By JOSEPH KAHN

The Gouverneur Hospital for the care of mentally retarded children is closing because of state budget cuts and 194 severely handicapped patients will be moved to the already-crowded Willowbrook Hospital on Staten Island.

Dr. Jack Hammond, Willowbrook's director, told The Post the decision to shut down the 78-year-old hospital at Water St. and the East River was made by the state's Mental Hygiene Dept. to meet a mandatory budget slash by the Legislature.

"I was not consulted," he said. "It had come as a surprse to me. We now have 5200 patients and our official capacity is 4200. Ideally, a national standard calls for only 3500 patients."

To Dismiss 200

Hammond said that Gouverneur's 200 employes are to be fired and he would be allowed to hire only 60 additional persons.

The doctor said it was planned to move about 15 patients a day beginning, this weekend, unless the closing is halted by a court order. Late yesterday, a group of parents of children at Gouverneur applied to Supreme Court Justice Samuel Spiegel for an injunction to prevent the closing.

"I think Gouverneur was this type of patient," he said, the state was already losing \$400,000 a year in federal Medicaid reinbursement because of the age of the building."

the hospital was overflowing with young patients, he had enough beds for the newcomers, "but space is nevertheless a problem."

Never Enough

Would he have enough

"When you are caring for

chosen," he said, "because "there is no such thing as enough staff. Incidentally, the Gouverneur patients were getting excellent care."

In 1965, after the late Sen. Robert Kennedy visited Wil-Hammond said although lowbrook and found it overcrowded, Gouverneur, the antiquated, former general city hospital, was renovated for the care of the retarded children. At the time of Kennedy's visit, there were 6055 patients at Willowbrook. which had a capacity of