

when you expected \$12 million more than you got? I can't say it's bright, but I do think it's subject to reversal. If business picks up and construction starts in the country, and I do think that there's a possibility and I'm hopeful that the conservative estimates on the graduated tax might be understated at this time, but we won't know that for several more months.

Q. Governor, the Montgomery County Council was preparing a week or so ago, or a couple weeks ago, to levy the full 50% surtax or piggyback tax locally and ran into a tremendous public storm of opposition and in the course of events has now dropped even the 20% tax starting with the first of January. Do you have any comment on the Montgomery County budget?

A. My understanding was that they didn't drop the 20% but that they merely felt, or some of those that advocated using a greater proportion of the optional tax felt, that if they wanted to continue the 20% that this might be regarded as a commitment to 20% at this time that would foreclose their going any higher.

Q. They have dropped it as I understand it.

A. I don't believe that they are going to be able to realistically drop it and meet their budgetary requirements with the property tax alone. It's going to put a tremendous burden on the property tax there if they do that and I may be wrong, but I don't think that that was their intention. I think their intention was to postpone any further consideration of the matter until things have apparently crystalized a little better and then make their judgment about how much of the graduated income tax they were going to use and how much of the property tax they were going to use.

Q. They've decided to drop it entirely until they've considered the budget in April. Drop the withholding, drop the whole tax.

A. I don't know what's going through their minds, but I would say they've embarked on a very dangerous course of action, if they stick to the fact that they are not going to use the income tax at all.

Q. Governor, Mayor D'Alesandro recently said that he was going to come to Annapolis to make a plea for more State aid to the City and also for an adjustment of the State and City relationship. Do you see any possibility for more State aid to the City?

A. If I'm not mistaken, inherent in the business tax reforms that are being proposed is some slight additional aid to the subdivisions; so I am certainly never going to foreclose the possibility of additional aid to the City or to any subdivision. But any massive readjustment