

Of the 163 acres comprising this site, 130 were purchased by Firestone from the City of Perryville for \$125,000. This was the actual cost to the city, and the \$125,000 it received is to be used as the city's share toward the cost of extending sewer and water lines to the site. I understand that Mayor Howard Neff, in particular, has played an active role throughout the negotiations for this project.

The role of Cecil County came with the issuance of revenue bonds for the project and through adjustment of the company's lease payments to offset the sizeable amount it is having to pay to the State through the 3 percent sales and use tax on machinery and equipment.

Let me digress at this point to assure you I am well aware that the tax on machinery and equipment is an onerous handicap in attracting new industry and in expanding and modernizing that which we already have.

This tax, the gross receipts tax, the inventory tax all need to be explored in detail in revising our business tax structure to make it more equitable. The project has a high priority in my administration, and the legislative-executive committee which will continue our study of tax reform this summer will have under review the entire field of business taxation.

I am confident that positive, constructive recommendations will be presented to the next session of the Legislature for improvements in this important area of our tax structure.

In the case of Firestone, Cecil County came to our aid in removing the roadblock posed by the use tax. Commissioner David Racine, I am told, was particularly active in resolving the problem.

At the State level, we have of course the very active role played by our Department of Economic Development which began in January, 1966, attempting to obtain this industry for Maryland in the face of very heavy competition from another state.

An address by Governor Tawes at a Maryland Industrial Development luncheon in New York City last April, the working out of an access road problem by the State and County, and a visit by the Governor to talk with Firestone officials in Akron, Ohio, last September all figured in the final decision that brings us to this point today.

There were other agencies and individuals who made significant contributions to the effort, including the Pennsylvania Railroad, the State Department of Health, the State Department of Water Resources and the University of Maryland.