

Ford Budget Cuts Welfare Programs

Washington

Federal programs that serve the poor and elderly — community health and mental health centers, Medicaid, food stamps, welfare, child nutrition programs, federal pensions and income plans — are the object of cuts in the 1976 budget, which seeks to hold down federal spending, especially in social programs.

More than half of the \$17 billion in proposed budget cuts involves health or income programs for the poor, reduced federal matching money, or reductions in cost-of-living increases for pension programs.

In a departure from recent practice, the budget contained no listing of expenditures targeted for persons in poverty.

Most of the reductions in programs for the poor are based on the assumption that states will pick up a larger share of the costs of programs that are jointly financed by the federal, state and local governments. This is an assumption that federal officials say they have not confirmed with the state governments involved.

The administration pro-

posed to reduce its share of money for social service programs like welfare from 75 per cent to 65 per cent in fiscal year 1976, and to 50 per cent in 1977.

It asked that the federal matching contribution to Medicaid be cut from 50 per cent to 40 per cent in the 13 states with the highest per capita income. Medicare recipients would be asked to pay a larger share of the costs of hospital treatment and physicians' services.

The budget also seeks to eliminate federal payments for dental services under Medicaid. Funds would be reduced for programs such as venereal disease control, immunization of children, rodent control and the neighborhood health centers that were part of the war on poverty program.

The administration seeks to hold down cost-of-living increases for childhood nutrition programs in the Department of Agriculture, food stamps, and a host of income and retirement programs such as Social Security, coal miners benefits and supplementary security income for the nation's disabled, civil service and railroad workers.

Most of these proposed

cuts come out of the budget of the Department of Health, Education and Welfare, which would receive a total budget increase of eight per cent, raising it to \$118 billion in fiscal year 1976.

But the department's budget, which includes most of the nation's social programs, has been reduced from 35.1 per cent of the federal budget in 1975 to 33.9 per cent for the fiscal year that begins July 1.

An eight per cent increase in the spending ability would probably be a decrease in spending power, as the rate of inflation for next year is expected to exceed 11 per cent, according to administration estimates.

New York Times

Hope for Heath

London

Former Prime Minister Edward Heath's hopes of winning today's vote on the leadership of the opposition Conservative party were boosted yesterday by an opinion poll showing that 70 per cent of his party's voters want him to stay on.

Reuters