused on poor school-age children. They said that Nixon is planning to spend \$100 million more in the coming year to insure that no black or poor school-age child in America goes hungry.

Nixon, it was understood, plans to raise \$85 million of this by cutting out free milk programs to school children in relatively prosperous white middle class areas.

This would be in line with White House directives to other departments to redirect some funds from the middle class to programs specifically targeted to Negro families in the inner city ghettos.

Agriculture officials said the expanded school program would almost double the number of needy boys and girls now given free federally subsidized breakfasts and lunches—from 3.5 to 6.6 million children.

These figures were challenged by Robert B. Choate, a 44-year-old Boston Republican who resigned last week as consultant on hunger to Finch. Choate claimed yesterday that only around 2 million poor children now receive hot meals and that 4.5 million will remain unhelped. Choate said it would require \$450 million more than now budgeted to feed all the poor school-age children in the country.

Moreover, he pointed out, the \$85 million Nixon seeks for an expanded school lunch program would come from a \$104 million budget request by President Johnson for what Choate described as "an annual subsidy to the milk industry."

Choate said, "LBJ just handed a hot potato to Nixon."

Congressional sources said the dairy industry has been intensely lobbying against Nixon's plan.

Ironically, many of the senators and representatives who have been hunger's most ardent publicists come from Midwest dairy states, for example, Sen. Eugene McCarthy from Minnesota and Sen. George McGovern from South Dakota.

Choate said he believed the problem of hunger could not be solved "for less than \$1 billion a year," and that Nixon has apparently shelved it for now. White House sources said Secretary Hardin will announce some sort of new hunger program "soon."

Herbert Klein, Nixon's communications director, said the administration was planning to put "a lot of emphasis on the education aspects of malnutrition." Both White House and HEW sources reported Choate's parting with the administration had been amicable. Finch reportedly sent him a letter praising his work as "excellent."

TRAINING IN SKILLS

Meanwhile, as part of Nixon's income strategy, the Labor Department is preparing to announce Friday the first federally sponsored program for offering poor workers now trapped in dead-end jobs new skills training.

Robert Brown, a senior official of the Manpower Administration, told an audience at the 57th annual meeting of the Chamber of Commerce here at the Hilton yesterday that the U.S. may experience a serious manpower shortage within the next six years. He said the U.S. would require 10 million more workers in 1975 than it has now and skills training for these should get started.

Dr. Herbert E. Striner, a manpower expert, criticized the National Alliance of Businessmen's JOBS program on grounds that, with only 87,000 hardcore still on the job, the program has had to be expanded to 125 cities to meet its June 1, 1969, goal of 100,000.

[From the Washington Post, Apr. 25, 1969]

UNITED STATES WEIGHING WELFARE PLAN TO SUBSIDIZE WORKING POOR

(By Eve Edstrom)

The "working poor" would get a financial break for the first time under Federal welfare reform proposals now at the White House.

These proposals—described as the most daring domestic measures to be on the White House drawing boards—are aimed at bringing about a 180-degree turn in the Nation's controversial welfare system.

Instead of forcing fathers to desert to obtain support for their families, the Nixon Administration would, in effect, pay families to stay together by providing cash incentives to increase the will to work.

This would break new ground for the Federal welfare system which has never aided intact families of working fathers, no matter how low their income is.

In addition, families already on relief would benefit from the proposed changes because heavy penalties against earnings of mothers would be lessened.

The new design for the welfare system is still being thrashed out at the White House and is said to include some "incredibly complicated" choices for providing payments to the poor.

However, the President's urban and budget advisers expect that the hard details will be worked out within a month and will be the subject of extensive Congressional debate during the coming fiscal year.

At all costs, the Administration seeks to avoid any plan that would make it almost as profitable to remain idle as it does to work, as some of the guaranteed income schemes do.

Therefore, the Administration is watching with particular interest the Guaranteed Work Incentives Experiment that is being carried out in New Jersey under a \$4 million grant from the Office of Economic Opportunity.

All of the 100 families, who are or will be receiving payments under the plan, are headed by working males who are guaranteed basic annual incomes under the project. The basic guarantee is then reduced by varying percentages of earned income.

The project also includes 200 families who are not receiving payments. They are the control group to test whether the incentive payments have a positive effect on work habits and whether they change spending patterns. For example, does the family receiving the payments spend more for medical care?

Some findings from the project are expected to be available by the time Congress considers the Administration's plan.

In addition, both the Office of Economic Opportunity and the Department of Health, Education, and Welfare expect to have other experiments under way. At least one will involve a children's allowance plan, and another is designed to aid the rural poor.

These innovations grow out of a debate that has raged in the Nation for almost a decade. Persons of all political persuasions are alike in their views that the present welfare system, based on needs that existed in the 1930s, keeps families from becoming self-sufficient. But there has been no accord on how to change the system.

This has resulted in numerous amendments to the welfare program, but they have not helped make relief families self-sufficient. Dependent children's rolls continue to go up, with 6 million mothers and children receiving payments at a cost of \$3.2 billion to Federal, state and local governments.

One reason is the premium that has been placed on desertion which causes marginal earners to leave home when the going is tough. Another reason is that until recently mothers on relief have had no financial incentive to work—their earnings were deducted from their welfare checks.

It would do little good to tinker with such a system, the Nixon Administration believes, and that is why the thorough overhaul of the welfare programs is being sought.

[From the Washington Post, Apr. 26, 1969]

HUNGER ATTACK PUT OFF; LACK OF MONEY, EVIDENCE CITED BY WHITE HOUSE

(By Don Oberdorfer, Washington Post Staff Writer)

The Nixon Administration has decided for the present against a major presidential-level attack on hunger.

Lack of available money in the reduced fiscal 1970 Federal budget is a prime reason for the decision. Another reason is some White House officials are not convinced hunger is a serious national problem.

On March 17, a 26-page report drafted by three Cabinet officers spending of at least \$1 billion over the next four years. This recommendation has been whittled down, and the problem returned to the Agriculture Department for review.

"We tried harder but now we recognize that there isn't any dough," said an Administration official who has been intimately involved with the proposed food program.

"The hunger program is on the shelf," said a senior White House official. "There may be malnutrition in America, but real hunger on a substantial scale—I don't believe it." This official has studied the reports of Dr. Arnold E. Schaefer,

director of the Government-sponsored National Nutrition Survey, but found them much too limited to be convincing.

Robert B. Choate, a 44-year-old Boston Republican who has been a prime mover in the effort to establish a high-priority hunger program, resigned several days ago as consultant on hunger to the Department of Health, Education and Welfare.

"While I have not seen an exact budget, my guess is that not much in excess of \$50 million in new money will be put into the hunger-malnutrition issue," said Choate, who has returned full time to the National Institute of Public Affairs here.

"This would be a band-aid, a mediocre, token gesture—perhaps to be announced with fanfare but certainly not enough to do anything serious about the problem," Choate added.

White House officials say the hunger problem will be considered again in connection with the forthcoming review of U.S. welfare programs. "If our welfare system is working, why are some people in this country still hungry?" one official asked. He said the answer to this question is under study.

At the moment, no presidential message to Congress on hunger is scheduled, and none is anticipated.

Despite the decision against a massive attack on the hunger problem at present, the rhetoric of the Administration continues to suggest that a big program is in the offing.

"We have been and are engaged in an in-depth review of all the food assistance programs—their administration, operation and funding," Under Secretary of Agriculture J. Phil Campbell told the House Agriculture Committee last Tuesday. "We expect to come up with some answers within a short time. This is a priority item on the President's agenda and on ours," he said.

A White House statement released the same day under President Nixon's name—transmitting a Food for Peace report to Congress—said that "it is evident that the battle on hunger must continue, both in the United States and the world at large, through programs such as Food for Peace. The present Administration eagerly accepts this challenge and dedicates itself to dealing effectively with the problems of hunger and malnutrition at home and abroad."

In an April 14 message to Congress on his plans for domestic proposals, Mr. Nixon mentioned "hunger and malnutrition" as an example of a program needing a new direction. "The failure of past efforts to combat these problems has been made shockingly clear," Mr. Nixon said, "Our new programs will be both vigorous and innovative."

The Johnson Administration recommended a total of \$1.446 billion for various food programs for poor and school children. This was an increase of \$203 million over the funds authorized in the previous fiscal year.

The Nixon Administration's recent budget review accepted the Johnson Administration increase and added a total of \$15 million more.

[From the Washington Post, Apr. 16, 1969]

PROGRAMS HOLD NO BIG CHANGES

President Nixon's domestic spending proposals for fiscal 1970 mix some slight increases over the Johnson Administration budget with some expected sharper decreases, and contain no sweeping reshaping of programs.

Following are highlights of his recommendations:

HUNGER

For the Nation's hungry, Mr. Nixon's budget provided \$1.461 billion—an increase of only \$15 million over former President Johnson's budget request. But left intact were a series of large increases over 1969.

The biggest increases will be for the food stamp and direct commodity distribution programs for hungry families, which together will feed over 6.5 million people. These two programs together will total \$739 million compared with \$547 million in fiscal 1969. By contrast, child-feeding programs like school lunches will increase only slightly.

Mr. Nixon's proposals disappointed many organizations that have been pushing for a big increase in anti-hunger funds. The \$15 million net increase is for nutrition aides to teach the poor how to use food supplies.

MANPOWER

The Government's job-training programs for the poor, scheduled to expand dramatically, emerged from the Nixon budget cuts almost untouched.

The new Administration did reduce the spending plans for manpower programs by \$12.8 million from the Johnson budget it inherited, but the cutback is slight compared to the size of the effort—about \$675 million. Manpower spending in the current fiscal year is about \$418 million.

The major expansion will be in the JOBS program, a business-run effort to place the hard-core unemployed in industry jobs. The Labor Department expects to provide \$420 million to subsidize on-the-job training and counseling for 140,000 people under JOBS, more than double what was spent this year.

By juggling some funds, Labor also plans to add about \$30 million for similar subsidies to place the unemployed in public-service jobs—working for state and local governments, hospitals, schools and other institutions.

MEDICAID AND MEDICARE

To curb rising medical costs, Mr. Nixon is proposing a tightening of payment schedules to doctors and hospitals.

The fees of doctors and dentists treating Medicaid patients would be based on the lowest prevailing Blue Shield payment plans instead of customary charges for services. This could reduce some charges from 10 to 30 per cent.

A 2 per cent unallocated allowance that hospitals now receive would be eliminated in the new budget.

Medicaid payments for unlimited stays of patients in mental hospitals would be cut back to 120 days, payments for cosmetic dentistry would be eliminated, and special reviews would be conducted to reduce the number of Medicaid patients in nursing homes.

[From the New York Daily News, Apr. 10, 1969]

NIXON VETOES AN EXPENSIVE WAR ON HUNGER

(By Ted Lewis)

WASHINGTON, April 9.—President Nixon has decided against expanding the war on poverty into a comparably big-spending war on hunger.

According to those in his administration who had urged him to come up with a GOP substitute to counter the anti-hunger "crusade" led by Sen. George S. McGovern (D-S.D.), the President has lined up on the side of his economists instead.

In other words, the White House attitude is that any \$1 billion or more increase in federal aid to the hungry would raise havoc with efforts to get budget economies. These efforts, it is felt, must take priority on the basis that the chief domestic problem is inflation, and a significant budget surplus is a "must" to stabilize the value of a dollar.

Nixon made his decision on this politically significant issue last weekend at Key Biscayne. The result has been some bitter and angry cries of disappointment from agriculture and health, education and welfare officials who had proposed he back their plan for free food stamps to families suffering most from malnutrition.

These proponents of a significant antihunger effort argued that the spending they proposed would be far less than McGovern considers an absolute minimum—perhaps \$1 billion compared with McGovern's \$1.5 billion.

At the same time, they claimed that spokesmen for various citizen groups that had been involved in calling national attention to the malnutrition problem considered the proposed administration approach sound, and were ready to back it in a congressional showdown.

"The President has simply listened to Burns more than to us," one disgruntled official complained. The reference was to Arthur Burns, the economist, now Nixon's counselor by title, but whose views are sought on a far wider range of problems than during the Eisenhower administration when he was simply chairman of Ike's Council of Economic Advisers.

NEVER MUCH OF A SECRET

It has never been much of a secret inside the administration that Burns from the start had a fish-eyed opinion of McGovern's effort to exploit the so-called "Hunger in America" issue.

Burns has considered the problem one of "malnutrition" rather than "hunger." When it is viewed that way it raises the question as to whether people are going to eat what Uncle Sam says is good for them, or what they prefer to eat. Senate hearings already have shown that even a lot of families with plenty of money for food have eating habits beyond a bureaucracy's ability to change with all the money in the world.

Those in the administration now fired up by Nixon's failure to respond to McGovern the way they wanted him to also say that Burns felt so strongly on this issue that he opposed the experiment of pilot programs to improve food stamp distribution. These pilot programs were ordered by Secretary of Agriculture Hardin in two South Carolina counties after McGovern's investigating committee uncovered in that state evidence of severe malnutrition in impoverished families.

The administration has been acting right along as if it considered the hunger in America issue exaggerated for partisan political reasons far beyond its true dimensions.

A month ago Sen. Jacob K. Javits (R-N.Y.) and other members of the McGovern "hunger investigating" committee decided a Republican program should be offered as an alternative to that pressed by the Democratic majority. There were huddles between the Republican senators and Health, Education and Welfare Secretary Finch and Agriculture Secretary Hardin, resulting in agreement on a GOP task force study.

The decision had scarcely been made when Nixon's communications director Herbert Klein all but accused McGovern of distorting the significance of the hunger problem.

Klein said he considered it a "disgrace" for McGovern "and others to make hunger a political issue" and go "traipsing around the country with television cameras" to foment a public demand for a war on hunger.

WHY HE LOST HIS COOL

At the time it was hard to figure out why Klein, usually so gentle in any reproach, had lost his cool on this one issue. It is easier to figure out now that Nixon has agreed, at least in theory, with Burns, who felt like Klein did but never publicly expressed himself.

McGovern has never ceased baiting the administration on the hunger issue he has seized on. Just a few weeks ago he told the Senate he had learned, to his sorrow, that the administration would only ask \$100 million more to fight hunger in fiscal 1970 than was available in fiscal 1969.

Javits and other denied then that this was so. They may not be as sure today. But they do know that a lot of Republican members of the House and Senate want a big enough amount asked by the administration so it will be evident that the administration is not against war on hunger, only against spending too much.

It obviously is going to be politically wise in the 1970 congressional elections to be as much against hunger as against poverty. The issue may well have been distorted by McGovern and others, but it is going to be very difficult for Nixon to put it in proper perspective, especially when key figures in his administration are at odds about what should be done, money-wise.

[From the Washington Post, Mar. 21, 1969]

NIXON IS URGED TO ADD \$1 BILLION FOR HUNGER

(By Spencer Rich, Washington Post Staff Writer)

A proposed \$1-billion increase in federal aid to the hungry which is now being considered by the President would probably be channeled largely into the food stamp program, sources said yesterday, instead of into the direct food giveaway program or other distribution devices.

The increase was one of several proposals to beef up Federal hunger programs put before Mr. Nixon by a committee consisting of the Secretaries of Agriculture, Health, Education and Welfare and Commerce.

The committee reportedly indicated to the President its own recommendation that the \$1-billion increase—which would bring total Federal hunger outlays to \$2.5 billion—go into effect in stages over a four-year period and be used mainly to enlarge the food stamp programs.

But the panel conveyed to the President enough information about different options so that, if he chose, he could put the \$1-billion increase into effect in less time—perhaps as little as two years—as advocated by some of those who worked on the recommendations. Anything quicker than that, it was said, would be administratively unworkable.

According to one report, only \$100 million of the increase might be requested in the first year if the President “buys” the \$1-billion-over-four-years option.

No details were revealed of how the food stamp program—which now costs the Government \$340 million a year and will have 3.9 million beneficiaries by the end of June—would be changed. But it was learned that many of the proposals placed before the President were similar to recommendations made by former Secretary of Agriculture Orville L. Freeman before he left office in January.

One such proposal said to be under presidential consideration is establishment of national minimum eligibility standards for food stamps. A second is a boost in Federal funds so that poor communities which cannot afford even the administrative costs of the program can enter it.

Another important change being considered is a stepup of the Federal “bonus” for very-low income persons and a rise in the income ceiling for bonus recipients. Since Feb. 11 a family of four in the South, with income under \$30 a month, has been able to obtain food stamps worth \$58 for a payment of only \$2. There is a special scale of such large bonuses. At the upper end of it, a family with \$60 to \$70 a month in income can get \$62 worth of stamps by paying \$24 from their own funds.

With the suggested changes, a family of four with an income from \$60 to \$70, for example, might get \$62 worth of stamps for only \$12 or even less.

The information given to the President includes the costs of various alternative changes in the existing scale. Also proposed are enlargement of programs to teach the hungry how to use food aid properly.

A major consideration for Mr. Nixon in deciding on the hunger programs may be his plans on Federal welfare outlays in general. If he decides on a major enlargement of the public welfare programs, which provide cash to the poor, he may then decide to pump less money into enlarged feeding programs.

Should the President approve the \$1-billion increase in food programs, the eventual \$2.5 billion total Federal outlay for food stamps, direct food distribution to families and school lunch programs would still not meet all the needs of the malnourished in the United States.

According to Agriculture Department estimates made late last year, a “fully adequate” food stamp program, providing about \$120 a month in food for a family of four, would cost over \$3 billion a year if made available to the 9 to 10 million estimated hungry in this country.

That would be the cost if all expenses were borne by the Federal Government.

Whatever Mr. Nixon decides to do, he may face added difficulties unless he makes some move to placate Rep. Leonor K. Sullivan (D-Mo.), who has repeatedly pushed the food stamp program through the House over heavy opposition for more than a decade. She has not been consulted during the current Administration deliberations and is known to disagree with some of the proposals that have been discussed.

[From the Washington Post, Mar. 19, 1969]

\$1 BILLION RISE URGED IN ANTI-HUNGER FUNDS

A cabinet-level committee headed by Secretary of Agriculture Clifford M. Hardin has recommended to President Nixon that funds to fight hunger be increased by about \$1 billion over the next four years.

Hardin told a Senate Appropriations subcommittee yesterday that he hoped to send Congress a bill soon to expand and liberalize the food stamp program, but he said he could not give details yet.

During a general discussion of his Department's affairs, however, Hardin indicated changes he wants made: authorize more food stamp money to give a greater subsidy to low income families, make stamps available at food stores rather than at distant county welfare offices, and permit families to buy them more often than once a month.

This year the Agriculture Department plans to spend \$1.2 billion on food distribution programs such as food stamps, school lunches and free distribution of surplus commodities. It had planned to spend nearly \$1.5 billion next year. Hardin's recommendations would add on the average about \$250 million a year, though the first-year increase might be less than that.

Hardin told the Senators that somewhere between 6 million and 14 million people in the United States suffer from malnutrition. He offered a "crude guess" that Federal food programs help more than half of them.

[From the St. Louis Globe-Democrat, Mar. 18, 1969]

NEW GROUP PROPOSED TO STUDY HUNGER

(By Derek Schoen, Globe-Democrat National Service)

WASHINGTON.—The Agriculture Department, under increasing criticism for its handling of food programs for the poor and hungry, is proposing creation of a task force to study the hunger problem.

Under a proposal slated for unveiling Wednesday before the president's Urban Affairs Council, Agriculture Secretary Clifford Hardin will ask approval to investigate how private food companies can aid in the hunger fight.

Hardin met Monday with the council—President Nixon's brain trust on big city problems—but there was no indication that he proposed other new approaches for getting food to the hungry.

Both Hardin's department and the administration were keeping under wraps any possible plans for expanding the distribution of surplus food to the needy or the food stamp program, the government's existing weapons against malnutrition among the poor.

The task force proposal appeared certain to incur the wrath of Capitol Hill liberals who claim the department has failed in its mandate to feed the hungry.

The task force would be in addition to two other hunger studies already underway—a 10-state National Nutrition Survey and the Senate's fact-finding Select Committee on Nutrition and Human Needs.

There have been recent indications that the administration is less than pleased with the Senate committee's activities, which included recent on-the-spot studies of poverty and hunger in Florida.

Herb Klein, President Nixon's director of communications, said over the weekend the nation's hunger problem won't be solved "by traipsing around the country with television cameras"—an obvious reference to the Senate committee's much-publicized Florida visit.

The statement lent a politically partisan air to the committee's activities which thus far had carefully steered clear of such dangerous ground.

It came, furthermore, amid indications that GOP members of the committee had been asked by the administration to scrap plans for introducing a batch of new legislation aimed at fighting hunger.

Plans for creation of a task force composed of Republican committee members, to propose legislation, also have been junked for the present.

[From the Wall Street Journal, Mar. 18, 1969]

ATTACK ON HUNGER—ADMINISTRATION MOVES TO FIGHT MALNUTRITION IN CITIES, RURAL SOUTH

FOOD STAMP PLAN EXPANSION MULLED; PREGNANT WOMEN, CHILDREN GET SPECIAL AID

Enriched Soft Drink Studied

(By Burt Schorr, Staff Reporter of the Wall Street Journal)

NEWARK, N.J.—The Government's mounting concern about malnutrition is making itself felt in Northern slums as well as in the dirt-poor rural Southern communities that have been in the spotlight lately.

Even the traditionally farm-oriented Agriculture Department is active in the cities—as Mrs. Nanette Adams of this riot-scarred metropolis can attest.

Mrs. Adams is a welfare recipient, a mother of nine and a black activist who wears her hair Afro style. She's also a leader of Newark's "nutrition squad"—14 Negro and Puerto Rican women hired by the New Jersey Cooperative Extension Service under a new Agriculture Department "Outreach" program. Their mission is to boost participation in Federal food relief programs and teach the poor to prepare more nutritious meals.

Until now, state extension services have concentrated on serving middle-class, mostly white farm families. But the prime target area for Mrs. Adams and her co-workers is Newark's shabby Central and East Wards. In only a few weeks, they have persuaded scores of Negro and Puerto Rican families to enroll in the city's underutilized program for distributing free Federal commodities. One of those aided is a Spanish-speaking mother who had been pacifying her 10 children's hunger pangs with sugared water.

Bad Budgeting

By July 1, some 5,000 such nutrition aides in nearly 600 urban and rural areas nationwide are expected to be counseling 200,000 poor families through repeated home calls. Mrs. Adams, for one, has no illusions about the difficulty of the assignment. Many poor Newark parents fail to budget their limited incomes to provide children with milk, orange juice and other special food needs, she says.

Of special aid to ill-nourished city folk, too, may be an effort sponsored by the Office of Economic Opportunity to develop cheap but highly nutritious food products for the poor. P. Ballantine & Sons Inc., a Newark brewing company, hopes to begin test sales in June of a regular-priced soft drink laced with protein and vitamins. The Pillsbury Co. of Minneapolis is considering marketing a high-nutrition sandwich spread, candy bar or food stick.

Under a little-noticed program aiding city and country folk alike, the Agriculture Department is beginning to make available special rations of milk, meat and other nutritious foods to low-income expectant mothers and children six years old and under. At hundreds of clinics and health centers around the country, physicians and nurses soon will be able to prescribe the rations without regard to any Government food assistance that patients already may be getting. Spending on this program will reach nearly \$6 million this year and more than five times that much in fiscal 1970, officials calculate.

The most compelling corroborative evidence came a few weeks ago with disclosure of preliminary findings from a nationwide Government nutrition survey. The initial sampling covered 12,000 persons in Texas, Louisiana, Kentucky and New York, most of them poor Negroes and Latin Americans. The studies showed that 15% to 20% of those surveyed were so deficient in essential nutrients that their growth had been stunted or they had been left highly vulnerable to disease.

Though the special Senate committee isn't empowered to draft legislation, it seems clear that testimony it has taken has begun to build support for more action against malnutrition. One sign: The overwhelming Senate vote last month to reject a proposed \$100,000 cut in the committee's 1969 budget, providing instead the full \$250,000 requested. Also notable was the confession by Democratic Sen. Ernest Hollings of South Carolina that some people in his state were hungry. Pressed by Sens. Hollings and McGovern, the Agriculture Department broke with Johnson Administration precedents and began a test of free food stamps in Beaufort and Jasper counties, S.C.

The real test of Congressional sentiment probably won't occur until after President Nixon sends up his anticipated nutrition message. The proposals may be ready soon, however, perhaps in the next 10 days.

The President's specific recommendations can't yet be predicted. But Agriculture Secretary Clifford Hardin has declared that the Nixon Administration hopes to move "with every possible resource . . . to remove malnutrition from our land," and department planners are taking this as their cue.

Cutting Food Stamp Costs

Their \$500 million food stamp proposal might bring the total number of recipients to nearly five million persons by June 30, 1970, compared with the 3.6 million projected for June 30 this year. The expansion might come largely through lowering stamp costs for households whose monthly income totals over \$70. (Recent liberalizations have benefited those below that level.)

Agriculture Department planners also want an expansion of the school lunch program. They figure it provides only three million of about seven million poverty-level students with free or reduced-price meals. Many of the remaining four million attend schools in older cities like Philadelphia or Detroit where the program doesn't operate in rundown core areas for lack of cafeteria facilities.

The supplemental feeding for mothers and small children has already been endorsed by the conservative Democratic chairmen of the agriculture appropriations subcommittees, Sen. Spessard Holland of Florida and Rep. Jamie Whitten of Mississippi. The program is due to serve some one million persons by mid-1970.

Food Stamp Expansion

All these efforts could be eclipsed by more important moves now under consideration by the Nixon Administration. One is an expansion of the food stamp program, under which the poor buy stamps at less than their face value and cash them in for food at grocery stores.

Agriculture Department planners want stamp outlays boosted to around \$500 million in the fiscal year beginning July 1. The Johnson Administration's budget for fiscal 1970 calls for spending \$340 million, up from \$280 million this year. Any upward revision would have to clear the Budget Bureau and the Urban Affairs Council. But there are strong hints that the Nixon Administration wants to broaden use of stamps dramatically and will ask Congress for the additional funds.

Even more significant may be a proposal for higher welfare payments to the extra-needy. Health, Education and Welfare officials are considering ways to boost cash relief in Southern states. A Federal contribution of \$30 monthly in Mississippi would quadruple the state's average payment per person, making it easier for families on welfare to scrape up food stamp money and increase their food buying.

Resistance Likely

These costly and controversial plans may not materialize in full any time soon. They'll meet resistance, on budget and other grounds, both in the Administration and in Congress. Some Southerners insist the need for more aid to the undernourished has been exaggerated.

Senate liberals first turned national attention on how the poor eat with hearings that started in Mississippi nearly two years ago and are still continuing. Testimony from scores of witnesses before a special committee headed by South Dakota Sen. George McGovern has indicated that millions of poor families are ill fed.

In Guilford County (Greensboro), N.C., a pilot project now in operation means public health nurses no longer need dig into their own purses to buy baby food for moneyless mothers being released from maternity wards. Instead, doctors write food prescriptions for redemption at the county commodity distribution center. (One month's ration for newborn infants: 30 cans of evaporated milk, 48 ounces of corn syrup, 28 ounces of farina and 46 ounces of canned fruit juice.)

Explaining Directions

Two nutrition aides trained by the North Carolina Extension Service make follow-up visits to the homes where food has been prescribed. "Many of our mothers can't read enough to learn from package directions how to mix dry milk or make a tasty meal from powdered scrambled eggs; that's where the aides come in," says Dr. Sarah T. Morrow, Guilford County health director.

Here in Newark, the nutrition aides play a similar role. Knocking on doors in a ramshackle apartment building is how one member of the city's nutrition squad, Mrs. Gladice Pagan, discovered the 10 children (ages eight months to 13 years whose mother was feeding them sugared water.

The family ran out of food money after the father became too ill to work at his \$98-a-week candy-factory job. Mrs. Eloise McClindon, the extension service nutritionist in charge here, contributed \$4 of her own to make an immediate purchase of milk for the children. Then one aide helped the mother obtain her initial ration of free Federal commodities (shelling out \$2 to have the foodstuffs delivered to the woman's home) while a second looked after her children. The aides have continued to visit the family every few days.

[From the Washington Post, Mar. 4, 1969]

NIXON WILL CONCENTRATE POVERTY FIGHT ON HUNGER

(By Frank Mankiewicz and Tom Braden)

Richard Nixon's plan for dealing with poverty in the United States is gradually taking shape. It is a simple plan and it has some simple political virtues, as will be seen. Nevertheless, it is far more revolutionary in the true sense of the word than anything Lyndon Johnson dreamed of when he slapped together a couple of programs and said he was declaring "unconditional war on poverty."

In brief, what Mr. Nixon has in mind is to borrow from Sen. George McGovern of South Dakota and turn the war on poverty into a war on hunger.

A few straws show which way the wind is blowing: First, Secretary of Agriculture Clifford Hardin acquiesced to McGovern's request that the Agriculture Department make free food stamps available to families earning less than \$30 monthly in two of South Carolina's depressed counties.

Moreover, Hardin now has under consideration a McGovern request to raise the ante and broaden the program, making free food stamps available all over the country to families earning less than \$100 a month. The betting is that if he can find the money he will do it, thus provoking the first bureaucratic squabble of the new administration.

For Robert Finch, Secretary of Health, Education and Welfare, has also been eyeing the McGovern suggestions. He has hired Robert Choate, a youngish and able veteran of McGovern's war, to draw up plans for HEW participation.

There are two reasons for the Nixon's Administration's sudden interest in an anti-hunger program, as a substitute for an anti-poverty program.

First, the McGovern hearings hold out the promise that a war on hunger can actually be won. About the poverty program there was always an aura of well-meaning befuddlement. Nobody really knew where to start, and as always when people are befuddled, phrases intended to hide befuddlement such as "maximum feasible participation" and "community involvement" are invented and succeed in further befuddlement.

War on hunger, on the other hand, has a clear and simple ring. Moreover, if McGovern himself is any authority—and he has been dealing with food programs since he directed John F. Kennedy's Food for Peace program—it can be won in a couple of years for an annual expenditure of about the same sums that were spent and largely wasted on Mr. Johnson's poverty program.

Second, the McGovern hearings show promise of breaking up that ancient foe of Federal largesse, the Southern coalition. Even such stalwart opponents of federalism as Harry F. Byrd of Virginia and Allen J. Ellender of Louisiana seem marvelously calm about the prospect of the Federal Government feeding the hungry.

McGovern has other plans in mind which might add to the attractiveness of a Nixon Administration war on hunger. Education in nutrition, sanitation and even birth control could go hand in hand with a hunger program, and so could students to do the education in a Peace Corps or VISTA format.

Finally, of course, the whole program has what one of McGovern's experts calls "guts." There are 7 million people in the United States who live on family incomes of less than \$1000. Yet \$1284 is judged the minimum necessary to buy food for a family of four.

So McGovern is not talking about the marginal poor. He is talking about the abject poor, and he finds no argument when he says that the money which he estimates ought to be spent to feed them is cheaper than the cost of permitting their children to suffer brain damage from not being fed properly during the first four years of life.

And yet, Mr. McGovern's economic arguments point to his own puritan heritage. Eventually the United States is going to have to decide whether it believes more strongly in the tradition that every man must live by the sweat of his brow or in the tradition that every man is his brother's keeper.

[From the Washington Post, Feb. 18, 1969]

FINCH, HARDIN PLEDGE HUNGER EFFORTS

Two members of President Nixon's Cabinet yesterday pledged strong efforts by their departments to end hunger in the United States.

Secretary of Agriculture Clifford Hardin, in an address opening an agricultural outlook conference, said, "We are hoping to move every possible resource we can muster" in the direction of wiping out malnutrition in the United States.

"The climate of the country seems to have shifted materially in the past four to five months," Hardin said, and now "there indeed is substantial support" for a stepped-up anti-hunger campaign.

Secretary of Health, Education and Welfare Robert H. Finch issued a series of directives to HEW agencies to come up with more information about the extent and effects of malnutrition, particularly among such groups as infants and nursing and pregnant mothers.

Finch said he was particularly troubled about possible mental retardation and learning difficulties that can result from bad nutrition in early infancy and childhood.

Finch indicated he is ordering the national nutrition survey, being conducted by HEW's Dr. Arnold Schaefer in Texas, Louisiana, Kentucky, New York and Michigan, to be expanded to cover more states in more detail.

In addition Finch said he was forwarding to the Nation's governors, who meet here Feb. 26, a report on hunger and malnutrition.

"I hope we will be able to develop improved means of attacking the problem through a strong Federal, state and local partnership, he wrote the governors.

This year, the Johnson Administration proposed \$1.5 billion for feeding the hungry through school lunches, food stamps and the direct commodity distribution programs.

An Agriculture Department source said yesterday that the budget review recently ordered by the White House probably would not reduce that figure.

However, in order to reach several million people who are still not getting enough of the right type of food, the figure would probably have to be increased to \$2.5 billion to \$3 billion, a Department source said.

In another comment yesterday, Hardin said his department is exploring the possibility of changes in the meat inspection system under which "a single Federal-state label" will "permit products to move uniformly in interstate commerce."

An official explained later that Hardin was talking about administrative changes under which state and Federal inspectors would be cross-certified by the state and Federal meat inspection administrators so that a state inspector, applying Federally approved state meat-inspection standards, could put an approved seal on meat that would enable it to be sold across state lines. Federal inspection now covers all meat sold in interstate commerce.

At present, state-inspected meat can be sold only within the state where it is processed, and few of the states are yet geared up even to perform this kind of inspection. However, the clean meat act passed during the last Congress requires states to set up inspection systems for meat sold wholly within their own boundaries or have the Federal Government do it.

The thinking of officials in the Department and state inspection officials on the Federal Food Inspection Advisory Committee is that once the states set up adequate inspection systems of their own, with strong state inspection laws, an eventual integration of the Federal and state systems could take place.

It will probably be a year before anything tangible is worked out, an official said.

[From the New York Times, Feb. 18, 1969]

ATTACK ON HUNGER SPURRED BY FINCH

HE ORDERS WIDER AND FASTER SURVEY AND PLANS TO MEET GOVERNORS ON PROBLEM

(Special to The New York Times)

WASHINGTON, Feb. 17—Robert H. Finch, the Secretary of Health, Education, and Welfare, moved today to speed Government action against hunger in the United States.

Mr. Finch directed the agencies within his department to expand and speed up their efforts to determine the causes and extent of malnutrition.

He also announced that, at the request of President Nixon, he was forwarding to the nation's 50 Governors a report on malnutrition and planned to meet with them at the National Governors Conference here Feb. 26 to act on the matter.

"I hope we will be able to develop improved means of attacking this problem through a strong Federal, state and local partnership," Mr. Finch said in a letter to the conference. "During the first few weeks in office the new Administration has been most concerned to learn of the severity of this problem."

NUTRITION SURVEY CITED

The report he sent to the Governors was testimony by Dr. Arnold E. Schaefer, chief of the nutrition program of the department's Health Services and Mental Health Administration, before the Senate Select Committee on Nutrition and Related Human Needs last Jan. 22. His testimony was based on a national nutrition survey conducted by the department.

Mr. Finch today ordered the survey to be expanded to include more states and improved analysis of data obtained. The initial survey was conducted in Texas, Louisiana, Kentucky, New York and Michigan.

It was not announced which states would be included in the expanded survey, but it was believed that one of these would be Mississippi, where widespread malnutrition has been reported.

Mr. Finch also ordered:

A follow-up by department personnel to offer assistance to persons found in the survey to be in need of immediate medical attention.

Collection and evaluation of information about malnutrition in the pregnant mother and infant. Mr. Finch said he was particularly concerned about possible learning retardation that can result from hunger in early infancy and childhood.

A department-wide review to determine the best ways of dealing with hunger and its consequences.

Mr. Finch was also seeking a review of responsibilities among the various Federal departments and the state and county agencies to determine how a joint effort against hunger could be improved.

In his letter to the Governors, Mr. Finch summarized the first results of the survey that Dr. Schaefer had reported to Congress. Among those sampled in the survey, most of whom had incomes under \$3,000 a year, one-third of the children under 6 years old were anemic, one-third under 6 suffered from vitamin A deficiency and one-sixth of those in all age groups were deficient in Vitamin C.

FOOD PROGRAMS BUDGET—U.S. DEPARTMENT OF AGRICULTURE—FOOD ASSISTANCE PROGRAMS

[In thousands of dollars]

	Fiscal year 1969 estimated	Fiscal year 1970 budget allowance	Proposed amendment	Revised budget
A. Child feeding programs:				
1. Cash grants to States:				
(a) School lunch (sec. 4).....	162,041	168,041	-----	168,041
(b) Special assistance (sec. 11).....	10,000	90,000	-45,200	44,800
(c) School breakfast.....	3,500	10,000	-----	10,000
(d) Nonfood assistance.....	750	10,000	-----	10,000
(e) State administrative.....	750	750	-----	750
(f) Nonschool food program.....	5,750	20,500	-10,500	10,000
(g) Special milk.....	103,314	-----	-----	-----
(h) Special sec. 32.....	43,941	39,000	+50,000	89,000
Total.....	330,046	338,291	-5,700	332,591
2. Commodities to States:				
School lunch (sec. 6).....	64,325	64,325	-----	64,325
Sec. 32 ¹	80,500	83,811	+6,600	90,411
Sec. 416.....	144,872	153,438	-6,600	146,838
Total commodities.....	289,697	301,574	-----	301,574
3. Federal operating expenses:				
School lunch.....	2,161	3,100	-----	3,100
Nonschool feeding.....	500	750	-----	750
Special milk.....	681	-----	-----	-----
Total operating expenses.....	3,342	3,850	-----	3,850
Total, child feeding.....	623,085	643,715	-5,700	638,015
B. Family feeding programs:				
1. Food stamp program.....				
2. Direct distribution to families (regular program):	279,908	340,000	-----	340,000
(a) Sec. 32 ¹	142,141	210,028	+15,000	225,028
(b) Sec. 416.....	116,539	140,000	-----	140,000
Total direct distribution to families.....	258,680	350,028	+15,000	365,028
3. Nutritional supplement (special packages):				
(a) Special sec. 32, food stamp areas.....	1,000	11,000	-----	11,000
(b) Sec. 32 ¹	7,317	22,000	-----	22,000
(c) Sec. 416.....	500	1,500	-----	1,500
Total special packages.....	8,817	34,500	-----	34,500
Total family feeding.....	547,405	724,528	+15,000	739,528
C. Direct distribution to institutions:				
1. Sec. 32 ¹	1,967	1,700	+2,100	3,800
2. Sec. 416.....	43,000	40,400	-11,400	29,000
3. VA, Armed Forces, penal.....	17,875	21,000	-----	21,000
Total direct distribution to institutions.....	62,842	63,100	-9,300	53,800
D. Nutrition aide program.....				
	10,000	15,000	+15,000	30,000
Total, food assistance program.....	1,243,332	1,446,343	+15,000	1,461,343

¹ Includes related administrative expense.

THE PRESIDENT'S PROGRAM

THE PRESIDENT'S MESSAGE ON HUNGER

[From the New York Times, May 7, 1969]

We have long thought of America as the most bounteous of nations. In our conquest of the most elementary of human needs, we have a standard that is a wonder and aspiration for the rest of the world. Our agricultural system produces more food than we can consume, and our private food market is the most effective food distribution system ever developed. So accustomed are most of us to a full and balanced diet that, until recently, we have thought of hunger and malnutrition as problems only in far less fortunate countries.

But in the past few years we have awakened to the distressing fact that despite our material abundance and agricultural wealth, many Americans suffer from malnutrition. Precise factual descriptions of its extent are not presently available, but *there can be no doubt that hunger and malnutrition exist in America, and some millions may be affected.*

That hunger and malnutrition should persist in a land such as ours is embarrassing and intolerable. But it is an exceedingly complex problem, not at all susceptible to fast or easy solutions.

Millions of Americans are simply too poor to feed their families properly. For them, there must be first sufficient food income. But this alone would only begin to address the problem, for what matters finally is what people buy with the money they have. People must be educated in the choosing of proper foods.

All of us, poor and non-poor alike, must be reminded that a proper diet is a basic determinant of good health. Our private food industry has made great advances in food processing and packaging, and has served the great majority of us very well. But these advances have placed great burdens on those who are less well off and less sophisticated in the ways of the modern marketplace.

We must therefore work to make the private food market serve these citizens as well, by making nutritious foods widely available in popular forms. And for those caught in the most abject poverty, special efforts must be made to see that the benefits of proper foods are not lost amidst poor health and sanitary conditions.

The council for urban affairs has for the past three months been studying the problem of malnutrition in America, and has assessed the capacities of our present food and nutrition programs. As a result of the council's deliberations, I am today prepared to take the following actions :

FAMILY FOOD ASSISTANCE PROGRAMS

The Federal Government presently provides food assistance to nearly seven million needy Americans through the food stamp and direct distribution programs. Though these programs have provided welcome and needed assistance to these persons, both programs are clearly in need of revision.

The present food stamp program can be greatly improved. I shall, in a short period of time, submit to the Congress legislation, which will revise the food stamp program to :

—Provide poor families enough food stamps to purchase a nutritionally complete diet. The Department of Agriculture estimates this to be \$100 per month for a typical family of four.

—Provide food stamps at no cost to those in the very lowest income brackets.

—Provide food stamps to others at a cost of no greater than 30 per cent of income.

—Ensure that the food stamp program is complementary to a revised welfare program, which I shall propose to the Congress this year.

—Give the Secretary of Agriculture the authority to operate both the food stamp and direct distribution programs concurrently in individual counties, at the request and expense of local officials. This will permit the Secretary to assist counties wishing to change from direct distribution to food stamps, and to meet extraordinary or emergency situations.

It will not be possible for the revised program to go into effect until sometime after the beginning of the calendar year 1970, that is to say after the necessary legislative approval and administrative arrangements have been made.

The requested appropriations will then permit the establishment of the revised program in all current food stamp counties before the end of the fiscal year, as well as a modest expansion into direct distribution counties, and some counties with no current programs.

TOTAL PUT AT \$2.5 BILLION

This program, on a full-year basis, will cost something in excess of \$1-billion per year. (Precise estimates will only become available over time.) This will be in addition to the \$1.5-billion for food for the hungry, which I have requested for the forthcoming fiscal year, making a total program of \$2.5-billion.

In the meantime, \$2.6-million is being reprogrammed within the forthcoming budget to permit the program to begin as soon as legislative and administrative arrangements can be made and other necessary measures taken.

While our long-range goal should be to replace direct food distribution with the revised food stamp program, the district distribution program can fill many short-range needs. Today there are still over 400 counties without any family food assistance program and this Administration shall establish programs in each of these counties before July 1970. The direct distribution counties, the most serious criticism of the program will be met by ensuring that all counties offer the full range of available foods.

To strengthen both current family food assistance programs, efforts will proceed on a high priority basis to establish more distribution points, prompter and simpler certification, financing arrangements, mailing of food stamps and appeal mechanisms.

SPECIAL SUPPLEMENTAL FOOD PROGRAM

Serious malnutrition during pregnancy and infancy can impair normal physical and mental development in children. Special effort must be made to protect this vulnerable group from malnutrition.

The special package program, which provides needy women and mothers with packages of especially nutritious foods, was designed to meet this need. But the program has encountered logistical problems, which have severely limited its success. I am therefore directing that a substantial portion of the fiscal year 1970 budget for this program be used to establish pilot programs that make use of the private food market.

Under these programs, needy pregnant women and mothers of infants will be issued vouchers, redeemable at food and drugstores for infant formulas and other highly nutritious special foods. If such a program seems workable, and the administrative problems are resolved, the program will be expanded later on the basis of that experience.

ADMINISTRATION OF FOOD PROGRAMS

I am directing the Urban Affairs Council to consider the establishment of a new agency, the Food and Nutrition Service, whose exclusive concern will be the administration of the Federal food programs. Presently the food programs are operated in conjunction with numerous other unrelated programs. The creation of a new agency will permit greater specialization and concentration on the effective administration of the food programs.

PRIVATE SECTOR INVOLVEMENT

I shall shortly announce a White House conference on food and nutrition, involving executives from the nation's leading food processing and food distribution companies and trade unions. I shall ask these men to advise me on how the private food market might be used to improve the nutritional status of all Americans, and how the Government food programs could be improved. I shall also call on these men to work with the advertising industry and the Advertising Council, to develop an educational advertising and packaging campaign to publicize the importance of good food habits.

INTERAGENCY EFFORTS

Although most of the current food and nutrition programs are administered by the Department of Agriculture, other agencies are critically involved. I am therefore establishing a sub-Cabinet working committee of the Urban Affairs Council to promote coordination between the food and nutrition programs and other health, educational, and antipoverty programs.

At the present time, I am directing the Secretary of Health, Education and Welfare and the director of the Office of Economic Opportunity to take a number of immediate steps.

I am asking the Secretary of HEW to:

—Work with state agencies to ensure that the Medicaid program is fully coordinated with the special package and pilot voucher programs for pregnant women and infants, so that vitamin and mineral products can be made available to those diagnosed as suffering from nutrient deficiencies.

—Expand the national nutrition survey, presently being conducted by the Public Health Service, to provide us with our first detailed description of the extent of hunger and malnutrition in our country.

—Initiate detailed research into the relationship between malnutrition and mental retardation.

—Encourage emphasis by medical schools on training for diagnosis and treatment of malnutrition and malnutrition-related diseases.

COMMITMENT IS EXCLUSIVE

The Office of Economic Opportunity, with its exclusive commitment to the problems of poverty and its unique "outreach" among the poor themselves, has an especial role to play.

I am asking the director of OEO to:

—Work with the Secretaries of Agriculture and HEW to establish a greatly expanded role for the community action agencies in delivering food stamps and commodity packages. Volunteers working in the Vista program will also aid in the delivery and outreach process, supplementing the efforts of the agricultural extension service.

—Redirect OEO funds into the emergency food and health service program to increase its food, health, and sanitation services for our most depressed areas. Presently, health and sanitary conditions in many of our most depressed counties are so poor that improved food services alone would have little impact on the nutritional health of the population. The emergency Food and Health Service has provided invaluable services in aiding these areas, and its good work should be substantially expanded.

HONOR AT ISSUE

More is at stake here than the health and well-being of 16 million American citizens who will be aided by these programs and the current child food assistance programs. Something very like the honor of American democracy is at issue. It was half a century ago that the "fruitful plains" of this bounteous land were first called on to a great work of humanity, that of feeding a Europe exhausted and bleeding from the first World War.

Since then on one occasion after another, in a succession of acts of true generosity—let those who doubt that find their counterpart in history—America has come to the aid of one starving people after another. But the moment is at hand to put an end to hunger in America itself for all time. I ask this of a Congress that has already splendidly demonstrated its own disposition to act. It is a moment to act with vigor; it is a moment to be recalled with pride.

THE ADMINISTRATION'S BILL

S. 2370—INTRODUCTION OF A BILL TO AMEND THE FOOD STAMP ACT OF 1964, AS AMENDED

Mr. AIKEN. Mr. President, I am very happy today to introduce, on behalf of Senators Young of North Dakota, Cook, Curtis, Pearson, and Dirksen, the administration's proposal to strengthen and expand the food stamp program and make it the kind of program it should be. Members of this body will remember that, with Senator Young and others, I have worked for the food stamp program for over 25 years, or ever since 1943.

The food stamp approach to improved nutrition has always been my idea of the best and most effective way to improve nutrition among our low-income families. The existing program has not been good enough. We have asked families to pay more for coupons than they have really been able to afford. And the coupons they have bought together with those given as a bonus have not been enough to provide the necessary purchasing power for an adequate diet.

The proposal which I introduce today will bring this program in line with what I have wanted for many years.

This is what the bill will do :

First. No family will pay more than 30 percent of its income for food coupons and the poorest families will pay less.

Second. The total amount of food coupons issued will be enough to provide an adequate diet.

Third. Families in extreme poverty will receive coupons without charge.

Fourth. Uniform national eligibility standards will be established.

Fifth. States will be required by 1970-71 to operate either a food stamp or commodity donation program in every political jurisdiction within the State.

Sixth. Require State and local welfare agencies to make an effective outreach to bring in as many eligible families as necessary. This outreach drive will receive some Federal assistance.

Seventh. Require States to establish a fair hearing procedure for households with grievances. Some Federal assistance will also be provided for this.

Eighth. If public assistance households wish to do so, they may have the purchase requirement charge deducted from welfare checks.

Ninth. Authorize, in certain circumstances, the operation of both a food stamp and a commodity donation program in the same area.

We have studied and probed hunger and malnutrition extensively for many years. It is now time to act. I urge prompt action so we can get on with the practical job of improving nutrition.

Mr. President, I know there are other Senators who would gladly have sponsored this proposal. I have not been able to get in touch with some who I think would probably like to be sponsors, but in view of the advisability of acting upon it promptly, I am offering it today. I ask unanimous consent that the bill be printed in the Record, together with a section-by-section analysis; and, if other Senators wish to be cosponsors later, I shall ask that their names be added.

The VICE PRESIDENT. The bill will be received and appropriately referred, and, without objection, the bill and the section-by-section analysis will be printed in the Record.

The bill (S. 2370) to amend the Food Stamp Act of 1964, as amended, introduced by Mr. Aiken, for himself and other Senators, was received, read twice by its title, referred to the Committee on Agriculture and Forestry, and ordered to be printed in the Record, as follows :

[S. 2370, 91st Cong., first sess.]

A BILL To amend the Food Stamp Act of 1964, as amended

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 2 of the Food Stamp Act of 1964, as amended, is amended to read as follows :

"It is hereby declared to be the policy of Congress, in order to promote the general welfare, that the Nation's abundance of food should be utilized cooperatively by the States, the Federal Government, local governmental units, and other agencies to safeguard the health and well-being of the Nation's population and raise levels of nutrition among low-income households. The Congress hereby finds that the limited food purchasing power of low-income households contributes to hunger and malnutrition among members of such households. The Congress further finds that increased utilization of foods in establishing and maintaining adequate national levels of nutrition will promote the distribution in a beneficial manner of our agricultural abundances and will strengthen our agricultural economy, as well as result in more orderly marketing and distribution of food. To alleviate such hunger and malnutrition, a food stamp program is herein authorized which will permit low-income households to purchase a nutritionally adequate diet through normal channels of trade."

SEC. 2. Subsections (a) and (b) of section 4 of the Food Stamp Act of 1964, as amended, are amended to read as follows :

"(a) The Secretary is authorized to formulate and administer a food stamp program under which, at the request of the State agency, eligible households within the State shall be provided with an opportunity to obtain a nutritionally adequate diet through the issuance to them of a coupon allotment which shall have a greater monetary value than the charge to be paid for such allotment by eligible households. The coupons so received by such households shall be used only to purchase food from retail food stores which have been approved for participation in the food stamp program. Coupons issued and used as provided in this Act shall be redeemable at face value by the Secretary through the facilities of the Treasury of the United States.

"(b) In areas where the food stamp program is in operation, there shall be no distribution of federally donated foods to households under the authority of any other law except that distribution thereunder may be made: (1) during temporary emergency situations when the Secretary determines that commercial channels of food distribution have been disrupted because of a disaster; (2) on request of the State agency, for such period of time as the Secretary determines necessary, to effect an orderly transition in an area in which the distribution of federally donated foods to households is being replaced by a food stamp program; or (3) on request of the State agency if the State agrees to finance, from funds available to the State or political subdivisions thereof, all of the costs, subsequent to the delivery of such foods within the State, of handling, storing and issuing federally donated food to eligible households in the area."

SEC. 3. Section 5 of the Food Stamp Act of 1964, as amended, is amended to read as follows:

"(a) Except for the temporary participation of households that are victims of a disaster as provided in subsection (b) of this section, participation in the food stamp program shall be limited to those households whose income and other financial resources are determined to be substantial limiting factors in permitting them to purchase a nutritionally adequate diet.

"(b) The Secretary, in consultation with the Secretary of Health, Education, and Welfare, shall establish uniform national standards of eligibility for participation by households in the food stamp program and no plan of operation submitted by a State agency shall be approved unless the standards of eligibility meet those established by the Secretary. The standards established by the Secretary, at a minimum, shall prescribe the amounts of household income and other financial resources to be used as criteria of eligibility: *Provided*, That the Secretary may also establish temporary emergency standards of eligibility, without regard to income and other financial resources, for households that are victims of a disaster which disrupted commercial channels of food distribution when he determines that such households are in need of temporary food assistance, and that commercial channels of food distribution have again become available to meet the temporary food needs of such households."

SEC. 4. Subsections (a) and (b) of section 7 of the Food Stamp Act of 1964, as amended, are amended to read as follows:

"(a) The face value of the coupon allotment which State agencies shall be authorized to issue to any households certified as eligible to participate in the food stamp program shall be in such amount as the Secretary determines to be the cost of a nutritionally adequate diet.

"(b) The maximum amount which State agencies shall be authorized to charge any eligible household for the coupon allotment issued to it shall not exceed 30 per centum of the household's income: *Provided*, That coupon allotments may be issued without charge to households with little or no income or other financial resources under standards of eligibility prescribed by the Secretary."

SEC. 5. Subsection (e) of section 10 of the Food Stamp Act of 1964, as amended, is amended to read as follows:

"The State agency of each State desiring to participate in the food stamp program shall submit for approval a plan of operation specifying the manner in which such program will be conducted within the State, the political subdivisions within the State in which the State desires to conduct the program, and the effective dates of participation by each such political subdivision. In addition, such plan of operation shall provide, among such other provisions as may be required, the following: (1) the specific standards to be used in determining the eligibility of applicant households; (2) that the State agency shall undertake the certification of applicant households in accordance with the general procedures and personnel standards used by them in the certification of applicants for benefits under the federally aided public assistance programs;

(3) safeguards which restrict the use or disclosure of information obtained from applicant households to persons directly connected with the administration or enforcement of the provisions of this Act or the regulations issued pursuant to this Act; (4) for the submission of such reports and other information as from time to time may be required; (5) that the State agency shall undertake effective action, including the use of services provided by other federally funded agencies and organizations, to inform low-income households concerning the availability and benefits of the food stamp program and insure the participation of eligible households; and (6) for the granting of a fair hearing and a prompt determination thereafter to any household aggrieved by the action of a State agency under any provision of its plan of operation as it affects the participation of such household in the food stamp program. Upon the joint approval of the Secretary and the Secretary of Health, Education, and Welfare the State plan may provide for withholding the amount to be paid by a household for its coupon allotment from any payment made by the State agency to such household under a federally aided public assistance program, if such withholding is authorized by such household. In approving the participation of the subdivisions requested by each State in its plan of operation, the Secretary shall provide for an equitable and orderly expansion among the several States in accordance with their relative need and readiness to meet their requested effective dates of participation."

SEC. 6. Subsection (b) of section 15 of the Food Stamp Act of 1964, as amended, is amended to read as follows:

"(b) The Secretary is authorized to pay to each State agency an amount equal to 50 per centum of the sum of: (1) the direct salary, travel, and travel-related cost (including such fringe benefits as are normally paid) of personnel, including the immediate supervisors of such personnel, for such time as they are employed in taking the action required under the provisions of subsection 10(e)(5) of this Act and in making certification determinations for households other than those which consist solely of recipients of welfare assistance; (2) the direct salary, travel, and travel-related costs (including such fringe benefits as are normally paid) of personnel for such time as they are employed as hearing officials under section 10(e) of the Act; and (3) an amount equal to 25 per centum of the cost computed under (1) and (2)."

SEC. 7. Section 16(a) of the Food Stamp Act of 1964, as amended, is amended to read as follows:

"To carry out the provisions of this Act, there is hereby authorized to be appropriated not in excess of \$315,000,000 for the fiscal year ending June 30, 1969, \$610,000,000 for the fiscal year ending June 30, 1970, such sums as the Congress may appropriate for the fiscal years ending June 30, 1971, June 30, 1972, and June 30, 1973, and not in excess of such sum as may hereafter be authorized by Congress for any subsequent fiscal year. Sums appropriated under this section shall, notwithstanding the provisions of any other law, continue to remain available for the purposes of this Act until expended. Such portion of any such appropriation as may be required to pay for the value of the coupon allotments issued to eligible households which is in excess of the charges paid by such households for such allotment shall be transferred to and made a part of the separate account created under section 7(d) of this Act. This Act shall be carried out only with funds appropriated from the general fund of the Treasury for that specific purpose and in no event shall it be carried out with funds derived from permanent appropriations."

SEC. 8. State plans of operation approved by the Secretary of Agriculture under the Food Stamp Act of 1964, as amended, prior to the date of the enactment of amendments thereto by this Act shall continue in effect until such plans are changed to accord with such amendments: *Provided*, That no such previously approved plan shall remain unchanged for more than one hundred and eighty days after the enactment of such amendments.

SEC. 9. (a) Notwithstanding any other provision of law, the Secretary of Agriculture, after June 30, 1970, shall not approve, or continue the approval of, the participation of any State in the food stamp program or the program for the distribution of federally donated foods to households unless the State makes provision for the operation of one of such programs in each political subdivision within such State: *Provided*, That the Secretary of Agriculture may extend the period for compliance with this section to June 30, 1971, upon notification by the Governor of any State that State legislative action is required to provide authority or funds to meet the requirements of this section and that the legislature of such State will not convene in regular session between the date of enact-

ment of this Act and June 30, 1970: *Provided further*, That federally donated foods may be made available, under terms and conditions prescribed by the Secretary of Agriculture, to meet temporary emergency food needs of disaster victims of those States not approved in accordance with this section for participation in the food stamp program or the program for the distribution of federally donated foods to households.

(b) In making provision in accordance with subsection (a) of this section for operation of a food stamp program in any political subdivision, the State shall provide for the distribution of federally donated food to households in such political subdivision until the request by the State agency for the food stamp program in such political subdivision has been approved by the Secretary of Agriculture in accordance with the requirements of section 10(e) of the Food Stamp Act of 1964, as amended, relating to the equitable and orderly expansion of the food stamp program among the several States.

The section-by-section analysis, presented by Mr. AIKEN, follows:

SECTION-BY SECTION ANALYSIS

SECTION 1

This section of the bill amends section 2 of the Food Stamp Act of 1964, as amended.

While retaining the original policy of the Act that the Nation's abundance of food should be utilized to raise levels of nutrition among low-income households, the amendment changes the Declaration of Policy to reflect the finding of Congress that the limited food purchasing power of low-income households contributes to hunger and malnutrition. It also changes the current general purpose of the Act from that of "raising levels of nutrition" to that of enabling eligible households "to purchase a nutritionally adequate diet."

SECTION 2

This section of the bill revises subsections (a) and (b) of section 4 of the Act.

Subsection 4(a) of the Act sets forth a general description of the food stamp program authorized by the Act. The proposed amendment, by deleting the words "more nearly" from the first sentence of the subsection, will authorize the Secretary to formulate and administer a food stamp program which will provide eligible households with an opportunity to obtain a nutritionally adequate diet, rather than one which merely approaches this goal. Other provisions of the subsection remain unchanged.

The revisions in subsection 4(b) continue current authorities to temporarily operate a commodity distribution program in a food stamp area when a natural or other disaster disrupts commercial food distribution channels. The subsection contemplates that, in the event of such a disaster, federally donated commodities may be used to assist in mass feeding of households that are victims of the disaster and, when necessary, for distribution to individual households in the immediate aftermath of such a disaster until commercial food distribution facilities are again operating and the households have access to them.

In some disaster situations, commercial food distribution channels may become operative and available in some sections of a food stamp area before they are available in others. Therefore, revisions are also proposed in section 5 of the Act to authorize temporary food assistance through the food stamp program to households that are victims of a disaster, if and when such action is feasible. Thus, flexibility is provided in making the most effective use of Federal resources to provide emergency food assistance to households when disasters disrupt commercial food distribution facilities or prevent disaster victims from temporary access to such facilities.

The bill also amends subsection 4(b) to authorize the simultaneous operation of both the food stamp and commodity distribution programs in the same political subdivision in other than temporary situations caused by natural or other disasters when commercial food distribution facilities are disrupted. At the request of the State agency, such simultaneous operations can be authorized during the period deemed necessary (the initial months) to effect an orderly transition from the Commodity Distribution Program to the Food Stamp Program. During such a transition period, Federal payments would be available to help finance within-State administrative costs to the same extent such Federal payments are

now, or may be, authorized under each of the two programs. If the State agency requests simultaneous operation for a period of time beyond that deemed necessary for an orderly transition to a stamp program, or if the State agency wishes to institute the Commodity Distribution Program in an existing food stamp area, the full cost of handling and issuing the commodities in the food stamp area would be at the expense of the State agency or the local government unit.

SECTION 3

This section of the bill revises section 5 of the Act.

The proposed amendment retains the concept that the food stamp program shall be limited to households whose income and resources are substantial limiting factors in the attainment of a nutritionally adequate diet. However, unlike the current Act which provides that maximum income limitations shall be consistent with those used by the State agency in the administration of its federally aided public assistance programs, the amendment directs the Secretary of Agriculture, in consultation with the Secretary of Health, Education, and Welfare, to establish, from time to time, new uniform national standards of eligibility. At a minimum, these new uniform standards will include the amounts of income and other financial resources to be used as eligibility criteria for households of various sizes. The Secretary would also be authorized to establish eligibility standards to meet the temporary food needs of households through the food stamp program when such households have been victims of disasters which have disrupted commercial food distribution facilities if such facilities have again become available to meet these temporary needs.

SECTION 4

This section of the bill revises section 7 of the Act.

Subsection 7(a) of the Act would be amended to provide that the value of the total coupon allotment to be issued to eligible households will be equal to the cost of a nutritionally adequate diet, as determined by the Secretary.

Subsection 7(b) of the Act also would be changed to provide a new basis for determining the charges to be made (the purchase requirements) for coupon allotments. Unlike the present Act, which provides that households shall be charged an amount determined to be equivalent to their normal expenditures for food, the proposed amendment directs the Secretary to limit such charges to an amount not in excess of 30 percent of income.

Under the revised language it is intended that an increasing percentage of income will be charged as the income of the household increases but that no household will be charged more than the maximum of 30 percent of its income specified in the amendment. Compared with the current level of coupon charges, the revised system would provide relatively larger reductions in coupon charges for those eligible households with the lowest incomes, among whom the incidence of hunger and serious malnutrition is considered to be most prevalent.

The revised language of subsection 7(b) of the Act also authorizes the issuance of coupon allotments without charge to households with little or no income, under standards of eligibility determined by the Secretary. It is expected that, currently, these income standards of eligibility for free coupons will be set at a level of about \$30 in monthly income for a household of four members.

SECTION 5

This section of the bill revises subsection 10(e) of the Act.

While retaining all of the existing minimum provisions to be included in the plan of operation to be submitted by a State agency which desires to participate in the program, the proposed amendment adds two new requirements, as well as language which will permit households to authorize the withholding of coupon purchase requirements from their public assistance payments.

New language added by the amendment would place a positive responsibility upon the State agency to take effective action to inform low-income people about the program and to encourage the participation of eligible households. In undertaking such outreach actions, the State agency would be required to utilize the resources of other federally funded agencies such as those financed under the Economic Opportunity Act, as amended.

State plans of operations also would be required to include provisions under which the State agencies will grant fair hearings to households aggrieved by action of the State agencies.

The revised language also provides that, with the approval of the Secretary of Agriculture and the Secretary of Health, Education and Welfare, a State agency may establish a system under which a food stamp household may elect to have its charge for the coupon allotment withheld from its public assistance check. The State agency could then automatically mail the monthly coupon allotment to certified public assistance households. State agencies may now issue coupons by mail but households must remit coupon charges to the State agency each month before the coupons can be mailed.

SECTION 6

This section revises subsection 15(b) of the Act.

The revised language will continue to provide for Federal payments to assist States in the costs they incur in the certification of non-welfare households. Federal payments now are available to pay a portion of the salary and travel costs of merit system caseworkers (and their immediate supervisors) used to make certification determinations in the local counterpart offices of the State welfare agency. The new language will provide Federal payments to assist States in the salary and travel costs incurred by personnel who undertake the outreach actions required under the new subsection 10(e) (5) and those who act as hearing officials under the new requirements for a State fair hearing procedure. It is deemed to be in the interest of the program to recognize the additional costs to States in insuring that there is a prompt and equitable system under which households can appeal State and local decisions concerning their program eligibility or basis of participation.

SECTION 7

This section of the bill revises subsection 16(a) of the Act.

The proposed amendment provides for appropriation authorities for the program through the fiscal year 1973. It also authorizes any portion of the sums appropriated for any fiscal year which are not expended in that fiscal year to remain available until expended.

SECTION 8

This section of the bill does not amend the Food Stamp Act of 1964, as amended. It provides for a period, not to exceed six months, in which existing State plans of operation may remain in effect while changes required in the plans by the proposed amendments are being made by the State agencies and the Federal Government. It is expected that State agencies will be able to carry out some changes in their plans of operation before others. In such cases these changes can be put into effect as soon as they have been approved in accordance with the provisions of section 10 of the Act.

SECTION 9

This section of the bill does not amend the Food Stamp Act of 1964, as amended.

Section 9 establishes a new requirement that each State shall provide for the operation of a food stamp or commodity distribution program in each of its political subdivisions of USDA food assistance is to be supplied to any of its low-income households. States will have until June 30, 1970, to meet the requirements of this section, or until June 30, 1971, if the Governor of any State notifies the Secretary of Agriculture that State legislative action is necessary to enable the State to meet this requirement and that the State Legislature will not convene in regular session by June 30, 1970. In the meantime, the Department will continue its plan to use all available alternatives to insure that every county will be committed to the operation of a USDA family food program by June 30, 1970.

However, the failure of a State to elect to participate in such USDA food programs will not preclude the continued use of federally donated foods to meet the emergency food needs of victims of natural or similar disasters in such a State.

It is contemplated that, over the period of the next few years, the Food Stamp Program will progressively replace the Commodity Distribution Program for households. Section 10(e) of the Food Stamp Act of 1964 authorizes the Secretary of Agriculture to approve new areas for the Food Stamp Program under a plan which, among other things, provides for the equitable and orderly expansion of the program among the several States. In the event that the sum appropriated for the program in any fiscal year is not sufficient to approve all new areas requesting participation, States will be required to operate a Commodity Distribution Program for households in such areas until their participation in the Food Stamp Program can be approved.

[From the National Council on Hunger and Malnutrition in the United States, vol. 1, No. 3, May 1969]

ACTION REPORT

HIGHLIGHTS OF THE PROGRAM

The Nixon Commitment and Program: An Analysis: A probe behind the rhetoric of the President's May 6th message on hunger to the reality of inadequacies in programs and proposals.
 The Nixon Budget for Food Assistance through USDA: A detailed study of USDA's Federal food assistance budget for Fiscal Year 1970, contrasting the Nixon appropriations requests with Johnson's in 1969 and 1970.
 Department of Defense's Food Budget: How to spend \$4 billion a year on food.
 Moynihan on Mental Retardation: The doctor prescribes.
 New Food Stamp Areas, But When?: Administrative breakdown in implementing the program.

THE HILL

McGovern Food Stamp Bill.
 Talmadge Food Stamp Bill.
 Comparison of Food Stamp Legislation: A tabular analysis of the present Act, the Nixon proposal, and the McGovern, Talmadge, Mondale and Montoya bills.
 Food Stamp Tables: The cost and scope of food stamp proposals (abbreviated).
 Comic Interlude: A Trip Into the Mind of the House Agriculture Committee:
 Highlights and lowlights of recent hearings.
 Special Milk Bill Passes the House: Poverty amendments defeated.

THE COURTS

School Lunch Law Suit Filed: The food rights of children in Kansas City.
 The California Case Nears the Contempt Stage: Law and Order runs riot in USDA.
 Poverty, Malnutrition & Health: by Dr. Charles Upton Lowe.

THE NIXON COMMITMENT AND PROGRAM: AN ANALYSIS

Rhetoric.—Following a series of newspaper reports suggesting that the Administration was placing emphasis on combating inflation at the expense of fighting hunger and malnutrition; intimations that Dr. Arthur Burns, a conservative Eisenhoweresque economist now Counsellor to the President, had been powerfully instrumental in scuttling food help for the needy; requests by Senator George McGovern, Dem.-So. Dak., that USDA Secretary Hardin and HEW Secretary Finch appear on May 7 before the Senate Select Committee on Nutrition and Human Needs to explain what had become of their proposals for reform of Federal food assistance; and press leaks both of the March 17 report on and recommendations aimed at the problems of poverty-related malnutrition made by the Urban Affairs Council's Food and Nutrition Committee as well as of the March 17 memorandum to the President by Daniel P. Moynihan, Assistant for Urban Affairs, on "the troubled question of malnutrition and mental retardation," see pp. 2667-2670. President Nixon, late on the afternoon of May 6, made his firm and, according to Moynihan, "final" decision and released a message to Congress on hunger in the United States.

The President declared that "the moment is at hand to put an end to hunger in America itself for all time. I ask this of a Congress that has already splendidly demonstrated its own disposition to act. It is a moment to act with vigor; it is a moment to be recalled, with pride."

Despite the grandiloquent message and the grandeur of the commitment made by Mr. Nixon, the actions the President called for were significant primarily for their limitations and half-hearted capitalization on reforms suggested for several years by bureaucrats and activists alike:

Food Stamps—Cost of Stamps.—In the area of family food assistance, the President called for legislative revision of the Food Stamp program to lower the required purchase price of the stamps to zero, but only for those at the very bottom rung of the economic ladder earning approximately \$7 a week for a family of four (\$30 a month/\$360 a year) and presumably less for smaller families. This issuance of free stamps, essentially extending the Beaufort-Jasper

Counties, South Carolina plan (which also relied on the \$30 cut-off for families of four or more with a \$20 per month maximum for smaller households), would affect, if the outreach effort were optimum, between 265,000 and 300,000 Americans in the lowest income bracket, at an annual cost of no more than \$10 million. This cost calculation is based on the Administration's assumption that no more than two-thirds of the potential recipients would collect their stamps, for various reasons, including administrative obstacles to full participation of all those eligible, such as inadequate outreach work to locate the poorest of the poor and bring them into the program, and acquiescence in local refusals to operate food stamp programs. Under the schedule presently in effect, such families need only invest \$.50 per person per month (up to \$20 income in the North and \$30 in the South) or \$1.50 per person (between \$20 and \$30 in the North) in order to obtain their quota of stamps so that the additional cost to the Administration would fall between \$6 and \$18 per person per year and closer to \$6.

Stamp prices for those earning more than \$30 a month would be scaled upwards to reach a maximum required investment of 30% of income at the eligibility ceiling. The average American family in 1967 spent 17.4% of its disposable income for food. No scale was made available to illustrate what the President had in mind. No specification was made of whether the President was referring to 30% of pre-tax or post-tax disposable income, although should his tax reform proposals be enacted, the two calculations of income would be approximately identical for the poor. No positive indication was given that the President was thinking of imposing any specific Federal eligibility standards for establishing the upper limit on participation, but USDA officials implied that a variant of the poverty index standard, multiplying the cost of the Economy Food Plan for a family of a particular composition by three rather than by three and one-third, was what he may have had in mind. At present, the states' monthly allowable net incomes (the states regulate what is "net") for a family of four range from a ceiling in Virginia of \$150 (\$1,800 a year) up to one of \$325 in Alaska and New York (\$3,900) with most Southern states falling under the \$200 mark.

While the President was not explicit about the new input-by-income-range tables he would implement without legislation, it is reasonably clear from his message that he determined to adopt a combination of the alternative plans proffered from the Food and Nutrition Committee of the Urban Affairs Council, although a combination whose impact in eradicating hunger would be closer to Alternative No. 1. Alternative No. 1 would have required a minimal payment from families whose incomes were less than \$60 per month for a family of four, with stamp prices thereafter rising from 25% to 30% of income at the eligibility cut-off of \$333 per month (\$4,000 on an annual basis). Alternative No. 2, which was the Council's recommended modification of the Food Stamp schedule, would have offered stamps at no cost to those with income less than \$50 per month for a family of four, thereby furnishing free stamps to a potential 2 million rather than merely 300,000 Americans, at an estimated annual cost of between \$50 and \$100 million (those with incomes under \$50 now must invest over \$30 per person per year in stamps). Under Alternative No. 2, the eligibility cut-off would have been the same as with No. 1 (\$333 per month), but the 25% to 30% rising scale would have commenced when family income exceeded \$50 per month rather than \$60. Alternative No. 1 would have cost \$1.865 billion on an annual basis and covered an estimated 10 million people when fully implemented with food stamps completely replacing commodity distribution (food stamps are now in approximately 40% of all counties in the United States), while Alternative No. 2 would have required a budget allocation of \$2.486 billion reaching 11.5 millions when completely operational.

Food Stamps—Benefits.—Another contemplated major program improvement involves providing enough stamps so that every participating family can afford a nutritionally adequate diet. That diet would be defined in terms of the USDA's Economy Food Plan. To be able to afford the Economy Plan is, of course, no guarantee that one can afford a nutritionally adequate diet as measured against the recommended daily dietary allowances for nutrients, because the plan demands that the homemaker be an expert in marketing and food preparation. The Bureau of the Budget has admitted that "probably most families could not remain well-nourished on such a diet." USDA is so embarrassed by the misuse of the Economy Plan as a social indicator that it no longer publishes it on a regular basis together with the other plans (Low-Cost, Moderate-Cost, and Liberal) in the quarterly *Family Economics Review*. USDA in 1968 stated that "Studies show that few families spending at the level of the Economy Plan select foods that

provide nutritionally adequate diets. The cost of this plan is not a reasonable measure of basic money needs for a good diet. The public assistance agency that recognizes the limitations of its clientele and is interested in their nutritional well-being will recommend a money allowance for food considerably higher than the cost level of the Economy Plan. Many welfare agencies base their food cost standards on the USDA Low-Cost Food Plan which costs about 25 percent more than the Economy Plan."

Currently, the Food Stamp program's total coupon benefits in the North peak at between \$60 for a family of four with a monthly income under \$20 and \$112 for a family of four earning between \$330 and \$360 per month, and, in the South, between \$58 for a family of four under \$30 and \$80 for a family of four with an income between \$190 and \$210. The Economy Food Plan estimates minimal monthly food needs for a family of four, including two school children, regardless of income, at \$98.90. It should be obvious that even USDA itself believes that, in the North at least, families on the borderline of poverty and program eligibility need to eat more than the survival food plan would allow and can obtain USDA help to do so. The increase in total allotment would be a function of the increase in bonus stamps distributed. This would still not be sufficient to tip the purchased stamps to bonus stamps ratio in favor of the latter. As of February 28, the first eight months of Fiscal 1969 had seen sales of \$233 million in stamps coupled with \$143 million in bonuses or an average outlay of \$1.69 for every dollar of bonus received.

Food Stamps—Places of Operation.—Nixon would authorize the USDA Secretary to operate a Food Stamp program simultaneously with a Commodity Distribution program in a given county, but only if the county officials specifically agreed to pay for the operation of both. The message on its face appears to impose a further condition—that local officials request both programs. But, in subsequent testimony before the McGovern Committee, USDA Secretary Hardin revealed that USDA could offer both programs, as the Urban Affairs Council had suggested, during a transition period when a unit was transferring from Commodity Distribution to Food Stamps (a three-month minimum period, with an extension should Food Stamp participation fall significantly below former Commodity Distribution enrollment) or when the USDA Secretary determined that dual operation would be desirable in light of the community's special needs. No USDA determination of need and no transition crisis of participation could, however, override local negativism, if local officials refused to put up the costs of program administration. There would be no leeway for the USDA Secretary to install both programs where he so chose because of human emergency conditions (e.g., exceptional poverty), although a respectable case has been made on the grounds of legislative history that such power is already extant. Nor is there any amendment proposed to enable the USDA Secretary to act (as he now may with Commodity Distribution) and install a Food Stamp program at his own expense and under his control in units he designates where no agency of the State is willing to accept responsibility for administering the program. USDA can pay all food distribution expenses but not more than 50% of stamp issuance costs related to the certification of non-welfare households. One very noticeable lacuna in this context in the President's list of actions is the omission of any request for the initiation of sliding-scale cost-sharing of State and local administrative costs related to food stamps that would encourage more counties to utilize them. This seems contrary to the President's announced long-range goal of replacing Commodity Distribution with the Food Stamp program. It also ignores the recommendation of the Urban Affairs Council Committee that legal authority be sought to share additional administrative costs of the Food Stamp program.

Nixon would also act to establish some variety of family feeding program in every county of administrative unit (welfare district, independent city) in the United States by July 1970, including the over 440 counties that now lack both Commodity Distribution and Food Stamps, although most counties would get commodities rather than stamps. The thrust of this proposal is to moot the multiple court suits in 26 states that seek to require the USDA Secretary to do precisely that under the Equal Protection Clause, suits whose legal validity seems to have been assured by the Supreme Court's refusal in *Shapiro v. Thompson* to countenance residency requirements preventing families on the move from getting on welfare in the states to which they move. The Secretary and several of his assistants are still on the verge of being held in contempt by a three-judge court in California for their failure to obey a court order of December 30, 1968, requiring them to provide food to the hungry and needy in those California counties not under any Federal food program.

Food Stamps—The Budget.—The real hitch in the Nixon food stamp proposal revolves around the juggling of the budget and the tantalizingly slow pace of institutionalizing the reforms. As of February 28, 1969, eight months or two-thirds into the 1969 fiscal year, USDA had spent only \$142,876,503 on bonus coupons. Thus, the cost of the food stamp program after 66.7% had elapsed was only 51.1% of the \$280 million appropriation, exclusive of operating expenses, and 55.8% of the projected bonus issuance. Food stamp program expenditures, including bonus coupons and expenses, totalled \$110.8 million from July 1 through December 30, 1968 or a rate of \$18.5 million per month. That rate would have to be increased by over 50% during the first half of this year, which does not seem to be the case in light of the February figures indicating \$36 million-plus spent for bonus coupons since January 1. Since frenzied last quarter spending is seriously frowned upon by the Bureau of the Budget, it seems doubtful that Nixon will even spend the full \$256 million allotted for food stamp bonus coupons this year.

All of this illustrates the failure of USDA to move the program as swiftly as might be desired. The President has relied heavily on continued bureaucratic drift and legislative inaction in calculating that his new program could not commence to operate until sometime after January 1, 1970. That partially explains why the new budget money he is seeking—\$270 million or \$275 million (the exact figure is uncertain)—is considerably less than the tables of potential participation would seem to demonstrate is necessary. But that does not excuse the President from facing realistically up to the true expense of his proposals should eligibility become tantamount to participation. The plain fact is that, on the basis of the most recent available data from the U.S. Bureau of the Census and USDA, if every household in the United States were to be compelled to lay out 30% of its income for food, some 29,600,000 persons would still need some Federal food assistance, varying from sizeable to slight, in stamp or voucher form to enable them to afford the Economy Food Plan. The price tag for supplying an adequate diet to that number of people, the 29.6 million who must have some supplement even after spending 30% of their income on food, coupled with free stamps for those under the \$1,000 annual level is \$3.033 billion. Even the Bureau of the Budget measures the 1970 food gap, defined as the difference between the median income of the poor and the unmet food needs in terms of the USDA Economy Food Plan, at \$2.93 billion. Were free stamps to be denied to the approximately 4 million individuals living alone or in households with incomes between \$360 and \$1000 a year, as Nixon would so deny, and were those people required to put 25% of their income into food, the \$550 million thus saved would still leave the cost at \$2.5-plus billion.

Yet Nixon asks the public to believe that \$610 million in fiscal 1970 and in excess of \$1.3 billion in fiscal 1971 would do the job for an estimated number of 5.5 million participants the first year and nearly 7 million the next. The Nixon budget allocation for stamps is thus predicated on maintaining enough barriers to using the program to assure that 4 out of every 5 eligible persons will not avail themselves of it. Once again, the figures on their face appear to flaunt the declaration of high priority efforts to facilitate the program by simplifying and speeding up certification, arranging for financing for the temporarily strapped, and mailing the stamps to recipients.

The Nixon program, given the 1969–1970 gap between eligibles (29.6 million) and estimated participants (5.5 million) and the fully implemented cost (\$3.033 billion) and proposed expenditure level (\$610 million ceiling), is a delusion. The President is still unwilling to pay the full price of the program he claims he wants to initiate. The poor will once again be deceived by the announcement of a program that the administrators never seriously intend to put into effect on a total or even meaningful basis. Nixon, instead of vigorously attacking such well-recognized barriers to effective participation in federal nutrition programs as erratic or inadequate income, lack of food preparation facilities, the high cost of living in a ghetto for meeting non-food needs, inadequate transportation, high levels of illness and disability, and social withdrawal based on pride and the belief, nurtured in reality, that no help will be forthcoming, apparently will rely upon them to maintain participation at a low, budgetarily manageable level.

Food Stamps and Commodity Distribution—Other Program Changes.—The Administration indicated, without any specifics whatever, that both family feeding programs would be strengthened by "efforts . . . on a high priority basis to establish more distribution points, prompter and simpler certification, financing arrangements, mailing of food stamps, and appeal mechanisms." These putative

program improvements could be the key to more widespread participation in both programs, assuming that the proposed revisions of the food stamp schedule went into effect and that the Administration was able to install some program in every county in the United States within the year, but their value is a function of the priority rate at which they are implemented and the quality of the improvements themselves. There is nothing in the record to date to furnish hope on either score.

With respect to standards of program eligibility, the Administration could move to scrap the fifty-one varying versions of such standards enforced by the fifty states and the District of Columbia. In the context of Commodity Distribution, some USDA officials have devised a national eligibility table, employing regional and urban variations, that could be placed in effect immediately should USDA and the Administration decide to move affirmatively. There would be no need for any legislative approval, since no legislation governs the Commodity Distribution program. The expense of using such standards would be minimal and could be easily met out of the \$96 million Section 32 funds that are currently slated to be returned to the Treasury as of June 30. Nixon and Hardin, instead of giving this matter priority, are allowing the standards to age within USDA. If such standards are not implemented vis-à-vis commodities, where a regulatory amendment would do the trick, there is little chance they will see the legislative light of day vis-à-vis food stamps. Similarly, easier certification depends upon USDA's agreement to replace prolonged, wasteful welfare worker investigation with declaration forms for eligibility, with the potential participant certifying his own need. HEW has done this on an experimental basis for welfare assistance. The Urban Affairs Council Committee urged precisely this idea upon the President in its March 17 report. The National Workshop on Commodity Distribution in January urged USDA to move rapidly in this direction. No action has been taken. Nor was there any mention of the special accreditation problems of migratory farm workers whose eligibility should apply across county and state lines.

The creation of more distribution points for stamps and commodities as well as fulfillment of Nixon's promise of "ensuring that all counties offer the full range of available foods" is dependent upon increasing the administrative funds that go to local governments. Yet the Nixon proposal on food stamps, as previously indicated, neglected to mention this topic, and no reference was made to the Urban Affairs Council Committee's suggestion that a request be made for additional administrative flexibility in the use of Section 32 funds for sharing such costs through a uniform cost share formula weighted in favor of counties where participation is high and relative economic status low. This proposal was advanced by former USDA Secretary Freeman in the closing days of the Johnson Administration. Perhaps Nixon will endorse this suggestion in whatever legislative package he submits. Perhaps.

The need for financing arrangements to permit participation by families who otherwise could not afford to meet the full payment at the time of stamp issuance could be substantially reduced by the proposed new version of the food stamp schedule. It would still be advisable, however, to allow stamps to be purchased on the installment plan or on a daily basis. In addition, the 1966 OEO emergency loan program should be revitalized to provide the temporary wherewithal to meet either the food stamp bill or the cost of other necessities for families with a large portion of their income locked into food stamps. Hopefully, Nixon will flesh out his abbreviated call for "financing arrangements" with substance of this caliber.

Special Supplemental Food Program.—The so-called Supplemental Food Program designed, as officials would have it, to deliver special food supplements emphasizing protein and iron-enriched foods to individuals in groups vulnerable to malnutrition in low-income families is, at present, an unmitigated bust. The vulnerable groups are defined as pregnant and lactating women (during and for twelve months after pregnancy) and preschool children through the age of 5. The "special" foods are the familiar staples of the Commodity Distribution program—evaporated milk, nonfat dry milk, canned meat, peanut butter, scrambled egg mix, canned juices (apricot, grape, prune, tomato), canned vegetables (green beans, peas, tomatoes), dehydrated potatoes, and corn syrup—with two newcomers, iron-enriched farina (enough iron to supply an infant's iron RDA) and a fortified instant milk beverage mix. There is nothing special or innovative about this package.

The delivery mechanism broke down before it began to operate. In order to participate the poor have to clear two hurdles. They must pass income inspection and, then, be fortunate enough to locate in their vicinity either a public health clinic or an eligible doctor (one who serves money-payment or medical-assistance

recipients under public welfare) willing to look after them and write food prescriptions that they can take to the food distribution center, which may or may not happen to be in the clinic. As a result of the complexities involved in setting up such an administrative monster, including the inability of HEW's Children's Bureau to move public health officials on a local level, as of May, 1969, only 83 special supplement programs were in operation serving 7,500 mothers and 17,500 children. Compare this with the boast of the Johnson Administration that in describing the Food for Peace Act of 1966, that, during 1967, "more than 48 million children benefited from the food donated for school lunches and maternal/child feeding programs in 106 countries." If the United States can deliver food overseas to 48 million children, it should be able to reach many more than it does at home where 32 million school children are outside of the scope of the school lunch program.

Nixon would transform the Supplemental Food program not by eliminating any of the administrative hurdles to success—income eligibility and accessibility of medical care—but by replacing the distribution mechanism through which the properly certified obtain the food their doctors believe they require. Supermarkets and cash vouchers would replace distribution centers and prescriptions. The cash voucher concept seems to have worked well in many counties that receive OEO Emergency Food and Medical Services funds, but it is clearly not the solution to the lack of adequate medical aid for the poor, which is the most difficult barrier to negotiate in order to receive the "special" foods.

The Urban Affairs Council Committee estimated that a vigorous nationwide implementation of the Supplemental Food Program would cost \$79 million in Fiscal Year 1970 and \$100 million annually thereafter. President Nixon's 1970 budget contemplates the expenditure of considerably less than half of that sum—\$34.5 million.

Federal Agencies.—A Food and Nutrition Service exclusively concerned with the administration of food programs would be established under the Nixon proposal, presumably within USDA and under a separate administrator reporting to Assistant Secretary Lyng. No significant changes can be expected to derive from this "new agency," since the conflict of interest between the agricultural producers and the impoverished consumers would remain unabated at the vital budget-policy level. Day-to-day administration is not the problem. The tri-partite agreement on program coordination among USDA, HEW, and when Congressman Rumsfeld is confirmed, OEO, will prove as unenforceable in the face of disagreement as similar agreements involving OEO have in the past. USDA controls the bulk of the program money and that is that. The expanded OEO outreach and delivery is valuable so long as the funds available to community action agencies are not diminished.

What Is Missing.—The major gaps in the Administration's proposals involve the absence of any reference to child feeding programs, the failure to indicate that USDA would initiate any serious monitoring of the effectiveness of the programs, and the absence of any reference to an aggressive program of food supplementation focussing on a fundamental revision of the practices and regulations of the Food and Drug Administration (FDA). The school lunch, breakfast, and related programs must be drastically reworked if impoverished children are to be properly fed, perhaps by replacing the present overly-amended statutory categorical nightmare with block grants to the States under stringent priorities assuming that the needy are fed first. Yet, the Nixon message bypasses child feeding. The Urban Affairs Council Committee did not. It stated that "the major emphasis of the Child Food Assistance programs should be to bring a free or reduced-price lunch and breakfast to all children from low-income families attending school or in Head Start, day care, and summer camp programs." The Committee called for legislation providing national eligibility standards for children, priority for the needy children, and uniform guidelines for intra-state distribution of funds. Nixon may call for all or none of these but he has not spoken out to date.

There is no mention at all of USDA's operating as an ombudsman to oversee the operation of its programs and make certain that they are in fact reaching the people they were designed to help. This is to be expected when costs are based upon one-fifth participation of the eligible. Vigorous self-monitoring would overload the budget by actually assuming that poor people are served. The lack of any surveillance system is most acute, and, indeed, contravenes USDA's own regulations in connection with the school lunch programs. Regulations promulgated in October 1968 provided for a non-renewal after July 1, 1969 of school lunch contracts with schools that have not by that time publicly an-

nounced their standard policies and procedures for determining who is "needy" and thus entitled to a free or reduced price lunch or that discriminate in some manner against the needy in serving them such a lunch. USDA has been very recalcitrant to investigate complaints or take any positive action, even though the requirements were in effect as law as of February 1. If no surveillance is brought to bear after July 1, the regulations will incite mockery of law and order, not obedience.

The General Assembly of the United Nations in Resolution 2319 (XXII) requested a report from the Secretary-General on governmental activities directed to closing the protein gap. In order to obtain information on these activities the Secretary-General on January 18, 1968, sent a questionnaire to governments, including the United States, seeking replies by July 1. Question 14 of that questionnaire asked: "What are the present and proposed steps for your Government to review and improve its policies and its legislation and regulations regarding all aspects of food and protein production, processing and marketing so as to remove unnecessary obstacles and encourage appropriate activities?" The United States not only failed to make its report by the deadline, but also sidestepped Question 14 in its entirety by responding with a general discussion of research development of foods and no reference at all to FDA problems. Nixon's message continues this pattern of refusing to face up to the regulatory controls hampering wide-scale food enrichment and fortification.

The White House Conference and the Private Sector.—The President declared that he would convene a White House Conference on Food and Nutrition that would bring together executives from food processing and distributing companies and trade union leaders to discuss how the private food market could be used to upgrade every American's nutritional status. To call such a Conference on how to improve government food programs and exclude from participation the most meaningful segments of the private sector—the academic people, particularly in the fields of nutrition and public health, the voluntary organization members who have for years been pump-priming inadequate Federal programs with cash handouts and substituting for them with food trains and distribution, and representatives of the groups the programs are intended to serve—is to reveal the narrow, financial orientation of the Nixon conception of what constitutes the "private sector". A White House Conference without such broadened participation would not be worthy of the name. A better title might be Federally-sponsored meeting of those economically interested in securing Federal funds as a bribe for doing the job they have failed to do in the past 30 years because of self-interest. Dr. Schaefer's evidence is clear and convincing: the private food industry has no concern for the nutritional status of Americans, particularly poor Americans, or it would not have increasingly neglected to prepare and distribute iodized salt and increasingly put such a price premium on Vitamin D-fortified milk as to dissuade the consumer from purchasing it.

The Demise of the Schaefer Survey.—Dr. Arnold Schaefer's National Nutrition Survey has reached the end of its road under the Nixon budget. The state-by-state approach which provided so much explosive material on the nutritional status of low-income groups in the United States is to be terminated precisely because it was so revealing, because of its expense, and because of internecine warfare in the Federal health community. Dr. Schaefer had sought an additional \$2.5 million in Fiscal Year 1970 to finish the analysis of the data covering the ten states in the survey, to undertake new studies involving Indian reservations and three more states (one in the Midwest, one from Puerto Rico, Hawaii, or Alaska, and one other) with focus on vulnerable groups and smaller samples and to write contracts for furnishing technical assistance to the states already studied to continue their surveys on a steady basis and initiate action programs to deal with malnutrition. The Urban Affairs Council Committee recommended an expansion of the Survey both in 1969 (\$1.3 million) and in 1970 (\$2.5 million) with the option of going into all states to stimulate greater local concern and effort.

Nixon and HEW have decided to curtail the Survey at the conclusion of the sampling, and study of ten states, and to transfer any follow-up program to the National Communicable Disease Center in Atlanta, Georgia. Schaefer would not even retain control of further surveys, which would fall under and be suppressed within the National Health Survey conducted by the National Center for Health Statistics. Despite phrases of redolent of surveillance and monitoring, the Schaefer-Committee proposals have been reduced and the Schaefer Survey will be no more after December, 1969.

THE NIXON BUDGET FOR FOOD ASSISTANCE THROUGH USDA

The Nixon budget proposals for Federal food assistance programs administered by USDA for Fiscal Year 1970, even when the expanded programs contained in the President's May 6 message on hunger are accounted for, offer a very mixed bag. The increase in appropriation requests over the Johnson request for \$1.446 billion is approximately \$285 million, resulting in a total of \$1.731 billion. This is \$488 million over the expenditures estimated for Fiscal Year 1969, which compares favorably to the \$360 million increment in spending from 1968 to 1969. That \$285 million includes the additional \$270 million to be sought for food stamps, which would require prior authorization to increase the ceiling for 1970 above \$340 million to, at least \$610 million, plus \$15 million more for hiring and training nutrition aides. The latter item is the only one formally before the House Appropriations Committee, which is expected to report the Agricultural Appropriation Act of 1970 to the floor during the week of May 26. The grand totals by program category amount to: \$638 million for child feeding, (down \$5.7 million from Johnson's budget and up only \$14.9 million over the 1969 figures); \$1.009 billion for family feeding, which depends primarily upon the new food stamp proposal to achieve a \$285 million rise over the Johnson projection of \$724.5 million (\$462 million over 1969); \$53.8 million for direct distribution to institutions, a decrease of \$9.3 million from the Johnson suggestion and \$9 million from 1969; and \$30 million for nutrition aides, which, as indicated above, constitutes a doubling of the Johnson outlays for aides.

Child Feeding Programs.—The \$638 million for child feeding masks a substantial and possibly deleterious reshuffling of funds among the programs in that category. Nixon intends to reduce funds allocated under Section 11 of the National School Lunch Act, from \$90 million to \$44.8 million, or a cut of over one-half (\$45.2 million), for special assistance to help schools in poor economic areas support expansion of service of free and reduced price lunches to the needy. Nixon also would delete \$10.5 million from the Vanik Bill (Section 13 of the National School Lunch Act), which provides food service programs for children in non-school, non-residential institutions located in poverty areas, such as day-care centers, settlement houses, and recreation centers. This would similarly slice over one-half off the Johnson request (\$20.5 million), leaving only \$10 million. These drastic reductions, totalling \$55.7 million, in the two biggest child feeding programs that focus exclusively on the poor—reductions that would be achieved by a revision of the request for direct transfer of funds from Section 32 to \$129.9 million instead of \$188.6 million (\$58.7 million less)—would supposedly be compensated for by an increase of \$50 million in the amount to be made available out of already appropriated Section 32 funds for "special feeding programs". The latter programs are a product of the Agricultural Appropriation Act of 1969, which directed the expenditure of not more than \$43 million for, among other things, "child feeding programs and nutritional programs authorized by law in the School Lunch Act and the Child Nutrition Act, as amended." There is nothing on the face of this legislation to suggest that this money was to be used to help the needy, but the legislative history clearly points in that direction, and USDA in allocating the funds provided that "primary emphasis in the use of these funds is on feeding needy children."

The Section 32 "special" feeding money is undeniably more flexible than money legislatively parcelled out among Sections 4, 6, 11 and 13 of the National School Lunch Act and Sections 4 and 5 of the Child Nutrition Act, because each state is free to employ its pile of money as it deems most advantageous instead of being bound and restricted to use money where no capacity to use it may exist. The only limitation on "special" money is that the funds may be used to expand the free and reduced price lunch program (Section 11—School Lunch Act), the breakfast program (Section 4—Child Nutrition Act), and the non-school food service (Section 5—Child Nutrition Act), but cannot be used to feed more needy children under any of the other programs without specific approval from USDA's C & M S.

Flexibility for each state is achieved, however, at the potential sacrifice of sufficient program funds. At the outset some \$5.7 million that Johnson had in his budget would no longer be available for all the child feeding programs. The \$5.7 million figure obtains, rather than \$8.7 million (\$58.7 million less from Section 32 directly, \$50 million more from Section 32 specially), since USDA will increase its request for direct appropriations by \$3 million to "permit a more orderly expansion of nutrition programs to needy children" (does that

mean to pay more state administrative expenses?) and to "insure the availability of milk to summer camps, child-care centers, and to schools that do not have a food service program." While both the Congress and the President take care of funds for milk, who sees that the poor children are fed? Beyond that, by decreasing the regular request for transfer from Section 32 by a grand total of \$58.7 million and partially transforming this into a \$50 million increase out of special Section 32 funds, Nixon has attempted to undercut the possible impact of H. R. 516, the bill introduced by Rep. Carl Perkins, Dem.-Ky., which would authorize (really a direction to spend money already legally appropriated) the use of \$100 million of additional Section 32 funds to "formulate and carry out a program to improve the nutrition of needy children in group situations away from home." The meaningfulness of such legislation, if it were to pass, and it did in the House by a two-thirds majority in July, 1968, would be undercut by the Nixon fund transfer. Nixon would already have sought \$89 million in special Section 32 funds, slashing the net worth of the Perkins' bill to only \$11 million. The reason that the Perkins' fund would shrink is that USDA, in both the Johnson and Nixon budgets, proposes to expend all Section 32 funds other than the \$300 million reserve.

Perkins could respond to this by increasing the funds to \$150 or \$200 million, but that would require either speedy action to obtain the \$96 million in Section 32 funds that is slated to be returned to the Treasury as of midnight June 30, if not expended (which appears to be the case at the moment, absent any change of heart in USDA) or dipping into the \$300 million Section 32 reserve. That reserve exists, by virtue of unchallenged tradition, not because of any legislative fiat, for Section 32 only states that \$300 million of the sums appropriated under that section shall continue to remain available year after year until expended. It does not provide that \$300 million must remain unspent. The agricultural producers could not legitimately howl about any inroads into "their" \$300 million, since another \$500 million is sitting in the wings ready to be appropriated to take care of any overproduction that seriously threatens domestic markets. That extra \$500 million for Section 32, on top of the 30% of customs receipts (approximately \$665 million in 1970), was permanently authorized by Section 205 of the Agricultural Act of 1956, 7 U.S.C. Section 1855. Clearance would be required, therefore, only from the various appropriations committees (and then the Houses) in the event of some unforeseeable emergency that would consume the over \$200 million left in the Section 32 reserve after complete funding of the Perkins' bill.

In connection with the child feeding aspects of the budget, it should be further pointed out that there may prove to be an even more serious threat to funds to feed the needy should the special milk bill that sailed through the House be equally successful in the Senate, as is quite likely, given support from such members as Senator McGovern. That bill authorizes the expenditure of \$125 million in 1970, which is exactly \$125 million more than Johnson or Nixon contemplated spending on the program. Nixon's budget, as did Johnson's, envisions metamorphosing half-pints of milk for the well-to-do primarily into Type A lunches for the poor. Were that to become impossible because of Congressional appropriation of what the President did not request in lieu of appropriation of what he asked for (i.e., the increased Section 11 and "special" Section 32 funds), school food service for the needy would be the first area to suffer diminution, if USDA adhered to its usual pattern of priorities. Again, the only way to achieve accommodation of both the interests of the dairy lobby and of the poor would be by increased use of otherwise untapped Section 32 funds, which means the reserve.

Forcing the return of money slated for lunches for the needy to pay for milk, of which only 7% or \$7 million out of \$103.3 million reached the poor (children from families under the poverty index), would revise for the worse the distribution of Federal food assistance funds between the poor and the nonpoor. In 1969, it was estimated by the Bureau of the Budget that \$665 million of the \$1.243 billion invested in the food programs would be for the benefit of the poor, or a ratio of 53% for the poor and 47% for the nonpoor. The Bureau performs this calculation by adding 13% of the general school lunch funds, school commodity donations, and related administrative costs (the amount estimated to be employed in feeding the needy) to the money for breakfast equipment assistance, non-school food service, related administrative expenses, special Section 32 programs, in the schools, commodity distribution, food stamps, and nutritional supplements. The switch-over of the special milk appropriation accounts for the bulk of the Johnson projected increase in that ratio in 1970 to 66%/34% (\$956 million of \$1.446 billion). Should the appropriation revert to special milk, the ratio would dip to 65%/35% despite the infusion of new money into food stamps.

Finally, there is a \$6.6 million trade of Section 32 and Section 416 funds under the heading "Commodity Donations" that reflects substitution of a Section 32 commodity—margarine and a cheese substitute—for a Section 416 actual surplus commodity—butter.

Other Programs.—Section 32 prospers again (up \$17.1 million) while Section 416 declines (\$11.4 million) in commodity distribution to families and direct distribution to institutions. The money will be used to shore up weak markets rather than to dispose of dwindling surpluses. The increase in the nutrition aides' education program is not as meaningful as might otherwise appear. The ostensible doubling (\$30.15 million in Smith-Lever Act and other funds in place of \$15 million from Section 32) really represents only a 50% program expansion, since the annualized rate of expenditure for the present program is \$20 million. Of the \$30.15 million, \$28.56 million would go to the States and Puerto Rico to pay for the aides, \$150,000 to the District of Columbia, \$1.2 million to the Federal Extension Service to cover administration, and \$240,000 for extra employer contributions to the Federal Retirement Fund based on the salaries paid for in the Service.

An outline of the budget, indicating programs and funding sources, follows:

Project	Fiscal year 1969	Johnson, 1970	Nixon, 1970	Net change, Johnson to Nixon
I. Child-feeding programs.....	623,100	643,700	638,000	-5,700
(a) Appropriations and sec. 32 funds transferred.....	333,400	342,100	336,400	-5,700
1. General school lunch (sec. 4).....	162,000	168,000	168,000	.....
2. Free and reduced-price school lunch (sec. 11).....	10,000	90,000	44,800	-45,200
3. School breakfast.....	3,500	10,000	10,000	.....
4. Nonfood (equipment) assistance.....	750	10,000	10,000	.....
5. Nonschool food service (Vanik bill).....	5,750	20,500	10,000	-10,500
6. Special milk (all children).....	103,300	.....	.....	.....
7. School milk (needy children).....	.....	10,000	10,000	.....
8. State administrative expenses.....	750	750	750	.....
9. Federal administrative expenses.....	3,350	3,850	3,850	.....
School lunch.....	2,150	3,100	3,100	.....
Special milk.....	700	.....	.....	.....
Nonschool food service.....	500	750	750	.....
10. Special sec. 32 program.....	44,000	39,000	89,000	+50,000
(b) Commodity donations.....	289,700	301,600	301,600	.....
Sec. 32 (1935 act).....	80,500	83,800	90,400	+6,600
Sec. 416 (Commodity Credit Corporation).....	144,900	153,400	146,800	-6,600
Sec. 6 (School Lunch Act).....	64,300	64,300	64,300	.....
Sources of child-feeding funds.....	623,200	643,600	637,900	-5,700
Sec. 32:				
Transfer.....	104,000	188,600	129,900	-58,700
Commodity donations and procurement.....	144,800	148,100	154,700	+6,600
Special.....	44,000	39,000	89,000	+50,000
Direct appropriations.....	185,400	114,500	117,500	+3,000
Sec. 416.....	144,900	153,400	146,800	-6,600
II. Family feeding programs ¹	547,400	724,500	739,500	+15,000
(a) Appropriations ¹	279,900	340,000	340,000	.....
Food stamps.....	(279,900)	(340,000)	(340,000)	.....
(b) Commodity donations.....	267,500	384,500	399,500	+15,000
1. Regular direct distribution to families.....	258,700	350,000	365,000	+15,000
Sec. 32 (1935 act).....	142,100	210,000	225,000	+15,000
Sec. 416 (Commodity Credit Corporation).....	116,500	140,000	140,000	.....
2. Nutritional supplement (special packages).....	8,800	34,500	34,500	.....
Sec. 32.....	7,300	22,000	22,000	.....
Sec. 416.....	500	1,500	1,500	.....
Special sec. 32 (food stamp areas).....	1,000	11,000	11,000	.....

See footnotes at end of table, p. 2649.

Project	Fiscal year 1969	Johnson, 197000	Nixon, 1970	Net change Johnson to Nixon
III. Direct distribution to institutions.....	62,800	63,100	53,800	-9,300
Sec. 32.....	2,000	1,700	3,800	+2,100
Sec. 416.....	43,000	40,400	29,000	-11,400
Veterans, Armed Forces, penal institutions.....	17,900	21,000	21,000	-----
IV. Nutrition education (aides).....	10,000	15,000	30,000	+15,000
Total, USDA food assistance ¹	1,243,300	1,446,300	1,461,300	+15,000

USE OF SEC. 32 RECEIPTS

Total available.....	597,000	665,000	665,000	-----
Total obligated elsewhere.....	44,900	29,600	29,600	-----
Total scheduled for return to Treasury.....	² 96,900	-----	-----	-----
Total allocated to feeding programs.....	455,200	635,400	635,400	-----
1. School lunch and milk transfer.....	104,000	188,600	129,900	-58,700
2. School lunch commodities.....	144,800	148,100	154,700	+6,000
3. Special feeding.....	45,000	50,000	100,000	+50,000
4. Direct distribution to families.....	142,100	210,000	225,000	+15,000
5. Nutrition supplement.....	7,300	22,000	22,000	-----
6. Direct distribution to institutions.....	2,000	1,700	3,800	+2,100
7. Nutrition aides.....	10,000	15,000	-----	-15,000

¹ Excluding the additional \$270,000,000 for food stamps proposed by President Nixon on May 6, which, in the form of reprogrammed funds, would place family feeding programs in 1970 at the \$1,009,000,000 level, food stamps at \$610,000,000, and total USDA food assistance at \$1,731,000,000.

² USDA now estimates that it will exhaust this sum during fiscal year 1969 but has yet to make public the manner in which it will do so.

Department of Defense's Food Budget.—By far, the largest Federal food assistance program is administered not by USDA, but by the Department of Defense (DOD). In Fiscal Year 1970, DOD plans to expend nearly \$4 billion to feed a yearly average of 3,465,854 servicemen at an annual rate of considerably over \$1,100 per person. This compares with the Nixon budget for food assistance for the poor which would allegedly serve 16 million poor people (including a double count of children eating lunch and in families getting stamps or commodities) at a cost of \$1.226 billion (a budgeted \$956 million plus \$270 million reprogrammed) or an annual rate of \$77 per person, a ratio of nearly 15 to 1 in favor of the armed services. The bill for keeping our soldiers, sailors, fliers, and marines in the best fighting condition possible consists of \$819.2 million for food for 1,516,800 Army personnel, \$336.7 million for food for the 771,000 persons in the Navy, \$172.6 million for 316,800 Marines and \$348.4 million to buy food for the 861,254 individuals in the Air Force. On top of this \$1.7 billion for food, which is, if Nixon's proposals become law, equivalent to USDA's entire food budget, should be added approximately \$2.3 billion to pay for the labor component (cooks, dishwashers, etc.) and the necessary equipment and recurring capital costs for mess halls. It is interesting to note that DOD does not question whether there is a provable relationship between good nutrition and desired productivity before acting.

Moynihan on Mental Retardation.—The following is the text of the now-famous Moynihan memo to the President that may have played a crucial but temporary role in shelving the President's decision to endorse the Urban Affairs Council Food and Nutrition Committee's hunger recommendations:

"You asked this morning about the troubled question of malnutrition and mental retardation. The present state of the art is inconclusive (although on that point there is agreement). There is strong evidence that very severe malnutrition, as seen in the developing countries, may lead to mental retardation, but the entire question of whether less severe malnutrition as seen in the American population can affect intellectual development is just not settled. There is no good evidence to substantiate or refute.

"Clearly this relates solely to the question whether there is a direct effect upon the brain, consequent upon nutrition intake. My suspicion is that there is little of this in the United States at the present time but, once again, no one knows.

"On the other hand, clearly, malnutrition can affect personal development in endless ways other than in the formation or destruction of brain cells. A sickly child obviously is not likely to learn as well as a healthy one. The issue is not brain damage, but rather the impairment of normal physical functioning.

"What you should know is that we are now beginning to get good evidence of *IQ decline in poor children during the early years of life*. For example, in an experiment recently carried out by the National Institute of Mental Health among low income male Negro infants here in Washington, there was a decline in a control group of 19 points in IQ from age 14 months to age 36 months. By contrast, an experimental group in which each child was visited by a tutor an hour a day, five days a week, beginning when infants reached 15 months and continuing through 36 months showed no decline.

	Age (in months)			
	14	21	27	36
Experimental group mean IQ.....	105	97	101	106
Control group mean IQ.....	108	90	90	89

Once again, your concern for the first five years of life is turning out to be critical."

New Food Stamp Areas, But When?—USDA Secretary Hardin on April 9 formally designated 32 areas in 9 states as eligible to participate in the Food Stamp program. When these areas will finally come into operation is a matter of some doubt. Six months back, back on November 18, 1968, USDA Secretary Freeman announced that 235 areas in 31 states had become eligible for stamps. As of March 1, only 36 of those 235 counties and independent cities had begun to implement the program and some 41 other areas out of an even earlier group of 135 designees had still not sold any stamps. The timetable could be delayed purposefully because of the appropriations ceiling on stamps or because of the lack of aggressive efforts on the part of C & M S personnel and State and local welfare officials to hasten the training of case workers, the organization of coupon issuance through banks or special offices, and involvement of grocers and wholesalers.

Small, Splendid Efforts.—The Nixon Volunteer War on Poverty under the direction of Detroit industrialist Max Fisher and with the aid of a staff drawn from the largest volunteer agencies in the country plans to enlist volunteers to become involved in combating hunger, with special emphasis initially on nutrition and food demonstration classes, instruction in consumer education in poverty neighborhoods, and meal service to the elderly. Although the hunger volunteer efforts remains to be organized, USDA is producing a small handbook for volunteer use. The National Council on Hunger and Malnutrition is also in the process of preparing, for distribution this summer, a full-length Guidebook for Volunteers that will describe and analyze Federal food assistance programs, indicate the critical questions volunteers should be asking about their local programs, and suggest possible strategies for reform.

THE HILL

A Calendar of Hunger Happenings

May 13th (Tues.)—House Education and Labor Committee Poverty Task Force hearings on OEO Emergency Food and School Lunch.

May 14th (Wed.)—McGovern Committee hearings with Dr. Abernathy.

May 15th (Thurs.)—USDA Advisory Committee for Food and Nutrition Programs meeting.

May 20th (Tues.)—Supplemental Appropriations Act on floor of House with Rep. Findley's amendment to limit farm subsidy payments.

May 21st (Wed.)—Senate Poverty Subcommittee hearings on hunger and poverty.

May 22nd (Thurs.)—Senate Agriculture Committee hearings on food stamp and school lunch legislation.

May 23rd (Fri.)—As on May 22nd.

May 26th (Mon.)—As on May 22nd.

May 27th (Tues.)—As on May 22nd.

McGovern Food Stamp Bill.—On April 29, 1969, Senator McGovern, Dem.-S.D. presented, with the co-sponsorship of 32 Senators, including two Republicans and members of the Senate Committee on Agriculture and Forestry, his

long-anticipated "Food Stamp Reform Act of 1969"—S. 2014—amending the Food Stamp Act of 1964 "so that it can provide a much more adequate diet for the hungry and malnourished among America's poor" (S. 4231-4236). The bill stresses what McGovern termed three "obvious" requirements for program success in enabling those in need to obtain an adequate diet: benefits related to need and not dependent on the fortuitous circumstance of geography; stamps that cost only what the poor can pay; and overall allotments enabling those who do participate to purchase such a diet.

The heart of the McGovern proposal is a radical revision of the food stamp purchase schedule, particularly the cost of the stamps and the total value of stamps received. McGovern would have the USDA Secretary first establish "an amount necessary to purchase a nutritionally adequate diet" for households of varying compositions, subject to annual revisions to reflect any cost of living increase. The floor below which the Secretary could not set the cost of such a diet would be the present USDA Low-Cost Food Plan which contemplates, for example, the equivalent of \$1440 a year for an urban family of four or \$120 per month. The low-cost plan is approximately 25% more expensive than the Economy Food Plan and far more satisfactory. That floor rises with the passage of time, although presumably the Secretary would continue to make his annual redetermination also in light of rising standards of nutritional adequacy.

The price of nutritional adequacy is the bill's yardstick. Households with incomes less than two-thirds that level, e.g., below \$960 per year for an urban family of four or \$80 a month, would be entitled to free stamps with a value equivalent to the full price of nutritional adequacy. Households with incomes over the two-thirds mark, but less than the full level, e.g., between \$961 and \$1439 per year for an urban family of four, would receive the exact same amount of stamps, but would after June 30, 1970, have to invest no more than 15 percent of their income to obtain the stamps. Finally, households with incomes in excess of the price of nutritional adequacy and up to three times that price e.g. over \$1440 a year for an urban family of four but less than \$4,320, unless the Secretary or a state should determine that the upper level of eligibility should be, say \$5,000, would similarly receive the stamps needed to buy the adequate diet, yet would have to expend after June 30, 1971, no more than 25 percent of their income on the stamps.

A sample breakdown of the contemplated schedule follows (assume a family of four) :

Monthly household income	Maximum purchase price	Bonus coupons	Total coupon allotment
\$50.....	None.....	\$120.00	\$120
70.....	None.....	120.00	120
75.....	None.....	120.00	120
80.....	\$12.00 (after June 30, 1970).....	108.00	120
90.....	\$13.50 (after June 30, 1970).....	106.50	120
100.....	\$15.00 (after June 30, 1970).....	105.00	120
120.....	\$30.00 (after June 30, 1971).....	103.50	120
125.....	\$31.25 (after June 30, 1971).....	88.75	120
200.....	\$50.00 (after June 30, 1971).....	70.00	120
250.....	\$62.50 (after June 30, 1971).....	57.50	120
350.....	\$87.50 (after June 30, 1971).....	32.50	120
360.....	Ineligible.....		

The table on the previous page reveals that around the turn-over points at which the level of income input into stamps increases (from 0 to 15 percent and from 15 to 25 percent) there exists some disincentive. It costs an additional \$13.50 in food expenses to be able to afford the identical food value (\$120) when earnings increase from \$10 from \$110 to \$120 and a household must spend an extra \$32.50 to buy the same adequate diet when that household gains an additional monthly income of \$10, moving from \$350 up to \$360. None of these disincentives, however, extend for any substantial distance along the broad continuum of the schedule.

Estimates indicate that the cost of this drastic reworking of the schedule would be substantial. McGovern himself places the need for fiscal 1970 at \$1.8 billion, divided between free stamps (\$1.5 billion) and the 15-25 percent of income purchased ceiling coupled with the adequate diet guarantee (\$.3 billion). The Council's figures, see pp. 41-42 *infra*, while not entirely comparable because of the difficulties of deriving refined income distribution information from recent published materials of the U.S. Bureau of the Census indicate that to furnish free stamps providing the Economy Food Plan (approximately 80 percent of the Low-

Cost Food Plan) to any household or unrelated individual with an income of less than \$1,000 (compare McGovern's \$960 cut-off for a family of four) would cost approximately \$4,857,000,000.

Since two-thirds of the Low-Cost Food Plan free food stamp ceiling ranges from as low as \$22.90 per month (\$275 per year) for an unrelated female of the age or over to as high as \$180 per month (\$2160 per year) for a family of eight or more, it is likely that the McGovern plan is at least as costly as the one calculated by the Council, in which the free stamp total ranges from \$295 to \$1900 per year. It is in the second and third years of the bill's operation that the cost estimates begin seriously to diverge. McGovern, recognizing the large number of variables involved, including the distribution of households and individuals by income level and, in the case of the former, composition, participation in commodity distribution, and other economic and program factors, estimates that a further sum between \$.5 and \$1 billion would be required. The Council's tables would point to an additional \$3 billion as more likely and perhaps even low, given the number of persons in the McGovern framework paying only 15 percent of their disposable income for stamps. To meet these greatly enlarged costs, McGovern would not only authorize the appropriation of whatever sums were necessary, but also permit the Secretary to go beyond the appropriations limit by obligating another 10% provided he notified Congress of his intent to do so and provided that the Secretary determined that the override was "necessary to meet unanticipated increases in participation as the result of a change in economic conditions, or as the result of other unforeseeable circumstances." The excess obligations would be repaid from the following fiscal year's appropriations as if they constituted an interest-free loan.

McGovern's other changes in the operation of the food stamp program do not entail the expenditure of large quantities of Federal funds, but are nonetheless essential to meaningful program implementation. There would be a national minimum eligibility standard (three times the adequate diet's cost) with local option to increase the minimum income level. Certification for eligibility would be based solely upon execution of an affidavit by the applicant household with no criminal consequences following from any error contained in the affidavit, although the assistance granted could be adjusted to reflect the error. Stamps could be used to buy items necessary for personal cleanliness, hygiene, and home sanitation as well as food. Stamps could be issued and sold through the facilities of the Post Office directly or by mail or through participating retail food stores. Full participation of eligible households would also be insured by requirements that they be informed of the program's existence and aided to make application for stamps.

Households would no longer be eliminated from the program simply because they were unable to pay the full purchase price in any given month. Instead, they might put up enough money to buy only part of their full allotment with a proportionate reduction in total stamp value (e.g. urban family of four earning \$300 and able to pay only \$50 in one month would get but \$30 in bonus stamps for a total food value of \$80). Although this provision would prove useful in many instances where income fluctuates temporarily, it is difficult to reconcile it and its decrease in benefits based upon partial participation with the declaration by McGovern that his reforms "will end the grossly unjust assumption that the very poor can nourish themselves with less than half the food required by the moderately poor." The McGovern measure would still discriminate in terms of the degree of ability to purchase the low cost diet it confers upon those poor persons who are faced with non-food emergencies that may entail exhausting some of the food portion of the household budget. The momentary crisis poor would eat less than the poor whose income receipt and apportionment is stable.

McGovern would stress the educational potential of food stamps by furnishing readily accessible nutrition counseling to participants either administratively or through Federal-state-local-private cooperation. Finally, the local government's present veto power over the implementation of food stamps would be dissolved should the local government refuse to accept proffered Federal funds to pay administrative costs or should the Secretary decide that a particular political unit needed food stamps if the purposes of the Act were to be fulfilled or in order to alleviate malnutrition or should the operating State agency fail to abide by the new Act. In such instances, the Secretary would be empowered to administer the program through whatever institutional framework he deemed appropriate, including a Federal, state or county agency or a private nonprofit organization.

Farbstein Introduces McGovern Bill in the House.—On April 30, Rep. Leonard Farbstein, Dem.-N.Y., initiated House action on the McGovern proposals by sponsoring the McGovern bill, H.R. 10728. (Cong. Rec. H.3233-3235)

Gallup Poll—7 Out of 10 Back Free Food Stamps.—Nearly 7 Americans in every 10 (68 percent) interviewed in late March favored legislation of the kind

proposed by Senator McGovern that would provide free food stamps to all families living in extreme poverty, defined as those with incomes less than \$20 a week or \$80 a month. A majority (60 percent) supported providing reduced rates for food stamps for families whose earnings were between \$20 and \$60 a week or up to \$240 a month.

The first question asked a representative national sample of 1,504 adults was: "A United States Senator has proposed that the government give free food stamps to all families whose earnings are under \$20 a week. Do you favor or oppose such a proposal?" Only 25% were opposed and 7% had no opinion. Those who backed the idea indicated that no one could be expected to live on less than \$20 a week. The supporters included many persons vocally opposed to welfare programs in general.

The results by party, income and region were :

[In percent]

	Favorable	Opposed	No opinion
Republicans.....	60	31	9
Democrats.....	74	22	4
\$10,000 and over.....	67	27	6
\$7,000 to \$10,000.....	65	26	9
\$5,000 to \$7,000.....	66	28	6
\$3,000 to \$5,000.....	69	25	6
Under \$3,000.....	76	17	7
East.....	74	18	8
Midwest.....	66	25	9
South.....	65	29	6
West.....	66	29	5

The second question was "Would you favor or oppose giving food stamps at a greatly reduced rate to families whose earnings are twenty to sixty dollars a week?" 31% were opposed to that proposition and 9% had no opinion, with the key population groups breaking down in approximately the same pattern exhibited above in connection with free stamps.

Talmadge Food Stamp Bill.—Senator Herman Talmadge, Dem.-Ga., a member of both the Senate Select Committee on Nutrition and Human Needs and the Senate Committee on Agriculture and Forestry, introduced on April 18, 1969, S. 1864, the "Food Assistance Act of 1969", which he labeled the most significant measure he has proposed in his 12 years in Washington. The bill, according to the Senator, was primarily designed "first, to improve food stamp distribution and make them [sic] more accessible; second, to lower the purchase price of food stamps and to increase the bonus to participating households; and third, to authorize the Secretary of Agriculture to issue free coupons to households with no incomes or extremely minimal incomes." (Cong. Rec. S. 3861-3864).

In order to make the food stamp program far more attractive than commodity distribution and thus encourage the phasing out of the latter, which Talmadge condemned as a "dole, a complete giveaway . . . destructive of human dignity and self-respect," Talmadge's proposed legislation would require local postmasters to handle the sale and distribution of food stamps to eligible households in participating administrative units in place of banks, credit unions, or local businesses. The post offices would assume this responsibility without any compensation for their efforts. The objects are to assure a uniform method of issuance and to bring the issuance point as close as possible to the participants' homes. Coupons would have to be issued at least twice each month instead of the present monthly minimum. The USDA Secretary would be empowered to prescribe other minimum requirements with respect to the place, times, and frequency of issuance. In a colloquy with Senator Spong, Dem.-Va., following introduction of the bill, Senator Talmadge revealed the concern of program administrators "that if they (the poor) could buy the stamps anytime they wanted to, any day in the week, it might result in a lower expenditure of their food budget for food. Some improvident parents might buy food stamps and take some of the money to buy a quart of liquor." Welfare recipients would have the option of receiving their stamps with the charges, if any, already deducted from their federally-aided public assistance payments.

Another major revision of the food stamp program would involve placement of a ceiling upon the amount each eligible household would have to contribute toward the purchase of food stamps. The ceiling would be a maximum of 25% of

monthly household income, a substantial reduction from the present input range of up to 47% as contrasted with the 17.2% of its disposable income that the average American family spent for food in 1968. The 25% figure could be lowered as the USDA Secretary chooses for Talmadge envisions "suitable adjustments for families of various sizes and income." This reform would be coupled with issuance of free stamps to any household with an income no greater than \$40 per month or less, if the Secretary of Agriculture wished to set the free stamps income prerequisite at a lower level. The Secretary could exercise his discretion to issue no free stamps at all. Talmadge would in no way change the present bonus schedule even though when added to the purchase requirement, it does not yield a total allotment sufficient to afford an adequate diet. As a consequence, while the bill might produce broader participation, particularly among those families at the lowest income levels and those families which have difficulty amassing more than one-fourth of their monthly income in one lump sum at any one time, there would be no assurance that participating persons would achieve a diet substantial enough to avoid malnutrition. The total coupon allotment, balancing a reduced purchase component with a concomitantly increased element of bonus, would still average only \$15.58 per person per month, which falls way below the Economy Food Plan minimum for an adult female, 20 to 35 years of age, of \$25.40, and for an adult male, 20 to 35 years of age, of \$28.40.

Other portions of the Talmadge bill that are not as generous as the above provisions include a mandate to the USDA Secretary to require State agencies to encourage and assist able-bodied and able-minded adult food stamp recipients to obtain employment (the Senator decried "shiftness" and "lack of personal responsibility") as well as an authorization level of \$525 million in fiscal year 1970 and \$900 million for fiscal year 1971 with re-authorization necessary thereafter. Cost studies prepared by the National Council, see p. 92, *infra*, indicate that, if everyone were to participate in a 25% investment in food stamp programs with free stamps for those whose monthly income was less than \$83.33 and bonus stamps in quantities sufficient to raise the overall coupon allotment to the Economy Food Plan level (e.g., \$1200 annually for an urban family of four), the annual cost of the program would approximate \$4.86 billion. While Talmadge's free stamps would be available only to those with monthly incomes under \$40 (or less) and the allotment totals would meet an average of only 60% of the cost of the Economy Food Plan, it is nonetheless clear that a Talmadge plan that covered every eligible household would require annual appropriations in the area of \$3.5 billion. The gap between this amount and the suggested authorization limits indicates that Talmadge still envisions a highly imperfect system which, because of obstacles to participation in the form of inadequate notification of the program's existence or discriminatory administration or understaffing or a combination of geographical and temporal inaccessibility, excludes almost 75% of those who ideally should be receiving stamps. The Senator's own analysis underscores this disparity between those who need and should be eligible for help at the 25 percent outlay level—40,591,500—and the number of persons he estimates would be participating, 5.5 million by the end of June, 1970, and 6,580,000 by the end of June 1971.

Finally the Talmadge bill would establish within USDA a subagency known as the Federal Food Administration to coordinate all Federal food assistance programs now run by USDA, including all the child feeding programs. Talmadge expressly rejected as "unwarranted" pressures to remove the programs to HEW and praised the exemplary job done by USDA given its limited resources. Talmadge did not, however, propose giving USDA the exclusive role in educating Americans about nutrition or in feeding them. He also would command the USDA Secretary to create an interdepartmental National Nutrition Committee, consisting of the Secretaries of HEW and HUD, other exceptionally well-qualified Federal employees, and one or more food industry representatives, the latter two groups being appointed by the Secretary. This Committee would oversee the operations of the food stamp and other feeding programs in an advisory capacity.

Talmadge's action closely followed a trip by him through middle Georgia during the week of April 7th in which he focused on the operations of the school lunch program. ACTION REPORT analyzed his concern with HEW's cut-off for desegregation noncompliance of ESEA Title I funds used to support the school lunch program in its previous issue, Volume I, Number 2, pp. 9-11.

The bill has one powerful co-sponsor, Senator B. Everett Jordan, Dem.-N.C., who, as Chairman of the Senate Committee on Rules and Administration, had voted early in February to cut \$100,000 from the McGovern Committee budget.

THE NATIONAL COUNCIL ON HUNGER AND MALNUTRITION IN THE UNITED STATES

The following table contains a comparison of the major provisions of the present Food Stamp Act, the Nixon proposal, which is not yet in legislative form, the McGovern bill (S.2014), the Talmadge bill (S.1864), and the Mondale bill (S.6). Hearings on the last three bills, plus the Montoya bill (S. 1608), described in a footnote to this table, are expected to be held by the Senate Committee on Agriculture and Forestry sometime during the last half of May.

TITLE	Present Program Food Stamp Act of '64	Nixon Proposal None Yet	McGovern Bill (S. 2014) Food Stamp Reform Act of '69	Talmadge Bill (S. 1864) Food Assis- tance Act of '69	Mondale Bill (S.6) Domestic Food Assistance of '69
1. Declara- tion of Policy	Raise levels of nutri- tion among low-income households	To put an end to hunger in America	Program should pro- vide adequate levels of food consumption and nutrition to low-income house- holds	Same as existing Act	No person in United States should be denied an adequate and nutritious diet by reason of poverty and Nation's abun- dance of food should be used to raise to a full and adequate level food intake of low-income households
2. Terri- torial Coverage	50 states	Unknown	Extends to Puerto Rico, Guam, and Trust Territory of the Pacific	Same as existing Act	Extends to Puerto Rico, Guam, Virgin Islands, American Samoa, all other territories and possessions of the United States
3. Type of Individual Coverage	Group of related or non-related indivi- duals living as one economic unit sharing cooking facilities and food purchases. Also single indivi- dual living alone who cooks at home. Not residents of institu- tions or boarding houses	Unknown	Same as existing Act except for expansion of eligibility	Same as existing Act	Includes residents of institutions and boarding houses

TITLE	Present Program Food Stamp Act of '64	Nixon Proposal None Yet	McGovern Bill (S.2014) Food Stamp Reform Act of '69	Talmadge Bill (S. 1864) Food Assis- tance Act of '69	Rondale Bill (S.6) Domestic Food Assistance of '69
4. Product Coverage	Any food or food pro- duct except alcoholic beverages, tobacco, imported packaged foods and imported meats or meat products	Unknown	Includes items neces- sary for personal cleanliness, hygiene, and home sanitation	Same as existing Act	Same as existing Act
5. State Coverage	State option to establish program	Same as existing Act	At State agency request or if no request after offer of Federal pay- ment of administrative costs or if Secretary determines program necessary to alleviate malnutrition regard- less of state's desire to administer program	Same as existing Act	USDA Secretary re- quired to establish program without request from State agency
6. House- hold coverage 1/	Households whose in- come is a substantially limiting factor in at- taining a nutritionally adequate diet are eli- gible as determined by State agency consistent with income standards used in federally- aided public assistance programs	Federal eligibility standards possible -- households whose in- come are less than adequate diet are eli- gible as determined by State agency consistent with income standards used in federally- aided public assistance programs	Households whose in- comes are less than 3 times as great as cost of Low-Cost Food Plan or higher should Secre- tary so prescribe as needed to purchase nu- tritionally adequate diet and meet other normal living expen- ses. State option to raise given prevailing prices. Annual deter- mination by Secretary to reflect cost of living	As in existing Act except that State is prohibited from tak- ing Medicaid stan- dards into considera- tion in fixing maxi- mum income limitations for eligibility	Absolute eligibility for households with incomes below poverty index (\$3,335 for a family of four) or no income at all and conditional eligibil- ity for households with incomes insuf- ficient to attain a nutritionally adequate diet as determined by Secretary. In- cludes right of appeal to Federal district court from any adverse action affecting a family's eligibility \$3335 or higher if Secretary so determines
e.g. family of four in 1969	From \$1800 to \$4140	\$3600	\$4320 or higher if Secretary or State so determines	As in existing Act	

Footnotes at end of table

TITLE	Present Program Food Stamp Act of '64	Nixon Proposal None Yet	McGovern Bill (S.2014) Food Stamp Reform Act of '69	Talmadge Bill (S. 1864) Food Assis- tance Act of '69	Mondale Bill (S.6) Domestic Food Assistance of '69
7. Resource limitation	State determination	No reference	Applicable only to income realized through capital, not funds obtained from liquidation of capital	As in existing Act	None, but limitation on ownership of personal or real property
8. Method of certi- fication	Determined by State welfare agency on basis of forms and investi- gation	Prompter and simpler certification con- templated but no specifics	Self-certification by execution of affi- davit by member of household without criminal responsi- bility for income level errors	As in existing Act, but Secretary may issue guidelines and re- quirements	Self-certification by execution of affi- davit by applicant household with no criminal penalty at- taching in the event of error in income level. See right of appeal referred to in 6. Also 45 day carry- over of certification after moving
9. Method of coupon issuance	At least monthly by banks, credit unions, and local businesses	Mailing of stamps considered likely	Through post offices, retail stores or such other manner as will best insure program participation	At least twice monthly with local post offices as issuers - - - - - Check-off possible for household wishing to have price deducted from welfare payments	No reference, except that Secretary may make any reasonable arrangements with adminstrating agency with respect to coupon issuance to assure achievement of program goals
10. Purchase price of coupons	Amount equivalent to household's normal expenditures for food (except in 2 counties in South Carolina)	Free under \$30 per month, no more than 30% of income required for any eligible fam- ily, and less (perhaps even below 25%) for those just above lowest income brackets	Over two-thirds but under the full amount necessary to purchase a nutritionally ade- quate diet -- 15% of income (after June 30 1970); other eligible households up to 25% of income (after June 30, 1971)	Up to 25% of income or less if Secretary makes suitable ad- justments	Free to all eligible, but households above poverty level would receive scaled-down coupon allotments and thus have to invest in food to achieve an adequate diet

TITLE	Present Program Food Stamp Act of '64	Nixon Proposal None Yet	McGovern Bill (S.2014) Food Stamp Reform Act of '69	Talmadge Bill (S.1864) Food Assis- tance Act of '69	Mondale Bill (S.6) Domestic Food Assistance of '69
11. Free Stamps	None, except in 2 counties in South Carolina (under \$30/mo. family of four)	Under \$30 per month	Under two-thirds of the cost of a nutri- tionally adequate diet	Under \$40 per month or less if the Secre- tary so determines or none at all if the Secretary so deter- mines	Free to all eligible. See above.
12. Total value of coupons	Such amounts as will provide households with an opportunity more nearly to obtain a low-cost nutrition- ally adequate diet, but more for wealthier low-income households.	Sufficient to enable families to purchase nutritionally complete diet, defined as USDA Economy Food Plan	Sufficient to enable participating house- holds to purchase a nutritionally ade- quate diet and no less than Low-Cost Food Plan for house- holds	As in existing Act	Sufficient to provide eligible households with a full and effective opportunity to obtain a nutrition- ally adequate diet
Illustra- tion:	Yearly Food Stamp Schedule for a Family of Four (north)	0	0	0	0
\$20 mo./	24	1200	1440	720	1200/1440 (?)
\$240 yr.	696	1200	1440	720	1200/1440 (?)
Purchase Price	720	1200	1440	720	1200/1440 (?)
Bonus	720	1200	1440	720	1200/1440 (?)
Total	720	1200	1440	720	1200/1440 (?)

The Mondale bill does not specify any particular food plan as providing the nutritionally adequate diet it employs as standard

TITLE	Present Program Food Stamp Act of '64	Nixon Proposal None Yet	McGovern Bill (S.2014) Food Stamp Reform Act of '69	Talmadge Bill (S.1864) Food Assis- tance Act of '69	Mondale Bill (S.6) Domestic Food Assistance of '69
\$30 mo./ \$360 yr.					
Purchase Price	120	24	0	0	0
Bonus	<u>624</u>	<u>1176</u>	<u>1440</u>	<u>744</u>	<u>1200/1440</u>
Total	744	1200	1440	744	1200/1440
\$40 mo./ \$480 yr.					
Purchase Price	168	120 or less	0	120 (cut-off)	0
Bonus	<u>576</u>	<u>1080 or more</u>	<u>1440</u>	<u>624 for free</u>	<u>1200/1440</u>
Total	744	1200	1440	744 stamps)	1200/1440
\$50 mo./ \$600 yr.					
Purchase Price	240	150 or less	0	150	0
Bonus	<u>528</u>	<u>1050 or more</u>	<u>1440</u>	<u>618</u>	<u>1200/1440</u>
Total	768	1200	1440	768	1200/1440

TITLE	Present Program Food Stamp Act of '64	Nixon Proposal None Yet	McGovern Bill (S. 2014) Food Stamp Reform Act of '69	Talmadge Bill (S. 1864) Food Assis- tance Act of '69	Mondale Bill (S. 6) Domestic Food Assistance of '69
\$80 mo./ \$960 yr.					
Purchase Price	432	240	144 (after 6/30/70)	240	0
Bonus	<u>432</u>	<u>960</u>	<u>1256</u>	<u>624</u>	<u>1200/1440</u>
Total	864	1200	1440	864	1200/1440
\$100 mo./ \$1200 yr.					
Purchase Price	528	309	150 (after 6/30/70)	300	0
Bonus	<u>408</u>	<u>801</u>	<u>1290</u>	<u>636</u>	<u>1200/1440</u>
Total	936	1200	1440	936	1200/1440
\$120 mo./ \$1440 yr.					
Purchase Price	624	396	360 (after 6/30/71)	360	0
Bonus	<u>384</u>	<u>804</u>	<u>1080</u>	<u>648</u>	<u>1200/1440</u>
Total	1008	1200	1440	1008	1200/1440

TITLE	Present Program Food Stamp Act of '64	Nixon Proposal None Yet	McGovern Bill (S.2014) Food Stamp Reform Act of '69	Talmadge Bill (S.1864) Food Assis- tance Act of '69	Mondale Bill (S.6) Domestic Food Assistance of '69
\$125 mo./ \$1500 yr.					
Purchase Price	624	396	375 (after 6/30/71)	375	0
Bonus	<u>384</u>	<u>804</u>	<u>1065</u>	<u>633</u>	<u>1200/1440</u>
Total	1008	1200	1440	1008	1200/1440
\$170 mo./ \$2040 yr.					
Purchase Price	720	543	508 (after 6/30/71)	510	0
Bonus	<u>336</u>	<u>657</u>	<u>932</u>	<u>546</u>	<u>1200/1440</u>
Total	1056	1200	1440	1056	1200/1440
\$200 mo./ \$2400 yr.					
Purchase Price	816	696	600 (after 6/30/71)	600	0
Bonus	<u>288</u>	<u>504</u>	<u>840</u>	<u>504</u>	<u>1200/1440</u>
Total	1104	1200	1440	1104	1200/1440

TITLE	Present Program Food Stamp Act of '64	Nixon Proposal None Yet	McGovern Bill (S.2014) Food Stamp Reform Act of '69	Talmadge Bill (S.1864) Food Assis- tance Act of '69	Mondale Bill (S.6) Domestic Food Assistance of '69
\$250 mo./ \$3000 yr.					
Purchase Price	912	900	750 (after 6/30/71)	750	0
Bonus	<u>288</u>	<u>300</u>	<u>690</u>	<u>450</u>	<u>1200/1440</u>
Total	1200	1200	1440	1200	1200/1440
\$290 mo./ \$3480 yr.					
Purchase Price	960	1044	870 (after 6/30/71)	870	To be determined
Bonus	<u>288</u>	<u>156</u>	<u>570</u>	<u>378</u>	by Secretary
Total	1248	1200	1440	1248	1200/1440
\$350 mo./ \$4200 yr.					
Purchase Price	Not	Not	1050 (after 6/30/71)	Not	To be determined
Bonus	eligible	eligible	<u>390</u>	eligible	by Secretary
Total			1440		1200/1440

TITLE	Present Program Food Stamp Act of '64	Nixon Proposal None Yet	McGovern Bill (S.2014) Food Stamp Reform Act of '69	Talmadge Bill (S.1864) Food Assis- tance Act of '69	Mondale Bill (S.6) Domestic Food Assistance of '69
\$400 mo./ \$4800 yr.					
Purchase Price	Not eligible	Not eligible	Not eligible	Not eligible	Not eligible
Bonus					unless Secretary so determines
Total					
13. Finan- cing of purchase price	None contemplated, but OED programs help	Possible installment basis purchase of stamps or loan pro- grams to aid families whose paydays do not coincide with stamp issuance	Partial purchase of allotment possible	As in existing Act	No reference.
14. Respon- sibility for admin- istration I/	Entirely up to State agency	As in existing Act, but Community Action Agencies to gain role in delivering stamps	Local agency or Federal, state, county or non-profit pri- vate agency where local agency fails to request a program after Secretary of- fers to pay part or all of administrative costs or where Secre- tary determines lo- cal program neces- sary or where local agency fails to com- ply with Act.	As in existing Act	Certification and issuance possible by any private agency, including business as well as non-profit organizations

Footnotes at end of table

TITLE	Present Program Food Stamp Act of '64	Mixon Proposal None Yet	McGovern Bill (S.2014) Food Stamp Reform Act of '69	Talmadge Bill (S.1864) Food Assis- tance Act of '69	Mondale Bill (S.6) Domestic Food Assistance of '69
15. Responsi- bility for administra- tive costs 1/	No Federal cost-sharing other than 50% of sal- ary, travel, and re- lated costs in certi- fication of non-welfare households	No reference	May pay states any amount up to total administrative costs of any local agency if Secretary deems it necessary to en- able local agency to conduct program	As in existing Act Federal Government may pay State 50% of cost of issuing coupons to households not receiv- ing public assistance. No payment to issuing post offices	Secretary to pay all costs of non-profit administering agencies costs plus a reason- able profit to private commercial enterprises, such assistance as he deems advisable to up to 300 counties he may declare require special hunger atten- tion. Each state must present a cost-sharing plan for funding ad- ministration by most economically deprived counties. Cost-shar- ing with states would remain at 50% level, but apply to certification of all households.
16. Simul- taneous operation of commo- dity dis- tribution and food stamps	Not unless emergency situation caused by a national or other disaster as determined by Secretary -- excludes long-term, non-natural disasters, according to Secretary	During period of trans- ition from commodity distribution to food stamps or when Secre- tary determines that the community's special needs demand it BUT ONLY IF State or local authorities request it and agree to pay the expenses of administering the second program	Permission to operate simultan- eously	As in existing Act	Required where needed to bring diets to an adequate level

Footnotes at end of table

TITLE	Present Program Food Stamp Act of '64	Nixon Proposal None Yet	McGovern Bill (S.2014) Food Stamp Reform Act of '69	Talmadge Bill (S.1864) Food Assis- tance Act of '69	Mondale Bill (S.6) Domestic Food Assistance of '69
17. Educa- tion	No specific projects other than encouraging participants to use staple foods in abundant supply	No reference	Cooperative Federal- private effort to provide nutrition counseling and home economics ser- vices for the eligible in convenient places	As in existing Act	Cooperation with educational agencies to emphasize nutri- tion counselling for the poor and utiliza- tion of educational potential of school lunch program
18. Out- reach effort	Left up to State Welfare agency	Reliance on VISTA workers	State must make every effort to insure that all eligible house- holds are informed of program's assistance and given assistance in applying	As in existing Act	No reference
19. Level of appro- priations 1/	FY 1970 - \$340 million 6/70 - 12/70 - \$170 million 1/71 on - Need re- authorization	FY 1970 - \$610 million FY 1971 - \$1.34 billion	Such sums as may be necessary (estimated \$1.8 billion in FY 1970) plus 10% obliga- tion where necessary to meet unanticipated increases in participa- tion	FY 1970 - \$25 million FY 1971 - \$900 million FY 1972 - Need re- authorization funds	Such sums as may be necessary and un- used Section 32 funds
20. USDA Reorgani- zation	None	Establishment of new agency, Food and Nutrition Service, within USDA exclusi- vely concerned with administration of Federal food programs	No reference	New Federal Food Administration with- in USDA to admini- ster family and child feeding programs	No reference
21. Inter- governmental coordina- tion	None	Working sub-Cabinet committee of Urban Affairs Council to promote coordination. Agreement among OEO, USDA, HEW	No reference	Secretary to estab- lish National Nutri- tion Committee, in- cluding Secretaries of HEW and HUD, food industry representa- tives, and other Federal agency appointees	No reference

Footnotes at end of table

TITLE	Present Program Food Stamp Act of '64	Nixon Proposal None Yet	McGovern Bill (S.2014) Food Stamp Reform Act of '69	Talmadge Bill (S.1864) Food Assis- tance Act of '69	Mondale Bill (S.6) Domestic Food Assistance of '69
22. Advisory body	None	See 23	No reference	See above	Secretary to establish National Food Assistance Commission of between 11 and 21 persons, a majority of whom are consumers and/or persons from low-income households to continue mainnutrition study and to maintain complete data on incidence and severity of malnutrition
23. Private Sector involve- ment	None	White House Conference on Food and Nutrition involving food processing and distribution company and trade union executives to advise to use of private food market to improve nutritional status of all Americans. Work with Advertising Council to publicize importance of good food habits.	In program education and counselling only (non-profits can administer program)	No reference	Secretary to establish staffed Task Force on Hunger including representatives of all sectors of the food and grocery business with Task Force eligible to administer local programs where necessary. Use of fortified foods in areas where prevailing diet is inadequate. Cooperation by Secretary with entire private sector to improve diets of low-income households.

The Montoya Food Stamp bill (S.1608) would require the Secretary to prescribe maximum eligibility standards, authorize the Secretary to administer the Program in any locality whose government refused to do so and where the Secretary determined direct operation was necessary to accomplish the Act's purposes, authorize the Secretary to pay up to 50% of State and local costs, and authorize the program on a permanent basis with such sums as may be necessary.

ADMINISTRATION DOCUMENTS ON MALNUTRITION AND MENTAL DEVELOPMENT

Memorandum: To President Nixon.
From: Dr. Daniel P. Moynihan.

THE WHITE HOUSE
Washington, March 17, 1969.

For the President:

You asked this morning about the troubled question of malnutrition and mental retardation. The present state of the art is inconclusive (although on *that* point there is agreement!). There is strong evidence that very severe malnutrition, as seen in the developing countries, may lead to mental retardation, but the entire question of whether less severe malnutrition as seen in the American population can affect intellectual development is just not settled. There is no good evidence to substantiate or refute.

Clearly this relates solely to the question whether there is a direct affect upon the brain, consequent upon nutrition intake. My suspicion is that there is little of this in the United States at the present time but, once again, no one knows.

On the other hand, clearly, malnutrition can affect personal development in endless ways other than in the formation or destruction of brain cells. A sickly child obviously is not likely to learn as well as a healthy one. The issue is not brain damage, but rather the impairment of normal physical functioning.

What you should know is that we are now beginning to get good evidence of *IQ decline in poor children during the early years of life*. For example, in an experiment recently carried out by the National Institute of Mental Health among low income male Negro infants here in Washington, there was a decline in a control group of 19 points in IQ from age 14 months to age 36 months. By contrast, an experimental group in which each child was visited by a tutor an hour a day, five days a week, beginning when infants reached 15 months and continuing through 36 months showed no decline.

	Age in months			
	14	21	27	
Experimental group, mean IQ.....	105	97	101	106
Control group, mean IQ.....	108	90	90	89

Once again, your concern for the first five years of life is turning out to be critical.

DANIEL P. MOYNIHAN.

Staff Memorandum

FUNDING OF THE NATIONAL NUTRITION SURVEY

The facts and history set forth below should be put in context with the following recent developments.

1. Schaefer was told by HEW not to testify before the House Agriculture Committee after being invited to testify before the Poage Committee. Later, when the press said he was being "muzzled," he was instructed to appear.

2. Arthur Burns, Counsellor to the President, who reportedly does not believe there is a hunger problem and may or may not know that 8 million Americans live in families whose total income is less than the amount of money USDA says they must have for food alone, went over all of Schaefer's statements and reports with a fine tooth comb and prepared a memorandum taking Schaefer's statement out of context and concluding that the survey was inconclusive and not worthy of consideration in determining hunger policy.

3. The National Communicable Diseases Center (NCDC), part of the Health Services and Mental Health Administration (HSMHA), headquartered in Atlanta, historically has functioned as the research and action program group to deal with VD, TB and other communicable disease. Reportedly, many of their activities are either being phased out because they have been completed or are being squeezed out for budgetary reasons. There are, it is said, some 50 employees in Atlanta who may lose their jobs and who reportedly have been lobbying for something else to do. It is clear that they do not have nutrition capabilities.

4. The National Center for Health Statistics, also in HSMHA, conducts statistical surveys on the health of the American people. They do this by taking

different age groups at different times. Thus, they may spend a year or more studying young adults, then study little children, followed by the elderly. They have not in the past conducted on-going and follow-up surveys on health except on a periodic basis as indicated above. They have never had a nutrition component. NCHS is apparently going to take over nutrition surveying after Schaefer is finished with the first 10 states.

5. The National Nutrition Survey's findings have been highly embarrassing to both the Johnson and the Nixon Administrations and to the country as a whole, particularly in light of the visibility and press exposure which the findings have received.

6. The Nixon Administration has apparently scrapped any major hunger effort for the foreseeable future. Continued exposure of Schaefer's results would no doubt keep the pressure on for a major effort to combat hunger.

The National Nutrition Survey was authorized under an amendment to the Partnership for Health Act in 1967. The provisions of Section 14 of that Act are as follows:

"The Secretary of Health, Education and Welfare, in consultation and cooperation with other officials of the Federal Government and of the States, shall make a comprehensive survey of the incidence and location of serious hunger and malnutrition and health problems incident thereto and shall report his findings and recommendations for dealing with these conditions within 6 months from the date of enactment of this section."

The above language was intended to require that the survey be *nationwide*.

Before the Schaefer Survey began, an advisory group consisting of representatives of the Food and Nutrition Board and the American Academy of Sciences, the American Academy of Pediatrics, the American Institute for Nutrition, the Federated Association of Experimental Biology and Medicine, a representative of the Pan American Health Organization and staff physicians from Cornell, Michigan State, Utah State, University of California, Vanderbilt and the University of Texas among others, *recommended that the National Nutrition Survey include 20 states.*

This, said the advisory group, was the minimum number of states which should be included to make the survey "nationwide" and to show nationwide conclusions as to the "incidence and location of serious hunger and malnutrition" in the United States.

Thus, at the very least, 10 more states should be surveyed.

In addition, every expert who has commented on it, has said to the Select Committee that particular risk groups should be studied and that the study should include *all* income groups, not just the lowest 25% income census tracts that are now under study in the 10 Survey states.

This opinion is confirmed in the report of the Food and Nutrition Committee of the Urban Affairs Council to President Nixon at page 23. It says the Survey—

"Should be expanded in both FY 1969 and 1970 to allow it to build a fully adequate sample and to improve analysis of data collected,"

and that

"*The Survey might be limited only to the number of states needed to establish a full sample, or might go into all states on the grounds that it would stimulate greater concern and effort by state and local governments. (Five states have asked HEW to extend the Survey to their areas.)*"

Actually, 14 states have asked either to be included in the National Nutrition Survey or for technical assistance to conduct their own surveys.

Funding History

What's happened is this:

1. Schaefer has received about \$3.6 million to date. That is only enough to:

Survey 8 states

Analyze the data from 2 of the 8 (Texas and Louisiana)

2. He needs \$800,000 in FY 1969, which he has been requesting since last July to write contracts with Massachusetts and West Virginia, to complete the 10 state Survey. But even this won't enable him to analyze the data. It will just complete the 10 state-field study.

3. Schaefer's FY 1970 request to fund the study was \$2.5 million to be spent as follows:

\$500,000 to analyze the data from 8 of the 10 states (all but Louisiana and Texas, and report on the 10-state Survey.

\$1,000,000 for new studies as follows—

a. Indian reservations: \$400,000

- b. Three additional states to be surveyed to identify the most needy groups of risk and survey their malnutrition problems (to include Alaska, Puerto Rico or Hawaii as one of the states, a Midwest plains state as the second place, an unspecified third) : \$600,000.

\$1,000,000 for followup in the ten surveyed states to provide them with technical assistance to enable them to conduct their own further nutrition surveys of risk population groups and other income levels and for them to begin remedial action programs.

In January, HEW, as part of Schaefer's testimony was asked to provide information on the future of the Survey. Dr. Joseph T. English, Administrator of HSMHA, reported to the Select Committee on February 25 as follows:

"The first 10 state phase of the National Nutrition Survey is approximately 25% completed. In the judgment of the Nutrition Program staff, it will be possible to complete the field data collection on these by December 31, 1969, with a final report to be prepared within three months of that date.

"The \$2,216,000 available during Fiscal Year 1969 for the Nutrition Program basic support and state survey contracts is sufficient for the remainder of the fiscal year. Health Services and Mental Health Administration will provide adequate resources to complete the first phase of the National Nutrition Survey by December 31, 1969."

Note that Schaefer still needs \$800,000 of the \$2,216,000 referred to by English to complete the 10 state field operation.

In answer to the question:

"What additional states or areas need to be surveyed in order to get a more complete national picture of hunger and malnutrition for our entire population?"

English said:

"Phase I of the National Nutrition Survey is restricted to the populations in the lower quartile of income areas in 10 states. It does not include other income levels in these states, nor does it completely cover every geographic area of the United States and such special areas as Indian reservations, Alaska, Puerto Rico, Virgin Islands, and the Trust Territories, which have different demographic characteristics. Therefore, consideration will be given to including these areas in a second phase of the National Nutrition Survey.

"However, the need for a second phase will be dependent, to a large extent, upon the findings from the first phase. Once we have information on the prevalence of various types of malnutrition, location and causes, it is very likely that the procedures, including sampling, will need to be modified.

"At the present time, the Health Services and Mental Health Administration is developing plans for a continuing program of surveillance and remedial action based on the findings of phase I of the National Nutrition Survey. It is probable that second phase survey requirements would be integrated with this program.

"In establishing such a surveillance program, first priority would be given those areas not included in phase I. Attention would be directed to those areas which are uniquely different from a demographic high-risk standpoint, such as Great Plains, Indian reservations, Alaska, Virgin Islands and the Trust Territories."

This seems to convey a second-phase nutrition survey including "other income levels" and "every geographic area of the United States," plus special studies.

The Urban Affairs Council recommendation called for

\$1.3 million in additional funds in FY 1969 and \$2.5 million in FY 1970 to expand the Survey "to allow it to build a fully adequate sample . . ." and suggested that the Survey include "the number of States needed to establish a full sample," or "all States on the grounds that it would stimulate greater concern and effort by State and local governments."

Thus, English told the Committee essentially what Schaefer recommended in substance but without dollar figures, the Urban Affairs Council recommended the Schaefer \$2.5 million request for 1970 to finance "a full sample" or a survey in "all states."

Meamwhite:

Schaefer still doesn't have his \$800,000 for Massachusetts and West Virginia and at HSMHA and HEW (or perhaps at a higher level) a decision was made to cut Schaefer's \$2.5 million request to \$950,000 which will finance the completion of 10 states and analysis of the data;

stop the entire Schaefer operation at this point.

However, they are increasing the total budget for nutrition programs to \$5 million. Surveying will be turned over to the NCHS and action programs to the

NCDC (See beginning of this memo). Under this plan Schaefer would still get \$950,000. A HSMHA memorandum says that

\$250,000 would go to NCHS to "complete the program of 10 surveys begun in 1968, provide for follow-up data compilation and analysis, and if necessary, fund continuing monitoring of the status of nutrition under the National Health Survey conducted by NCHS; \$3,800,000 would go to NCDC. "These funds would be used to fund approximately 50 demonstration projects aimed at following up on the health aspects of nutrition and stimulating local action in more than 50 sites . . . It is intended that the 80 new positions provided in the nutrition program would be obtained through reductions of 59 positions in other chronic disease programs."

PUBLIC HEALTH SERVICE REPORT ON MALNUTRITION AND MENTAL DEVELOPMENT

THE SECRETARY OF HEALTH, EDUCATION, AND WELFARE,
Washington, D.C., July 3, 1969.

HON. GEORGE MCGOVERN,
Chairman, Senate Select Committee on Nutrition and Human Needs,
U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: I am enclosing a copy of a report prepared by the National Institute of Child Health and Human Development on the relationship between malnutrition and mental development. As I know of the keen interest of the Committee on this subject, I thought you might find this report useful and would consider its insertion into the record in connection with my testimony before the Committee in May of this year.

With best wishes.

Sincerely,

ROBERT H. FINCH,
Secretary.

Enclosure.

MALNUTRITION AND MENTAL DEVELOPMENT

ABSTRACT

Prepared by: U.S. Department of Health, Education, and Welfare, Public Health Service, National Institutes of Health, National Institute of Child Health and Human Development, Bethesda, Maryland, May 1969

1. Animal studies show that severe malnutrition during pregnancy and infancy will decrease physical growth, inhibit brain development, and alter behavioral patterns. The nature, severity, and reversibility of these effects depend upon the type of malnutrition imposed, the duration of nutritional deprivation, and the age period during which malnutrition occurs.
2. The dietary restrictions required to cause developmental changes in animals are usually more severe than those normally experienced in human populations; the extreme forms of protein-calorie malnutrition observed in children in many underdeveloped countries come closest to approximating these conditions. These malnourished children show decreased brain size, with fewer brain cells, plus behavioral abnormalities. Published studies report an effect of malnutrition on neurointegrative abilities.
3. Interpretation of human studies is complicated by man's social nature and the effects of social deprivation *per se* on mental development. A number of studies have attempted to eliminate one or another of these social variables; none have been completely successful in eliminating all. Taken together these studies support the hypothesis that severe malnutrition in early childhood adversely affects mental development; yet studies are needed which remove completely the bias introduced by social deprivation, a state known to have an adverse effect upon intellectual development. The evidence from human field studies and animal models indicates that the effects on growth, brain size, brain composition and behavioral variables warrant serious concern with the question of the direct contribution which malnutrition makes to intellectual competence.
4. Mental retardation occurs more frequently in premature or low birth weight infants than among infants of normal birth weight. The frequency of low birth weight infants is from two to five times more common among those living in poverty, the population in which malnutrition is known to exist. However, the ex-

tent to which maternal nutrition influences the development of the fetus, birth size, or prematurity remains uncertain.

5. Correlations of current nutritional status of children with mental test scores are difficult to interpret, particularly since meaningful IQ testing is normally done at ages well after the nutritional insult has been imposed.

6. It is not yet known whether a nutritional threshold exists below which behavior may be permanently affected but above which there are no permanent consequences. The effects of long-term exposure to low levels of malnutrition are similarly unknown.

7. The National Institute of Child Health and Human Development is currently supporting research grants and contracts totaling over one million dollars bearing upon the correlation between nutrition and mental development. Particular emphasis has been placed upon multi-disciplinary studies in human populations experiencing severe malnutrition. Additional studies in U.S. populations demonstrating less severe malnutrition are also in progress, with several others being developed.

8. Specific research projects needed to provide a clear answer as to whether malnutrition impairs mental development include:

a. Carefully designed and controlled longitudinal studies in populations in the United States to determine the effects of supplementation during pregnancy or during early infancy on ultimate intellectual achievement;

b. Coordinated research efforts conducted within current intervention programs which would provide meaningful data on the preventability or reversibility of mental subnormality associated with the poverty culture in which malnutrition exists;

c. Development of specific behavioral tests appropriate for comparisons among varied social groups and addressed to the cognitive and neurointegrative deficits that might result from malnutrition; if available, such tests would identify specific behavioral deficits and would facilitate development of targeted educational programs to prevent lifetime functional incapacity;

d. Improved methods for assessing the effects of malnutrition upon electrophysiological function of brain and studies to relate these, if possible, to brain development, intellectual competence, and behavior;

e. Exploration of the extent to which hunger or chronic undernutrition influence motivation, emotionality, attentiveness, and performance ability in pre-school and school-age children;

f. Evaluation of the social environmental factors which accompany malnutrition and their synergistic effects upon mental development; appropriate test procedures are particularly needed.

9. It is neither necessary, nor desirable, to delay establishment of appropriate programs to improve nutritional status and eating practices of mothers and infants until this research is completed. Existing information demonstrating the benefits of good nutrition on improved health and physical growth already thoroughly justify such efforts. Possible long-term benefits to intellectual ability and performance merely make the need more apparent and the solution more imperative. Completion of the research outlined in this paper will provide a basis for improving the effectiveness of targeted nutrition supplementation programs. The need to do so becomes increasingly apparent as funds, resources and personnel become limited.

MALNUTRITION AND MENTAL DEVELOPMENT

NEEDED RESEARCH TO CLARIFY CRITICAL QUESTIONS

A Special Report Prepared by Merrill S. Read, Ph.D., Growth and Development Branch, National Institute of Child Health and Human Development, May 1969

INTRODUCTION

The relation between malnutrition and mental development is complex, particularly in a social being such as man.

In considering this problem it is important to define malnutrition and to distinguish it from hunger. For purposes of this paper, *malnutrition* is viewed as a condition characterized by an intake of one or more nutrients so insufficient that specific clinical signs appear or retardation in physical development is observed.

The term *severe malnutrition* refers to a clinical syndrome arising from long-term protein-calorie malnutrition in early childhood. This is called kwashiorkor and results in extreme stunting of growth accompanied by edema, skin ulcers, and hair discoloration. Specific syndromes of malnutrition may result from consumption of diets inadequate in certain nutrients such as protein, vitamins or minerals; anemia, rickets, and vitamin deficiencies fall into this classification. Demonstrable growth retardation may or may not occur. *Hunger*, on the other hand, is the state of insufficient food intake required to provide a general sense of well-being and to meet immediate energy needs. If sufficiently prolonged and serious, hunger may develop into malnutrition. The damaging effects of hunger and malnutrition are more devastating in the child because he is a growing organism. Hunger may be easily and immediately relieved with food, whereas malnutrition required prolonged rehabilitation.

Animal studies clearly indicate a relation between severe malnutrition and body growth, brain size, behavioral patterns, and learning ability. The types and degrees of disability produced depend upon the timing, severity, and duration of nutritional stress. In humans, severe protein-calorie malnutrition during the first two years of life adversely affects head and body growth. Learning ability and behavior patterns are compromised in children who recover from severe protein-calorie malnutrition. Such severe malnutrition is seen frequently in developing countries and occasionally in the United States. Whether the types or nutritional inadequacies currently being described by the National Nutrition Survey affect intellectual competence is unknown.

Interpretation of human data is further clouded by the effects of man's social environment *per se* on mental development. Malnutrition is primarily a problem of the poor. Lack of opportunities for traditional intellectual stimulation among poverty groups may inhibit ability to perform tasks in schools and on tests. Expectations by parents and children also may be different. Unraveling these interactions in United States populations will require complex collaborative efforts of biological and behavioral scientists.

The following sections highlight representative aspects of this difficult problem. No attempt to cover the literature exhaustively is attempted here; those seeking additional details are referred to the attached list of selected references.

STATUS OF CURRENT KNOWLEDGE

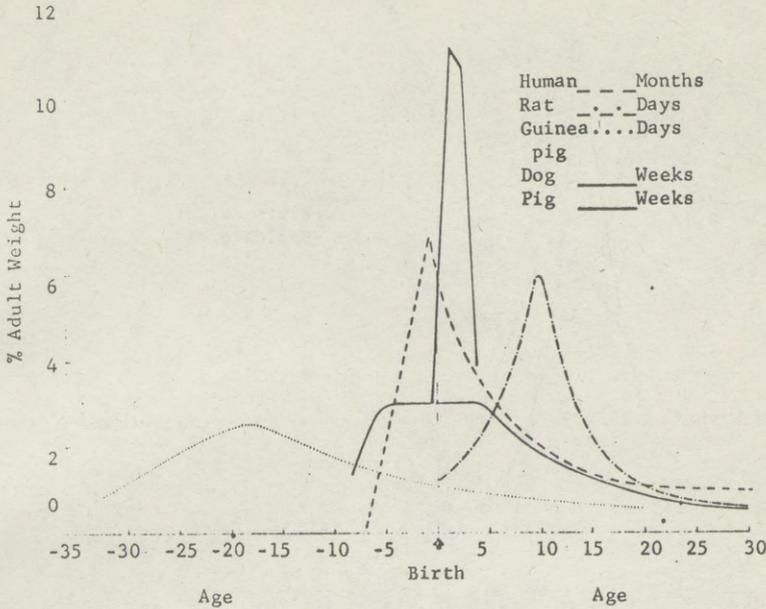
Animal Studies

Information from animal studies provides significant evidence concerning the relation between malnutrition and mental development. Comparative studies between species also permit the identification of critical periods in development when nutritional insults might be expected to have the most damaging effects.

Different animal species exhibit different rates of brain development before and after birth. As seen in Figure 1 (page 2673), different species may be classified as either prenatal, perinatal, or postnatal brain developers. The rat brain develops primarily after birth and the rat is, therefore, described as a postnatal brain developer. As a result of malnutrition during the *infancy* period, the rat exhibits behavioral deficits including reduced ability to solve maze tests and similar problems and a decreased curiosity accompanied by apathy. In this regard, it is interesting to note that the behavioral consequences of malnutrition may be overcome by regular and systematic stimulation (handling) of the infant rat; there appears to be a lower limit of nutritional deprivation which cannot be overcome by stimulation, however. Severe maternal malnutrition during *pregnancy* similarly impairs the later behavioral development of young rats. Some studies suggest that these effects are cumulative and may require more than one generation to correct.

At birth, the guinea pig (a prenatal brain developer) has a highly developed brain and nervous system so that postnatal malnutrition appears to have little effect on behavioral development. The pig brain, on the other hand, develops during the last trimester of pregnancy and in early infancy. When the infant pig's protein and calorie intake is restricted to cause growth stunting to one-third normal size, irreversible behavioral changes occur. These include impaired ability to learn new tasks or solve problems, reduced ability to modify outmoded

FIGURE 1



Brain growth rate curves (increments in fresh weight) in relation to birth in different species. The time scale has been arbitrarily adjusted proportionally to the average life span of each species. (Dobbing, J.M., p. 183 in Malnutrition, Learning and Behavior, ed. by N.S. Scrimshaw and J.E. Gordon, MIT Press, Cambridge, Mass. 1968).

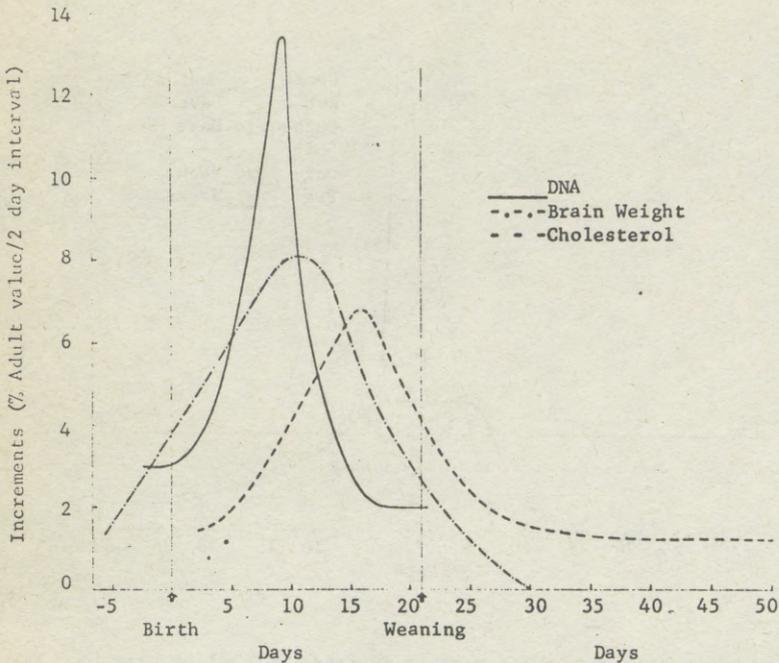
learned behavioral patterns, apathy toward new situations, and heightened impatience or frustration response. Severe restriction of the mother pig during her pregnancy results in very few viable piglets for follow-up studies.

Different parts of the brain develop at different times. In Figure 2 (page 2674), the amount of deoxyribonucleic acid (DNA) is an indicator of the number of cells formed, whereas the cholesterol relates to the production of myelin sheathing around brain cells. The increase in DNA content of rat brain precedes increments in total brain weight and in myelin formation. Undernutrition early in the postnatal period markedly decreases the amount of DNA (and hence the number of brain cells), an effect which may be irreversible if malnutrition persists for a sufficiently long period of time. Malnutrition occurring later in development, after the number of cells has been fixed, results in a decrease in cell size which can be corrected by nutritional rehabilitation. Such differences may explain the differential effects of nutritional insult depending upon when it occurs during development of different species.

Unfortunately, very little research on this subject has been done using sub-human primates which are more comparable to man. It has been shown in primates that social and sensory deprivation in infancy permanently and adversely influences behavioral development. Comparable deprivation in rats decreases the number of brain cells significantly.

More direct measures of central nervous system function in intact living animals are desirable. Electroencephalographic (EEG) and cortical evoked potential (CEP) measures may offer such an approach. In rats, malnutrition in in-

FIGURE 2



Normal rate of brain growth in rats. Increments of fresh weight, DNA, and cholesterol are expressed as percentages of the adult value. (Dobbing, J.M., p. 183 in *Malnutrition, Learning and Behavior*, ed. by N.S. Scrimshaw and J.E. Gordon, MIT Press, Cambridge, Mass. 1968).

fancy has been shown to alter EEG and CEP patterns suggesting delayed maturation. Responses to visual stimulation were more affected by malnutrition than were responses to auditory stimuli. These and similar data from dogs suggest impaired brain function and reduced ability to process information as a result of malnutrition.

Studies in Humans

The dietary restrictions required to induce developmental changes in experimental animals are several times more severe than are generally experienced in human populations. Direct translation of animal findings to the human is, therefore, not possible.

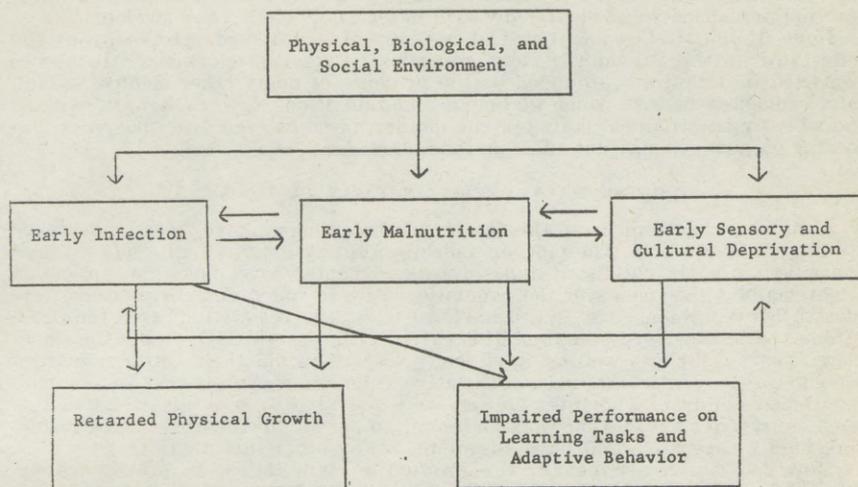
The human brain (a perinatal developer) in some ways resembles the pig brain in that its period of most rapid development spans the birth process. The effects of malnutrition during pregnancy and infancy might, therefore, be anticipated to be somewhat similar. Growth of the human brain is nearly complete by two years of age suggesting that malnutrition later in life might have minimal effects on brain structure.

In contrast to animal investigations, it is very difficult in human studies to extract social-environmental effects from the consequences of malnutrition, particularly since these often accompany one another. These interrelationships may be schematically summarized as in Figure 3 (page 2675).

MATERNAL MALNUTRITION, PREMATURITY, AND MENTAL DEVELOPMENT

Neurologic deficits, including mental retardation, occur more frequently in premature or low-birth weight infants. The frequency of low-birth weight infants is from two to five times more common among those living in poverty, the popula-

FIGURE 3



Environmental Factors and Developmental Retardation

tion in which malnutrition is known to exist. However, the extent to which maternal nutrition influences the development of the fetus, birth size, or prematurity remains uncertain.

In the human, some investigators claim that the fetus will obtain all the nutrients it needs even though the nutrients must be drawn from the mother's own body stores. In support of this concept, data are available suggesting that maternal malnutrition may not adversely affect birth weight of full-term infants; some African babies born to malnourished mothers are actually born larger than European babies. On the other hand, studies on previously well-nourished women who became pregnant during the near famine conditions of Western Europe during World War II indicate that these women gave birth to smaller than normal babies.

Malnutrition has been associated with smaller than normal babies in a number of underdeveloped countries. Many of these studies have been confounded by inclusion of premature along with full-term infants in the data. Low-birth weights, higher frequency of prematurity, and greater delivery difficulties are seen in adolescents, where nutrients needs for maternal growth are complicated by the needs of the developing fetus. Retrospective studies in post World War II Japan have shown increased birth weights as nutrition and medical care have improved.

Few well-controlled studies of the impact of maternal malnutrition on behavioral development of children have been reported. Investigations of children born to mothers during the "hungry winter" of starvation in the "Low Countries" during World War II have shown few permanent sequelae although the babies were smaller than normal at birth. Data to the contrary have been obtained in studies of North African children where the children of chronically malnourished mothers were larger than European babies at birth but later showed retarded development. Studies of twins also suggest that the smaller sibling may develop less satisfactorily, presumably due to intrauterine malnutrition. Full-term

babies that are smaller than normal at birth, and premature babies (regardless of social class) may also demonstrate an impairment of behavioral development. On the other hand, recent studies have shown that the isolated conditions which surround the premature infant during his first few weeks or months of life may also influence behavioral development, suggesting that caution be used in interpreting prematurity and small-baby data in terms of intellectual development.

None of the studies mentioned above have been directed specifically at the effects of nutritional improvement programs on fetal development. All studies reported to date are confounded by the presence of many other medical, social, and ecological factors which accompany malnutrition. Nevertheless, it remains possible that nutritional status of the mother, perhaps even over the years preceding pregnancy, has some effect on fetal and infant development.

SEVERE MALNUTRITION IN EARLY CHILDHOOD

A number of studies on this facet of the problem have been undertaken throughout the world. The pioneer multidisciplinary longitudinal study on malnutrition in early childhood and subsequent mental development was done in Guatemala. All segments of the population were included and correlations were drawn between biomedical and behavioral tests. The results indicated that children experiencing severe malnutrition early in life (particularly under the age of three years) did less well on intelligence tests than did their better nourished neighbors. In particular, neurointegrative function was impaired in the malnourished children. The investigators were not able to rule out social factors as a causative agent, rather than malnutrition *per se*. Nevertheless, these results are highly suggestive and have stimulated many other investigators.

More specifically pertinent to the question of malnutrition in infancy are studies underway in Chile. Chile has a high incidence of severe protein-calorie malnutrition during the first year of life. In recent years malnutrition is occurring at an earlier age than before because mothers are taking children from the breast, a primary source of protein, and attempting to substitute intervention programs (i.e., powdered milk distribution programs) which they do not totally comprehend perhaps because of inadequate education on milk reconstitution. Studies of Chilean infants have shown that severely malnourished children, when rehabilitated, have I.Q. score lower than adequately nourished children. Interpretation of these findings is clouded, however, by parallel studies showing that the child's I.Q. correlated with the I.Q. of the mother as well as with malnutrition in infancy.

Post mortem examination of Chilean children who died of severe malnutrition during the first year of life showed a significant decrease in brain cell number much as is seen in experimental animals. The data suggest that the younger the child when malnutrition struck, the more marked the effects. It has been further demonstrated that brains from well-nourished Chilean children who died accidentally contained the same number of cells as the brains of children accidentally dying in the United States. Brain cell studies have not been reported in United States children that have died from malnutrition.

Comparable studies with severely malnourished children have recently been reported in the United States. Among a group of 35 infants hospitalized with severe malnutrition during their first year of life, 19 were studied again, 3.5 years later. A matched control group from the same ethnic and socioeconomic group, born on the same day, was also studied. A statistically significant correlation between duration of severe malnutrition and mental development 3.5 years later was found. In most characteristics, the families of the children under study were similar; in certain characteristics they differed. In the malnourished group there were more siblings in the family, contributing to an apparent relative inadequacy of money for food and less time available to the mother for the infant. Also a higher incidence of alcoholism and a higher incidence of parental separation and maternal psychological problems were observed. These factors could have influence mental development.

In one of the earliest studies of human subjects, two groups of South African native infants were identified, one severely malnourished and the other not. Eleven years later, physical growth of the malnourished group remained below normal; head circumference was also smaller. Psychological tests suggested selective dysfunction in visuo-motor ability and pattern perception; some reduction of verbal skills was noted, but might have been due in part to perceptual problems. As in other studies, the families of the undernourished groups differed sig-

nificantly in the numbers of broken homes, employment, alcoholism, and other factors which could influence intellectual development. No systematic supplementation nor monitoring of dietary intake was undertaken.

The South African studies suggest that there may be selective effects of severe malnutrition on behavioral functions, much as has been reported in experimental animals. Five year follow-up of malnourished and well-nourished Lebanese children extend these concepts. Those children which experienced severe malnutrition associated with illness during the first 18 months of life not only were significantly retarded in growth but the age at which they began walking and talking was delayed. Scores on intelligence tests were also low, even though the I.Q. of the mothers did not differ between groups. Preliminary results are also available from a small group of Guatemalan children which had been diagnosed as severely malnourished and rehabilitated; age matched controls were never known to have suffered malnutrition. Differences between groups were not seen on many of the psychological tests used. However, a cluster of tests did suggest deficits involving short-term memory and attention span over time. These tentative findings must be replicated and extended to confirm whether differential deficits do in fact result from severe malnutrition. If confirmed, they will have enormous significance for future rehabilitation efforts.

CHRONIC UNDERNUTRITION

Within the United States severe protein-calorie malnutrition is seen infrequently, usually as a result of child neglect or abandonment. The more common forms of undernutrition are those of iron (anemia), vitamin A, and vitamin C. Impaired physical growth approaching that seen routinely in children in underdeveloped countries has recently been reported in some poverty pockets studied in the National Nutrition Survey. Few studies of the effects of these types of malnutrition on intellectual development have been reported.

In one study, 28 children under age three who were admitted to a hospital with iron deficiency anemia were compared to a matched group not having anemia. The children with anemia were found to have more illnesses, more feeding difficulties, and more behavioral problems than did the control children. The investigators attributed the behavioral deficits to parental failure rather than to nutritional insufficiency. More studies in this area are sorely needed, however.

Conclusions drawn from some Mexican studies may be suggestive in attempting to unravel the socio-environmental effects from those of chronic undernutrition as seen in poverty groups. It has been reported that 50% of rural Mexican children have experienced malnutrition before entering school, with 8-12% identifiable as having been severely malnourished. Intellectual performance at the time of entry into school appeared to be related to this history of malnutrition. Follow-up studies indicated that this relationship disappeared after several years of school attendance. After 4-5 years, differences in I.Q. appeared to be more related to socioeconomic conditions and regularity of school attendance; the I.Q. did not relate to nutritional status within socioeconomic groups.

A number of studies are just beginning to draw upon preschool and school-age populations in the United States. It will be several years before definitive answers will be available.

HUNGER

The effects of hunger may parallel those of malnutrition but be more immediately amenable to remediation. Studies done on adult volunteers during World War II clearly demonstrate a pattern of irritability, disinterest, apathy and other behavioral deficits as hunger and then starvation is experienced. Lesser effects under more moderate hunger conditions might be anticipated.

Hunger, as well as malnutrition, may interfere with learning ability even if it does not affect neurological structures with I.Q. Apathy, inability to pay attention in school, and overconcern about food during school may all reduce intellectual achievements without affecting the underlying potential to learn. Many teachers report such problems in children who come to school hungry. Few, if any, well-controlled studies of these relationships have been reported. Conversely, only variable success has resulted from attempts to correlate school feeding programs with improved school performance. Many of these studies have been done in school settings where hunger such as that seen in poverty groups was not common.

In considering the consequences of hunger, the social and cultural correlates are often overlooked. Hunger is part of the constellation of poverty. As such, it may signify personal inadequacy to the child such that his motivation to achieve is

reduced. In turn, this might interfere with his relation with his peers and his teachers. Similarly, the inability of parents to provide basic necessities such as food for their child may have deleterious effects on their own self-image, their attitudes toward their environment, their concepts of achievement, and their relationship with their children. These factors, too, will influence learning performance by the child in school.

CONCLUSION

Much is known about the relation between malnutrition and mental development. Much remains to be discovered, particularly in regard to the effects of chronic undernutrition, such as is seen in poverty populations in the United States, on intellectual ability and performance. The influence of the social factors surrounding malnutrition on mental development similarly is relatively unexplored.

It is neither necessary nor desirable to delay establishment of appropriate programs to improve nutritional status and eating practices of mothers and infants until this research is completed. Existing information demonstrating the benefits of good nutrition on improved health and physical growth already thoroughly justifies such efforts. Possible long-term benefits to intellectual ability and performance merely make the need more apparent and the solution more imperative. Completion of the research outlined in the following sections of this report will facilitate the development of and improve the effectiveness of targeted nutrition supplementation programs. The need to do so becomes increasingly apparent as funds, resources, and personnel become limited.

RESEARCH SUPPORTED BY NICHD

Within the NIH, the NICHD has been assigned primary responsibility for investigations of the relationship of malnutrition to learning and behavior. Research efforts have been steadily increasing in recent years as funds have become available and scientifically sound research projects have been developed. At present, NICHD is supporting 10 grants (totaling \$350,000 per year) directly related to the question of nutrition and mental development; a number of additional grants are under review. These projects are supplemented by a number of contracts (totaling \$730,000 per year) with additional contracts under development. These efforts are extended by several studies of premature infant development (including EEG measures) plus a large number of studies on inborn errors of metabolism which, while not immediately relevant, will increase knowledge of basic metabolic mechanisms in the brain which underlie the effects of malnutrition on mental development. Among NICHD-supported projects, the following deserve special mention:

Animal Studies

Among the animal studies, one is concerned with the biochemical basis for learning and is seeking to relate motivation and learning to general and cellular physiology by means of nutritional variables. Other projects are pursuing the effects of maternal nutritional restriction during pregnancy on the behavioral development of the progeny in rats and pigs; it is hoped that these studies will more closely identify behavioral deficits associated with specific periods of development as a guide to planning future human studies. Inasmuch as gross malnutrition in the human includes more than protein deficiency, animal studies are also being conducted to evaluate the effects of calorie, fat, and vitamin deficiencies, singly and in combinations, on behavioral development. Still another investigator is exploring differences between males and females as they are affected by nutritional deprivation during early infancy; preliminary data on pigs show that behavioral changes may be more marked in the male. Studies on nutritional restrictions and brain cell development in monkeys have recently been implemented.

Human Studies

As noted previously, the development of behavioral deficits in animals depends upon severe nutritional deprivation of the type only seen in severely malnourished children. NICHD has, therefore, organized several studies in South and Central America, where protein-calorie malnutrition is endemic, thereby providing a natural test area for the relationships between nutritional deprivation and intellectual and social development.

The largest of these studies is a contract for work in the Guatemala highlands. This study involves matched pairs of rural isolated villages, one of which

is provided a protein-rich food supplement and medical care. The other village also is receiving medical care but no food supplement.

Efforts are being made to match, within each pair of villages, social inputs that might influence intellectual development. Careful study design permits investigation of variables such as social status, family interrelationships, and parental expectation which influence child development. Continuous monitoring of data will provide measures of intellectual development up through age six. Now in its fourth year after an intensive period of developing and testing new methodologies, the study has entered the definitive stage with initiation of the supplementation program.

A second study, also under contract, is designed to study the development of pairs of siblings living in urban ghettos in Bogota, Colombia. These pairs of children, all under the age of three years, will include one acutely malnourished and one adequately nourished child, both of who will be supplemented throughout the study. This design permits control of genetic variables and, to a considerable degree, the social and environmental factors surrounding malnutrition. Many of the tests being used in the Guatemala study will be used in Colombia, plus other measures for delving more deeply into emotional development.

Recently awarded grants support two other studies in the Western Hemisphere. In Mexico a small, elegantly designed study is focusing on nutrition of the mother and the infant, including controlled studies of breast milk consumption. Premature weaning without adequate nourishing food is increasingly recognized as a probable factor in impaired development of the central nervous system and in possible behavioral deficits in deprived children. Another project, in Chile, utilizes children who have been hospitalized with severe malnutrition at a very early age, often as young as 4-6 months. The behavioral patterns of these children following nutritional rehabilitation are being studied.

Another study is designed to follow nutritional status and child development in a U.S. population, starting during the pregnancy period and extending to age 5. This study is focusing on rural poor mothers and their children. A major contract to study the effects of nutritional supplementation of urban pregnant women on prematurity, birth weight, and mental retardation of their infants has recently been funded. Assessing the effects of nutrition education efforts on maternal attitudes and food practices is included in this project.

RESEARCH NEEDS

Present research findings demonstrate that malnutrition adversely affects physical growth. Human intellectual capability may be reduced, although this has not been established clearly. The age at which malnutrition may affect mental development is not known, a point which will be important in planning effective nutritional intervention programs. To find answers to these questions, it is necessary to view child development research in the broad sense, including factors occurring before birth and in the social environment of the child.

Critical Periods in Development

Because development is a continuum throughout life, it cannot be readily separated into distinct components. Nevertheless, there would appear to be a number of critical periods. For example, biological development of the brain (size, cell number, cell form) appears to occur primarily during pregnancy and the first year or two of life; behavioral development (learning, emotionality, social growth) occurs postnatally, with the infant and early childhood periods being most important. Assuming that malnutrition adversely influences human mental or behavioral development, research is sorely needed to determine specific periods when preventive and therapeutic nutrition programs may be most effective. It is possible that feeding programs *after the age of 5 or 6 years* may have little effect on mental development, as differentiated from effects on physical growth or on motivation and performance. It is also possible that the nutritional threshold below which mental development may be impaired is breached too seldom to warrant feeding programs on this basis alone.

Intrauterine Malnutrition

Well-designed studies on nutritional inadequacies in pregnancy are critically needed, particularly as related to prematurity, infant mortality or morbidity, and subsequent development of the baby. Well-controlled investigations of the effects on nutritional supplementation of the mother during pregnancy on child development would be particularly meaningful if conducted among American

ghetto or rural poor populations. The studies in Guatemala suggest that malnutrition of the mother during pregnancy is accompanied by altered placental development which in turn may impair fetal development; verification of this possibility in the United States and in populations with varying levels of nutrition is vitally important. Careful research is needed on the biochemical changes accompanying brain development during prenatal development and childhood, both under good and poor nutritional conditions.

Community Studies

Well-designed and controlled community studies such as those currently underway in South and Central America are needed in the United States. Population mobility, relatively few pockets of gross malnutrition, and the high cost of organizing and supporting the needed interdisciplinary research teams have impeded attempts to organize such studies to date. It would be very desirable to conduct carefully planned studies in conjunction with food distribution programs, maternal and child health programs, and day care or early childhood education projects. Quality control over data-gathering analysis would be a critical factor in making such studies meaningful. A particularly valuable contribution would be made by studies of chronically undernourished populations typically seen in urban and rural poverty areas or in certain population groups such as the American Indian. Does this undernutrition have consequences which are intermediate between the effects in grossly malnourished individuals and those who are well nourished? Population studies to explore the degree to which recurrent infections or disease influence nutritional status and modify the environment so as to impede behavioral development should be undertaken. Unfortunately, the meaningful assessment of the nutritional status of individuals, in contrast to groups, is difficult, particularly under the less severe nutritional conditions found in the United States. Correlation of individual nutritional status with mental test scores will be correspondingly difficult, thus clouding the interpretation of data which might be obtained from population studies. Research to improve methods for assessing individual nutritional status is badly needed.

Measuring Psychological Effects of Malnutrition

Learning ability or intelligence is even more complex in man than in animals. It is composed of many subfactors—such as memory, language, problem-solving strategies—and may modify or be modified by other behavioral characteristics—such as emotions, reactions to stress, aggressiveness, etc.

Each of these subfactors may be differently influenced by malnutrition because of the specific type, severity, duration, or timing of deficiency with respect to critical developmental periods. Animal studies have repeatedly indicated that nutritional deficiencies may selectively affect only some of the behavioral characteristics in a given species. Although grossly malnourished individuals often appear apathetic and non-competitive, the nature and types of behavioral changes in humans need clarification, particularly if social or educational remedial measures are to be provided to those already affected. *Specific behavioral tests are needed for the identification of psychological damage*—tests that measure equally well the changes in the middle-class person and in the deprived individual raised in a different social and expectational setting. Some such tests have been developed for the Guatemalan studies mentioned earlier . . . tests that appear to work well in the United States and Guatemala . . . but more refinements are required. It also would be desirable to have more direct measures of brain function in individuals who have been well-fed or malnourished. Adaptations of EEG and associated electro-physiological measurements offer promise; much more research on these is required before scientists can be certain what is being measured and the significance of any observed changes in brain waves.

Another problem requiring early attention relates to food and performance. At present there is insufficient evidence demonstrating whether or not hunger or chronic undernutrition influences motivation, emotionality, attentiveness, and ability of school age children to perform. Explorations as to whether deficiencies, such as anemia, currently being reported from the National Nutrition Survey, relate to one or more behavioral or achievement patterns in Head Start pre-school programs would be illuminating and helpful.

The Environment of Malnutrition

Malnutrition does not occur alone. Rather, it exists as part of a constellation of social and medical factors which may also influence learning ability and behavioral patterns. Two equally well-nourished children may be raised in such

different social environments as to differ dramatically in intelligence scores and performance; the converse is also possible. Identifying the determining factor—malnutrition, social variables, or disease condition—is not easy. Research is needed to refine available methods for unravelling these interlocking influences.

Nutritional intervention programs also influence the environment in a way that may modify mental development and behavior. In the Guatemala studies, pilot testing of the nutritional supplement program resulted in changes in the attitudes of mothers towards dress, personal hygiene, and socializing with others in the community, even though these were not specifically emphasized by the project staff. The children also became more active, playful and noisy along with a noticeable increase in growth. The extent to which the behavioral changes relate to better nutrition or to other social-environmental factors is not yet clear. Until there are answers to such questions as these, interpretation of human studies of nutrition and mental development will remain difficult.

The environment of malnutrition . . . social, biomedical, attitudinal . . . has significance beyond the problem of interpreting results from population studies. Past nutrition improvement programs in this country have been directed at middle-class populations; they have not worked well with the poor and socially deprived, for which new programs need to be developed. In doing so, the environment of malnutrition needs careful reevaluation. Food patterns and food choices often may be based less on rational interpretation of "known facts" than on ignorance, myths, and misconceptions. Just because a person is poor does not mean that food is accorded top priority among purchase opportunities. A great deal more needs to be known about the environmental conditions leading to or perpetuating malnutrition in psychosocially or economically deprived individuals. Family attitudes towards food, health, and development of the young child need clarification to focus educational efforts properly. Relatively little is known about why one family may experience malnutrition while another does not, given the same socio-economic conditions and welfare benefits. Similarly, why does one child in a family become malnourished while other children are spared? These questions require answers if sound nutrition improvement programs are to be undertaken within a framework of limited funds, resources and personnel.

Animal Studies

Emphasis has been placed on the need for more controlled human studies. Additional animal research can also provide valuable answers to guide future programs. For instance, more extended chemical studies—on several species over the full developmental period—are required to improve our knowledge of how nutrition may influence brain and neurological development, and to correlate these changes with life-span behavioral alterations. In particular, the development of a suitable *animal model* closely related to man phylogenetically, physiologically, developmentally, and behaviorally is critically important if we are to understand the mechanisms behind the nutrition-mental development relationship. Monkeys appear to be the most promising model, although their use has been restricted by an acute shortage. Expanding primate breeding facilities would be a major contribution to this and related developmental research.

Training for Research

The research outlined above requires scientists trained in a variety of social and biological disciplines as well as those trained in more traditional clinical or experimental areas of nutrition. Special training programs need to be developed to provide broad based specialists.

SELECTED REFERENCES ON NUTRITION AND MENTAL DEVELOPMENT

1. Boutha-Antoun, S., S. Babayan, and J. K. Harfouche, *J. Trop. Pediatrics* 1968 (Sept.): 112-115. "Intellectual development related to nutritional status."
2. Chase, H. Peter, and Arnold P. Martin, Paper presented at annual meeting of the American Society for Pediatric Research, Atlantic City, N.J., May 1969. "Undernutrition and Child Development."
3. Coursin, D. B. Borden's Review of Nutrition Research XXVI—1965, "Under-nutrition and Brain Function."
4. Cravioto, J., E. B. DeLicardie, and H. G. Birch, *Pediatrics* 38 (Suppl. No. 2 Part II): 319-372 (1966). "Nutrition, Growth and Neurointegrative Development: An Experimental and Ecologic Study."
5. Dobbing, J., *Science Journal (British)* 3 (5): 81-86, 1967. "Growth of the Brain."

6. Frankova, Slavka, in *Malnutrition, Learning, and Behavior*, N.S. Scrimshaw and J. E. Gordon (Ed.), MIT Press, Cambridge, Mas., 1968; 312-323. "Nutritional and Psychological Factors in the Development of Spontaneous Behavior in the Rat."
7. Morecek, J., W. Himwich, J. Mysliveck, and D. A. Callison, *Brain Research* 6:241-51, (1967). "The Role of Nutrition in the Development of Evoked Cortical Responses in the Rat."
8. Read, Merrill S., "Nutrition and Ecology: Crossroads for Research" Presented at the Conference on Malnutrition as a Problem of Ecology, October 1968 (In Press, 1969).
9. Scrimshaw, N.S., *The American Journal of Clinical Nutrition* 20: 493-502, 1967. "Malnutrition, Learning and Behavior."
10. Scrimshaw, N.S., and J.E. Gordon (Ed.), "*Malnutrition, Learning and Behavior*." MIT Press, Cambridge, Mass. 1968.
11. Stoch, M.B., and P.M. Symthe, *S. African Med. J.* 1967 (Oct. 28) : 1027-1030. "The Effect of Undernutrition During Infancy on Subsequent Brain Growth and Intellectual Development."
12. Symposium: "Relationship of Nutrition to Central Nervous Systems Development and Function," *Federation Proceedings* 26: 134-51 (1967) :
 1. Coursin, D.B., "Overview", pages 134-38
 2. Graham, G.G., "Effects of Infantile Malnutrition on Growth," pages 139-43.
 3. Barnes, R.H., "Experimental Animal Approaches to the Study of Early Malnutrition and Mental Development", pages 144-47.
 4. Witkop, C.J., Jr., "Genetics and Nutrition," pages 148-51.
13. Werkman, S.L., L. Shifman, and T. Skelly, *Psychosomatic Medicine* Vol. XXVI, No. 2, 1964. "Psychosocial Correlates of Iron Deficiency Anemia in Early Childhood.
14. Winick, Myron and P. Rosso, *Pediatric Research* 3:181-184, 1969. "The Effect of Severe Early Malnutrition on Cellular Growth of the Human Brain."
15. Zamenhof, S., E. Mathews, and F. L. Margolis, *Science* 160:322-3. (1968). "DNA (Cell Number) and Protein in Neonatal Brain. Alteration by Maternal Dietary Protein Restriction."

THE HUNGRY AMERICANS

(Report of Secretary of Health, Education, and Welfare Robert H. Finch to the National Governors' Conference)

I. THE DIMENSIONS OF THE PROBLEM

The Department of Health, Education, and Welfare recently issued the first results under the National Nutrition Survey being conducted by Dr. Arnold Schaefer. This survey has thus far examined 12,000 persons in four states; 10 more states will be added during 1969. Among his sample group, 80 percent of whom had incomes under \$5000 per year and the majority of whom had incomes under \$3000 per year, Dr. Schaefer found that:

One-third of the children under six were anemic;

One-third of the children under six suffered from vitamin A deficiency;

One-sixth of those in all age groups studied were deficient in vitamin C.

He found evidence of rickets, protein malnutrition, goiter, and abnormally bad dental conditions. Eighteen percent of all subjects in the survey over 10 years of age reported that it was painful and difficult to bite and chew. Ninety-six percent of the sample had an average of 10 teeth decayed, filled or missing with five of these needing immediate attention. Three and one-half percent of the sample showed bone growth retardation—a major warning signal that other forms of retardation may have occurred.

Dr. Schaefer's reports on malnutrition confirm the inevitable consequences of poverty in this country. We already knew that there are over 12 million Americans living with annual per capital incomes under \$550, or \$2200 for a family of four. The United States Department of Agriculture estimates that such a family must spend between 66 and 75 cents per person per day to have a balanced diet at absolutely minimum levels. This adds up to \$1000 to \$1100 per year which such a family should spend on food. Yet that family must also cover its fixed costs, such as rent, utilities, clothing, transportation and medical bills, and cannot do that with \$1100 remaining. Typically, then, it is the food budget which is cut

back. Moreover, there are some 1.8 million families whose incomes are under \$1000 per year. For those people, mere survival is a daily contest.

We have Federal programs to deal with these problems, but they are woefully inadequate. There are about 26 million poor in the country, but only about one-third of them are reached by welfare programs. We have had direct food assistance programs since the 1930's, but still only slightly above 6 million of the poor are helped by the surplus food distribution and food stamp efforts.

There are still over 500 counties which are not served by either the surplus food distribution or food stamp programs, and in many areas where such programs do exist the participation by the poor may be as low as 5 percent.

Some assistance is provided by the Child Nutrition programs, of which the School Lunch Program is the best known. While it serves 20 million students, only 2 million are from among the poor. Another 4-5 million poor children, including many in our depressed ghetto areas, do not receive school lunches.

II. THE RESPONSIBILITY OF THE DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

The Department of Health, Education, and Welfare carries a heavy responsibility in dealing with this problem.

First, hunger has direct consequences in terms of health. It is fairly well confirmed that malnutrition in the pregnant mother, particularly protein malnutrition, can precipitate premature birth, mental retardation or actual infant deaths. If an infant does not have a balanced food supply during the final months in the womb and during the first months of his life—the period of fastest brain development—the risk of mental and physical retardation mounts. The malnourished child spends longer periods in convalescence, is more vulnerable to disease, and may simultaneously suffer from other more readily apparent ailments which further debilitate the body. Physical development and vigor may be adversely affected.

There are also certain obvious educational ramifications of the problem. Malnutrition and hunger have been shown to affect a child's ability to learn and to concentrate. Moreover, the educational system offers a major resource, if properly used, for the feeding of children and for the transmission of good nutritional practices to their parents.

Finally, we know that if our welfare programs were more effective, people would have the means to buy food to feed themselves.

With these responsibilities in mind, I am today directing this Department to take certain specific steps.

First, I am directing the Assistant Secretary for Health and Scientific Affairs to expand and strengthen the National Nutrition Survey to cover more states, to improve analyses of data obtained, and to follow-up on those cases found to require immediate medical attention.

Second, I am directing the Administrator of the National Institute of Child Health and Development to provide me with data on the interrelationship between malnutrition in the pregnant mother, malnutrition in the infant, prematurity, infant deaths, and mental retardation. I am particularly concerned over the possible learning retardation which can result from improper nutrition in infancy and early childhood.

Third, I am initiating a special Department-wide review to examine how we can take preventive and remedial action in dealing with malnutrition and its consequences.

Finally, we will be reviewing the intricate structure of responsibilities between the various agencies of government, the counterpart state agencies, and county agencies and officials to determine how we can further improve our joint effort.

III. CONCLUSION

The President has asked that I bring these matters to your attention so that we might jointly plan for more effective action. There is no special Federal wisdom on this matter. We need your advice and your assistance. We need your strong influence to make existing programs work better, and to provide the health and educational services to the poor that must accompany any increased food supply. I hope very much that at your forthcoming conference you will establish a mechanism through which we can work together for a decisive attack on hunger in our land.

THE SECRETARY OF HEALTH, EDUCATION, AND WELFARE,
Washington, D.C.

DEAR MR. BYRLEY: The President has asked me to present to the Governors at their meeting beginning on February 26 a report on the extent of hunger and malnutrition among the nation's poor. During these first few weeks in office, the new Administration has been most concerned to learn of the severity of this problem, and I would appreciate your transmitting the attached report to the Governors as soon as possible.

I hope that we will be able to develop improved means of attacking this problem through a strong Federal, State and local partnership. I am looking forward to discussing this matter with you and the Governors at the forthcoming meeting.

Sincerely,

ROBERT H. FINCH,
Secretary.

MATERIALS ON USDA CIVIL RIGHTS ENFORCEMENT

CORRESPONDENCE WITH SECRETARIES FREEMAN AND HARDIN

DEPARTMENT OF AGRICULTURE,
OFFICE OF THE SECRETARY,
Washington, January 17, 1969.

MR. HOWARD A. GLICKSTEIN,
Acting Staff Director, U.S. Commission on Civil Rights,
Washington, D.C.

DEAR MR. GLICKSTEIN: Your letter of October 8, 1968, together with the report entitled "The Mechanism for Implementing and Enforcing Title VI of the Civil Rights Act of 1964," has been received in the Department and has been given careful study.

We in the Department of Agriculture recognize that the job of ensuring civil rights to all has not been completed. Our experience over the last four years has indicated that more resources organized somewhat differently might well speed the accomplishment of our civil rights objectives. I am setting in motion certain changes to be effective in 1969.

First, I want to comment on your report. I cannot let pass unchallenged your assertion that: "One of the most enduring impressions of this Commission throughout its various opportunities to observe the Department of Agriculture over the past four years, is that officials charged with administering agricultural programs do not feel and have not been told that equal opportunity is a matter of highest priority in their work."

The subjective judgment that these officials do not feel that equal opportunity is a matter of the highest priority is unfair to the men and women in the Department. Your statement is simply not true.

To suggest that these officials have not been told that equal opportunity is a matter of the highest priority is to ignore my oral and written directives to these same people.

Since the report deals with problems yet to be solved, I must point to the very considerable progress which has been made. I cannot list all of the areas, but at least some should be put in the record.

INCREASED PARTICIPATION IN FHA LOANS

Minority group persons have steadily received greater numbers of loans made by the Farmers Home Administration and also an increasing dollar volume. In the 16 southern States FHA loans to Negroes have increased from 10,985 in 1964 to 21,636 in 1968. Your office has this information.

You should also know that minority group persons not infrequently constitute a larger percentage of the FHA County Supervisors caseload than they constitute of the population as a whole. In 88 selected counties of 14 southern States Negro families are 42.2 percent of the population and have received 56.2 percent of all FHA rural loans to individuals (36.7 percent of total dollars loaned) in 1967. Negro farm operators who constitute 38.7 percent of the total farm operators in these counties received 57.2 percent of FHA farm loans (but only 31.3 percent of total dollars loaned).

INSURED RECREATION LOANS MADE SUBJECT TO EQUAL OPPORTUNITY PROVISIONS

For several years, on the advice of counsel and the Attorney General and with the knowledge of the U.S. Commission on Civil Rights, loans to recreational associations were not thought to be subject to the provisions of Title VI of the Civil Rights Act of 1964. Through persistent and determined effort, culminating in a ruling from the Attorney General, these loans are now recognized as being covered by Title VI. No loan has been made to a recreational association without Title VI guarantee, since May of 1968.

EQUAL OPPORTUNITY IN HOUSING PROGRAMS

USDA is cooperating with the Department of Housing and Urban Development towards the elimination of racial discrimination in housing and expansion of housing programs. This refers not only to the programs offered by FHA and embodied in Sections 235, 236, and 237 of the Housing and Urban Development Act of 1968, but also to USDA space in areas where housing for employees might not be available on an open and nondiscriminatory basis. Administrator Knott of the General Services Administration knows of our concern on the latter point.

EQUAL OPPORTUNITY AND EMPLOYMENT PROGRESS IN COOPERATIVE EXTENSION SERVICES

Negro professionals and non-professionals have been merged into the formerly white Cooperative Extension Services. The former white and non-white offices are now housed under the same roof, and work continues toward merger along functional lines. Separate supervisory structures for Negro and white CES employees have been eliminated.

Subject matter assignments are made with increasing frequency on the basis of agents working in their areas of specialty without regard to race. Segregated training for white and Negro staff members has been eliminated in all States. The same quality of training regardless of race is afforded to all. 4-H youth programs and events at the county, district, State and National levels have been integrated.

Services to non-white farmer operators in 13 southern States are more than proportionate to their number. During 1967, 82 percent (1,048,180) of the participants in Extension Service agricultural meetings were white and 18 percent (230,286) were non-white; 81 percent (1,613,633) of consultations were held with white farm operators and 19 percent (375,408) with non-white operators. The 1964 Agricultural Census showed that 93 percent of the farm operators (including tenants) were white and 7 percent non-white.

On August 29, 1968, regulations were issued to assure that the Cooperative Extension Services provided equal employment opportunity without regard to race, color, national origin, sex, or religion. The President of each State Land-Grant College and University is required to furnish to my office a positive, continuing program to assure that employment is provided without discrimination.

RESEARCH GRANTS TO NEGRO LAND-GRANT COLLEGES

Special efforts in 1967 placed \$283,000 of cooperative research funds in 16 Negro Land-Grant Colleges. This support is being continued on an annual basis. Additional research contracts and grants by USDA research agencies to Negro colleges totaled \$158,000 in 1967.

SOME FUNDING TERMINATED FOR NONCOMPLIANCE WITH CIVIL RIGHTS

Proceedings directed towards the termination of Forest Service revenue sharing payments are underway in 55 counties. In nine other counties, terminations have been completed. Although a recent amendment to the HEW-Labor Appropriation Bill has delayed action in 31 cases by requiring that USDA process them without benefit of HEW findings or recommendations, fifteen of these have since been processed and are now awaiting the signature of the Secretary of HEW.

CIVIL RIGHTS AUDIT

The Office of the Inspector General is continuing to conduct priority audits and investigations. The equal opportunity program is included in the coverage of on-going audits of State and county offices throughout the country. In addition, we are currently conducting two special audits relating exclusively to civil rights activities in some 16 States and 200 counties. Inquiries are made on the basis of requests from both inside and outside the Department and on our own motion.

PROPORTION OF MINORITY EMPLOYMENT IN USDA HAS INCREASED

Total USDA employment of persons from minority groups in GS grades and similar positions increased from 4.0 percent (3,200 persons) in 1964 to 7.2 percent (5,925 persons) in 1967. Total USDA employment of persons from minority groups increased from 4.7 percent (4,294 persons) to 8.2 percent (7,460 persons). In the upper grades, GS-12 and higher, minority employment more than tripled in this period—and increase from 80 in 1964 to 277 in 1967.

Other new or expanded programs and services having indirect benefit to minority groups include:

HOUSING FACILITIES FOR RURAL TRAINEES

In several instances over the past several years, training programs for low income rural families were never operated because funds for housing families in training were not available from any of the program sources. In a number of cases localities were too poor to provide housing and building facilities to allow designated programs to proceed. The Department sought successfully to have Section 1002 of the Housing and Urban Development Act of 1968 amend Section V of the Housing Act of 1949 to provide housing during the time wage earners displaced from farm employment are being trained for other skills. Five million is requested for this purpose in the President's 1970 budget.

FOOD STAMP PROGRAM EXPANSION

The Department supported the amendment to the Food Stamp Act which would have provided for a four-year extension of the program, with no ceilings set on the amount that could be appropriated by the Congress. The amendment which was signed by the President provides appropriation authorization through December 31, 1970. This amendment authorized appropriations not in excess of \$315 million for the fiscal year ending June 30, 1969, not in excess of \$340 million for the fiscal year ending June 30, 1970, and not in excess of \$170 million for the period ending December 31, 1970.

FOOD PROGRAMS EXPANDED TO MORE COUNTIES

The number of counties and independent cities with an operating food stamp or commodity distribution program has increased from less than 2,000 in 1965 to more than 2,500 in 1968. Our goal is to have family food assistance programs available to the poor in all counties by the end of fiscal year 1970.

NINE HUNDRED AND NINETY-EIGHT POOREST COUNTIES NOW HAVE FOOD ASSISTANCE PROGRAMS

Food assistance programs are now in operation in 998 of the thousand poorest counties; the remaining two are scheduled to resume distribution programs this month. This group includes 331 poor counties which were not participating last July 1 and 253 so-called distressed counties mentioned last April by the Citizens' Board of Inquiry. In order to expand food assistance as rapidly and as widely as possible, we provided financial help to start and keep programs going in 188 counties, and are actually operating programs with USDA personnel and funds in 49 other counties.

COSTS REDUCED FOR FOOD STAMP PARTICIPANTS

The Department has decreased the maximum participation cost to food stamp participants, with the lowest level of income, from \$2 per person monthly, with a family maximum of \$12, to fifty cents per person monthly, with a family maximum of \$3. To further increase participation in the food stamp program, I have directed the restructuring downward of the price schedules, in the lower categories of income, governing the purchase of the stamps. This will have the effect of increasing the value of bonus stamps and lowering the cost of participation.

NUTRITION EDUCATION FOR POOR STARTED

We have undertaken an expanded Nutrition Education Program for the poor as a part of the total program of the Federal and State Cooperative Extension Services. During the remainder of this fiscal year, between 3,200 and 3,500 aides

will be employed from among the poor to work with the poorest families in both urban and rural areas. During this period we expect to work with 175,000 to 200,000 families. We have a projected program for the next fiscal year for the employment of 4,000 aides to work with about 400,000 poor, hard-to-reach families.

NATIONAL GUIDELINES SET FOR MORE EFFECTIVE SCHOOL LUNCH ASSISTANCE

The establishment of national guidelines for determining eligibility of children for free or reduced price lunches has been accomplished. The standards and procedures, with revised regulations to implement them under the National School Lunch Act and the Child Nutrition Act, were published in the Federal Register on October 23, 1968.

These, then, are the results that a more comprehensive report of the Department's civil rights activities in the Title VI area might have spoken to. I recognize that the report was not intended to be a review of the Title VI posture of the Department of Agriculture. But surely a failure to note our progress in such a critical report would be misleading and unfair.

It is true that when the Civil Rights Act of 1964 was enacted, the Department of Agriculture, along with many other Federal and State agencies, had situations that required correction. And our attempts at improvement have been impeded by restrictions imposed by tradition, statute and funding. In some cases, informal restraints on improvement have been as formidable as formal constraints. The Department's capacity to impose rapid transition in this area has not been separable from the total commitment of the community to equal opportunity and democratic processes.

Certain recommendations in the report are constructive and I'm sure will be used should the Department decide to alter its present Title VI enforcement and implementing program. Other parts of the report do not accurately represent or account for efforts made in the Department to meet some of the goals which we mutually agree are desirable.

I have requested additional funds in the next fiscal year's budget to be used to speed the accomplishment of our civil rights objectives. Availability of these funds of course depends upon Congressional approval. I do not, however, feel it wise to restructure this program at this late date in my administration and leave my successor with an organization to operate which he had no role in developing and which may not meet program needs in the civil rights area as he sees them.

Be assured that this Department is dedicated to a total compliance with the requirements of equal opportunity in all of its programs and nothing short of accomplishing this will be tolerated.

Sincerely yours,

ORVILLE L. FREEMAN.

COMMISSION ON CIVIL RIGHTS,
Washington, D.C., January 20, 1969.

HON. CLIFFORD M. HARDIN,
Secretary of Agriculture,
Washington, D.C.

DEAR CLIF: As you know, it has been my privilege to serve as Chairman of the U.S. Commission on Civil Rights since the Commission's establishment in 1957. One of the major responsibilities of the Commission has been to appraise Federal programs and policies to determine whether they are contributing to the goal of equal opportunity. In carrying out this responsibility, the Commission has maintained a continuing interest and concern over problems of racial discrimination and inequity in the operation of programs administered by the Department of Agriculture.

You may recall that in 1965, the Commission issued a report entitled "Equal Opportunity in Farm Programs", which found numerous examples of overt discrimination in the operation of a number of Agriculture programs. Although the Department has taken some corrective action since that report was issued, the gap between "what is" and "what ought to be" remains distressingly wide.

It seemed to me, at this point in time when you are assuming the responsibility of heading the Department of Agriculture, that it might be useful to share with you some of the concerns that our Commission has regarding the performance of

the Department in matters relating to civil rights and to outline to you some recommendations we have for ways in which the Department's performance can be improved.

One obvious factor of critical importance to an effective civil rights program in any department or agency is the personal commitment and leadership of the Secretary. Of equal importance is for this personal commitment to be communicated in such a way as to result in action by agency officials on the working level. As you can appreciate, this is not an easy task. For one thing, it is difficult for the head of a large agency to break through the walls of insulation that tend to surround him so as to find out what is really going on at the working level.

Further, those who carry out the day-to-day work of a Department tend to be very reluctant to change their methods of operation or to upset the status quo in their relationships with those with whom they do business. Unfortunately, the status quo for many Department of Agriculture programs, as for other federally assisted programs, has meant discrimination against minority group members.

Beyond this, you are well aware that the Department of Agriculture has special problems in attempting to carry out an effective equal opportunity program—problems such as the Congressional Committees it must apply to for programs and funds, the State institutions with which the Department is associated, and the various interest groups and organizations with which the Department regularly deals. Largely because of these problems, the prior Secretary's commitment to equal opportunity was not effectively translated into action by agency administrators.

We believe it is of prime importance that the status quo of discrimination in the programs administered by your Department be ended. Here, an essential ingredient is the communication of your own commitment to equal opportunity to all concerned—Department officials, the Congress, and the Department's constituency—so that it will be understood that discrimination and inequity in agricultural policy and programs will not be tolerated, and that equal opportunity will be considered as an integral part of overall program evaluation.

In its evaluation of the Department's performance in the area of civil rights, the Commission has attempt to identify specific areas where inequity persists and I thought it would be useful to share some of these findings with you.

Discrimination in Services. Widespread discrimination exists in many Department programs, but is a particular problem in the Cooperative Extension Services of many Southern States. This was documented in a staff report prepared for the Commission's recent hearing in Montgomery, Alabama, a copy of which is being sent to you under separate cover. The report notes that in a 12-county area of the Alabama Black Belt, where the rural population of approximately 100,000 persons is 75 percent Negro, white extension agents outnumber Negro agents almost 2 to 1. Further, 91 percent of the services of white agents are limited to white rural residents and 97 percent of the services of Negro agents are limited to Negro rural residents. In view of the disproportionate ratio of Negro to white extension agents, segregation of services in this area that is 75 percent Negro necessarily means that rural Negroes have significantly less chance of receiving extension services and, if served, significantly less chance of receiving equal services.

Unequal Program Benefits. Minority group members do not share equally, relative to need, in the benefits of many agriculture programs. In the Commission's Alabama hearing, for example, an analysis of Farmers Home Administration loans in selected counties revealed that Negro farmers receive a disproportionately small share of such loans, both in amounts and types of loans provided. While FHA has shown more progress in this area over recent years and clearly exhibits a more positive attitude toward the problems of rural poverty and equal opportunity for rural minority groups than other agencies in the Department, additional corrective action is required. Indeed, we still lack sufficient knowledge concerning the whole matter of the relative impact of credit on the rural economy. For this reason, I would hope that one high priority item for the Department will be an examination of the various elements of the farm credit system and its impact on minority group operators. I strongly suspect that such an examination would show that the policies of land banks, production credit associations, and banks for cooperatives, which annually provide over eight billion dollars of credit to farmers, have had the effect of denying adequate credit to minority group farm operators and cooperatives, thereby adding to the pressures which cause rural outmigration of minority group members to urban areas.

Equal Opportunity in Employment. The Department of Agriculture has one of the poorest records of any major government agency regarding equal employment opportunity. Less than six percent of the Department's full time employees as of November 30, 1967, were Negro and less than six percent of this number were above the grade of GS-9. The problem is especially acute in programs staffed by non-Federal employees, such as in commodity distribution and food stamp offices, State and county ASCS offices, and State and county extension offices. For example, not one county's chief extension agent is Negro, although there are more than 150 counties where Negroes comprise a majority of the rural population and more than 800 Negro extension employees in the various States.

Furthermore, there is clear evidence of discrimination in the salaries of such employees. The Commission has found repeated examples of counties where the Negro employee has a superior education and longer service in extension work, but receives a lower salary than his white counterpart and is subordinated to a white employee. It is unlikely that problems of discrimination and unequal employment opportunity in the Cooperative Extension Services can be successfully attacked short of some system which extends Federal equal employment opportunity coverage to extension agents. Such a position was sustained by the General Counsel of the Department in August 1964 but has never been had implemented.

Access to and Participation in Decision Making. The rural poor, especially those who are members of minority groups, are not afforded the opportunity to participate in devising or carrying out agriculture programs and policies which so vitally affect their interests. For example, only one Negro now serves on an ASCS county committee. Prior to last September, no Negro ever had served on such a committee in the more than 30 years since the system was established. Minority group members similarly are underrepresented on Extension Councils, Soil Conservation District Boards of Supervisors, REA Cooperative Boards of Directors, Rural Area Development Committees, and Technical Action Panels.

I do not mean to suggest that the failure to include minority group members in the decision-making process is unique to Department of Agriculture programs. Clearly, this is a failure common to a good many other federally assisted programs. I believe, however, that the problem may be more acute in programs administered by Agriculture. And indeed, the obstacles to eliminating this problem may be more difficult. Nonetheless, it is important that immediate and forceful action be taken to expand dramatically the number of minority group persons in decision-making positions regarding agriculture and agriculture-related programs.

Inadequate Civil Rights Implementation. To some extent, the lack of greater progress under the Department's civil rights program can be attributed to the failure to institute adequate procedures for carrying out this responsibility. Last October, the Commission provided the Department with an analysis of the weaknesses in the Department's implementation of its equal opportunity program. Our major findings indicated that the equal opportunity operation is severely understaffed and suffers from a lack of clearcut authority to effect changes in agency policy. We also found that information necessary to evaluate the impact of Agriculture programs on minority group recipients was lacking. For example, the Consumer and Marketing Service does not collect racial data and therefore has no way of determining whether discrimination exists in its programs. Further, we found that agency program staff were not being provided guidance in the methods and techniques of equal opportunity enforcement. In addition, we found that effective action was not being taken by the agencies in response to findings of program discrimination by the Office of Inspector General. I am forwarding a copy of the Commission's analysis to you under separate cover.

Food Programs. In addition to the problems of racial discrimination and inequity I have discussed above, the Commission has been concerned over inadequacies in food assistance program administered by the Department. There is a serious question whether the programs themselves are adequate to meet the problems of hunger and malnutrition.

A 1965 survey of dietary levels in households in the United States, conducted by the Department, established that half the nation's household diets were inadequate and that more than 20 percent were so inadequate as to endanger health if the deficiency were prolonged. For families of low-income the situation is especially acute. For many of these families, the food programs of the Depart-

ment provide the only source of food assistance which they so desperately need. The Department's programs, however, fail to reach many needy families.

One cause of the failure of Agriculture's food programs to reach all who need them is that eligibility standards, closely tied to eligibility for public assistance, vary widely from state to state. For example, a family of four in South Carolina is ineligible to participate in the food stamp program if its monthly income exceeds \$160. By contrast, the same family could earn up to \$265 monthly in Michigan and still participate in the program. We believe that national standards of eligibility are necessary—standards based not only on income, but also on such factors as place of residence, size of family, age of family members, and regularity of income.

As you know, the two principal assistance programs administered by the Department are Surplus Commodities and Food Stamps. In Surplus Commodities, the number of commodities available for distribution to the poor has been increased over recent years to 22 items. Only some 20 percent of the 1,400 counties distributing commodities actually distribute the full 22. The diet supplied by such commodities, already inadequate in calories and vitamin A, and missing such items as fresh meat, vegetables, and milk, is even more inadequate when the full package is not distributed.

It is generally agreed that the Food Stamp program is potentially more effective than Surplus Commodities in meeting the nutritional needs of the poor. By law, Food Stamps and Surplus Commodities cannot be distributed concurrently in the absence of a declared emergency by the Secretary. In many counties that have switched from Surplus Commodities to Food Stamps, there has been a significant decline in the number of families participating in food programs—a decline which cannot be attributed to sudden affluence or lack of need. In Mississippi, for example, where 27 counties switched from Surplus Commodities to Food Stamps between October 1966 and March 1968, there was a decline of more than 66,000 persons participating in a food program.

One reason for this decline is the problem of cost. While surplus Commodities are free, Food Stamps cost money and in the case of the poor, often too much money. Indeed, while the average American family spends about 18 percent of its available income for food, some food stamp recipients are required to pay more than 40 percent of their income for the stamps. One answer to this problem would be for the Secretary to use his emergency powers to permit the operation of both these programs in cases where a switch to Food Stamps has resulted in the kind of dramatic decline as occurred in Mississippi. It is anomalous that previous Secretaries have used these powers liberally to provide assistance for crops struck by national disaster, but have used them only sparingly to provide food for people.

The Department, largely in response to increasing public protest, has adopted several measures which promise to expand the benefits of food programs. We are convinced, however, that the situation demands nothing short of a national policy guaranteeing an adequate diet to every American, based on national standards of need and incorporating policies and practices designed to overcome the existing inadequacies.

I have asked the Commission's Acting Staff Director, Howard A. Glickstein, to forward to you, under separate cover, some of the materials which the Commission has developed in recent years concerning problems in the Department of Agriculture programs. The other Commissioners and I, as well as the Commission's staff, are available to assist you in every possible way, and I hope that you will call upon us.

Sincerely yours,

JOHN A. HANNAH,
Chairman.

APRIL 16, 1969.

HON. CLIFFORD M. HARDIN,
Secretary of Agriculture,
Washington, D.C.

DEAR SECRETARY HARDIN: By letter of October 8, 1968, the United States Commission on Civil Rights forwarded to your Department its report on a study of the Department of Agriculture's implementation of Title VI of the Civil Rights Act of 1964 which prohibits discrimination in Federally assisted programs. In connection with our responsibilities under Executive Order 11247 (1965), which assigned the Attorney General the function of coordinating the Title VI enforce-

ment programs of all Federal agencies, we received and have reviewed the report of the Commission based on that study.

Before commenting upon the specific recommendations made by the Commission, however, I want to express our concern as to the adequacy and effectiveness of the past efforts of the Department of Agriculture to achieve equal opportunity in its programs.

The underlying objective of Title VI is to assure that all persons are given a fair and equal opportunity to participate in, and receive the benefits from Federally aided programs. Viewed in terms of the programs receiving assistance from the Department of Agriculture, this objective coincides with the priorities which we understand you have established for your Department that are directed at alleviating hunger and malnutrition among the rural poor and other deprived members of our society.

Title VI took effect on July 2, 1964. Since that time, as pointed out in your predecessor's letter of January 17, 1969, to Mr. Glickstein, the Department of Agriculture had made some progress in eliminating discrimination in programs receiving financial assistance from the Department. Yet patterns of violations of Title VI and of the Department of Agriculture's implementing regulation persist. For example, audits of six state cooperative extension services conducted by the Office of the Inspector General of your Department revealed substantial and widespread noncompliance with civil rights requirements in each of these states (see Report p. 37). An earlier publication of the Commission, *Cycle to Nowhere* (1968), states (p. 22) that in Alabama and elsewhere in the South the practice of assigning extension workers on the basis of race is widespread. Since there are proportionally fewer Negro extension agents, that practice means that Negro farmers do not receive a fair and adequate share of the services provided. Thus, even apart from being a flagrant violation of law, this practice denies Negroes the opportunity to improve their farming methods and economic status. The evidence available to this Department suggests that the conditions found by your investigations are widespread and continuing.

Despite the evidence of these widespread violations of law disclosed by your Department's investigations, I am not aware of any meaningful action which has been taken to correct the situation. The failure of state extension services to achieve their full potential with respect to serving members of minority groups could aggravate such problems as migration from rural to urban areas and the inability of families to provide adequate diets. Conversely, meaningful enforcement of Title VI in regard to the cooperative extension services and other programs of your Department could contribute to your effort to alleviate hunger and rural poverty.

In my view it is imperative that your Department develop and implement an effective program to secure compliance with the requirements of law that Federally assisted programs be conducted on a basis which provides for equal opportunity to all; and that it commit its time and adequate resources to accomplish that end.

The recommendations for substantial change which I set forth below reflect our concern over the lack of adequate progress to date.

1. ORGANIZATION OF TITLE VI ENFORCEMENT

Our experience with the Title VI compliance operations of other Federal agencies tends to support the view of the Civil Rights Commission that the present Office for Civil Rights in the Department of Agriculture be replaced by a centralized Equal Opportunity Office, directly responsible to the Secretary, with authority like that of the Office for Civil Rights at HEW (see 32 Fed. Reg. 15190) and the Assistant Secretary for Equal Opportunity at HUD. The new organization would have responsibility for implementation and enforcement of Title VI, including the authority to initiate all compliance reviews and complaint investigations, and to secure compliance where the reviews indicate lack of compliance. It would also be given authority to conduct negotiations; make settlements; initiate compliance proceedings; refer cases to the Department of Justice for suit where necessary; and work with constituent program agencies at Agriculture in translating equal opportunity requirements into program delivery terms. The director of this Office would need direct and continuing contact with end support from the Secretary, as well as authority commensurate with these responsibilities *vis-a-vis* the program administrators. In addition to a substantial staff which should be assigned directly to the new Office, it may be desirable to assign one or more full-

time equal opportunity personnel to each of the major Agriculture programs affected by Title VI (FES; C and MS; FHA; and ASCS).

We would also agree with the desirability of combining in this Office all equal opportunity responsibilities, including those derived from Departmental regulations, from Executive Order 11246 with respect to contract compliance, and those concerning the programs directly administered by your Department.

2. FUNCTIONING OF THE EQUAL OPPORTUNITY OFFICE

The Commission's report highlights several specific areas where improvement in the effectiveness of the equal opportunity office's functioning might be sought. Of particular interest to us among these findings were those related to (a) clearing up long-standing situations of refusals to file adequate assurances, including the refusals of the State of Louisiana to submit an acceptable plan for its extension service (see page 16 of the Report); (b) increasing the use made by the equal opportunity office of complaint investigations and compliance reviews conducted by the Office of Inspector General, particularly their three-phased audit of the overall civil rights enforcement operation, and their special audit of the activities of six of the State Cooperation Extension Services (see pages 19 and 34-37); and (c) providing a more uniform and comprehensive compliance review procedures for all program areas, supervised by the equal opportunity office (see pages 26-33).

3. PROGRAM IMPACT

The strengthening of the equal opportunity office would be the necessary first step towards improving the Title VI compliance capability of the Department of Agriculture. In addition, we think it important that your Department adopt methods for making certain that equal opportunity requirements are effectively translated into increased delivery of services to eligible minority group beneficiaries who presently may not be receiving their fair and intended share of Department of Agriculture assistance. Assigning full-time equal opportunity personnel so that continuing day to day liaison with program personnel can be maintained, and organizing a training program specifically designed to relate to the types of assistance provided by your Department, are two methods mentioned in the Commission's Report for moving towards this objective which we support.

4. RACIAL DATA COLLECTION

We agree with the Commission that there is a need for establishing a comprehensive racial data collection system that would provide a meaningful factual foundation upon which follow-up efforts aimed at improving minority group participation can be based. We believe this to be an essential part of any effort aimed at making the equal opportunity requirements of Title VI meaningful in program terms.

Although a Committee on Program Review and Evaluation has been created in your Department, I understand that this Committee has not considered its mandate broad enough to implement a uniform agencywide policy for data collection and evaluation in terms of minority group participation. The providing of such authority, either as part of the function of a reconstructed equal opportunity office, or as a responsibility to be shared between that office and the regular program, planning and budgeting staff, would be one available method for initiating the data collection and evaluation function at your Department.

I hope that these comments, in conjunction with the more detailed findings and recommendations of the Commission's Report, will be of some assistance to you.

If you feel that it would be useful, the Attorney General's Special Assistant for Title VI would be available at your convenience to discuss the Commission's Report and our comments with your representative, and perhaps also a representative from the Civil Rights Commission.

I will be looking forward to your response.

Sincerely,

/s/ JOHN MITCHELL,
Attorney General.

THE MECHANISM FOR IMPLEMENTING AND ENFORCING TITLE VI OF THE CIVIL RIGHTS ACT OF 1964, U.S. DEPARTMENT OF AGRICULTURE

In the Winter of 1967-68, staff of the U.S. Commission on Civil Rights conducted interviews with officials of the Office of Assistant to the Secretary for Civil Rights, the Office of Inspector General, the Office of General Counsel, the Departmental Committee on Program Review and Evaluation and ten agencies of the Department of Agriculture who administer programs subject to Title VI of the Civil Rights Act of 1964.

The purpose of this effort was to review the mechanism for implementing Title VI as it had been established within the Department.

The following report is based upon these interviews and an analysis of materials developed by the Department pertaining to their Title VI enforcement program. It is intended as an internal working document for the information and use of the agency concerned.

SUMMARY OF FINDINGS AND RECOMMENDATIONS

The organization, staffing, and assignment of the equal opportunity function in the Department of Agriculture as presently constructed does not provide the most effective implementation and enforcement of Federal and Departmental equal opportunity policies and regulations:

(1) An Office of Equal Opportunity should be established under the Secretary with responsibility for and authority to coordinate, implement and enforce Federal and Departmental equal opportunity policy, including the power to command agency performance.

(2) The Department of Agriculture does not uniformly conduct evaluations which meaningfully measure the relative impact and benefits of agriculture program and services upon potential and actual minority group program participants.

(3) Agencies of USDA should be required to collect racial and ethnic participation data in their programs and a program evaluation unit should be established within the Office of Equal Opportunity to provide independent analysis of such data.

(4) No effective program for civil rights training of agency program staffs and employees of agriculture programs at the state and local level exists in the Department of Agriculture. As a result, agency administrators and program personnel are not sufficiently informed of equal opportunity policies and are not equipped to implement and enforce these policies.

(5) As a further result, communication with minority group beneficiaries is poor or non-existent. A civil rights training unit should be established within the Office of Equal Opportunity to develop programs for sensitizing agriculture officials to minority group problems and providing them with the techniques and knowledge necessary for conducting meaningful equal opportunity enforcement.

(6) Compliance reporting and review methods presently in use do not adequately inform the Department of Agriculture of the status of equal opportunity compliance in its programs. Under the direction of the Office of Equal Opportunity, adequate methods for assessing equal opportunity compliance, including quantitative measurements of minority group participation in agricultural programs, and field reviews incorporating "across the board" program measurements, must be developed. In addition to agency compliance reporting and review efforts, the Office of Equal Opportunity should have sufficient staff to monitor agency reporting and review activity and to perform independent compliance reviews in the field.

Although the most significant activity in equal opportunity compliance within the Department of Agriculture is currently being conducted by the Office of Inspector General, *the effectiveness of this activity is limited by the failure of agency administrators to respond adequately to OIG audit and report findings.* The Office of Equal Opportunity must have the authority to direct that necessary corrective action, based on OIG findings, be implemented within agencies of the Department. Furthermore, the activity of the Inspector General does not relieve the Office of Equal Opportunity or the agencies of the Department of their own compliance reporting and review and program evaluation responsibilities.

ORGANIZATION AND STAFFING

Responsibility for Title VI implementation and enforcement in the Department of Agriculture resides in agencies of the Department administering programs subject to that title.¹ Coordination of the Department's Title VI efforts is the responsibility of the Assistant to the Secretary for Civil Rights and a staff of eight persons.

A. Assistant to the Secretary for Civil Rights

The position of Assistant to the Secretary for Civil Rights was created on January 22, 1965, and is filled by Mr. William M. Seabron. Mr. Seabron is responsible for (1) assisting agency heads to develop and promulgate policies which will result in compliance with Title VI; (2) aiding in the implementation of civil rights policies and (3) interpreting Federal policy, counseling and rendering assistance and guidance to achieve reasonable and consistent action.²

Mr. Seabron is the Secretary's staff representative who coordinates and directs day-to-day activities relating to the implementation of the Civil Rights Act of 1964.³ While agency administrators are responsible for implementing and enforcing the Department's civil rights policies and for measuring the effectiveness of providing equal opportunity, Mr. Seabron maintains review authority over all proposed agency actions with civil rights impact so as to provide the Department uniform, efficient and coordinated implementation.⁴

Mr. Seabron has been delegated the authority to make determinations that compliance cannot be achieved by voluntary means and for taking or authorizing action to achieve compliance by other means authorized by law as stated in 7 CFR 15.8(a) and (d).⁵ He is further delegated the authority to issue orders giving notice of opportunity for hearing and to arrange for the designation of hearing examiners to preside over proceedings.⁶ He may also order proceedings and hearings in the Department of Agriculture . . . consolidated for hearing with proceedings of other Federal departments and agencies.⁷

Mr. Seabron views his role as that of a coordinator but not as an implementer or enforcer of Department policy. Department guidance is unclear on this point. Although agency administrators are said to be responsible for implementing and enforcing the Department's civil rights policy, Mr. Seabron has responsibility to coordinate and *direct* (emphasis supplied) the day-to-day activities relating to the implementation of the Civil Rights Act of 1964.⁸ Where agency administrators fail to perform their duties relative to Title VI, as has been documented by both the U.S. Commission on Civil Rights and the USDA Office of Inspector General,⁹ it is clear that the Secretary must provide the implementing and enforcing power for the Department. This responsibility should be combined in the Secretary's chief responsible official for the administration of Title VI matters.

Whereas execution and performance ultimately must be expected from agency administrators, the Secretary must have clear authority to command that performance. The present arrangement, whereby the Secretary's representative for

¹ Eleven agencies of the Department of Agriculture administer more than 35 programs subject to Title VI. (See Appendix A for list of programs covered.) Officials from ten of these agencies were interviewed during the course of this Survey. The major programs of these agencies as well as the principal problem areas regarding equality of opportunity are discussed in Appendix B.

² Introduction to job description for position 8412, Assistant to the Secretary for Civil Rights.

³ Secretary's Memorandum No. 1560, July 10, 1964.

⁴ Secretary's Memorandum No. 1560, Supplement 4, January 17, 1966.

⁵ 32 Federal Register 11895, August 17, 1967. 7 CFR 15, December 4, 1964, as amended, is the basic Title VI regulation of the Department of Agriculture. Section 15.8, paragraphs (a) and (d) refer to the termination of Federal financial assistance and other means authorized by law to effect compliance with the regulation.

⁶ 32 Federal Register 11711, August 12, 1967.

⁷ 32 Federal Register 690, January 20, 1967.

⁸ See footnote 2, *supra*.

⁹ See U.S. Commission on Civil Rights, *Equal Opportunity in Farm Programs*, U.S. Government Printing Office, Washington, D.C., 1965; Georgia State Advisory Committee to U.S. Commission on Civil Rights, *Equal Opportunity in Federally Assisted Agriculture Programs in Georgia*, August, 1967; Alabama State Advisory Committee to U.S. Commission on Civil Rights, *The Agricultural Stabilization and Conservation Service in the Alabama Black Belt*, April, 1968; Transcript and staff reports (unpublished) on Hearings by the U.S. Commission on Civil Rights, Montgomery, Ala., April 27-May 2, 1968; U.S. Department of Agriculture, Office of Inspector General, Audit of Civil Rights Activities in the Federal Extension Service, 6041-6-H, Forest Service, 6041-7-H, Agricultural Stabilization and Conservation Service, 6041-4-H, Consumer and Marketing Service, 6041-5-H, and six Cooperative State Extension Services (6065-17-T; 6065-17-A; 6065-1-T; 6065-1-A; 6065-26-T; and 6065-20-W).

civil rights matters lacks the authority to command agency performance, *permits agency administrators to weaken Department efforts to achieve a unified and consistent approach to compliance. As evidence of this, Mr. Seabron's staff cited occasions when their requests for action by an agency have been ignored altogether.*

An example of how one agency was able to effectively thwart attempts to carry out an equal opportunity matter concerns the efforts of Mr. Seabron to secure an equal employment opportunity procedure for employees of the *Co-operative Extension Service*. Acting in response to issues first raised by the U.S. Commission on Civil Rights in its 1965 report which demonstrated inequality and segregation in salaries, assignments, facilities, and services for Negro extension agents, in July 1966 Mr. Seabron initiated, staffed, and received approval for a Departmental complaint procedure for extension workers who felt they had been denied equal employment opportunity because of racial discrimination. The procedure, although signed by the Assistant Secretary for Administration, was withdrawn by Department officials upon the report of the Administrator of the Federal Extension Service, who met with State officials in August, that the procedure would be resisted by the States. Thereafter it was agreed that a committee of the Association of Land-Grant College Presidents would work cooperatively with the Department of Agriculture to develop a procedure which the States would agree to. Such a procedure was anticipated by January 1967. It was not until January 1968, following an opinion by the Department of Justice supportive of Mr. Seabron's efforts, that it was determined to push ahead on the promulgation of a regulation establishing procedures which, in the main, were first suggested by Mr. Seabron 18 months before. In May, a proposed regulation was published in the Federal Register.

Not only is Mr. Seabron limited by the arbitrary response of agency administrators, he is limited, in practice, by the interposition of other staff advisors to the Secretary.¹⁰ This is illustrated by a remark of Mr. Seabron during Commission staff interviews to the effect that the only way he could be sure that the Secretary sees something he (Mr. Seabron) thinks is important is to hand-carry it to the Secretary's office because if he sent it through the Department's mail system, "somebody else usually decides if the Secretary should see it."

These forces combine to isolate Mr. Seabron and insulate the Secretary from dealing effectively with the pressing problems of civil rights in the Department of Agriculture.

B. Staff of the Assistant to the Secretary for Civil Rights.

The Deputy to the Assistant to the Secretary for Civil Rights, Mr. William W. Layton, is responsible primarily for equal employment opportunity and contract compliance matters. In the Title VI area, there is a civil rights compliance officer, Mr. John W. Slusser, who directs the activity of a three-man liaison office, staffed by equal opportunity specialists and a four-man field office of field civil rights specialists (based in Washington). At the time of Commission staff interviews, the liaison office was completely staffed and the field office had three of its four authorized positions filled.

The liaison office maintains contact with the various agencies of the Department. Each staff member is responsible for two or more agencies. The liaison office follows up on complaints involving the agencies and may conduct reviews of the agency compliance review procedures. They do not perform any program evaluation function. The field office maintains informal liaison with minority groups, arranges for informational meetings at the local level, and attempts to resolve conflicts or misunderstandings involving agency programs. They do not perform complaint investigations or compliance reviews. They are not authorized to negotiate instances of noncompliance uncovered in the course of their activities.

The Commission questions if the most efficient use is being made of the civil rights compliance staff members. While granting the desirability of liaison and good public relations, the limits placed upon the authority of these staff members (as detailed above) also limit their effectiveness in achieving compliance in agency programs.

C. Budgeting for Civil Rights Compliance Activity

One measure of the priority assigned to civil rights enforcement is the amount of money Federal agencies allocate for that purpose. The Department of Agriculture has no identifiable budget line item for civil rights enforcement as does

¹⁰ See footnote 11 *infra*.

the Department of Health, Education, and Welfare. *All funds* for this activity come from the *Secretary's contingency budget*.

In July 1966, the Assistant to the Secretary for Civil Rights submitted a proposed budget for civil rights compliance and enforcement activity. Coupled with the proposed activity of the Office of Plant and Operations, the Office of Inspector General, and the Office of Personnel (and not including the compliance activity of the various agencies), the total need was estimated by the Office of Budget and Finance to be \$493,600—a 67 percent increase over the amount then expended for civil rights in the Department. In a September 30, 1966, memorandum from the Assistant Secretary for Administration, the following was stated:¹¹

I believe that we are making a sad factual error to ask for any additional funds in the Secretary's Office above the existing \$295,000 for civil rights works in 1968. . . . It is my firm opinion that if we attempt to secure additional funds for this work at this time we will not only not prevail, but that we will cause ourselves added miseries in other areas.

One can only speculate as to the specifics in the mind of the Assistant Secretary for Administration *although it may be surmised that his position was undoubtedly related to the well-known antipathy of certain Congressional committee chairmen toward civil rights matters*. Commission staff received the impression that this memorandum was sufficient to deter any future requests for funding sufficient to staff an adequate compliance program in the Department of Agriculture. *No attempt was made by Mr. Seabron to reintroduce a request for expanded civil rights compliance activity for FY 1968 or FY 1969.*

D. Agency Civil Rights Staffing

Only one agency, the Agricultural Stabilization and Conservation Service, had a full-time civil rights staff position at the time of Commission staff interviews. Two other agencies, the Rural Electrification Administration and the Federal Extension Service, were considering hiring full-time civil rights specialists. A table reflecting USDA Agency Title VI staffing is at Appendix C.

Every agency has designated a "civil rights coordinator" who serves as a contact point between the agency and the Office of the Assistant to the Secretary for Civil Rights but routine work in civil rights matters is usually delegated to program staff having other duties. This arrangement often makes the adequacy of an agency's civil rights compliance effort dependent on the time staff assigned additional civil rights duties can devote to civil rights matters. For example, the staff person for civil rights in the Forest Service, Mr. W. D. Giffen, impressed the Commission staff as exceptionally diligent in carrying out his duties. To a large degree the same opinion was obtained regarding the staff person for civil rights compliance in the Rural Electrification Administration, Mr. Richard M. Hausler.

Three agencies with programs of significant equal opportunity impact but without full-time civil rights staff, the Federal Extension Service, the Consumer and Marketing Service, and the Farmers Home Administration, require the establishment of full-time staffs for equal opportunity matters.¹²

E. The Office of the Inspector General

The Office of Inspector General has responsibility for the audit and complaint investigation function in the Department.¹³ (The activity of this Office is discussed in greater detail under "Complaints" and "Audits.")

F. The Office of General Counsel

The Director of the Research and Operations Division of the Office of General Counsel, Mr. Merwin W. Kaye, has primary responsibility for legal review and advice regarding Departmental civil rights matters. In addition to providing advice on the legal sufficiency of Departmental policy and regulations relating to Title VI, Mr. Kaye also handles all legal aspects where noncompliance results in notices of hearings.

Mr. Kaye has a staff attorney who spends approximately three-fourths of his time on Title VI matters.

¹¹ Memorandum, Joseph M. Robertson to Mr. Schnittker, Mr. Birkhead, Mr. Hughes and Mr. Seabron, September 30, 1966.

¹² Subsequent to Commission staff interviews, the Federal Extension Service employed a full-time civil rights specialist.

¹³ Secretary's Memorandums No. 1560, July 10, 1964; No. 1572, April 22, 1965; and No. 1595, February 28, 1966 (revised June 17, 1966).

G. Departmental Committee on Program Review and Evaluation

The Departmental Committee on Program Review and Evaluation has responsibility for assisting the agencies of the Department in developing adequate systems of program evaluation relating to minority group participation in programs administered by the Department. (The activity of this committee is discussed in greater detail under "Program Evaluation.")

H. Citizens Advisory Committee on Civil Rights

The Citizens Advisory Committee on Civil Rights was established in April 1965 to (1) review Department policies and practices which promote equality of opportunity; (2) advise the Secretary as to the effectiveness of program directives designed to achieve compliance with Title VI; and (3) recommend changes in Department regulations to assure that Department practices are free of racial discrimination.¹⁴

Commission staff did not interview any Committee member but did review minutes of several Committee meetings. The review indicated that the Committee has made a considerable number of recommendations to the Secretary for a more effective Department policy regarding civil rights.

I. Organization at Field Level

No civil rights specialists are assigned at the field level of Department agencies. Program staff with other full time duties are assigned to compliance review and liaison with State and local entities for the implementation and enforcement of Title VI. While the number and variety of agricultural programs to be monitored undoubtedly necessitates the use of program people at the field level for this function the degree to which this arrangement provides accurate and meaningful information on the state of civil rights compliance in the program is subject to question. First, the structure of compliance reporting and review mechanisms does not provide a complete picture of compliance or the lack of compliance. Second, the competence of program people who are untrained in reporting and review procedures and who may be insensitive to the complexities of minority group problems to perform this activity is far from acceptable. Third, the practice of using program people who may have little interest in finding fault with their own or other programs to engage in self-criticism is one whose results may be suspect.

An alternative to depending upon local level program people for civil rights compliance review is to employ civil rights specialists, working under the direction of the Department's Office of the Assistant to the Secretary for Civil Rights and possibly located at the regional offices of the Office of Inspector General, who would have general responsibility for monitoring and directing the Department's civil rights implementation responsibilities in agricultural programs within the region.

TRAINING

The Department of Agriculture has no overall formal training program for civil rights. Furthermore, with the single exception of the Office of Inspector General, no agency of the Department has a civil rights training program.¹⁵ Aside from the training activity of the Office of Inspector General, an estimated 336 agricultural personnel are reported to have received training in civil rights, almost all of which was conducted by the Civil Service Commission.¹⁶ There was little evidence that this latter training experience had filtered down to other agency personnel and no evidence that it had inspired the development of an in-house civil rights training program within the agencies. Reaction to the Civil Service training was mixed with a common complaint being that such training rarely addressed itself to the specific problems encountered in agricultural programs.

Two officials interviewed stated they felt that civil rights training would be more effective if the background and duties of persons attending were more similar.

¹⁴ Secretary's Memorandum No. 1575, April 29, 1965.

¹⁵ In the Spring of 1966, the Office of Inspector General conducted one day formal training seminars for all professional staff in the Washington, D.C. and regional offices. Beginning in the Summer of 1966 and for every quarter thereafter, civil rights training, consisting of a case study in alleged discrimination using lectures, handouts, role playing, and the preparation of investigation reports has been given as part of in-service and orientation training at Front Royal, Virginia. A total of 477 professionals had received this training through September 1967.

¹⁶ See Appendix D for a list of civil rights training received by Department of Agriculture agency personnel.

One agency official (Farmers Home Administration) stated he saw no need for civil rights training in his agency.

On several occasions, officials indicated that they considered meetings with staff and State and local program people as training. An examination of the content of such meetings indicates that they were used primarily to communicate policy but did not provide training that would equip program people to relate to minority group problems or to perform investigations and compliance reviews. (In this latter regard, Commission staff found that the use of the Commission's *Compliance Officer's Manual* had been uneven. At least two agencies claimed that they had never seen the manual.)

Only one agency's instructions implementing Title VI specifically call for being informed of State plans for providing staff training in civil rights.¹⁷ A review of the plans for compliance submitted by three Southern States (selected at random by the agency at the request of Commission staff) indicated that only one of the State plans was responsive to this requirement.¹⁸

Mr. Seabron indicated that the Department has a training officer and that the matter of a civil rights training program had been discussed but that no training program had been developed as a result. He stated that he would prefer that there be centralized responsibility for civil rights training but that "you just don't get to things like 'training' when you operate on a shoe string."

ASSURANCES

Assurance forms used by the Department of Agriculture generally follow the pattern established by the Department of Health, Education and Welfare (Form 441B). Of over 7,500 assurances required, 165 incidences of refusal to file were still under negotiation and 33 filed but unacceptable assurances were still under negotiation as of the close of the third quarter of 1967.¹⁹ Just why so many cases are still considered "under negotiation" is probably a function of the fact that the Department of Agriculture has developed no policy guidelines specifying time limits for attempting to obtain voluntary compliance before enforcement action is begun. It is notable that only one agency, the Rural Electrification Administration, established target dates for assurances to be filed.²⁰ Also, there is an undoubted reluctance on the part of the Department to proceed against noncompliance to the point of cutting off funds. This is illustrated by the fact that the Department has issued only six cut-off orders, all in the Forest Service and all pursuant to the lead of HEW.²¹

PLANS FOR COMPLIANCE

In accordance with 7 CFR 15.4(b), the Department of Agriculture Title VI regulations, the Federal Extension Service required plans for compliance from 15 Southern States. This was the only agency to classify its program as a "continuing State program" subject to the requirement of a plan for compliance. This approach resulted in long, drawn out negotiations with the States. The review and acceptance procedure for compliance plans in the Federal Extension Service did not call for review by the Office of the Assistant to the Secretary for Civil Rights. One State's plan, Louisiana, was still not accepted at the time of Commission staff interviews. No enforcement procedures against Louisiana had been undertaken, although the target date for compliance had been established by the Administrator of FES as *December 31, 1965*.²² Furthermore, an examination of a random selection of State plans for compliance revealed that the Federal Extension Service accepted plans which, in the opinion of Commission staff, were patently inadequate.

¹⁷ Federal Extension Service, "Supplemental Instructions for the Administration of Title VI," July 2, 1965 (as amended), paragraph I B 2.

¹⁸ Arkansas, South Carolina, and Texas. Only the Arkansas plan specifically referred to staff training and it merely indicated that conferences had been held to inform staff of Title VI requirements.

¹⁹ Department of Justice, "Quarterly Title VI Status Report for the Department of Agriculture," Third Quarter 1967.

²⁰ REA Bulletin 20-19: 320-19, January 8, 1965.

²¹ There have been a small number of recipients who have voluntarily dropped out of USDA programs rather than comply with Title VI. The Consumer and Marketing Service estimates at least one school district and approximately 200 summer camps fall into this category. Yet, even in C&MS, where there have been 140 instances of refusals to sign an assurance, in only six cases have recipients been noticed for hearings.

²² Federal Extension Service, "Supplemental Instructions for Administration of Title VI of the Civil Rights Act of 1964," July 2, 1965, Section B, subsection B.

Plans which were accepted lacked the degree of specificity that might reasonably assure that compliance was possible. That such compliance was not achieved was documented in an open meeting conducted by the Georgia State Advisory Commission in Macon, Georgia, in May 1966.²³ Thus, the "plans for compliance" method for implementing Title VI has been rendered virtually useless because it was not used effectively, there was no consultation with the chief civil rights officer of the Department, and no meaningful followup action on noncompliance was instituted.

COMPLAINTS

The Departmental complaint procedure on matters regarding civil rights calls for all complaints to be referred to the Office of Inspector General for investigation in a manner determined by the Inspector General.²⁴ Investigation reports are forwarded to the head of the agency concerned for determination whether further proceedings are warranted. An information copy of the report goes to the Assistant to the Secretary for Civil Rights. If differences of interpretation of the findings occur between the Assistant to the Secretary for Civil Rights and the agency concerned, an attempt to resolve the difference is made in a joint meeting with the agency head, the Assistant Secretary responsible for that agency, and the Assistant to the Secretary for Civil Rights.

Commission staff reviewed a sampling of OIG complaint investigation files and found that, in general, complaints were thoroughly investigated by Office of Inspector General staff. The complaint system fails, however, when agency heads do not take appropriate action based on the findings of the investigation report.

Investigation report T-603-20 was reviewed by Commission staff. The complaint was received in June 1966 alleging extensive noncompliance in the Texas State Cooperative Extension Service. A 35 page investigation report, containing 16 exhibits, and involving 322½ man-hours of investigation and preparation, was completed in August 1966. An additional report involving 92¼ man-hours of investigation and preparation was completed in October 1966. The Federal Extension Service was not ready to advise the complainant until June 1967, almost nine months after the investigation was completed, that no Title VI violations had been found (although the investigation report clearly indicated that, among other findings, segregation in 4-H Clubs was determined) and that allegations involving discrimination in employment practices (also substantiated by the investigation report) were being referred to the State Extension Director for resolution. The Assistant to the Secretary for Civil Rights took exception to the proposed FES response, noting in particular the finding of segregated 4-H clubs. In October, FES correspondence to the complainant admitted that segregated 4-H Clubs were found but rationalized that such segregation merely reflected the racial composition of the community. The employment issues were completely avoided.

The failure of the agency of jurisdiction to act upon findings of investigation reports, as noted in this example, supports the need for the Assistant to the Secretary for Civil Rights to have final review authority as to findings in complaint investigations and the determination as to necessary action to be taken.

That complaints have effected change in USDA agency policies is demonstrated by at least two known examples. In the Agricultural Stabilization and Conservation Service a response to a complaint, outlining specific procedures regarding community committeemen elections, was considered by the Commission to be so informative that ASCS was persuaded to publish a pamphlet on the subject specifically directed to minority group farm operators. Another complaint, initiated in part by the Commission's field staff in Memphis, Tennessee, regarding the fact that the Farmers Home Administration insures recreation loans to seg-

²³ Georgia State Advisory Commission report, "Equal Opportunity in Federally Assisted Agricultural Programs in Georgia," August 1967. The Committee's report documented instances of segregated office facilities, segregated work assignments and segregated 4-H and home economics clubs. These findings led to a Committee recommendation that funds for the Georgia State Cooperative Extension Service be deferred until the Department of Agriculture conducted an investigation to ascertain the complete status of compliance in the State. Similar noncompliance was documented in staff reports prepared for Commission hearings on rural economic security in Montgomery, Alabama, April 27-May 2, 1968.

²⁴ Secretary's Memorandum No. 1595, February 28, 1966 (as amended June 17, 1966). As of December 31, 1967, the Office of Inspector General had processed 298 investigation reports, 14 of which were still in the reporting stage. Agencies of the Department of Agriculture were asked by the Commission to enumerate the Title VI complaints they had received. A table reflecting their responses is at Appendix E. It will be noted that all complaints of long standing said to be still negotiating involves the Federal Extension Service.

regated facilities resulted in a Department of Justice advisory opinion that such loans are covered by the nondiscrimination requirements of Title VI.

While the process of reacting to individual complaints is useful, this is not to say that an agency's compliance program should be based on a complaint-oriented procedure. Far too often agency staff who were interviewed indicated that their programs must be in compliance "because we have not received any complaints." Reacting solely to complaints is no substitute for effective compliance review and program evaluation.

COMPLIANCE REPORTS

The Department of Agriculture Title VI Regulations state.—Each recipient shall keep such records and submit to the agency timely, complete and accurate compliance reports at such times, and in such form and containing information, as the Agency may determine to be necessary to ascertain whether the recipient has complied or is complying with the regulations in this part.²⁵

A variety of reporting mechanisms are in use by the agencies of the Department of Agriculture.

Four agencies—Agricultural Research Service, Cooperative State Research Service, Farmers Cooperative Service, and the Soil Conservation Service—have no compliance reporting requirements whatsoever. The compliance activity of ARS is ostensibly covered under the HEW coordination plan for higher education. Programs of SCS have significant equal opportunity impact. FCS programs have significant implications for self-help development programs for low-income rural residents. Programs of CSRS have no major civil rights impact.

The Agricultural Stabilization and Conservation Service reports on the number of agreements made and the number of recipients refusing to sign an agreement in the Cropland Conversion Program. There is also a quarterly report of field reviews made which includes the number of agreements, any complaints received and any instances of noncompliance. These reports are obtained to fulfill Department requirements as part of a quarterly Title VI status report made to the Department of Justice.

The Rural Electrification Administration requires an annual compliance report from its borrowers (cooperatives) consisting of eleven "yes-no" questions with explanations required on all "no" answers.²⁶ The report form includes items on services, facilities, applications for membership and the communication by borrowers of a statement of nondiscrimination policy to all members. Reports are filed with area offices and reviewed by REA field officials who conduct normal liaison activity with borrower cooperatives. Any report indicating noncompliance is automatically forwarded to Washington. In addition, reports are randomly spot checked by the directors of the electric and telephone divisions of REA. The usefulness of this report was doubted by REA officials interviewed by Commission staff but subsequent to this a request was made by REA to the Bureau of the Budget to extend use of the form for another year.

The Forest Service provides in its Manual that compliance reports may be required but the only form universally used is one to ascertain the information on assurances, reports, reviews, complaints and noncompliance action required in the Department of Justice Quarterly Title VI Report.²⁷

The Farmers Home Administration requires a monthly report on compliance to be compiled by area supervisors, consolidated by the State Director and forwarded to the Washington office. The report consists of a standardized form listing by race the number of borrowers by category of loan, the number of applications made and the number of loans made by category of loan.²⁸

The Consumer and Marketing Service requires a seven-item compliance report covering summer camps participating in commodity programs. This questionnaire obtains racial breakdowns of attendance at the camps. Ten of these questionnaires, selected at random by C&MS officials at the request of Commission staff, were reviewed. Seven of the ten indicated varying degrees of bi-racial attendance. C&MS does not have any compliance reporting requirements on its major programs with equal opportunity implications: School Lunch, Special Milk, Direct Distribution and Food Stamps.

²⁵ 7 CFR 15.5(b).

²⁶ REA Form 268.

²⁷ Forest Service Manual 1564.22. The Forest Service report in use is form 1500-3.

²⁸ FHA Form 400-5.

The Federal Extension Service has no compliance reporting system currently in use. Quarterly progress reports on action taken in States submitting plans for compliance were formerly required but were abandoned in 1966 in favor of a supplement to the State's annual statistical report which would indicate the number of minority group persons participating in extension programs. This supplement provides no information which could be used to ascertain compliance.

Given the fact that the compliance reporting systems in use by USDA agencies provide such little information on the state of compliance in programs and the fact that there is no systematic method for verifying the information provided, either the reporting systems must be upgraded to the point that they can serve as a useful tool for assessing compliance or they should be abandoned all together. Quite likely a considerable saving of time, money and effort could be realized by dropping the requirement for compliance reporting and concentrating on establishing successful program statistical reports to be used in the program evaluation function. The latter approach, in conjunction with an expanded compliance review system, would likely provide a more meaningful approach to measuring compliance in USDA programs.

COMPLIANCE REVIEW

The Department of Agriculture Title VI Regulations provide—As a normal part of the administration of programs covered by the regulations in this part, designated personnel will in their program reviews and other activities or as specifically directed by the agency, review the activities of the recipients to determine whether they are complying with the regulations in this part.^{28a}

The compliance review function, if adequately constructed and properly carried out, should be the chief method whereby an agency informs itself as to the state of compliance in its programs. As conducted by the agencies of the Department of Agriculture, compliance reviews do not provide such information.

Compliance reviews are generally conducted by program staff (or in some cases, State officials) who have not been trained in compliance review techniques. On-site observation and interviews, usually with other program staff of the recipient (but seldom with minority group beneficiaries) are the chief methods for carrying out this function. Compliance review instruments are usually "yes-no" questionnaires lacking the specificity required for an accurate assessment of compliance. Records are seldom examined by reviewers.

Of 14,360 compliance reviews reported to have been accomplished by USDA agencies in the third quarter of calendar year 1967, only 14 instances of non-compliance were identified.²⁹ This ratio of noncompliance found to compliance reviews conducted does not square with reports of investigation and audits conducted by the Office of Inspector General (see "Audits" later in this section on compliance procedures) or with information developed by the U.S. Commission on Civil Rights during its investigations and State Advisory Committee meetings and thus raises serious doubts as to the adequacy of the compliance review effort in the Department.

All Title VI agencies of the Department of Agriculture, except the Agricultural Research Service, whose reviews are conducted by the Department of Health, Education, and Welfare under the HEW Coordination Plan, have some sort of program of compliance review.

The Cooperative State Research Service has developed an eight-item compliance checklist³⁰ for use by its Program Review Directors. The checklist covers such items as facilities, minority group participation, mailing lists, and information to minority groups. Four of these checklists, selected at random, were provided Commission staff for review. No noncompliance was indicated in any of the checklists.

The Rural Electrification Administration provides a checklist of nondiscrimination practices to be completed by its operations field representatives during their first visit of the year made to each borrower.³¹ The checklist consists of eleven "yes-no" questions covering such areas as the applications for membership, services rendered, facilities, and attendance at meetings. These checklists are

^{28a} 7 SFR 15.5(a).

²⁹ Department of Justice, "Quarterly Title VI Status Report, Department of Agriculture, Third Quarter 1967." Thirteen of the fourteen instances of noncompliance came from one agency—the Consumer and Marketing Service.

³⁰ Form 139.

³¹ REA Form 267.

reviewed in the area offices and forwarded to Washington only if noncompliance is indicated. Ten of these checklists were randomly selected for Commission staff review. None of the checklists indicated any noncompliance.

The Farmer Cooperative Service has a six-item "yes-no" checklist³² which is completed by the branch chief or project leader whenever advisory service to a cooperative is provided. The checklist covers such items as applications, services, and meetings. Eight of the checklists, randomly selected at the request of Commission staff were reviewed with negative results recorded on all eight. A review of the FCS staff instruction No. 66, December 10, 1965, indicates that information on minority group membership, complaints, and notification to all members is required in these reviews but these questions do not appear on the FCS form currently in use.

The Agricultural Stabilization and Conservation Service has an eleven question compliance review form on its Title VI program agreement.³³ The questions are generally "yes-no" but explanations for "no" answers are required. Eleven of these forms were reviewed by Commission staff with no indication of non-compliance found. On one form there was an indication that the reviewer had interviewed persons in addition to the primary recipient. On two forms Negroes were referred to in the lower case (negroes).

ASCS instructions also provide for an annual review of cooperative marketing associations.³⁴ There is no form in use but the guidelines indicate that reviewers are to observe the facilities, examine records and question employees and patrons. Seventeen items are covered in the guidelines of which five relate to matters with equal opportunity implications.

The Forest Service incorporates compliance review into its elaborate inspection system.³⁵ The inspection guide covers such items as assurances, equal employment opportunity, general Title VI compliance, complaints, facilities, and minority group contracts. Five narrative reports covering general program reviews as well as reports from four reviews of the cooperative forestry program and three land use permit reviews were reviewed by Commission staff. No noncompliance was indicated in any of the reports reviewed.

The Soil Conservation Service provides for only a minor amount of program review in accordance with its inspection guide. The only reference to civil rights compliance review in the Soil Conservation Service is listed under the heading of "productivity" and asks for a reference to "work with low income groups."³⁶

The Farmers Home Administration provides for an annual compliance review of loan activity to be conducted by county supervisors.³⁷ No format is specified however. Reports of these reviews in three States were provided Commission staff for review but the reports were found to list only the case numbers reviewed with the simple notation that no noncompliance was indicated.

In the major programs of the Consumer and Marketing Service subject to Title VI, compliance review activity is largely performed by personnel of the State agency administering consumer food programs. A compliance review checklist of seven questions was suggested by C&MS for State use but the States have generally incorporated the questions into their overall program reviews as they saw fit. This situation caused the Office of Inspector General, in its Phase II audit, to recommend that C&MS require the performance of more uniform and comprehensive NSL (National School Lunch) compliance reviews by State agencies by requiring CEPDO's (Commodity Food Program District Offices) to review and approve review guidelines developed by the State agencies.³⁸

In the details of the OIG Audit the conclusion was reached that "management and operating officials of Consumer and Marketing Service (C&MS) did not have an adequate means for determining whether discrimination was taking place in the conduct of the National School Lunch (NSL) Program." While the observations above relate only to the School Lunch Program, Commission staff believe the same is equally true for the other consumer food programs administered by C&MS. The OIG audit went on to say that "information contained in the State agency compliance reviews lacked depth in coverage and were not uniform in

³² FCS Form 38.

³³ ASCS Form 540.

³⁴ ASCS 1-PS (FP), August 24, 1966.

³⁵ Forest Service Manual, Title 1400.

³⁶ Soil Conservation Service Management Memorandum No. 19, January 13, 1967.

³⁷ Farmers Home Administration, Administrative Letter S37 (400), January 13, 1965.

³⁸ Office of the Inspector General Audit Report 6041-5-H "Audit of the Civil Rights Activities in the Consumer and Marketing Service, July 1, 1965 to June 30, 1966."

scope" and that C&MS guidelines did not prescribe techniques that would provide management officials with needed civil rights information.³⁹

The Federal Extension Service has no system for overall continuing compliance review. A random sampling review of approximately 60 counties each was performed by FES Washington staff in 1965 and 1966. Although the review was rather extensive, the Office of Inspector General Audit of the Federal Extension Service remarked of the Fiscal Year 1966 reports the reviews were not as meaningful as they could have been because information was obtained principally through interviews with CES (Cooperative Extension Service) employees. The reviews did not contain independent verifications of the information received through interviews, and no independent evaluation was made of the extent of compliance with the Civil Rights Act of 1964.⁴⁰

The Administrator of the Federal Extension Service, when interviewed by Commission staff, stated that no return visits had been made to counties where noncompliance was indicated to see if conditions found in the reviews had been corrected. He also stated that the Office of Inspector General audits now contained reviews of civil rights matters and that "this is our method of seeing how progress is getting along."⁴¹

The lack of adequate compliance review machinery in the ASCS, FHA, and SCS is partially offset by procedures for obtaining statistical data regarding minority group participation. ASCS obtains information on minority group participation in its programs for 580 counties in 24 States where minorities constitute ten percent or more of the farm operators. SCS also obtains information on minority group participation but only for Southeastern States and only for Negroes. FHA makes extensive analysis of its loan programs by race of loan recipient, type of loan received, and amount of loan. The FHA analyses have not yet compared such data by economic class or net worth, as was done in the U.S. Commission on Civil Rights 1965 report, *Equal Opportunity in Farm Programs*, but the FHA guidelines for loan analyses for this year will include such comparisons.

The compliance review systems in use by the agencies of the Department of Agriculture are not serving the purpose of providing a meaningful measurement of compliance. Part of this failure stems from the fact that untrained program staff (and in some cases state program staff) are used to perform these reviews. Another failing of the compliance review function results from the inadequacy of the instruments used and the inadequacy of methods used. Meaningful measurement of compliance cannot, as a rule, be obtained by asking questions that can be checked either "yes" or "no" on a form. Questions of "how," "why," "where," "who" "when" and "how many" must be asked as follow-up. Similarly, objective assessments of compliance cannot be obtained by limiting the review to interviews of program staff. Interviews of minority group employees and beneficiaries must be conducted. Visual observations must be made. Economic and social data must be collected. Program records must be examined. Finally, the quantitative and qualitative level of compliance review desired cannot be obtained unless overall agency guidelines for compliance review are developed and Departmental policy is coordinated. Especially needed are guidelines specifying the use of compliance reviews and the enforcement actions that will flow from situations where noncompliance is indicated.

AUDITS

The Office of Inspector General performs all audit and investigative activities of the Department. The purpose of this activity is to provide the Secretary with independent and objective examinations of the Department's programs to assure him that existing laws, policies, and programs are effectively complied with.

Audit findings are referred to agency officials responsible for the agency's civil rights functions. They are discussed with the agency and the agency's response is usually noted in the audit report. The agency's actions in response are also reported to the Office of Inspector General. Discrepancies noted in an audit become items for special review in the next scheduled audit.

³⁹ *Ibid.*

⁴⁰ Office of Inspector General Audit Report No. 6041-6-H, "Audit Report of Civil Rights Activities in the Federal Extension Service, July 1, 1964 to June 30, 1966."

⁴¹ In addition to plans to include civil rights reviews in their regular program audits, the Office of Inspector General had completed special audits of extension activity in six Southern States, totaling a review of 77 counties. A review of these audits indicated that widespread noncompliance continues in the Cooperative Extension Service.

The term "audit" may be considered synonymous with "compliance review" when considered as a function except that in practice the audits conducted by the Office of Inspector General are more thorough than the compliance reviews performed by the USDA agencies. The Inspector General, Mr. Lester P. Condon, stated very forcefully to Commission staff his belief that the investigative and auditing (review) functions should be separated from the interpretative and enforcement functions. This was interpreted by Commission staff as referring to the specific activities of the OIG. But as a general principle, unless there are large increases in the civil rights staffing within the Department of Agriculture—a doubtful prospect—compliance reviews will probably continue to be performed in large part by the agencies themselves. The inadequacy of the present system of compliance review used by the agencies has already been commented on in the previous section.

Civil rights audits conducted so far by OIG have demonstrated extensive non-compliance and overall program weaknesses in several agencies.⁴² These findings are in sharp contrast to the picture of compliance represented in other reporting activities of the Department.

The degree to which OIG audit findings have been used by the Department of Agriculture to reorient its civil rights policies is questionable, since many of the findings of Phase I were found to be uncorrected in Phase II, a year later.⁴³ This fact notwithstanding, however, it is apparent that the Office of Inspector General, through its complaint investigation and audit activities, is the single most influential factor, both actually and potentially, in effecting change in the civil rights record of the Department. Their methodology may well serve as an example for other government agencies in testing the effectiveness of Federal government civil rights policies and procedures.

In 1965, a small unit within the Office of Inspector General initiated a three phase, long range program, to assess the status of equal opportunity in Departmental programs. Phases I (Title VI and contract compliance activities in eight agencies and offices at the Washington level) and II (Title VI and contract compliance activities and equal employment opportunity in approximately 135 offices of seven to eight agencies at the field level) have been completed. Phase III, to be completed in calendar year 1968, involves the preparation of a civil rights guide for audits which are performed at field levels. The guide is being incorporated into regular program audits to insure that equal opportunity matters are covered in each of some 5,000 program audits performed annually. A preliminary review of the audit guide by Commission staff indicates that the audit guide will be a significant step in assessing the status of equal opportunity in Department programs.

In addition to the phased audits of civil rights mentioned above, the Office of Inspector General has completed a special audit of the activities of six of the State Cooperative Extension Services. This audit, covering 77 counties, revealed substantial noncompliance in the extension programs.

PROGRAM EVALUATION

As interpreted by the U.S. Commission on Civil Rights, Title VI of the Civil Rights Act of 1964 places a special obligation upon Federal program administrators to be informed about the continuing impact of their programs upon minority group recipients. This may be referred to as "program evaluation."

In its 1965 report, *Equal Opportunity in Farm Programs*, the U.S. Commission

⁴² Commission staff reviewed several OIG civil rights audits. Audit Report No. 6041-6-H, covering the civil rights activities of the Federal Extension Service for the period July 1, 1964 to June 30, 1966 found (in part):

1. " * * * no independent evaluation (of compliance reviews) was made of the extent of compliance with the Civil Rights Act of 1964."

2. "the use of segregated mailing lists * * * as late as June 1966."

3. "no system or procedure * * * for review of assignments and promotions * * * to insure against discrimination."

4. "statistical data was not being received * * * which could be evaluated to determine whether personnel assignments and services to clientele were being handled in a nondiscriminatory manner."

⁴³ OIG Audit Report No. 5003-1-H, dated January 4, 1965 recommended that the Office of the Assistant Secretary for Civil Rights "establish written guidelines within the Department for evaluating analyses, conclusions and corrective actions related thereto, and which will require (a) agencies to perform racial data analyses, and document conclusions and actions taken or promised to correct inequities cited." This, and three other recommendations regarding this office were found not to have been acted on in Audit Report No. P3H6-H-3, covering the period January 22, 1965 to June 30, 1966.

on Civil Rights recommended that the Department of Agriculture "establish methods for review and evaluation of the implementation of equal opportunity policy."

Departmental Committee on Program Review and evaluation

As a partial response to the Commission recommendation a five-man Departmental Committee on Program Review and Evaluation was established in April 1965 to provide continuing review and evaluation of Department programs to assure that these programs are efficiently accomplishing the objectives of Congress on a completely nondiscriminatory basis.⁴⁴

Membership of the Committee was drawn from Departmental staff already having other full time duties. Thus the capacity of the Committee to fulfill its responsibilities was severely limited from the outset. Furthermore, as viewed by the chairman, the Committee was not in a position to direct action by the agencies but could only serve to educate and stimulate the agencies as to the kinds of data that should be obtained for effective program evaluation.

Despite these limitations, the Committee was able to meet on 40 occasions with the agencies of the Department and review the existing data collection systems. The Committee neither devised agency systems or evaluated the information obtained through them other than to comment on the adequacy of the measurements used.

Program evaluation in Department of Agriculture agencies

The Department of Agriculture has no overall policy on the collection of racial data. Program statistics are not shared on a routine basis with the Office of the Assistant to the Secretary for Civil Rights.

The state of racial data collection for purposes of program evaluation varies among agencies of the Department. The Chairman of the Departmental Committee on Program Review and Evaluation stated that the systems developed by the Soil Conservation Service and the Federal Crop Insurance Corporation (a non-Title VI agency) were considered to be the most effective that had been developed to date.⁴⁵ Conversely, the data collection systems of two Title VI agencies, the Consumer and Marketing Service and the Federal Extension Service, were considered the ones which required the most improvement. This judgment was shared by the Assistant to the Secretary for Civil Rights.

The Consumer and Marketing Service, which administers the consumer food programs of the Department subject to Title VI (School Lunch, Special Milk, Food Stamps, and Direct Distribution) collects no racial participation data whatsoever. This has prevented any program evaluation from being accomplished in the past. At the time of Commission staff interviews, there were plans to conduct a School Lunch survey in cooperation with the Bureau of the Census but subsequent inquiry by Commission staff determined that no racial participation data was originally contemplated for the survey. At the urging of the Commission and the Bureau of the Budget racial data reporting requirements were added to the survey. Also during Commission interviews it was learned that a requirement for racial participation data was being considered as an addition to annual reports on food programs made to C&MS by the States. As of this date, however, no reporting form incorporating these requirements, has been approved for use.

The Federal Extension Service has collected certain racial data in the past but it was in such form as to make meaningful program evaluation extremely

⁴⁴ Secretary's Memorandum No. 1574, April 26, 1965. Note: Since the Commission survey was conducted, this memorandum has been revised. A new chairman and two additional members have been added. The committee's responsibilities have been clarified and expanded to:

- (1) provide assistance in developing statistical systems measuring minority group participation and the extent to which services are furnished across racial lines;
- (2) provide for an annual review of racial data systems for adequacy; and
- (3) provide for a semiannual reporting to the Assistant to the Secretary for Civil Rights on the status and activities of agency programs in this area.

In addition, the revised memorandum calls upon agency administrators to establish on-going statistical systems sufficient to enable the measurement of progress in meeting Departmental civil rights objectives. Agency administrators are to make, at least annually, comprehensive reports on the status and activities of their programs.

⁴⁵ Following the Commission's 1965 Report, the Soil Conservation Service adjusted its data collection system to reflect service provided to numbers of cooperators by race and color. Previously, service provided had been measured on the basis of numbers of acres in plans and thus many smaller operators had not been served as effectively as possible. This was a significant adjustment in program emphasis, a fact which was affirmed in interviews with Soil Conservation Service officials.

difficult. The data collection system in use, which was not approved by the Departmental Committee on Program Review and Evaluation or the Assistant to the Secretary for Civil Rights, does not permit any determinations of non-discriminatory service or provide information on a county basis. In short, it cannot serve as an effective tool for pinpointing program deficiencies.

A divergence of opinion exists among USDA officials as to who should be responsible for the overall control and direction of the program evaluation function within the Department. Up to now, the Assistant to the Secretary for Civil Rights has depended on the Departmental Committee for assessing the character of agency program evaluation efforts. The Departmental Committee does not, however, conduct program evaluation. What little program evaluation is accomplished is done within the agencies. The Office of the Assistant to the Secretary for Civil Rights conducts no systematic program evaluation of its own. One agency official, the Administrator of the Federal Extension Service, indicated his preference for retaining program evaluation responsibility within the agencies, stating, "you can't separate program administration from civil rights evaluation." The Chairman of the Departmental Committee on Program Review and Evaluation stated that he did not consider the Committee system as being satisfactory, especially with relation to Title VI, and that he hoped another method could be devised.

Whether program evaluation is conducted entirely by the agencies themselves, by the Office of the Assistant to the Secretary for Civil Rights, or by both together, the Assistant to the Secretary for Civil Rights must have some mechanism to inform himself regarding the impact of agency programs on minority groups.

FINDINGS AND RECOMMENDATIONS

Finding.—The organization, staffing, and assignment of the equal opportunity function in the Department of Agriculture as presently constructed does not provide the most effective implementation and enforcement of Federal and departmental equal opportunity policies and regulations.

Recommendations.—Establish an Office of Equal Opportunity⁴⁶ under the Secretary with responsibility for and authority to coordinate, implement and enforce Federal and Departmental equal opportunity policies and regulations. Such responsibility and authority should include the power to command agency performance in the areas of:

- (a) Program review and evaluation.
- (b) Resolution of complaint investigation findings and corrective action.
- (c) Compliance reporting and review.
- (d) Training to accomplish Departmental equal opportunity responsibilities.

The Office of Equal Opportunity should combine within it the functions of:

- (a) Title VI.
- (b) Direct Federal Programs.
- (c) Federal Employment.
- (d) Federal Contract Compliance.

The Office of Equal Opportunity should direct and coordinate the following functions:

- (a) Program evaluation.
- (b) Compliance reporting.
- (c) Compliance review.
- (d) Follow up on complaint investigations and audits to insure that corrective action is taken.
- (e) Equal opportunity training.

A full time equal opportunity staff should be allocated to each of the following agencies:

- (a) Federal Extension Service.
- (b) Consumer and Marketing Service.
- (c) Farmers Home Administration.
- (d) Agricultural Stabilization and Conservation Service.

A full time staff person should be allocated to the following agencies:

- (a) Forest Service.

⁴⁶ A model staffing and funding proposal for an Office of Equal Opportunity in the Department of Agriculture is at Appendix F.

- (b) Soil Conservation Service.
- (c) Rural Electrification Administration.
- (d) Farmers Cooperative Service.

Finding.—The Department of Agriculture does not uniformly conduct evaluations which meaningfully measure the relative impact and benefits of agriculture programs and services upon potential and actual minority group program participants.

Recommendations.—Establish a program evaluation unit in the Office of Equal Opportunity to provide independent measurements of equal opportunity.

Require all agencies to collect racial and ethnic program participation data sufficient to measure:

(a) Federal and non-Federal employment in agriculture programs down to and including county units.

(b) Minority group membership and characteristics of members on elected and appointive committees and other bodies which govern, administer, or serve in an advisory capacity to agricultural and agriculture-related programs.

(c) Minority group participation and the basis of their participation in the services and benefits of agricultural and agriculture-related programs.

(d) Socio-economic characteristics of minority groups who are recipients or potential recipients of benefits (so as to relate relative need for services to services provided),

(e) Rates of progress and relative impact of programs on minority groups.

Integrate equal opportunity program evaluation with the overall programing and planning function of the Department.

Finding.—No effective program for civil rights training of agency program staffs and employees of agriculture programs at the State and local level exists in the Department of Agriculture. As a result, agency administrators and program personnel are not sufficiently informed of equal opportunity policies and are not equipped to implement and enforce these policies. As a further result, communication with minority group recipients is poor or non-existent.

Recommendation.—Establish a unit in the Office of Equal Opportunity to develop training programs in equal opportunity to be implemented in the Department of Agriculture and at the State and local levels. Adequate training programs must include:

(a) Full understanding of Federal equal opportunity laws and policies.

(b) Techniques for implementing and enforcing equal opportunity functions.

(c) Intergroup relations training to enable program staff to communicate with and understand the problems and needs of minority groups.

Finding.—Compliance reporting and review methods presently in use do not adequately inform the Department of Agriculture as to the state of equal opportunity compliance in its programs.

Recommendations.—Develop adequate methods for assessing equal opportunity compliance. Adequate methods include:

(a) quantitative measurements of minority group participation in program benefits. This requires that "yes-no" questionnaires for compliance reporting be replaced where possible with measurements of "how many," "where," "when," and "how."

(b) on-the-spot field reviews incorporating thorough "across the board" program measurements and contacts with minority group recipients.

(c) independent field reviews by the staff of the Office of Equal Opportunity.

Finding.—Although the most significant activity in equal opportunity compliance within the Department of Agriculture is currently being conducted by the Office of Inspector General, the effectiveness of this activity is limited by the failure of agency administrators to respond adequately to OIG audit and report findings.

Recommendations.—Require that adequate corrective action be taken in response to OIG findings. The Office for Equal Opportunity should be given authority to determine the sufficiency of action taken. In no even should OIG activities be deemed to relieve the Office of Equal Opportunity or the agencies concerned from their compliance reporting, compliance review or program evaluation responsibilities.

APPENDIX A

PROGRAMS OF THE U.S. DEPARTMENT OF AGRICULTURE SUBJECT TO TITLE VI OF THE CIVIL RIGHTS ACT OF 1964*

*Agricultural Research Service Grants for Research**Agricultural Stabilization and Conservation Service*

- Cropland Conversion Program.
- Cropland Adjustment Program.
- Appalachian Land Stabilization & Conservation Program.
- Price Support—Gum Naval Stores.
- Price Support—Peanuts.
- Price Support—Tobacco.
- Price Support—Tung Oil.
- Cooperative Marketing Associations (tung oil, dry beans, honey, rice, soy beans, and cotton).

Cooperative State Research Service

- Hatch Act.
- Cooperative Forestry Research.
- Research Facilities.
- Basic Research.

Consumer and Marketing Service

- School Lunch.
- Special Milk.
- Director Distribution.
- Food Stamp.
- Matching Funds.

Farmers Cooperative Service

- Cooperatives.

Farmers Home Administration

- Soil and Water Loans.
- Senior Citizens' Rental Housing Loans.
- Farm Ownership Loans—Recreation.
- Operating Loans—Recreation.
- Rural Renewal Loans.
- Watershed Loans.
- Economic Opportunity Loans to Cooperative.
- Resource Conservation and Development Loans.
- Labor Housing Grants.

Federal Extensive Service

- State Extension Services.

Forest Service

- Revenue Sharing Payments.
- Cooperative State Forestry.
- Research.
- National Forest Administration.

Rural Electrification Administration

- Loans to Telephone and Electric Companies.

Soil Conservation Service

- Soil & Water Conservation Districts.
- Sponsoring Organization—Watershed Protection.
- Watershed Project Agreements.
- Work Plan Agreements.
- Work Plan Amendments.
- Sponsoring Organizations—Sub-watershed Projects.
- Work Plan Agreements.
- Work Plan Amendments.
- Sponsoring Organizations—Resource Conservation and Development.
- Work Plan Agreements.

*NOTE.—This is a listing of USDA programs subject to Title VI for which quarterly compliance status reports are made to the Department of Justice. For a complete listing of all programs subject to Title VI, see 7 CFR 15.

APPENDIX B

MAJOR TITLE VI PROGRAM DESCRIPTIONS OF AGENCIES OF THE DEPARTMENT OF AGRICULTURE AND THEIR PRINCIPAL PROBLEM AREAS REGARDING EQUALITY OF OPPORTUNITY

FEDERAL EXTENSION SERVICE

The Federal Extension Service administers the program of cooperative extension work whereby funds, matched by State and local contributions, are distributed to the States to assist in providing out-of-school education in the field of agriculture, home economics, and related subjects to farm and rural residents. Funds are used primarily for the employment of approximately 15,000 State and county extension workers who work with rural families by providing them information and assistance in the application of methods in production, marketing, and family living.

The Fiscal Year 1968 appropriation for extension work was nearly \$97 million. Of this figure, \$90 million was apportioned to the States. This latter amount accounts for approximately 36 percent of all funds expended for extension work.

Of all agricultural programs, discrimination is most prevalent in extension work. Segregated service and work assignments, segregated 4-H and home economics clubs, and unequal employment opportunities are still widespread. For example, the Commission's Georgia State Advisory Committee in a 1967 report entitled *Equal Opportunity in Federally Assisted Agricultural Programs in Georgia*, determined that Negro extension workers are generally limited to working only with Negro rural residents and are universally subordinated to white workers. The Committee found that of over 150,000 rural youth enrolled in 4-H Clubs in Georgia, less than 9,000 of these youth attended clubs with members of another race and that of the latter number, only 406 were Negro.

FARMERS HOME ADMINISTRATION

The Farmers Home Administration provides loans, grants, and management assistance to farmers to operate, purchase and develop farms and to farmers and rural residents and groups to build, buy and improve homes, to develop recreational facilities and community water systems, and to develop and carry out rural conservation and development projects. The Farmers Home Administration also administers an OEO-delegated program of small loans to low-income farmers and rural residents for the development of enterprises to increase their income.

Not all FHA loan programs, especially those having the greatest impact on the economic standing of farmers and rural residents, are covered by Title VI since they involve direct loans to individuals. In all, 11 programs, involving a FY 1968 appropriation of over \$155 million, of the Farmers Home Administration are subject to Title VI. The total FHA loan disbursements for FY 1969 are estimated to be \$1.4 billion alone, thus it can be seen that the major funding programs of FHA are not covered by Title VI.

Major FHA programs covered by Title VI include:

(a) Loans for soil and water conservation and the development of recreational facilities.

(b) Loans for senior citizen rental housing in rural areas.

(c) Loans to public bodies for the redevelopment of rural areas.

(d) Loans to cooperatives.

The chief opportunities for discrimination in FHA Title VI programs are in the types and amounts of loans made to minority group borrowers and in the level of technical assistance which they receive. Furthermore, loans for facilities may go to segregated groups for segregated services or where there are limited opportunities for minority group participation.

CONSUMER AND MARKETING SERVICE

The Consumer and Marketing Service administers four consumer food programs (Special Milk, School Lunch, Food Stamps and Direct Distribution) and one matching fund program (for State departments to carry out marketing service programs) which are subject to Title VI. The FY 1969 request for the consumer food programs is approximately \$750 million and the request for the matching fund program is \$1.7 million.

Fiscal Year 1969 obligation for the Special Milk program are estimated to be \$104 million to reimburse States for over 3 billion half pints of milk to be provided to schools, camps, and institutions. Fiscal Year 1969 obligations for the School Lunch program are estimated to be \$249 million to assist States in pro-

viding approximately 3.5 billion lunches to an estimated 20 million school children in approximately 74,000 schools participating in the program. For Fiscal Year 1969 \$225 million in obligations is estimated for the Food Stamp Program and \$168 million in obligations is estimated for the Direct Distribution Program. Together, these two programs reached an estimated 6.1 million persons in approximately 2,400 counties in July 1968.

Opportunities for distribution in these programs include service to segregated schools,⁴⁷ camps and institutions and failure to include all eligible minority recipients. In addition, available evidence indicates differentials exist in program benefits. For example, many counties who do not have commodity distribution and Food Stamp programs have high minority group populations. In the fall of 1966, 26 of the 35 counties in Alabama which had no food programs had Negro populations above the State average. In schools with lunch programs, Negroes do not participate proportionately to white children. A 1964 USDA survey of the School Lunch program in Cambridge, Maryland, revealed that 46 percent of white children but only 19 percent of the Negro children were participating in the lunch program.

AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE

The Agricultural Stabilization and Conservation Service administers the price support and production adjustment programs of the Department of Agriculture. Price support programs alone account for an estimated \$3.2 billion (Fiscal Year 1969), the major portion of the Department's budget. Programs under these categories are not covered by Title VI, however. Only four relatively minor programs, with an estimated net expenditure in Fiscal Year 1968 of \$161 million are covered by Title VI. These are:

- (a) loans to producer associations (21 primary recipients).
- (b) loans to cooperative marketing associations (25 recipients).
- (c) cropland conversion and cropland adjustment (by which landowners are encouraged to convert their land to other uses. There is no money for these programs this year).
- (d) disaster assistance (whereby surplus feed may be made available to relieve acute distress in disaster areas. This is not an active program).

There are few opportunities for noncompliance in any of these programs.

RURAL ELECTRIFICATION ADMINISTRATION

The Rural Electrification Administration provides low interest rate (2 percent), long term (up to 35 years) loans to cooperatives to finance and improve electric and telephone service in rural areas. The Fiscal Year 1968 estimated expenditure for these programs was \$435 million. The electrification program, begun in 1935, has enabled the provision of electric service to 98 percent of the farms in America with approximately 6.6 million consumers being served. The telephone program, begun in 1949, has enabled the extension of telephone service to 79 percent of the farms in America with over 2¼ million subscribers being served.

Opportunities for discrimination in service and cooperative memberships are present in these programs but REA officials indicated that this does not seem to be a problem at present. Their main concern is the low level of minority group employment and minority group representation among cooperative boards of directors. This, however, is not reached by Title VI requirements.

FOREST SERVICE

The Forest Service conducts four major programs subject to Title VI:

- (a) National Forestry Administration—land use permits to States and public and private organizations for recreational and other purposes.
- (b) Cooperative Forestry—matching funds and technical assistance to States for fire control, seeding and tree planting.
- (c) Research grants—to institutions of higher learning for cooperative research in forestry.
- (d) Revenue Sharing—25 percent of the gross receipts from national forests are returned to States and counties for use on schools and roads.

These programs had an appropriation of over \$66 million in Fiscal Year 1968. Opportunities for noncompliance are limited mainly to the revenue sharing program where school recipients are not in compliance with HEW desegregation

⁴⁷ By way of interpretation of the legislative history of the Civil Rights Act of 1964, school lunches may be provided to public schools, even though they are segregated. This exemption does not apply, however, to private schools, camps, and institutions.

requirements and the national forest program where land use permits may go to segregated groups or organizations. As of the third quarter of calendar year 1967 there had been seven refusals to file an assurance and 30 unacceptable assurance forms in the revenue sharing program received by the Forest Service. In the National Forest program there had been 18 refusals to file an assurance. All such recipients had been noticed for hearing. With the exception of the Consumer and Marketing Service, no other agency of the Department had advanced as far in the enforcement stage.

SOIL CONSERVATION SERVICE

The Soil Conservation Service administers the national soil and water conservation programs of the Department of Agriculture. Technical assistance in the form of soil surveys and planning is provided to land owners and operators in nearly 3,000 soil conservation districts in the United States and territories.

Four programs administered by the Soil Conservation Service are subject to Title VI coverage. They are:

(a) Watershed Protection—financial and other assistance to States and local organizations for the installation of works of improvement in flood prevention.

(b) Flood Prevention—the same, except work is accomplished through Federal contracts.

(c) Resource Conservation and Development—planning and technical assistance to States and public bodies for developing programs of land conservation and utilization.

(d) Conservation Technical Assistance—technical assistance other than surveys, for the installation of practices to conserve and develop soil and water resources.

A total of \$193 million was appropriated for these programs in Fiscal Year 1968.

Opportunities for discrimination in Soil Conservation Service programs reside mainly in the amount and quality of technical assistance provided to minority group operating units, equality of benefits derived from projects, and minority group representation on decisionmaking bodies (soil conservation district boards).

FARMER COOPERATIVE SERVICE

The Farmer Cooperative Service, one of the smaller agencies in the Department of Agriculture, provides technical assistance for the development and operation of rural cooperatives. It also conducts research and publishes its results as a service to cooperatives. The fiscal year 1968 appropriation for these activities was \$1.3 million.

Very little opportunity for discrimination exists in the Farmer Cooperative Service program except as regards the amount and quality of technical assistance provided to developing cooperatives with significant minority group memberships.

AGRICULTURE RESEARCH SERVICE

The Agriculture Research Service provides grants to colleges and nonprofit institutions for conducting basic scientific research. Compliance review for colleges and universities is covered by the HEW Title VI Coordination Plan for Higher Education.

Obligated expenditures for Fiscal Year 1967 amounted to \$3 million.

COOPERATIVE STATE RESEARCH SERVICE

The Cooperative State Research Service administers four grant programs for research in agriculture, agricultural marketing, rural life, and cooperative forestry research. Research is conducted at State agricultural experiment stations.

The Fiscal Year 1968 appropriation for these programs was \$62 million.

Opportunity for discrimination occurs regarding access to facilities on field days when groups meet at the experiment stations for demonstrations of research results. Composition of visiting groups is usually determined by the county extension agent.

FOREIGN AGRICULTURAL SERVICE

The Foreign Agricultural Service conducts one program, Foreign Market Development projects, subject to Title VI. This program attempts to develop new markets for United States agricultural commodities by making available foreign currencies derived from sales of United States surplus commodities abroad.

This program was not included in the Title VI survey.

APPENDIX C.—USDA AGENCY STAFFING FOR TITLE VI MATTERS, FISCAL YEAR 1968

Agency ¹	Washington			Total	Field			Total
	Full time	Less than full time but more than $\frac{1}{2}$ time	Less than $\frac{1}{2}$ time but more than $\frac{1}{4}$ time		Full time	Less than full time but more than $\frac{1}{2}$ time	Less than $\frac{1}{2}$ time but more than $\frac{1}{4}$ time	
ARS.....	0	0	0	0	0	0	0	0
ASCS.....	0	0	0	0	0	0	0	0
C. & M.S.....	0	0	(2)	(2)	0	0	0	0
CSRS.....	0	0	0	0	0	0	0	0
FCS.....	0	0	0	0	0	0	0	0
FHA.....	0	0	(3)	(3)	0	0	0	0
FES.....	4	0	2	6	0	0	0	0
FS.....	0	1	0	1	0	0	(1)	(1)
REA.....	0	0	(5)	(5)	0	0	(0)	0
SCS.....	0	1	0	1	0	0	(0)	(0)
Total.....	4	2	2	8	0	0	0	0

¹ Does not include Office of Assistant to the Secretary for Civil Rights, Office of Inspector General, Office of General Counsel, or Departmental Committee on Program Review and Evaluation.

² C. & M.S. states that there is no separate staff for title VI work but estimates 33 man-years are spent on title VI responsibilities with no person spending more than $\frac{1}{4}$ their time.

³ FHA states that no employee spends more than $\frac{1}{4}$ of his time on title VI at either level.

⁴ Forest Service states that none of their employees in the field spend more than $\frac{1}{4}$ of his time on title VI.

⁵ REA reports that no individual in REA spends more than $\frac{1}{4}$ of his time on title VI.

⁶ SCS states that all expenditures of time on title VI matters at the State level is less than $\frac{1}{4}$ time. One person spent, more than $\frac{1}{2}$ time on title VI in fiscal year 1967.

APPENDIX D.—NUMBER OF AGRICULTURAL PERSONNEL RECEIVING CIVIL RIGHTS TRAINING THROUGH DEC. 31, 1967

	Washington	Field
ARS.....	0	0
ASCS.....	7	13
C. & M.S.....	6	5
CSRS.....	0	4
FCS.....	1	0
FHA.....	3	13
FES.....	3	0
FS.....	18	232
REA.....	² 56	² 186
SCS.....	(2)	(2)
Total.....	93	243

¹ Civil rights sensitizing training to an undetermined number of regional personnel conducted by ASCS officials.

² 50 of District of Columbia staff and 180 of field staff participated in administrative conference for field employees in 3 different sessions conducted by REA officials.

³ Soil Conservation Service reports attending various CSC training sessions but they were unable to provide any specific information on numbers of staff involved.

APPENDIX E.—USDA AGENCY TITLE VI COMPLAINTS AND RESULTANT ACTION, JAN. 1, 1965, TO JUNE 30, 1967

Agency	Jan. 1, 1965, to June 30, 1966						July 1, 1966, to June 30, 1967					
	(a)	(b)	(c)	(d)	(e)	(f)	(a)	(b)	(c)	(d)	(e)	(f)
ARS.....	0	0	0	0	0	0	0	0	0	0	0	0
ASCS.....	0	0	0	0	0	0	0	0	0	0	0	0
C. & M.S.....	54	41	13	0	0	13	18	16	2	0	0	2
CSRS.....	0	0	0	0	0	0	0	0	0	0	0	0
FCS.....	0	0	0	0	0	0	0	0	0	0	0	0
FHA.....	0	0	0	0	0	0	0	0	0	0	0	0
FS.....	0	0	0	0	0	0	0	0	0	0	0	0
FES.....	26	18	1	7	0	0	6	2	0	4	0	0
REA.....	4	(1)	0	0	0	0	2	(1)	0	0	0	1
SCS.....	0	0	0	0	0	0	0	0	0	0	0	0
Total.....	84	59	14	7	0	13	26	18	2	4	0	3

¹ Complainant did not respond to request for further information. No investigation performed.

Note: (a) complaints; (b) found in compliance; (c) found out of compliance; (d) still negotiating; (e) hearing noticed; (f) compliance achieved.

APPENDIX F

A MODEL OFFICE OF EQUAL OPPORTUNITY IN THE U.S. DEPARTMENT OF AGRICULTURE

The following is a model for an Office of Equal Opportunity in the U.S. Department of Agriculture. It is intended solely as a discussion piece to suggest the size and funding for an office necessary to carry out the equal opportunity requirements of the Department.

The model envisages an Office of Equal Opportunity of approximately 107 personnel—68 professional and 39 clerical. (See Figure 1 and Table 1.) The estimated cost for personnel, travel, and operations and maintenance is \$1.48 million (See Table 2).

The model envisages three sections: Federal employment, contract compliance, and equal opportunity compliance. The equal opportunity compliance section envisages four branches: training, evaluation, liaison and review, and field offices.

Seven field offices are projected. The purpose of such field offices would be to coordinate the equal opportunity compliance program of *all* Department of Agriculture programs in the States within the regions. Such offices could be located in the same space as the present Office of Inspector General regional offices for convenience and to facilitate access to OIG investigation and audit findings. Larger staffs would be assigned to regions where greater equal opportunity problems exist.

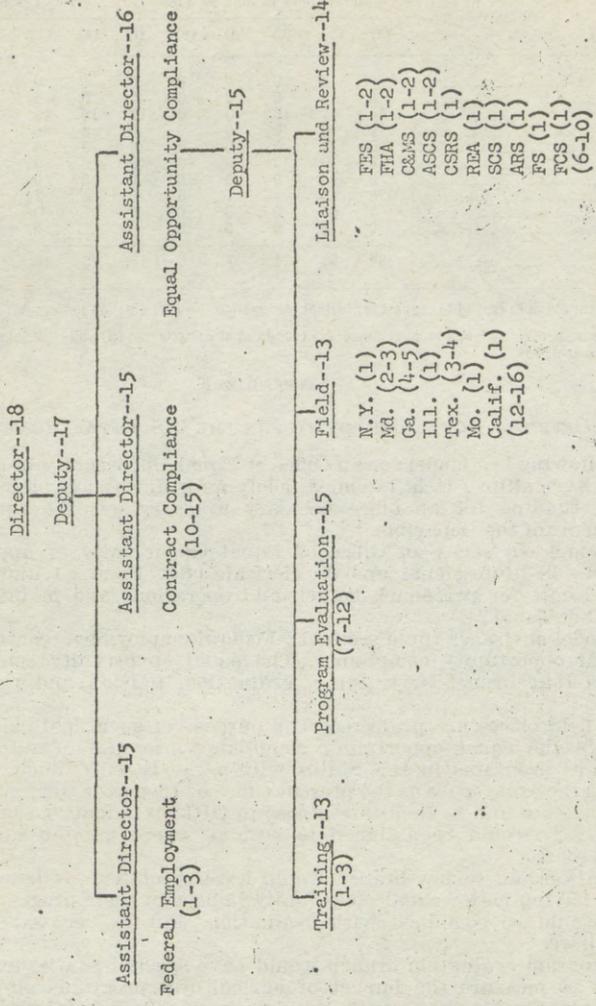
The liaison and review branch would have specialists assigned to work with agencies having major equal opportunity impact in their programs. Staff in this branch would be combined with evaluation staff as necessary to accomplish team reviews.

The program evaluation branch would have specialists who examine program statistics to measure the impact of agricultural programs on minority group participants. Staff in this branch would be combined with liaison and review staff to accomplish team reviews.

The training branch would have specialists who develop and conduct equal opportunity training programs in the Department.

FIGURE 1

OFFICE OF EQUAL OPPORTUNITY
U.S. Department of Agriculture
Organizational Chart



KEY: Numerals indicate grade of professional staff
Numerals in parenthesis indicate number of professional staff in offices

TABLE 1.—OFFICE OF EQUAL OPPORTUNITY, U.S. DEPARTMENT OF AGRICULTURE, STAFF SUMMARY

	Professional		Clerical	
	Grade	Number	Grade	Number
Director, Office of Equal Opportunity.....	GS-18		GS-11	
Deputy Director.....	GS-17		GS-11	
Assistant Director, Equal Opportunity Compliance.....	GS-16		GS-5	
Assistant Director, Federal Employment.....	GS-15		GS-8	
Assistant Director, Contract Compliance.....	GS-15		GS-7	
Deputy Assistant Director, Equal Opportunity Compliance.....	GS-15		GS-7	
Chief, Program Evaluation.....	GS-15		GS-7	
Chief, Liaison and Review.....	GS-14		GS-6	
Chief, Training.....	GS-13		GS-6	
Chiefs, regional offices.....	GS-13	7	GS-6	7
Employment specialists.....	GS-11		GS-5	
	GS-9	2		
Contract compliance specialists.....	GS-11	10	GS-6	
	GS-9	5	GS-5	
Program evaluation staff specialists.....	GS-13	2	GS-4	3
	GS-11	5	GS-6	2
	GS-9	5	GS-5	3
Regional equal opportunity specialists.....	GS-11	5	GS-4	2
Liaison and review specialists.....	GS-11	6	GS-5	3
				2
Total.....		47		22

TABLE 2.—Office of Equal Opportunity, U.S. Department of Agriculture, funding summary

Personnel:	
Salaries and benefits.....	\$1, 096, 500
Consultants and benefits.....	10, 000
Travel.....	270, 000
Advisory committee.....	10, 000
Staff training.....	20, 000
Operations and maintenance:	
Office rental.....	30, 000
Communications.....	10, 000
Conferences.....	10, 000
Supplies and publications.....	30, 000
Total.....	1, 486, 500

APPENDIX G

LIST OF INTERVIEWEES

Office of Assistant to the Secretary for Civil Rights

William M. Seabron, Assistant to the Secretary.

John W. Slusser.

Ferguise Mayronne.

Judith Phillips.

Office of Inspector General

Lester P. Condon, Inspector General.

Richard W. Fitch, Jr., Assistant to Inspector General.

Frank J. Brechenser, Deputy Assistant Inspector General (Investigation).

Norman S. Smith, Supervisor (Investigation).

Charles B. Bremer, Deputy Assistant Inspector General.

(Marketing, Consumer Research and Education).

Leland F. Marland, Deputy Assistant Inspector General. (Departmental Administration).

Office of General Counsel

Merwin W. Kaye, Director, Research and Operations Division.

Robert C. Reid.

Departmental Committee on Program Review and Evaluation

Harry C. Telogan, Chairman, Administrator, Statistical Reporting Service.

Agricultural Research Service

John P. McAuley, Assistant Deputy Administrator (Management).
 Raymond W. Sooy, Director, Administrative Services Division.
 Henry C. Bauer, Chief, Research Agreements and Patents Management Branch.

Agricultural Stabilization and Conservation Service

Victor B. Phillips, Assistant to the Administrator.
 Jesse F. Moore, Deputy Director, Producer Associations Division.
 Donald D. Mowat, Agricultural Marketing Specialist.
 Allan T. Arnason, Chief, Compliance Branch, Farmer Programs Division.
 Charlie B. Robbins, Program Specialist.

Consumer and Marketing Service

Howard P. Davis, Deputy Administrator, Consumer Food Programs.
 George C. Knapp, Deputy Administrator (Management).
 Samuel C. Vanneman, Assistant Deputy Administrator.
 Mildred L. Sykes.

Cooperative State Research Service

T. S. Ronningen, Assistant Administrator (Formula Funds).

Farmer Cooperative Service

Martin A. Abrahamsen, Deputy Administrator.
 Job K. Savage, Assistant Administrator (Cooperative Development Program).
 John J. Smiraldo, Administrative Assistant.

Federal Extension Service

Lloyd H. Davis, Administrator.
 Ralph E. Groening, Deputy Assistant Administrator.

Farmers Home Administration

Floyd F. Higbee, Deputy Administrator.
 E. Marshall Newton, Assistant Administrator (Management).
 Claude Prichard, Chief, Employee Relations and Development Branch.
 Donald D. Oberle, Program Analysis Officer.

Forest Service

E. M. Bacon, Deputy Chief, State and Private Forestry.
 Arthur R. Spillers, Associate Deputy, State and Private Forestry.
 W. Duncan Giffen, Directives Management.

Rural Electrification Administration

Richard M. Hausler, Deputy Administrator.
 Gordon R. Messmer, Chief, Distribution Engineering Branch, Electric Program.
 Raymond W. Lynn, Director, Telephone Engineering and Operations Division, Telephone Program.
 Arnold Winokur, Office of General Counsel.

Soil Conservation Service

William R. Van Dersel, Deputy Administrator (Management).
 Ralph C. Wright, Assistant Director, Administrative Service Division.
 Verna C. Mohagen, Director, Personnel Division.
 Carl A. Lindstrom, Assistant Director, Personnel Division.

[May 4, 1969]

SECRECY ON ENFORCEMENT—FARM DEPT. NEGRO BIAS CONTINUES

U.S. ASKS HARDIN FOR REFORMS

(By Nick Kotz)

WASHINGTON, D.C.—Atty. Gen. John Mitchell and the U.S. Commission on Civil Rights have strongly criticized the Agriculture Department for continued discrimination against Negroes.

The Justice Department is particularly concerned about discrimination against Negroes in the operation of extension service programs operated jointly with state and local governments.

Continued discrimination in these services five years after passage of the

1964 Civil Rights Act has prompted the Justice Department to consider law suits against several Southern states for such practices as segregated 4-H Clubs, employment discrimination against Negro extension workers and failure to provide equal farm aid and homemaking services to Negro families.

Attorney General Mitchell and the Rev. Theodore Hesburgh, chairman of the U.S. Commission on Civil Rights, both have written Agriculture Secretary Clifford Hardin calling for specific reforms, beginning with upgrading the entire civil rights effort within the department.

ENLARGED DIVISION

They recommended that an enlarged civil rights division directly under the secretary be given authority for enforcement of civil rights in Agriculture Department programs.

At present, each department agency tends civil rights matters and the secretary's civil rights aide has mostly advisory duties.

Mitchell and Hesburgh criticize this arrangement as discouraging effective civil rights enforcement.

William Seabron, the Agriculture Department's civil rights aide who also served in the last administration, has made similar recommendations to Hardin for an upgrading and reorganization of civil rights enforcement.

OTHER ADVICE

Hardin, however, has yet to take any action and may be getting contrary advice from Agriculture Undersecretary J. Phil Campbell. Campbell is a former Georgia state commissioner of agriculture who switched from the Democratic to the Republican Party after a civil rights controversy and was supported for his present job by segregationist Senator Strom Thurmond (Rep., S.C.).

When Seabron submitted his civil rights plan, Campbell penciled on it a note to Hardin saying that it was premature to take any action.

Campbell, either on his own initiative or at the request of Hardin, is deeply involved in negotiating civil rights compliance plans for the extension service.

NO FRIEND

If Campbell represents the viewpoint of Southern state officials and land grant colleges in the extension service controversy, he will not be a friend to this civil rights effort which has been stalled for four years.

In an April 16 letter to Hardin, Mitchell pointed out that the Agriculture Department's own inspector general has repeatedly reported "substantial and widespread non-compliance to civil rights requirements" in the extension services of six Deep South states.

"Despite the evidence of these widespread violations of law disclosed by your department's investigations, Mitchell wrote, 'I am not aware of any meaningful action which has been taken to correct the situation. The failure of state extension services to achieve their full potential with respect to serving members of minority groups could aggravate such problems as migration from rural to urban areas and the inability of families to provide adequate diets'.

AID HUNGRY

"Conversely, meaningful enforcement of Title 6 in regard to the cooperative extension service and other programs of your department could contribute to your effort to alleviate hunger and rural poverty."

The inspector general's reports cited instances of segregated 4-H clubs, discrimination of employment and promotion of extension agents and workers and vastly unequal service to Negro families.

For example, in a 12-county area in the Alabama Black Belt where the rural population of 100,000 is 75 per cent Negro, white extension agents outnumber Negro agents almost two to one.

Unequal services are assured, the civil rights commission concluded, because the white agents confine their services almost entirely to whites and the Negro agents to Negroes.

PRODS HARDIN

Father Hesburgh, president of the University of Notre Dame, last month prodded Agriculture Secretary Hardin to carry out the reform urged on him in January by then commission chairman John A. Hannah.

Hannah, former president of Michigan State University, now heads Nixon's foreign aid program.

Hannah wrote Hardin that "the gap between 'what is and what ought to be' is distressingly wide in the Agriculture Department's civil rights compliance."

Hannah cited discrimination not only in extension service programs but in the Agriculture department's loan programs in its popularly elected farm committees, and possibly in its food programs, which he criticized as ineffective.

"The commission has found repeated examples of counties where the Negro employe has a superior education and longer service in extension work, but receives a lower salary than his white counterpart and is subordinated to a white employe.

NEED OF SYSTEM

"It is unlikely that problems of discrimination and unequal employment opportunity in the co-operative extension service can be successfully attacked short of some system which extends federal equal employment opportunity coverage to extension agents.

"Such a position . . . has never been implemented."

After a four-year dispute with the states, former Agriculture Secretary Orville Freeman finally in 1968 issued regulations to achieve equal employment opportunity for extension workers. However, when the extension service and Southern officials proposed regulations which civil rights aide Seabron called inadequate, Freeman postponed all action on the issue.

The same situation prevails with regard to enforcement of Title 6 of the 1964 Civil Rights Law which prohibits granting federal aid to agencies which discriminate.

DEEP SOUTH STATES

In enforcing this provision the Agriculture Department should withdraw its support of extension service programs that continue to discriminate against Negroes.

The inspector general reported that none of the Deep South states is carrying out Commission plans for eliminating discrimination.



