

New Taxes Indicated in Budget Unless Federal

But Report Gives No Clue On Kind of Added Levies

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WASHINGTON, Jan. 24 — The theme runs throughout President Nixon's budget that additional taxes are going to be required soon if the Federal Government does not stop getting into new programs.

Nowhere does he hint what kinds of additional taxes might be proposed. In fact, the thrust of his argument is not that taxes ought to go up but that Government spending ought to stop going up—at least as fast as it has recently.

This year's budget, like last year's, contains a special section entitled "Perspectives," in which the Administration attempts to show where the nation's budget will be several years hence.

The analysis shows that although tax collections are expected to rise by \$69-billion between the fiscal year 1973 and the fiscal year 1976, \$45-billion of the rise in revenues will be absorbed by the increased costs of governmental programs that are already on the statute books. Another \$19-billion would be absorbed by the costs of programs that are proposed in the new budget, according to the analysis.

\$5-Billion in Sight

Thus, there is only \$5-billion in sight, as of now, to pay for any new programs between now and 1976, unless some old programs are cut back or new taxes raised, the Administration says.

The analysis points out that this \$5-billion on margin has shrunk substantially in a year. The same calculation in last year's budget put the margin at \$30-billion, according to the analysis, which gave no indica-

tion of uncertainty about any of the estimates.

The Office of Management and Budget refused to provide a breakdown on why the spending margin for new programs had declined by \$25-billion in a year. A spokesman for the agency would give no reason for this unavailability.

Some items that appear likely to have contributed to a shrinking budgetary margin for new programs were the Administration's planned increases in defense spending, the pending increases in Social Security benefits and the tax reductions that followed the announcement of Mr. Nixon's new economic policy last summer.

Taxes Reduced

The analysis emphasized how much taxes have been reduced since Mr. Nixon took office—\$22-billion next year in individual income taxes alone, compared with the tax rates and provisions that were in effect in 1969.

Mr. Nixon applauded this reduction in taxes.

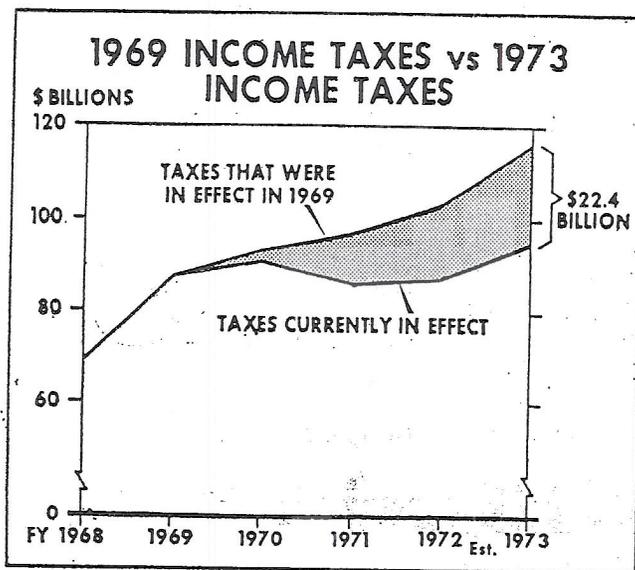
He said that members of a family of four, with an income of \$7,500, who have had their taxes reduced by \$272 "can use that money more productively for their own needs than Government can use it for them."

The Administration is known to have been studying the merits of a value-added tax—a type of national sales tax—almost since it came into office. Such a tax was not mentioned in the budget document, however, and Mr. Nixon's general arguments against spending increases that would require tax increases seemed to apply equally to all types of taxes.

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Spending on New

Programs Stops



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