Weather
Tonight: Cloudy and cold.
Tomorrow: Chance of snow, high near 40.

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State budget heading for $600-million cut

By CHARLES DUMAS

ALBANY, N.Y. (AP) — The legislature's drive for economy cuts in Gov. Rockefeller's budget moved into its final stages today amid reliable reports that Republican leaders have settled on reductions ranging between $600 million and $700 million.

The tentative plan was to be presented to separate, closed conferences of the Senate and Assembly majorities this afternoon, thus launching the effort to obtain a final agreement by the end of the week.

The object is to chop enough from Rockefeller's proposed $8.45-billion spending plan so that the legislature can cut back the $1.1-billion package of tax increases he has requested. Which taxes and how much will be part of the discussions, which are expected to continue at least into Thursday.

Highly placed sources reported that a basic budget-cutting accord was reached over the weekend after conferences among legislative leaders, staff aides and members of the fiscal committees.

It represents a blending of approaches that had been developed independently by the Senate Finance Committee and the Assembly Ways and Means Committee.

The sources said the plan is to cut $200 million from spending requests for operation of the state government itself, "since slightly over $300 million from state-aid programs—mainly education and welfare—and prune about $100 million from funds earmarked for state construction projects.

Details will not be disclosed until after rank-and-file Republican members examine the recommendations.

The sources affirmed last week's report that Rockefeller, Senate Majority Leader Earl W. Brydges and Assembly Speaker Perry B. Duryea have agreed on one tax change, as a first step—deletion of the proposed increase in motor-vehicle registration charges.

But where they go from there is still under negotiation.

Rockefeller, who consented to deep cuts in his own budget, would like to back off from his income-tax proposal—he had requested a 10 per cent surcharge, plus higher brackets for upper-income taxpayers, plus elimination of the $12.50 cash credit accorded to all taxpayers.

Other economizers, however, would prefer to eliminate the one-cent increase in the state sales tax that Rockefeller also had recommended.

Spokesmen for Duryea and Brydges insisted that the leaders' first concern was to obtain agreement on the spending cuts—that the tax revisions could not be pinpointed until the leaders determined exactly how big a saving the members would approve.

Brydges and Duryea said they were prepared to keep the legislature in session through Friday this week—for the first time this year—in order to wrap up the budget problem. If they can nail down an agreement, their revised version of the voluminous spending document can be reprinted over next weekend and thus be ready for passage by the April 1 start of the state's new fiscal year.

In another development, Rockefeller revealed in a speech in New York City Sunday night that he would ask the legislature to authorize pre-paid group medical practice in New York State—as a device to restrain rising costs of health care.

He said his plan would provide for creation of non-profit corporations that would give comprehensive health care to persons who enroll. Subscribers would pay monthly dues and no fees for each service. The doctors would be salaried.

Most medical organizations have opposed such approaches.