

PRESIDENT DISPUTED ON WELFARE SAVINGS

NYTimes APR 6 1974
WASHINGTON, April 5 (AP)

—Despite a different contention by President Nixon, a key Government official says the decline in welfare rolls accounted for "just a small part" of the \$783-million surplus in the Federal welfare budget this year.

Mr. Nixon announced last weekend that he would ask Congress to slash about \$800-million from the 1974-75 welfare budget, citing a cumulative loss of 255,000 persons receiving Aid to Families with Dependent Children.

But James S. Dwight Jr., public assistance administrator in the Department of Health, Education and Welfare, said at least 60 per cent—or \$459-million—of the surplus represented funds that the states have not spent for social services, probably because of confusion over changes in re regulations, he said.

Mr. Dwight refrained from directly contradicting the President. But he said the Administration had previously expected a substantial drop in the costs of social services through more efficient management and had trimmed \$852-million from the states' requests before the budget was submitted 15 months ago.

The new surplus directly attributable to the declining welfare rolls totals \$67-million in reduced cash grants and \$165-million in Medicaid savings.

The revised welfare budget, sent to the House and Senate Appropriations Committees a week ago, cuts the budget authority for social services from \$2-billion to \$1.5-billion.