

Q. Will you still stick to vetoing the earnings tax if nothing else gets through and there isn't a chance to extend it?

A. Yes.

Q. How about a flat 4 and 4 — 4 percent income and 4 percent sales tax, bringing the sales tax base down to 10 cents?

A. I think that's more regressive than Hess-Warfield.

Q. Would you veto that?

A. Well I would have to reach that if it arose; but I haven't heard any serious talk about that yet.

Q. Governor, do you think there is any politics to Mr. Anderson's objections to your proposal?

A. I really don't know whether there is any politics in this proposal or not but to me it is just reiteration of Hess-Warfield with the one addition concerning the corporate income tax. Now on that I would say that it would be a mistake to make a modification of the corporate income taxation without having an opportunity to review in its entirety the total business structure. We haven't done anything about removing taxes on gross receipts or inventories and to step in at this point and graduate the corporate income tax would be an act that's not related to a comprehensive reform of business taxation and I would be against it.

Q. How do you feel about redistribution of gasoline taxes?

A. I sympathize with Mr. Anderson's statement; certainly the gasoline taxation formula presently used by the State bears no resemblance to any sane formula. I have said this for years, but again the total picture of roads, revenue, and related motor vehicle revenue taxation is a comprehensive picture and should be changed on a comprehensive basis and there isn't time to do it this year. We have to get into it in the off season.

Q. Governor, how are you coming along with your Green Bag appointments battle between Baltimore County and Baltimore City? Both sides say they won't recede and apparently you won't, so where are we?

A. I'm still making proposals.

Q. Do you know that you have lost one of your appointees?