

DAILY NEWS

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Rocky Discloses Targets For State's Economy Ax

By THOMAS POSTER

Gov. Rockefeller warned Democratic and Republican legislative leaders yesterday that unless they approve new taxes he will have to cut state spending and local aid by more than 20% across the board to help meet a \$1.5 billion gap in the current budget and the one for next year.

New York City would lose about \$450 million in the cutting of state aided programs.

Insisting that the state is in "an unbelievably drastic" fiscal crisis caused by the national recession and absence of giant doses of federal aid, Rockefeller painted a picture which, he said, "horrified" the legislative leaders who met with him at his midtown office.

After the meeting, the Democratic minority leaders, Sen. Joseph Zaretzki and Assemblyman Stanley Steingut, refused to endorse any programs until

Rockefeller discloses specific tax and budget cuts.

They said that the new taxes would be taken up, along with a plan for subsidizing the city's transit fare, sometime this month at a special session of the Legislature.

He said he would slash by 20% the budgets for mental hygiene, the state university, transportation, education, correctional services, the narcotics commission, state police, parks, youth and environmental services.

This would close 12 mental hospitals now caring for 25,000 patients, release 2,700 retarded persons, eliminate 11 facilities caring for 1,100 mentally ill children and abolish the alcoholism program. This would save \$146 million, he said.

By cutting \$120 million from the State University budget, the governor said, he would close colleges and campuses where 48,500 students are enrolled and would eliminate funds, including the program affecting 24,000 disadvantaged students.

Incentive Awards to Go

To save \$48.2 million on higher education, the governor said he would cut aid in half to 65 private colleges, eliminate scholar incentive awards for 85,000 students, and all grants to seven medical schools and eliminate scholarships for 7,000 veterans and children of deceased veterans.

Rockefeller said that he would pare \$23.9 million from the state correctional services and force the closing of seven institutions now housing 4,150 inmates, including 2,500 New York City prisoners.

Other cuts he said would have to be made unless major new taxes are imposed, would require laying off 1,500 employes or the state tax department; laying off 1,200 state troopers and investigators and closing Jones Beach or six other state parks.

Later yesterday, he announced a meeting today with New York's congressional delegation to explore methods of obtaining more federal funds for the state.