

candidate had I not read in a newspaper account that he was considering in any event not seeking a new term in the Maryland Senate.

Q. Governor, Mr. Hughes was instrumental in moving that tax bill, which was your number one priority, through the Senate. I am wondering, just looking at it strategically, isn't he equally as valuable to you in the Legislature as he would be in the Insurance Commission?

A. Indeed he is, but as I just indicated he said he is not going to stay in the Legislature no matter what happens.

Q. His term in the Senate is for three more years, sir?

A. Well, that is true, for three years. But I think we can handle the tax reform and the financial matters that need to be completed, with the various members of that fiscal study group. And the Maryland Senate has other talented people who can certainly take over and handle things probably equally as well as Senator Hughes.

Q. Do you have any suggestions for Finance Committee chairman?

A. No indeed, I wouldn't dare.

Q. On the tax program in this afternoon's paper there will be a story that at least five different firms are either leaving Maryland or canceling plans to expand their facilities here because of the increased tax burden on business. Specifically, they include Londontown, Black and Decker, Westinghouse and Chris-Craft. Do you have any comment about this?

A. Well my comment is, first, that there haven't been any increased tax burdens on business. As a matter of fact there has been some relief for businesses because the property tax rates in the major subdivisions have all been held equal or cut. So I think it is a rather fallacious situation as far as claiming the tax program has caused this to happen. Now, we've got to realize that in a State of nearly 4 million people, every day some industries decide to locate here tentatively, some industries do locate here and some decide not to. Trying to trace this to any particular cause is not exactly an easy problem and there is always a temptation when some scapegoat like the tax program comes along to credit their decision to the program. Obviously there has been no change in business taxes. It is a ridiculous assertion that they would have an effect on the failure of industry to locate here at this point.

Q. Perhaps I phrased the question poorly. I think what they are saying is the lack of business tax reform, the lack of inducements for industry to locate here.