

STATEMENT ON AGREEMENTS, BALTIMORE TUGBOAT
STRIKE

April 13, 1967

The difficult task of preparing the contract language has finally been completed by the subcommittees of labor and management in the Baltimore tugboat strike.

The proposed contracts will be submitted to the union membership at a meeting to be held at 5:30 p.m. tomorrow (Friday).

This has been one of the longest and most frustrating labor disputes in my memory. As Governor of Maryland, I strongly urge the union membership to act promptly to ratify these agreements so that the economic health of the Port of Baltimore can be restored as quickly as possible.

STATEMENT ON SIGNING HOUSE BILL 378
(THE TAX REFORM BILL)

April 14, 1967

Ladies and Gentlemen, the Act that I am about to sign, House Bill 378, is the most talked about but least understood measure enacted by the 1967 Maryland General Assembly. This is the Tax Reform Bill, and I am confident that in time it will be recognized by the public—as it was by the Legislature — for the enlightened, progressive legislation that it is.

With House Bill 378 we begin a much needed, long overdue restructuring of the revenue base of government. The graduated income tax of 2 to 5 per cent, which replaces the present flat 3 per cent State rate, recognizes a person's ability to pay in assessing the cost of governmental services. This principle was adopted by the Federal government many years ago for its major tax source, and its equity has long been recognized.

Retired persons on fixed and limited incomes, and those generally in the lower income brackets who are caught in the squeeze of inflation, will benefit from the graduated tax. So will those who derive a substantial portion of their income from investments since the present flat 5 per cent tax on investment income will be replaced by a graduated rate of 2 to 5 per cent.