

Advance,

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Pressures on state spending have been mounting, the governor said. These are being felt because of the growing, changing population, with so many of the poor from other states migrating to New York and becoming dependent, the youth narcotic problem, the establishment of day care centers, the anti-pollution programs, mental health and public assistance.

These factors, the governor states, have put heavy burdens on localities, from \$1.265 million 10 years ago to \$4.389 million this year.

Rockefeller revealed that 10,000 state jobs were abolished during the present year. In addition, two tuberculosis hospitals, a mental facility, a prison, armories, state offices and other facilities were closed.

The governor expressed hope that the state can meet its prospective deficit of \$1.5 billion and restore it to a sound financial basis without seriously impairing its ability to meet human needs.

CAN'T CUT AID

But he said he could not cut below present levels aid to local schools, local services, local drug abuse control programs, economically and educational disadvantaged students and state revenue sharing with the localities.

"The state is going through a most difficult period," Rockefeller told the legislators. "We intend to overcome our problems through sound fiscal restraint. We will re-establish financial equilibrium without gravely impairing service or damaging the economic climate."

We have the talent, resourcefulness and the will to do it."

The governor proposes to spend \$1.2 billion on all welfare programs, \$536 million on public assistance, \$452 million on medical assistance and \$56 million to carry on the function of the Department of Health.

The Department of Transportation is earmarked to get \$188 million, the Department of Mental Hygiene \$600 million, the Narcotic Addiction Control Commission \$75 million and the state's Pure Waters Program \$410 million, plus a first instance appropriation of \$193 million to pre-finance the federal share of the anticipated costs.

Rockefeller is anticipating increases of \$475 million in the personal income tax, \$451 million in user taxes and fees and \$117.4 million in business taxes. He is banking on a \$24 million increase in lottery receipts but is predicting the state will lose \$4 million in the pari-mutuel tax.

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