

Nixon to Fight Democrats on Pensions

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WASHINGTON, June 24—At the risk of a partisan battle on a politically popular issue, the White House was reported prepared today to fight a Democratic attempt to rush a 20 per cent increase in Social Security benefits through Congress next week.

The Democratic strategy, led by Senator Frank Church of Idaho, calls for attaching the Social Security increases as an amendment to a debt ceiling bill that Congress must pass by next Friday. This strategy would permit immediate Congressional approval of Social Security increases without waiting for action on welfare reform legislation later this year.

As the Democratic strategy began to unfold in the last few days, President Nixon, according to an aide, has already begun to work quietly on Congressional leaders to block the move. The President was reported ready to make the move a public issue if the Democrats persist in their strategy.

In an interview, Clark Macgregor, the President's counsel for legislative affairs, said the President was prepared "to point out very forcefully" that the Democratic strategy was "but a device to scuttle his welfare reform program."

Used as a Lever

Throughout the long Congressional fight on welfare reform, the Administration has deliberately incorporated Social Security increases in the legislation as one way to prevail upon Congress to accept its controversial Family Assistance Plan.

As passed by the House, the welfare bill provided 5 per cent increase in Social Security benefits—the amount recommend-

ed by the Administration. The welfare bill approved by the Senate Finance Committee, to be debated by the Senate next month after the Democratic National Convention, provides a 10 per cent increase.

The White House, according to Mr. Macgregor, is also prepared to make the argument that a 20 per cent increase, effective June 1, as proposed by Senator Church, would be fiscally irresponsible and add to the federal deficit.

The President, Mr. Macgregor said, "is not necessarily opposed to a 20 per cent increase provided it can be properly funded." But the Administration objection, he said, is that there would be no way through Social Security tax deductions to fund the 20 per cent increase through the last six months of this year, with the result that there would be a \$3-billion to \$4-billion loss to the Treasury.

Mills Is Target

In addition to increasing benefits, the Church proposal would raise the base for Social Security taxes from the present \$9,000 level to \$10,800 in 1973 and 12,000 in 1974. But the higher taxes would not go into effect until next Jan. 1, six months after the proposed increase in benefits.

This Administration argument is particularly aimed at Representative Wilbur D. Mills of Arkansas, chairman of the House Ways and Means Committee. Another man in Congress will determine whether the Democratic strategy succeeds.

On the basis of a meeting on Thursday, Senator Church is convinced that Mr. Mills is sympathetic to a Senate move to attach the 20 per cent increase

to the debt ceiling bill. But the White House impression, according to Mr. Macgregor, is that Mr. Mills "will not countenance a 20 per cent increase unless it is fully funded."

The White House belief is that Mr. Mills will eventually favor a two-step increase—10 per cent this year and then another 10 per cent next year.

Meanwhile, Senator Russell B. Long of Louisiana, chairman of the Senate Finance Committee, said in a television interview for Louisiana stations, that he would support the Church move to attach the 20 per cent increase to the debt ceiling bill. Noting that it might be "the first of the year" before the welfare reform legislation is enacted, Mr. Long said, "under those circumstances, I think if you want the old people to get the increase in Social Security, you ought to go ahead and vote for it."

Some rivalry was reported developing within the Senate Democratic ranks over who would propose the 20 per cent increase. Senator Vance Hartke of Indiana, a member of the Finance Committee, was reported ready to move within committee to attach the 20 per cent increase as well as improved benefits for drugs under the Medicaid program.

The addition of the Medicaid feature would complicate chances for House acceptance of the 20 per cent increase. But at the same time, Senator Hartke would steal the show from Senator Church, who, since he is not a member of the committee, could not offer his amendment until the bill reached the Senate floor.

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