

# State Budget Puts Stress on Economy

By EDWIN S. CAPPS  
Capital News Service

SACRAMENTO—Governor Ronald Reagan last week presented the California legislature with a stark budget for 1967-68 of \$4.6 billion—\$250 million less than is being spent during the current year—but said it still would take from \$250 to \$425 million in new taxes to be balanced.

The budget itself was little more than a work-sheet document, because of the shortage of time in its preparation. The proposed expenditures for the various departments in government in the budget totaled some \$216 million more than the overall \$4.6 billion total but it was noted each departmental budget was proposed to be trimmed by 10 per cent.

Detailed programs on how the various budgets can be reduced will be presented within the next six or eight weeks.

REAGAN'S mention of taxes was only in the most general terms—an extension or increase of the sales tax, plus additional taxes in areas where the state is lower than others, such as cigarettes, liquor, beer, and wine. The detailed tax program is scheduled for presentation about March 1, and Reagan is asking that any new taxes voted be made effective April 1.

Most will admit this is an extremely short time for submission of a massive tax program and its approval.

But the governor said any revenue produced by an adjustment in the sales tax rate and at least part of any new funds from an increase in income taxes should be reserved for property tax relief. This means his tax message in early March might run to as high as \$700 million. Gordon P. Smith, director of finance, declined to speculate on any total tax increase figure.

THE NEW budget is based on adoption of a tuition by the University of California, use of \$21.5 million in university reserves, and imposition of a tuition for state college students by the legislature. Under the constitution, neither the governor nor the legislature can require the university to impose a tuition or use the reserve funds.

The tuition contemplated in the budget is somewhat less than the \$400 for the university and \$200 for state colleges which has been discussed in recent weeks. The proposal would be for a university tuition of from \$250-\$280 per year and a levy for state college students from \$150-\$160 a year.

The budget total is \$4,614,634,742, a decrease of \$250,610,673, or 5.1 per cent from the actual budget for 1966-67. The budget adopted by the legislature last June was about \$4.6 billion but carry-over money in capital outlay items, primary highway construction, pushed the total to the \$4.875 billion figure.

THE NEW budget provides \$986,410,602 for general fund expenditures, a decrease of \$70,588,213 from the current year, or 6.7 per cent; \$1,994,150,276 for local assistance, up \$95,011,271 from the current year, or 5 per cent; and \$6,474,683 for capital outlay, a decrease of \$36,333,526, or \$84.9 per cent, from the current year.

The general fund would start the new fiscal year on July 1 with an actual cash shortage of \$173 million—money owed to special fund reserves. Even with all proposed economies, the general fund would need \$254,258,285 in new or added revenues in

the 1967-68 fiscal year for a balanced budget.

In his message to the legislature, Reagan said it had been impossible, in the 30 days provided, to make all the hard and realistic decisions required to present a complete budget. But he said many decisions had been made and the document was "a basic framework for providing efficient and economical public services."

"DURING THE past several years, expenditures of the general fund have increased each year over the preceding year by nearly 12 per cent, with the increase of the present fiscal year over last year exceeding more than 16 per cent," Reagan said. "And since the general fund is largely 'people-oriented' (education, health, welfare, corrections, etc.), it is interesting to note that the state's population has increased only about 3 per cent per year,

and that the cost of living has risen only 2 per cent per year. In brief, while it has taken our population nearly 20 years to double, general fund spending has more than doubled in the last seven years."

Reagan said the budget recognized workload requirements but all general fund agencies had been directed to apply a 10 per cent reduction in their operating expenditures. A typical departmental budget will show the figure requested by the department. This is followed by an increase for workload and the 10 per cent reduction, leaving a net figure to be deducted from the budget as printed in the overall document.

THE GOVERNOR said every segment of government must be considered in the urgent economy move. Because higher education is a large part

of state operations, it too should go along in the "belt-tightening." He said realistic tuition at the university and state colleges "seem entirely feasible."

The budget for the governor's office is listed at \$1,261,112 but has a proposed reduction of \$126,111, following the 10 per cent rule. The budgets of the judicial agencies and the legislature also are proposed for a 10 per cent reduction.

The University of California, which had a budget of \$240.6 million in 1966-67 is proposed originally for a new budget of \$243 million. However, to this is added \$21 million for workload increase, but subtracted \$26.4 million for the 10 per cent cut, \$21.5 million for use of reserves, and \$20 million for proceeds from tuition. The net deduction of \$46.6 million leaves a final budget of general fund money of \$196,822,527, if all conditions are met.

FOR STATE college, the original budget proposal is \$177.7 million as compared to \$175 million for 1966-67. To this, \$13.6 million is added

for workload increase, and \$19.1 million deducted for the 10 per cent reduction and \$18 million deducted for tuition. The net budget for state colleges would be \$154,246,230.

Otherwise, the budget includes a total of \$1,628 million for all educational purposes; \$919.3 million for health and welfare; \$403 million for highway expenditures, plus \$668 million for highway construction; \$126.1 million for resources; \$369 million for the state water project; \$122.2 million for corrections; and \$648 million for the employment department.



## Selection & Savings

YOU'LL LOVE!

**7 DAY SALE!**  
THURS., FEB. 9th thru  
WED., FEB. 15th



BONUS COUPON

DAILY DIET



DOG FOOD

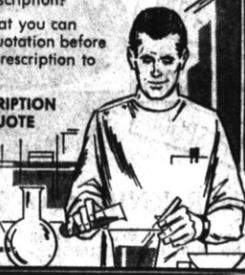
fall can **5¢**

• LIMIT 20 PER CUSTOMER  
• WITH THIS COUPON ONLY  
COUPON VALID THURS. FEB. 9 THRU, WED. FEB. 15

**Do You Know All You Should About Prescriptions?**

- Do You Know That prices vary for the same prescription?
- Do You Know That you can request a price quotation before you leave your prescription to be filled?

BRING YOUR PRESCRIPTION TO FOX—LET US QUOTE OUR PRICE—You'll be glad you did!



	\$2.19 VALUE BAYER ASPIRIN 300 ct. economy size	<b>1.69</b>	
	NORFORMS FEMININE 12-ct. SUPPOSITORIES \$1.50 Val.	<b>1.19</b>	
	ZBT BABY POWDER with olive oil	<b>59¢</b>	
	DOAN'S PILLS pkg. of 85 \$1.95 VALUE	<b>1.29</b>	
	ALKA SELTZER 25 tablets	<b>43¢</b>	
	BAYER ASPIRIN FOR CHILDREN 50 ct.	<b>27¢</b>	

**SHASTA** ALL FLAVORS - 12 OUNCE CANS

SHASTA SODA

10 for **69¢**

**MIXED NUTS** A 98c VALUE

1-lb. cans **66¢**

**NORTHERN** - 180 Sheets - Ass't. Colors

JUMBO TOWELS

4 rolls **79¢**

2c off label

**FAMILY TREE**

FABRIC SOFTENER

LARGE 33 OZ. BOTTLE **47¢**

**SEAMLESS**

NYLONS

FIRST QUALITY POPULAR SHADES

3 Pair for **88¢**

Remember with  
**Whitman's CHOCOLATES**



**VALENTINE'S DAY** FEB. 14  
GIVE FAMOUS  
**Whitman's VALENTINE HEARTS**

**SWEETHEART SPECIALS**

**Whitman Chocolates** In Valentine heart-shaped boxes **69¢ TO 79¢**

**Hoffman's Chocolates** In Valentine heart-shaped boxes **140 TO 635**

**McDonalds Chocolates** In Valentine heart-shaped boxes **220 TO 700**

the way to her heart...  
**PERFUMES & COSMETICS**

See our beautiful gift packages of famous make cosmetics, perfumes and toiletries. Choose from:

- COTY • REVLON • FABERGE • DU BARRY
- MAX FACTOR • RUBENSTEIN & many more

**JUVENILE VALENTINES WITH ENVELOPES**  
Pkg. of 16 **23¢** Pkg. of 25 **29¢** Pkg. of 36 **39¢**

**LADY SUNBEAM MANICURIST** Complete with attachments Model MS1 **15.99**

**SCHICK - BEAUTY MIST HAIR DRYER** Reg. \$4.95 **36.99**

**Bathroom Spray & Massage** 98c VALUE **77¢**

**4 pc. Mixing Bowl Set** \$1.49 VALUE four sizes **77¢**

**Tea Kettle** \$4.95 VALUE Flint-Stainless Steel **3.33**

**METAL PORTA FILE** Has lock & key, handy index files, 1.98 VALUE **\$1.47**

**"Heath" Candy** REG. 39c Bars or miniatures English toffee flavor **2 for 59¢**

**Check File** \$1.98 All metal with lock and keys. Holds cancelled checks **1.47**

**Giant Porta File** \$2.95 VALUE With lock and key **2.29**

**Evenflow Baby Nurers** REG. 25c ea. 6 Units **1.00**

**PINT VACUUM BOTTLE** By Thermos. Has handy cup top, for hot or cold drinks. 1.49 VALUE **77¢**

**Pet Evaporated Milk** 7 Tall Cans **95¢**

**Ceramic Coffee Mugs** WHITE C or D for flashlights, appliances, etc. **2 for 19¢**

**Ray-o-Vac Batteries** Plastic coated, long wearing **2 for 25¢**

**Playing Cards** 2 pks. **49¢**

**LIQUID BABY FORMULA** REG. 29c **SIMILAC 4 for 88¢**

**Get the one-ton can**



There's a ton of deep-sea flavor in every can of Deming's Alaska King Crabmeat. For free recipes, write Peter Pan Seafoods, Dexter Horton Bldg., Seattle, Wash.

**BELFLOWER** ARTESIA AT WOODRUFF 10135 ARTESIA

**COMMERCE** WHITTIER AT GERHART 5730 WHITTIER

**COMPTON** COMPTON AT OLEANDER 415 W. COMPTON

**PARAMOUNT** DOWNEY AT GARDENDALE 13130 DOWNEY

**PICO RIVERA** ROSEMEAD AT MINES 6015 E. ROSEMEAD

**TORRANCE** CRAVENS & SARTORI 1327 EL PRADO