

FEB 29 1972

SFChronicle

Nixon Aides Fight Rise In Pensions

Washington

Administration officials yesterday opposed a 20 per cent increase in Social Security benefits and denied they intend to reintroduce the proposal later during President Nixon's re-election campaign.

Treasury Secretary John Connally and Budget Director George Shultz urged the Senate Finance Committee to reject a proposal by Chairman Wilbur D. Mills of the House Ways and Means committee to provide the 20 per cent increase in benefits without a corresponding increase in Social Security taxes.

Shultz and Connally, the administration's top fiscal advisers, said the plan would deplete the huge Social Security trust fund to a dangerous level and swell the record federal budget deficit by another \$6 billion.

But Democrats were not satisfied. They said they fear that if they agree to kill the proposal, Republicans will revive it later and use it to promote Mr. Nixon's campaign for re-election.

There had been speculation that Mills acted because he had received reports that Mr. Nixon was getting ready to make an identical proposal. But Shultz and Connally denied it.

United Press