

## (Special Legislative Session)

Q. Governor, there has been some talk that you have already made up your mind about the calling of a special session and that it will be called shortly after Labor Day.

A. That's false. That's false. As of the moment I don't see any need for a special session based on the information I have now.

## (Tax Revenues)

Q. Governor, the Comptroller's office, from what I hear, is making a lot of studies on the sales tax including reducing the base to ten cents and putting a tax on all meals and various other adjustments. Is this a likelihood?

A. I don't know. I haven't had any report from the Legislative Council on their investigations, but I think one thing we have to bear in mind and very importantly in mind is that we have a lot of new financing that has to be figured out somehow — such as the Metropolitan Transportation System — and this will take a pretty substantial source of revenue. So I don't want to see us exhaust the potentials of every kind of revenue producer we can envisage simply for the purpose of meeting this fiscal crisis, because we do have new needs that have to be met as well as the restoration of certain old needs such as the Medicaid area.

On Medicaid I want to point out that every state in the country is having trouble with one or two exceptions. This is not unique to Maryland. I think the Illinois, or was it Michigan, Health Department had to cut back hundreds of millions of dollars in this area. Other large states have had the same problem. The crisis is partly brought on by the curtailments at the Federal level which push additional responsibilities on the state. So this wasn't something that Maryland simply devised because of its fiscal crisis. This came on countrywide.

Q. Well do you think the sales tax may become an additional source of general fund revenue?

A. Oh, I think ultimately it will be looked to as an additional source of general fund revenue.

Q. Do you think we are too lenient now toward the taxpayer in the way it's arranged?

A. Now that's a rather tricky question. I don't know how to answer that. Are we too lenient toward the taxpayer? Certainly not. The