

CONGRESS STUDY FINDS FUND CUTS ARE NOT GENUINE

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Many Nixon Proposals Are Called Unreal—Humphrey Charges Incompetence NYTimes

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WASHINGTON, April 13—A Congressional staff study of the budget reductions that President Nixon has made or proposed concludes that many of the reductions are not real reductions and that the reasons the Administration has given for many of the others are unsupported or false.

The study, prepared by staff members of the Joint Economic Committee, is the first comprehensive review of the whole Federal spending controversy in terms of the substantive changes in programs rather than the argument over the President's right to make changes in programs mandated by Congress.

Senator Hubert H. Humphrey, Democrat of Minnesota, in making the staff study public today, endorsed its conclusions and said, "The Nixon Administration's spending-reform policies are a combination of deception and incompetence."

Reports Errors

Detailed justifications for the budget cuts, which had been requested from the Office of Management and Budget by Mr. Humphrey and Senator William Proxmire, Democrat of Wisconsin, consist largely of "undocumented assertions," mere descriptions of various programs and actual errors, Senator Humphrey said.

"In not one single case does it appear the Administration has competently evaluated the program it proposes to cut," he continued.

"In addition, the Administration has misrepresented the real savings that will be achieved by the budget cuts. In many cases, the so-called savings are bookkeeping manipulations more than they are real savings to the taxpayer."

Savings Called 'Cosmetic'

The study itself, prepared by Jerry J. Jasinowski and L. Douglas Lee of the staff of the joint committee, concluded that \$8-billion of the \$11-billion in savings announced by the Administration for the current fiscal year and \$8-billion of the \$17-billion claimed for next year were merely "cosmetic."

They result, it said, from such bookkeeping changes as postponing one of the revenue-sharing payments to states and cities from the fiscal year 1973 into the fiscal year 1974, by moving it back just a few days, and from actions that were taken by Congress, such as the establishment of a ceiling on the previously unlimited "social services" program.

In reality, the study said that both Congress and the Admin-

Continued on Page 17, Column 2

Continued From Page 1, Col. 4

istration were responsible for the sharp recent uptrend in Government spending because "virtually all the spending initiatives were eventually supported by both Congress and the President." "The President in fact," it said, "emphasized his support of certain Congressional spending initiatives, such as Social Security increases, by publicly taking credit for them."

Among the budget reductions that the study said had been justified on the basis of falsehoods was the proposed termination of Federal support for community mental health centers.

The justification supplied to the joint committee by the Office of Management and Budget said that the centers "place little emphasis on the medically disadvantaged."

The study commented: "Statistics from the Department of Health, Education and Welfare, however, show that in 1970, 42 per cent of the persons admitted to these centers had family incomes below \$3,000 and 64 per cent had family incomes below \$5,000. How poor do people have to be to be classified as disadvantaged?"

Effectiveness Rated

In the area of manpower training, the study criticizes the Administration's assertion that various evaluations had shown these programs not to be effective.

The evaluations in fact show, according to the staff study, that some of the programs are much more effective than others and "those programs which had the highest benefit-cost ratios are being cut back most sharply."

For example, the Work Incentive Program, only 20 to 30 per cent of whose graduates obtain better-paid jobs, is being expanded while the Manpower Development Training Act program, with a placement rate of 70 to 80 per cent, is being cut back, it reported.

The study also criticized the Administration for its plans to cancel Federal support for dental care for adults under Medicaid, on the ground that dental diseases in adults were "seldom life-threatening."

But the staff study said that 17,000 persons died each year from oral cancer, which is fre-

quently first discovered by dentists.

In many other cases, it said, the Administration simply failed to give any justification for its cutbacks.

"The charge that the Hill-Burton program [for building hospitals] is outmoded should be supported by data on the supply and distribution of hospital beds; the charge that housing programs do not benefit the poor should be supported with beneficiary data by income class," it said.