

really solves anything. I think they are having a great amount of trouble with it in the Federal government, right now.

Q. Governor, what is the State's position on the South River State Park?

A. Well, the State takes the position that the money was appropriated by the General Assembly after the park was put on the master plan for Anne Arundel County. Now, we're having a great amount of objections from residents of the area. The State feels that Anne Arundel County, through the county executive and the county council and the Department of Planning, should make known whether it wants this park or not. If it doesn't want it, it should be taken off the master plan. If it does want it, it should be left on the master plan so that the State Department of Forests and Parks can continue to develop a concrete proposal. Assuming that they leave it on the master plan, and Mr. Ellis goes ahead with his proposal, I will meet again with the protesters before taking any action in the Board of Public Works to provide the funds.

Q. Is there any indication by county officials that they want it or not?

A. I have some unofficial indication that they don't want it.

Q. Governor, at the meeting of the Board of Public Works yesterday, you made a remark that it was fortunate for Maryland that the Legislature did not vote in favor of going up on the sales tax. Will you discuss that more fully?

A. Yes, I certainly did. Sales tax revenues have softened to the extent that the projected growth of 10 percent in the sales tax, that formed the basis of the Comptroller's predictions, has turned out to be only a 5 percent growth. This is a net failure in sales tax revenues of \$4.3 millions for the year ended June 30, 1967. Indications for the coming fiscal year are that because of the possibility of the 10 percent Federal surtax, which will cause a 7 percent estimated decline in business profits in 1967, the sales tax revenues will continue to soften, as well as the corporate income tax revenues which may soften to the extent of another \$2 million. This means that had we predicated our tax program on a sales tax instead of an income tax, we would not have had the money to fund it and would have had to go back without any question to the Legislature for additional money so that the shares promised the subdivisions, which formed the basis of their property taxes, could be delivered as indicated. Expenses for Medicare appear to have exceeded the original estimate. This might run between another \$10 million to \$15 million next year. All in all, because of our