

Q. Governor, have you received recommendations from other governors in addition to Mr. Romney?

A. I said something to Mr. Reagan when I was with him in Washington at the President's meeting, and I have received a letter indicating that he is preparing to submit some names to me. I haven't received any actual names from him yet.

Q. Governor, in view of the State's increasing role as a tax collector for the cities and counties and the inevitable protest over the increase of the taxes, do you think we may ever come to a law linking the two divisions in their real estate taxes?

A. I've always been of the opinion that the real property tax becomes oppressive when it reaches more than 2 1/2 to 3 percent of actual valuation of the property. This opinion was not arrived at on my own. It seems to be a consensus of the best thinking among the municipal bond experts in other cities, those who are charged with setting the policy in these matters. I would think someday we may have to restrict the property tax, although I think reforms of the nature which we just completed here would make that necessity not so imminent because, as you have heard Mr. Benton say and the Mayor say, they are going to use the new broad-based tax on income as a replacement for the usual heavy increase in the property tax. Now, there has been a great deal said about the withholding of this new tax and how oppressive it's going to be to Baltimore City residents. I think it's important for the people to remember that it's not the immediate impact of the tax which they should look most carefully at, but its overall effect on how much more they pay at the end of the year. Certainly, we don't want to burden them with too much withholding and every effort will be made, as the Comptroller, Mr. Goldstein, indicated yesterday, to keep the catch-up withholding down to the lowest possible limit. However, it's important to remember that about 80 percent of the people in Baltimore City are going to be paying less taxes under the new tax plan than they paid under the old. And it's important to remember that the benefits of no property tax increase, of the nature that Baltimore City had to enact last year and the year before, will be possible this year only because we have a tax reform. So the tendency of people to immediately compare what they are paying out in increased withholding with what they used to pay out in withholding should be looked at very carefully. They should remember, and maybe take a look at, last year's property tax bill in the City and see what they paid out in that and compare it with what, if anything, more they have to pay out this year in property taxes.