

A. No, I can't. Mr. Moylan asked me for that meeting to go into certain matters that I consider to be, for the time being, of a confidential nature, and I would want to discuss our conversation further with him before I would make any statements about it.

Q. Have you scheduled another conference with him?

A. No, not at this point.

Q. Governor, if we could return to the tax law for just one minute, you've expressed in your comments the probabilities of the loopholes being constitutional. Goldstein has said, and also Mrs. Janet Hoffman the City's fiscal advisor has said, the surtax is going to bring less money than expected. Can we discuss the elderly loophole?

A. I don't consider the elderly thing a loophole at all.

Q. The question I want to ask is based on all of this. Though the law might be constitutional, was it too quickly and unsoundly drawn up? There wasn't enough time to do much on such an important matter. Do you think there is any validity to that?

A. No, I don't, because even though the law was drawn fairly quickly, it had the benefit of several years of thought and research. The Cooper plan that originally failed in the session before last of the Legislature embodied considerably the same thinking, and when this committee went to work it didn't start simply from scratch. I don't think that stretching this out to another year of enactment would have cured these so-called loopholes or defects. In regard to the loopholes, I think this is rather a poor characterization of certain benefits that accrue to certain people who have certain personal financial situations. If a loophole exists for a person who has tax free bonds, it exists on his Federal taxes and not just on his State taxes, and if it's a valid putting off of taxable income for him Federally it doesn't make it a loophole when it occurs in the State law. I'm talking about tax exempt securities.

Q. Governor, in your statement you say the Comptroller's stifling your tax program is a political charade. In what sense of a political charade?

A. We all know the Comptroller's past positions on any kind of tax enactments. I've never seen him go out and put his shoulder to the wheel to pass a tax. Most of the statements that he's made have been directed to a very expedient position that he's against taxation and for appropriations.