General-Purpose Aid to Colleges Is Withheld in a Strategic Move

By DAVID E. ROSENBAUM

Special to The New York Times WASHINGTON, Jan. 27—The Nixon Administration's education budget for -The Nixon the next fiscal year includes no unex-pected initiatives, but it does contain a disappointment for colleges and universities.

Although the Secretary of Health, Education and Welfare, Elliott L. Richardson, said last year that the Administration supported a limited form of general purpose grants to institutions of higher education, the budget that was submitted to Congress today asked no

submitted to Congress today asked no money for these grants.

An official who is responsible for shepherding Administration bills through Congress said that money for these grants had been withheld from the budget in an effort to put pressure on Congress to accept the type of legislation that President Nixon wants.

Both the House and Senate have approved general purpose grants that

proved general purpose grants that would, for the first time, give colleges Federal funds to spend as they want. But the House and Senate measures would use different bases for distributing the money. The bills are scheduled to go to a conference committee uled to go to a conference committee in a few weeks. The Senate bill would allocate funds

on the basis of the number of students at each school receiving Federal scholar-

ships and loans. The House measure would distribute most of the money on the basis of the total number of stu-

dents enrolled at each school.

Most of the higher education organizations are in favor of the House bill, but the White House supports the Senate measure. Administration of ficials said that the implication of any money in the budget was that the find a well. in the budget was that no funds would be requested or spent if the President were not satisfied with the final legis-

The officials said that if the Senate bill should become law, the President would probably ask Congress later to appropriate about \$100-million for the grants.

Education Requests Rise \$1.1-Billion

Over-all Federal spending and lending for education, including outlays by such agencies as the Agriculture and Defense Departments, were set at \$15.7-billion for the 1973 fiscal year, \$1.1-billion more than in this fiscal year. Outlays by the Office of Education were scheduled to increase from \$4.9-billion to \$5.3-billion

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As expected, the Administration asked Congress to appropriate \$1-billion for a proposal, still pending in Congress, to provide financial help for communities that are desegregating their schools.

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