

A. You mean the revenue estimates or the budgets?

Q. Well, the budget requests seem to be running high.

A. Yes, I think the budget requests are running about what they usually do, according to Mr. Slicher and the budget people. The revenue estimates haven't crystallized to the point where I'm willing to make any statement on them, and Mr. Goldstein and I had a preliminary conversation just a few days ago about them and agreed to meet again in December, at which time we hope that the information would be a little more reliable than it is right now. The problem is that the new tax, the graduated income tax, is an unknown quantity particularly when you consider that some people may be over-withholding, and that what's been paid in may not be entirely an accurate reflection of what's going to be due.

Q. How much would you estimate, at this point, that the budget will increase?

A. I just don't have any way of knowing at this point. It's going to depend a lot on what we're able to do to hold down the escalating health costs which were affected by the Federal law. It's going to depend a lot on the educational picture, and I wouldn't want to predict the overall percentage of increase. We do know it's going to go up.

Q. Did you use this year's budget, of necessity, as an economy budget or do you feel that the spending will increase in its normal pattern as it has?

A. Well, I guess every public official likes to think that he's putting out an economy budget and it's always been a popular pronouncement. But in total realism it's impossible for me to call it an economy budget when we're talking about programs which are mandated at the Federal level, and we're talking about innovative new programs such as the alcoholism problem. We know that the initial expenditures—when I say initial I mean in the early years or the coming years—are going to be heavy. Now, I could say that I think they are going to be economical measures from the standpoint that if we're able to make a formidable assault on alcoholism, we're going to cut down expenses in the area of welfare, aid to dependent children, mental hospitalization and these things. But the effects are so subtle, and so difficult to relate in any fashion that can be relied upon, that the only thing the public sees at present is escalation in governmental costs.

Q. Don't you feel that economy is the first order of this year's budget?