



Rhode Island College

James P. Adams Library

DE CIANTIS PAPERS

Scrapbook 23 March 1961 - June 1961

STATE
INCOME
TAX

Weekapaugers

Continued From Page One

whatever tax is withheld, the panel maintained.

Rhode Island will lose a "plus factor" it now possesses, thus inducing industry to look elsewhere, it was said. The levy should be delayed "to give the state more time to jack up its economy," this unit felt.

Another panel whose spokesman was Clement J. Williamson, Sealor Corp. president and avowed foe of the income tax, suggested instead a one-half per cent increase in the sales tax, to produce an estimated 4.5 million dollars. This would let the state make ends meet without an income tax by careful pruning of spending proposals, Mr. Williamson said.

The economies still would permit a one-step pay increase for state employes in the incentive training program, added scholarship grants, all the money requested for state colleges and a modest increase in operating funds of state agencies, according to the Williamson proposal.

No Endorsement
John H. White, Weekapaug chairman and president of Tace Heaters, Inc., asserted before the reports of the various

Notte Denies Income Levy Will Harm Industrial Climate

P.J. March 27, 1961
Governor Notte said yesterday that the state personal income tax he has proposed would not damage the Rhode Island industrial climate.

Opponents of the income tax should study the effects of the tax on industrial development in Massachusetts, the governor said.

The income tax in Massachusetts, he said, has not prevented industrial expansion along Route 128, the highway skirting the Boston area.

The governor, in a wide-ranging question-and-answer period in Charlestown, took a stand

against expansion of legalized gambling in the state.

Mr. Notte said he is against establishment of a race track in Richmond and opposed to legislation that would legalize gambling on Block Island.

"I would vote against gambling," Mr. Notte said. "I am not in favor of any more race tracks in the state."

Gambling revenue, he said, would be "the easy way out" of the state's financial problems. "I think we should be self-sufficient," he added.

The governor made his remarks in a discussion after

Continued on Page 17, Col. 5
father-and-son Communion breakfast held by the Holy Name Society of St. Mary's Church in Carolina. The breakfast was held at the Chariho School.

The crowd, largely from Richmond where a race track proposal is being debated, applauded the governor's stand against the track.

In defending his income tax proposal, Mr. Notte emphasized that "we are proposing that salaries be taxed, not corporate profits."

"This would not have a harmful effect on the Rhode Island industrial climate," he said.

He repeated the stand he took in his budget message that the state sales tax is regressive and should eventually be eliminated completely. He has proposed a cut in the sales tax this year from 3 per cent to 2 per cent.

Contrasting the distribution of income tax and sales tax burdens, the governor said that "the person with two or three children will save money with a state income tax."

Asked if he felt there was a danger that a state income tax would "snowball" through future rate increases, the governor replied that the danger would be no greater than with any other tax.

If future administrations increase income tax rates without justification, the taxpayers can vote the responsible state officials out of office, he said.

The governor described Rhode Island as an economically depressed area, but predicted unemployment would drop when warm weather arrives. He said the state will have "a big upswing" by September.

Mr. Notte commended the towns of Richmond, Hopkinton and Charlestown for joining in the Chariho Regional School District.

He advocated use of the regional concept in vocational education and said he would like to see a vocational school in each county.

The governor reiterated his support of tax relief for the New Haven Railroad, federal aid to education and pay raises for state legislators.

He warned that if the New Haven Railroad went into bankruptcy, passenger service would be severely curtailed and "Rhode Island would become a way station between New York and Boston."

He said salaries of General Assembly members should be increased from the present maximum of \$300 a year, based on attendance, to \$2,500, also based on attendance.

Governor Notte's Proposed Tax Package

P.J. March 27, 1961
Governor Notte's tax package, presented to the General Assembly, has more political appeal than the one prepared by his advisory committee, but it is less likely to promote a stable state economy.

The committee's package was arranged carefully to bring about an equitable tax base without doing too much damage to the state's attractiveness to business and industry. But the governor has rearranged the ingredients of the package, throwing out some and adding new ones of his own, with the result that the new package lacks a desirable balance between equity and factors favorable to industry and the state's economy.

Key ingredient of the governor's package, as in the committee's, is a personal income tax calculated to produce \$18,800,000 a year. Since the new revenue is more than present state needs require, the governor would offset income tax revenue by cutting or repealing some \$10,300,000 of state taxes next year, and some \$4,000,000 of local taxes, which the state would reimburse, the year after next. It is in the selection of taxes to be modified or repealed that the governor differs so widely with his advisory committee.

The governor's proposal to cut the sales tax from three to two per cent, or by \$8,400,000, impairs the value of the most stable tax available to the state. The cut, while politically popular, will bring no compensatory gains in the form of encouragement for industrial growth. In the long run, the cut will do more harm than good.

On the other hand, the governor offers manufacturers less tax relief than his advisory committee proposed. The committee suggested that the local tax on manufacturers' equipment and inventory be repealed. Many states have repealed similar taxes long ago. But the governor wants to abate only one-third of this tax for a savings to manufacturers of \$2,200,000, proposing that the abatement be applied exclusively to inventory. Thus there is little in the governor's package that will endear it to those having final decision on plant locations.

The danger lurking in the cut of one per cent in the sales tax is apparent in considering the state's future tax needs. Even with the

income tax, the state's net revenue gains from the governor's package for next year will total \$8,500,000, enough with a little left over to cover next year's extra spending of \$7,100,000. But the year after next—1962-1963—the state will need \$4,000,000 to reimburse localities for proposed cuts in local taxes. Other built-in spending increases for education, college scholarships and debt charges on highway construction will place new demands for still more tax revenue. Unless the state administration undertakes a drastic economy drive, additional revenue will be required then.

Where will the fresh revenue come from? Not likely from the sales tax. Once it has been cut from three to two per cent, what governor would have the political fortitude to restore it to three per cent in two years, or three years from now? The tax source most likely to be selected to produce future additional revenue needs in all probability will be the income tax.

By proposing the sales tax cut, then, the governor in all probability has intensified opposition to enactment of an income tax this year, making more difficult the task of finding a tax base that is fair and that imposes the least harmful effects on industrial growth.

It is to be hoped that the governor is not totally committed to enactment of his package of taxes, and that he is ready and willing to reconsider the advice from his advisory committee. That is the best hope for getting a "fair and more nearly adequate tax program at the present Assembly session."



The Jigsaw Puzzle

els were made that the statements would not constitute endorsement of any proposal on behalf of the group itself.

"We should not go on the record for or against an income tax," he stressed. The group's aim was to spread out all the facts and discuss them without taking an official position, Mr. White declared.

In other fiscal matters, the Weekapaugers in general opposed tax abatements by local government to lure industry. The type of business attracted usually is not that sought by an industrial development program, it was said, and "enlightened management should pay a fair share of taxes."

The state tax on inventory and equipment was viewed by most members as an "unfair burden." The Notte tax program would cut this by one-third, or 2.2 million dollars annually.

Reports also were made of the operation of state government and politics.

Same Day Primaries

One panel recommended that primaries for both parties be held on the same day; be advanced from September to July or, at the latest, August, and that all candidates—unendorsed as well as endorsed—be allowed representation behind the rail at polling places.

Support was given for a four-year term for governor and lieutenant governor, who would run on a single ballot as a team and for appointment by the governor of other general officers now elected.

Businessmen were urged to engage actively in politics. If not as candidates, themselves they should work for election of candidates familiar with their problems.

Visits to the state house to see legislators and letters to General Assemblymen on matters affecting business were urged to give business a louder voice in decision-making in government. Inviting legislators to visit plants and encouraging employees to acquaint themselves with political issues, were other recommendations.

Campaign Financing

Political campaign financing was another topic discussed.

Fund drives and rallies were advocated as a way of involving the average citizen in the democratic process. However, some form of government subsidy, perhaps by allowing income tax deductions for campaign contributions, was urged.

Before breaking up for their panel discussions, the Weekapaugers listened to talks on facets of politics from three speakers. The men and their topics:

James J. Doyle, chief editorial writer of the Journal-Bulletin, "Our Political System in Rhode Island"; Robert Leeson, president of Leesona Corp. and a Weekapaug Group member, "Balancing the Political Budget," and Rep. Charles H. Bechtold, R-South Kingstown, "The Legislative Process."

Rhode Islanders Don't Want

P.J. March 31, 1961

a State INCOME TAX

and here's why...



Augusta C. Donofrio—President—
Local #1422—American
Federation of Government
Employees
32 Viola Street
Providence, R. I.

We feel that the proposed State income tax will have an adverse effect on industrial growth and would hitch an entirely new tax pipeline directly to the pay envelopes of workers.



R. E. Morgan
—Licensed Practical Nurse
57 Detroit Avenue
Providence, R. I.

The salary that I am paid does not enable me to pay any more taxes. I have to live within my salary. Why shouldn't the State?



Manuel George—Truck Driver
34 Dyerville Avenue
Johnston, R. I.

It's about time the State started living within its income. We have to — so should the State government.



Mrs. Robert Colanin—Housewife
20 Monongahela Avenue
North Providence, R. I.

Rhode Island cannot prosper with more taxes. We voted the legislators in to help us, and they won't help by taking more money from the people.



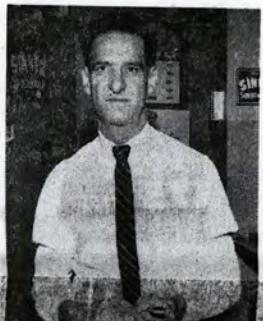
Joseph O'Mara—Florist
190 Gallup Street
Providence, R. I.

I have a family of four and have trouble making ends meet as it is. I do not think this proposed personal income tax is good for this State, as it will stop business from coming into the State, and we need new industry at this time.



Anthony A. Pusateri
—Insurance Salesman
84 Stadden Street
Providence, R. I.

I believe that the people need to have more buying power restored to them, and the proposed State Personal Income Tax will decrease that buying power.



Samuel Landes—Bartender
183 Pavilion Avenue
Providence, R. I.

Let's cut state spending down to size. If this income tax gets in, we'll all pay regardless of what the politicians say.



Thomas Murphy
—Parking Lot Attendant
134 Richardson St.
Providence, R. I.

The State has too many taxes now. They ought to think about lowering some of the present ones instead of installing new ones.



Constance Livingston—Secretary
306 Bay View Avenue
Cranston, R. I.

An income tax is taken out of my pay whether I like it or not. The harder my husband and I work, the more they take.



Armando Turchetta
—Gas Station Owner
184 Elm Dale Avenue
Providence, R. I.

If they take any more taxes from the people, they won't be able to afford gas to run their cars. It's time the legislators wake up to the fact economy in government comes first.

The committee for a more prosperous Rhode Island opposes a GRADUATED PERSONAL INCOME TAX and increasing state spending for the following reasons:

- The Governor's budget proposal calls for state expenditures of \$101,224,768 for 1961-62 which is a 25% increase in state spending in a 2-year period. The income of the average taxpayer during this same period has increased approximately 3-4%.
- The State and local spending of the taxpayer's dollar has increased from \$70 per capita in 1947 to \$200 per capita in 1960. See chart at right.
- The proposed tax will discourage new and better job opportunities in the state because it is accepted by most manufacturing company executives as an unfavorable factor in the business climate of any state.
- Without new and expanding industry, Rhode Island will degenerate into a poor state with remaining taxpayers carrying a crushing burden of debt and further taxes.
- The tax, as proposed, penalizes thrift and achievement among those of moderate means from whom the investment funds must come to start the new businesses the State needs.
- The tax, as proposed, will have a tendency to drive out of Rhode Island and discourage the ingress of the most capable and productive among us—those on whom we depend for more and better jobs.
- The proposed tax opens a new source for revenue—which can be increased at the will of any legislature—thereby eliminating the need for thrift by our public servants and removing the need for a forced re-appraisal of our spending programs.
- It places Rhode Island in a highly unfavorable competitive position with our neighboring state of Connecticut—whose Governor, faced with the same problems as Rhode Island, recently rejected the personal income tax.
- Since 1937, not a single state except West Virginia, of our original 48 states, has seen fit to impose a personal income tax. There are 20 states without such a tax.
- An income tax draws on the residents of Rhode Island only, whereas other taxes such as gasoline, beer, and sales, extracts revenues from our visitors and from mobile members of our population.
- The graduated personal income tax is costly to administer both to the State and to all employers in the State.
- The proposed tax is a highly unfair and discriminating tax requiring 1/3 of the taxpayers (those earning \$5,000 or more) to provide more than 4/5 of the revenue. It is the tax that Karl Marx recommended as the quickest means to destroy the productive middle income group and to bring on Communism.
- The proposed tax is discriminatory because it favors the very wealthy who can avoid the tax by investing in tax exempt bonds.
- The proposed tax penalize success, stifles initiative and discourages enterprise.



MAIL TO:

The Committee For A More Prosperous
Rhode Island
128 Weybosset Street
Providence, R. I.

I urge our Legislature to

- Reject the proposed graduated income tax
- Limit state spending to \$93,476,300

Signed:

(Name)

(Address)

Please send me petitions which I will get my neighbors to sign and will return to the above address by April 7th.

WE URGE THAT OUR LEGISLATURE

- REJECT THE PROPOSED GRADUATED INCOME TAX.
- Establish a maximum appropriation of \$93,476,300 for 1961-62. (The expected state revenue WITHOUT ANY TAX INCREASE.)

IF YOU AGREE WITH US, THERE ARE TWO THINGS TO DO

- Write Your Legislators — Today.
- Fill Out and Send In the Attached Coupon.

The Committee For a More Prosperous Rhode Island is a bipartisan, non-political citizens committee devoted solely to achieving the aims stated above. Your help and support will be of great assistance.

Francis Bushell Chairman	2102 Broad Street, Providence	HO 1-7945
Ivory Littlefield Vice Chairman	8 Cushing Street, Providence	JA 1-0851
Ernest Bastone	25 Sandringham Avenue, Providence	UN 1-8949
Henry Chace, Jr.	70 Hopkins Hill Road, Coventry	VA 1-0123
William Christie	1 Donald Drive, Newport	VI 7-7704
Edward Donlon	80 Lexington Avenue, Providence	WI 1-1078
Paul Dunphy	197 Sandy Lane, Warwick	RE 7-2803
Harold Greiner	12B Sefton Drive, Cranston	HO 1-1535
Richard Hart	106 Florence Street, Providence	EL 1-5763
Norman Johnson	2 Carlton Street, Barrington	CH 5-8865
Russ Johnson	92 Pilgrim Drive, Warwick	ST 1-2019
Thomas Logan	159 Ocean Street, Providence	HO 7-8612
J. Lombardi	21 Whitmarsh Street, Providence	EL 1-5312
Agnes McMahon	4 Edison Street, Warwick	RE 9-3741
Arthur Milot	21 Lorimer Avenue, Providence	GA 1-6799
Anthony Pusateri	84 Stadden Street, Providence	WI 1-2072
Thomas Roberts	82 Apple Tree Lane, Warwick	HO 3-8057
G. A. Schofield	811 Pontiac Avenue, Cranston	HO 1-6900
Jean Whalen	87 Flagg Avenue, Warwick	RE 7-3279
Ambrose McVeigh	19 Jones Avenue, Pawtucket	PA 2-7450

GOP Declares It Will Fight R.I. Income Tax

R.I. March 29, 1961
State Executive Unit Says It Vigorously Opposes Notte Plan

The Rhode Island Republican Party declared war last night on Governor Notte's income tax proposal.

The executive committee of the GOP State Central Committee announced:

"The time has come when the state must live within its present resources of revenue."

Describing itself as "vigorously opposed" to the graduated income tax measure proposed by the governor in his budget message last Friday, the GOP said Rhode Islanders are "already overburdened with taxes."

"We are against adding a new tax which is another inroad into the wage earner's paycheck," the resolution declared.

William T. Broomhead, state chairman, said not a single voice was raised in support of the tax proposal. He said reports after report was received from members representing different communities and the resulting resolution "represents party sentiment."

A concentrated effort to line up public opinion and support against the income tax plan was outlined at the executive committee meeting, held in GOP headquarters at 87 Weybosset St.

Mr. Broomhead said he will send letters to all Republican representatives and senators and to town and city chairmen, advising them of the executive committee resolution and asking them for a public expression of support.

In addition, the state chairman said, a "broadside" will be mailed to the "Republican family," all elected GOP officials, including city, town and district committees. It will call on them to ask everyone to voice opposition to the tax in talks and by letter to their elected legislators.

"We feel this is the only way the proposal can be beaten," Mr. Broomhead asserted. "We are going to present a united front of popular opposition to an unpopular program."

The GOP chairman said no alternative revenue-raising suggestions were made at the meeting. Nor, he said, was the suggestion of Sen. James H. Donnelly, R-North Kingstown, the GOP minority leader, considered.

Mr. Donnelly last week had suggested extending the state sales tax to include real estate.

Continued From Page One

transactions as a possible substitute for the income tax.

J. Francis Gallogly, president of the Providence Board of Realtors, yesterday described that proposal as "grossly unfair to the property owner and purchaser."

He said it would reduce the incentive to own a home and would put an unreasonable burden on the property owner. Real estate already provides a major portion of tax revenue, he remarked.

Earlier, Governor Notte announced his intention of going to the public with his tax proposal, using public appearances, newspaper advertising, radio and television.

He will start at 10:15 tonight when he appears on Rhode

Island's television.

James J. Doyle, chief editorial writer of the Journal-Bulletin, "Our Political System in Rhode Island": Robert Leeson, president of Leeson Corp. and a Weekapaug Group member.

"Balancing the Political Budget" and Rep. Charles H. Beck, Jr., R-South Kingstown, "The Legislative Process."

He will start at 10:15 tonight when he appears on Rhode

Democrat Explains Patronage Failure

R.I. March 30, 1961

A small town Democratic party chairman opened the door a crack on "inside" politics last night and provided a rare public view of what has been described as the Notte administration's "patronage problem."

Half apologetically, half angrily, Antone De Souza wrote an "open letter" to his fellow Little Compton Democrats, explaining why he has been unable to fulfill the job commitments he made to them "in good faith."

He laid the blame squarely on the doorstep of Governor Notte and John G. McWeeney.

Democratic state chairman. They made the promises, he said, but they didn't come through.

In Mr. De Souza's somewhat plaintive words, "if the promises are not kept to me, I cannot keep them to you."

Specifically, Mr. De Souza said, promises were made of jobs for him; for Angelo Tavares, the committee vice chairman; for Raymond Delage, and for his son, Antone De Souza Jr.

Neither Governor Notte nor Mr. McWeeney could be reached for comment on Mr. De Souza's letters.

In his letter, the chairman said he is not quitting. He intends to continue in office and to keep up the good fight for the town party's best interests, he pledged.

He inserted a note of thanks in his letter to Frank E. Corrente of the state Public Works Department for a patronage job offer but added, "I feel that the job does not equal the jobs promised to me."

"All we can do is live on hopes and promises in Little Compton," he wrote.

Asked to back up his complaints, Mr. De Souza gave this account:

At a meeting of the Little Compton Democratic Town Committee four or five days before the Democratic party primary last fall, then Lieutenant Governor Notte made an appearance.

Under discussion was the matter of a deputy sheriff's job. If the Democrats won, Mr. De Souza said, the job was supposed to go to Mr. Tavares but there was talk that it would be given to someone from Tiverton.

Said Mr. De Souza:

"The governor told us that if he did have to take the deputy sheriff job away he would replace it with two jobs in equal pay to that one—one for Mr. Tavares and one for me."

Up to now, Mr. De Souza said, neither he nor Mr. Tavares has a state job. In fact, he said, neither one is now working.

The town chairman continued his allegations of broken promises.

Posts Described

Right after the election, he said, he and Mr. Tavares went to party headquarters and spoke to Mr. McWeeney. He said the state chairman promised jobs for the younger Mr. De Souza and for Mr. Delage—one as a truck driver and the other in the registration of boats.

Neither job has come through, he said.

Asked if he had gone back to press for the jobs, Mr. De Souza said:

"I've been to Mr. McWeeney's office at least five times and twice to the governor's."

And what were the results? "Alas, Nothing but excuses."

Continued From Page One

ant Governor Notte made an appearance.

Some members of the Asian and African group.

The United States and Ireland suggested to the committee that, instead of more punitive measures, the U.N. might again request Secretary General Dag Hammarskjöld to continue his talks with the South African government, seeking a relaxation of the apartheid policy.

"We believe," said Mr. Plimpton, "that with so few doors to the South African government remaining open, the secretary general should continue his contacts with that government in an earnest endeavor to make it realize its obligations under the charter and take measures for the fulfillment of the obligations."

WRECKS REBUILT MAJOR REPAIRS See BOSTON RADIATOR & BODY WORKS 185 PINE ST., PROV. GA 1-2625

DELIGHTFUL DINING EASTER SUNDAY at JOHNSON'S HUMMOCKS RESTAURANT

We particularly look forward to seeing the whole family bring the children along and enter their names for a free bunny.

COMPLETE EASTER DINNERS

- Baked Virginia Ham, Spiced Cherry Sauce \$2.25
- Broiled Half Spring Chicken, Maitre d'Hotel \$2.50
- Roast Leg of Spring Lamb, Pan Gravy, Mint Jelly \$2.60
- Broiled "U.S. Prime" Rump Steak, Maitre d'Hotel \$2.95

For Reservations please call HO 1-6000



DUCKLINGS ON HAND
LAKEMOOR HAY & GRAIN CO.
780 WARWICK AVE.
Cor. Warwick Ave. and Washington St., Lakewood, R. I.
HO 7-8400

Johnson's HUMMOCKS Restaurant
245 ALLENS AVENUE, PROVIDENCE, R. I.

FRESH VEGETABLES ONLY!

It makes spaghetti sauce with the tender care you would! Fresh vegetable, no dehydrated vegetables, ever!

ENJOY A HAMBERRY HOLIDAY & a pleasant reward, too

To encourage you to try the "Ham What Am" by Armour, we've worked up an intriguing idea with the Ocean Spray Cranberry people. We call it a Ham-Berry Holiday. It will save you money. But even better, it will help you discover for yourself how good the "Ham What Am" is. After you've had your Ham-Berry Holiday (following the recipe here) this is what you'll get:



CERTIFICATE FOR

Del Sesto Asks Broad Powers For Gov. Notte

Says Reorganization Authority Could Prevent Income Tax

Former Governor Christopher Del Sesto proposed last night that the General Assembly give Governor Notte blanket authority to reorganize the executive branch of the state government to save tax dollars.

The proposal was included in a five-point program which Mr. Del Sesto would eliminate the need for a state personal income tax in the fiscal year beginning July 1.

Mr. Del Sesto's alternate proposals came as debate over the income tax proposed by Governor Notte intensified.

The governor, in a television appearance, said the income tax would place the state on a sound fiscal basis and provide income needed for essential services and programs already in existence.

The Republican minority leader in the House, Rep. John H. Chafee, appearing on the same program, said existing state services could be provided without an income tax or increases in present taxes if the state government were efficiently operated.

The Committee for a More Prosperous Rhode Island announced that it will submit to the General Assembly today a petition signed by 3,495 persons in opposition to the income tax or any increase in state expenditures.

Mr. Del Sesto was interviewed on Radio Press Conference over WEAN, one of the Journal-Bulletin stations, by Harry V. McKenna, radio news director.

The former governor said reorganization of the state government would save millions of dollars a year. Governor Notte could complete the reorganization within 60 days if given blanket authority by the legislature, he said.

"Because of 'pressure groups for vested interests, reorganization will never get very far through legislative action," he said.

Mr. Del Sesto said the "Baby Hoover" Commission appointed by Mr. Notte to study government operations is unnecessary. A blueprint for reorganization is already available in the report of the Fiscal Study Commission appointed under former governor Dennis J. Roberts, he said.

Reluctance of the legislature to grant blanket powers to the governor might be overcome if the General Assembly retained the power to veto reorganization orders issued by the governor, Mr. Del Sesto said.

Mr. Del Sesto offered four other proposals that he said would obviate the need for an income tax.

All inheritance and estate tax receipts should be turned into the general fund, he said. More than \$4,000,000 of these funds are now frozen in a reserve public welfare fund.

The state tax division, he said, must be strengthened to cut down tax evasion.

"For years we have never effectively collected taxes already on the books," he said. "Until we strengthen the tax division and make it a separate depart-

ment with sufficient power there will be widespread tax evasion."

Mr. Del Sesto said that the state program of educational aid to communities must be changed to limit the funds to educational uses.

Another suggestion made was to place state contributions to the employee pension fund on a variable basis.

The state has a substantial reserve in the fund of over \$42,000,000, he said and the state could vary its payments depending on its fiscal situation.

Avoidable Expense

Mr. Del Sesto suggested the state could avoid an administrative expense by revising its plan to refund car registration overpayments. Instead of making refunds the state could simply extend the registrations to 2 1/2 or 2 3/4 years, he said.

He repeated his opposition to the income tax and said, "I can assure you that if I had been reelected there would have been no additional taxes of any kind."

In a program broadcast by WJAR-TV, Governor Notte outlined the state's income and spending proposals.

The need for extra revenue this year comes from "built-in" growth in education programs, increased staff requirements for new hospitals and the highway program, increased debt payments, and higher costs for other existing programs, he said.

He said the need for additional funds "results from increases of almost \$18,000,000 in expenditures that occurred in the two years prior to my coming into office."

Lowest Possible Cost

The governor said he is making every effort to see that essential services are continued at the lowest possible cost and that programs are expanded only when "absolutely necessary."

Facing the first real test of his political strength, Mr. Notte asked that the people stand behind him in his "difficult and unpopular responsibility" of supporting a state income tax.

"I could have avoided my responsibility by simply adding a penny to the sales tax, for example, and a penny on this or a penny on that."

"But along with a distinguished committee of non-partisan experts, I believe that long-range stability can be achieved only by providing a sound tax structure."

Governor Notte told his television audience the increased cost of government has made increased taxes "unavoidable" even though his budget, calling

for \$101,000,000 in state spending, contains "not one single new or expanded program."

His administration, the governor declared, has been one of thrift. He said he has:

"Cut back departmental budget requests by some \$15,000,000 . . . stopped all new service programs . . . (and) continued only essential services at the lowest possible cost."

He said 27 cents on the dollar would go for highways and transportation, 24 cents for education, 15 cents for welfare, 13 cents for health, five cents for state police and prisons, five cents for general administration, five cents for debt payments and five cents for grants to communities and other items.

His taxing program would draw each dollar thus: 17 cents from the gasoline tax, seven cents from the cigarette tax, eight cents from licenses and registration fees, 16 cents from the sales tax, three cents from alcohol taxes, 19 cents from business and industry taxes, 18 cents from the income tax and 12 cents from other sources.

The governor said current taxes give Rhode Island "the 37th lowest overall personal tax burden in the nation."

He said 32 other states have income taxes, while 20 of the same states also have sales taxes.

Just as industry must diversify to be sound, so must the state diversify its revenue to be both sound and fair to its citizens.

"This means lower consumer taxes, which hit the little man, and a graduated income tax, which is nationally recognized for being a fair tax."

"My fellow Rhode Islanders, I ask only that you be sure you understand how a lower sales tax and a graduated income tax will affect you before you write letters or permit your pictures to be used in pressure group advertising . . ."

He then displayed an advertisement of the Committee for a More Prosperous Rhode Island, an anti-income tax group, and said citizens of average means would be better off under his plan.

2 Chairmen Oppose Pell Plan to Disband

The chairmen of the Smithfield and North Smithfield Pell-for-Senator Committees said last night it would be a mistake for independent Pell committees to disband and integrate with the regular Democratic organization.

Sen. Claborne Pell had said in an interview that he would like to see the organization that backed him in his successful primary battle last year completely integrated into the Democratic Party.

Harry A. Carignan of North Smithfield and Mrs. Mildred Towers of Smithfield, chairmen of Pell committees, said they were surprised by his statement.

Both said they object to making a move toward joining the regular Democratic organizations they fought in the primary.

Mr. Carignan said Mr. Pell would be committing "political suicide" to disband his organization now. "He has no assurance that the Democratic organization will endorse him six years from now," Mr. Carignan said.

He said that although Mr. Pell and his organization defeated former Gov. Dennis J. Roberts in the primary, the state Democratic Party still is controlled by Mr. Roberts; Frank Rao, former state chairman, and Ed-

ward J. Higgins, executive secretary to Governor Notte.

Mr. Carignan said the independent Pell groups would be useful in the event that Senator Pell decided to endorse an insurgent candidate for governor in 1962.

Senator Pell has given no indication that he is considering such an action, and so far has remained neutral in local primary fights.

The need for the independent organization, Mr. Carignan said, was shown when Governor Notte disregarded a recommendation by Senator Pell for appointment of the labor representative on the state Labor Relations Board.

Mr. Carignan said Mr. Pell on Jan. 12 wrote Mr. Notte expressing his "whole-hearted support" for Roland H. Benoit, North Smithfield Democratic town chairman, for the appointment. Mr. Benoit is president of the independent Industrial Trades Union of Rhode Island.

Governor Notte later appointed Samuel J. Azzinaro of Westerly to the \$2,500-a-year post.

Mrs. Towers said she feels the Smithfield Democratic Town Committee should make the first move toward any integration of the two groups, because the Pell group proved itself stronger in the primary and the election.

"The committee hasn't approached me in any way so I haven't joined them," she said.

Both chairmen said they feel Mr. Pell should have consulted with his local leaders before issuing a statement that his organization should disband.

Both sound and fair to its citizens.

"This means lower consumer taxes, which hit the little man, and a graduated income tax, which is nationally recognized for being a fair tax."

"My fellow Rhode Islanders, I ask only that you be sure you understand how a lower sales tax and a graduated income tax will affect you before you write letters or permit your pictures to be used in pressure group advertising . . ."

He then displayed an advertisement of the Committee for a More Prosperous Rhode Island, an anti-income tax group, and said citizens of average means would be better off under his plan.

He said 32 other states have income taxes, while 20 of the same states also have sales taxes.

Just as industry must diversify to be sound, so must the state diversify its revenue to be both sound and fair to its citizens.

"This means lower consumer taxes, which hit the little man, and a graduated income tax, which is nationally recognized for being a fair tax."

"My fellow Rhode Islanders, I ask only that you be sure you understand how a lower sales tax and a graduated income tax will affect you before you write letters or permit your pictures to be used in pressure group advertising . . ."

He then displayed an advertisement of the Committee for a More Prosperous Rhode Island, an anti-income tax group, and said citizens of average means would be better off under his plan.

He said 32 other states have income taxes, while 20 of the same states also have sales taxes.

Just as industry must diversify to be sound, so must the state diversify its revenue to be both sound and fair to its citizens.

"This means lower consumer taxes, which hit the little man, and a graduated income tax, which is nationally recognized for being a fair tax."

The State Income Tax and You

Statistics Show 'Bite'

Who pays what? Politicians and others who have been discussing proposals for a Rhode Island personal income tax have been offering conflicting interpretations of how much of the revenue would come from different income brackets.

The tax has been variously viewed by its critics as one that would pick on the little man with a dinner pail, the big man with a yacht, the middle income man and newly-wealthy.

Proponents of the tax have contended that an income tax would put its pressure on those best able to pay, that it would be easy on the low-income family man and that it would not be as hard on anyone as it might sound.

The state administration has

emphasized relief offered by its proposals for repeal or reduction of other taxes, which it says would ease some of the strain of the proposed income tax.

The state budget office has compiled statistics it says ought to give a good indication of how individual taxpayers would be affected and from what income brackets the revenue would come.

The personal income tax proposed by the governor is calculated to produce annual

revenue estimated at \$18,754,000.

The budget office figures as to how much of that revenue would come from the various income brackets were obtained by applying the proposed state formula to actual Rhode Island federal income tax returns.

According to this reckoning, taxpayers earning \$5,000 a year or less would pay about \$1,580,000 of the estimated total of \$18,754,000.

Significant part of that estimate is the fact that persons earning \$5,000 or less comprise the biggest segment of the tax-paying population.

According to the budget office calculations, there would be about 315,000 taxpayers filing returns and those earning \$5,000 or less would comprise about 194,000 of that total.

The budget office charts offer these further estimates: The income group from \$5,000 to \$10,000 a year would pay state income taxes estimated at \$5,871,200. That would be a little less than one-third of the total anticipated revenue. The \$10,000 to \$100,000 brackets figured on a pro-rata basis would be \$100 returns, which would be a little less than one-third of the returns.

An expected 13,860 taxpayers in the range from \$10,000 to \$20,000 a year would pay an estimated \$3,786,980.

According to the figures, the group paying taxes on income from \$10,000 to \$20,000 a year is about one-fourteenth the size of the group that would file returns on income of \$5,000 or less. But the \$10,000-\$20,000 group would pay more than twice as much in total income taxes.

A more exclusive group of 3,800 taxpayers with earnings between \$20,000 and \$50,000 would pay an estimated \$4,029,000.

An expected 567 taxpayers with earnings between \$50,000 and \$100,000 would pay an estimated total of \$1,924,869. Those 567 taxpayers would be paying considerably more of the total revenue than would the 194,000 with income of \$5,000 or less.

An anticipated 63 taxpayers with incomes from \$100,000 to \$150,000 would pay an estimated total of \$432,888.

The chart estimates that there would be 16 taxpayers paying on incomes between \$150,000 and \$200,000 and 16 others on incomes between \$200,000 and \$500,000. The first of those two groups would pay an estimated \$151,729 and the second \$270,172.

A half-dozen taxpayers with incomes between \$500,000 and \$1,000,000 a year would pay a total of \$180,630.

The report counts on returns from three Rhode Island taxpayers earning \$1,000,000 a year or better. They would pay an average of \$175,374 each, or a total of \$526,122.

The governor emphasized that 36 states have higher per capita personal tax burdens.

Mr. Chafee opposed any tax increase this year and said existing services could be provided through economical operation.

He accused Mr. Notte of proposing a budget that calls for no new services but boosts the state payroll to its highest level in history.

The governor's statements on economy, he said, do not "fit" with Mr. Notte's request for \$160,000 to run his own office.

Exactly the same office. Is this economy? . . . He asked why the governor doesn't cut costs first "and then we'll see if he needs new taxes."

In Connecticut, which has no income tax but only a sales tax, the state collects about \$30 per person; in Massachusetts which has an income tax but no sales tax, about the same amount, he said.

"Rhode Island, under Governor Notte's proposed income tax with the sales tax reduced to two per cent as he plans, would collect over \$41 per person."

What the state needs, he said, is not an income tax but increased job opportunities, "new plants to come here and build and our present plants to flourish."

Who'd Pay What

State budget office estimates of the share of revenue from a proposed personal income tax that would be paid by different income groups, with the estimated number of taxpayers in each group, are shown:

Income Group	Number in Group	Yield From Group
Under \$1,000	29,830	—
\$1,000-\$2,000	39,974	—
\$2,000-\$3,000	39,879	\$238,875
\$3,000-\$4,000	44,762	\$556,392
\$4,000-\$5,000	39,558	\$784,832
\$5,000-\$6,000	40,950	\$1,225,244
\$6,000-\$7,000	26,554	\$1,227,778
\$7,000-\$8,000	14,994	\$1,083,916
\$8,000-\$9,000	14,301	\$1,447,833
\$9,000-\$10,000	6,174	\$836,454
\$10,000-\$15,000	11,498	\$2,660,637
\$15,000-\$20,000	2,362	\$1,126,343
\$20,000-\$25,000	1,449	\$1,140,638
\$25,000-\$50,000	1,890	\$2,888,846
\$50,000-\$100,000	567	\$1,924,869
\$100,000-\$150,000	63	\$432,888
\$150,000-\$200,000	16	\$151,729
\$200,000-\$250,000	16	\$270,172
\$500,000-\$1,000,000	6	\$180,630
\$1,000,000 and over	6	\$525,123
TOTAL	314,945	\$18,754,179



Governor Notte

MR. CHAFEE: A Taxation Time Bomb

The governor's budget contemplates the spending of 101 million taxpayer dollars—seven million more than ever before—but proposes no new services and would swell state payrolls to unprecedented numbers, according to Mr. Chafee.

He said it will mean more people will be working for the state than the total number working for Bostitch, Grinnell, Cranston Print Works, U.S. Rubber in both Providence and Bristol, Brown & Sharpe and Lesona.

"He wants us to give him 19 million dollars in new taxes and alleges this will hardly affect the average citizen. What could it mean to you? Suppose you earn \$80 a week. You could pay as high a state income tax as \$43 a year. The rates go up quickly. Suppose you are earning \$62 a week—you might pay an income tax of \$62 a year. If you are making \$135 a week, you might pay \$123 in tax. These amounts are, of course, in addition to sales and other taxes."

The governor further claims that his tax won't be too painful because it is deductible from your federal income tax. The fact is, however, that this is only true if you itemize your deductions. Authorities tell us that only 10 per cent itemize, so 90 per cent of us will receive no benefit at all.

"This will prove to be a taxation time bomb—it is just the beginning."

Mr. Chafee traced the history of other state taxes that have been increased.

"In order to sell his income tax, the governor continually uses a 'scare' line—he threatens to reduce services to the sick, to the retarded and to the mentally ill. We were providing all those services long before our state budget ever reached 94 million dollars and we can continue to provide and improve upon them if Governor Notte will run this state in an efficient manner. Fulltime state employees cannot collect \$4,800 a year while working at the race track. We can't have our payroll padded with non-working relatives."

In his budget, Mr. Chafee said, the governor asks for \$160,700 to run his personal office, 25 per cent more than any governor in the history of the state ever required to run

MR. CHAFEE: A Taxation Time Bomb

The budget emphasizes that the three in the million-dollar category are not fictional characters. It says three Rhode Islanders with incomes of \$1,000,000 or more filed federal income tax returns last year.

All of the figures on the number of estimated returns per income bracket are based on actual federal returns, the budget office said.

The statistics put the average cost of the proposed state income tax for those earning \$15,518 a year at 52 cents, while the average for those earning between \$50,000 and \$100,000 a year is listed at \$3.394.

The estimated cost of the proposed income tax to the man with a wife and two children and an income of \$3,000 a year is \$3 a year. The man with a wife and four children would pay a \$9 annual tax on an income of \$5,000.

The state administration, in presenting its case for the tax program it has proposed, is placing emphasis on savings it says taxpayers would gain through the proposed reduction in the sales tax and other levies. It says that the low-income man with a big family would save more by having the sales tax reduced than he would pay in income taxes.

The administration suggests that the taxpayer whose net state tax is increased under the governor's proposals might make some recovery by being able to claim his added state taxes as federal income tax deductions.

The federal income tax payer could do that only if his total deductions for all purposes came to more than 10 per cent of his income and he was itemizing deductions rather than claiming the standard 10 per cent.

The potential federal saving would be greater for those in the upper brackets. It has been estimated that a man with a million-dollar income could pay 91 per cent of state income tax with money he would gain by applying his state tax as a federal deduction.

The governor emphasized that 36 states have higher per capita personal tax burdens.

Mr. Chafee opposed any tax increase this year and said existing services could be provided through economical operation.

He accused Mr. Notte of proposing a budget that calls for no new services but boosts the state payroll to its highest level in history.

The governor's statements on economy, he said, do not "fit" with Mr. Notte's request for \$160,000 to run his own office.

Exactly the same office. Is this economy? . . . He asked why the governor doesn't cut costs first "and then we'll see if he needs new taxes."

In Connecticut, which has no income tax but only a sales tax, the state collects about \$30 per person; in Massachusetts which has an income tax but no sales tax, about the same amount, he said.

"Rhode Island, under Governor Notte's proposed income tax with the sales tax reduced to two per cent as he plans, would collect over \$41 per person."

What the state needs, he said, is not an income tax but increased job opportunities, "new plants to come here and build and our present plants to flourish."

Exactly the same office. Is this economy? . . . He asked why the governor doesn't cut costs first "and then we'll see if he needs new taxes."

In Connecticut, which has no income tax but only a sales tax, the state collects about \$30 per person; in Massachusetts which has an income tax but no sales tax, about the same amount, he said.

"Rhode Island, under Governor Notte's proposed income tax with the sales tax reduced to two per cent as he plans, would collect over \$41 per person."

What the state needs, he said, is not an income tax but increased job opportunities, "new plants to come here and build and our present plants to flourish."

Exactly the same office. Is this economy? . . . He asked why the governor doesn't cut costs first "and then we'll see if he needs new taxes."

In Connecticut, which has no income tax but only a sales tax, the state collects about \$30 per person; in Massachusetts which has an income tax but no sales tax, about the same amount, he said.

"Rhode Island, under Governor Notte's proposed income tax with the sales tax reduced to two per cent as he plans, would collect over \$41 per person."

What the state needs, he said, is not an income tax but increased job opportunities, "new plants to come here and build and our present plants to flourish."

Exactly the same office. Is this economy? . . . He asked why the governor doesn't cut costs first "and then we'll see if he needs new taxes."

In Connecticut, which has no income tax but only a sales tax, the state collects about \$30 per person; in Massachusetts which has an income tax but no sales tax, about the same amount, he said.

"Rhode Island, under Governor Notte's proposed income tax with the sales tax reduced to two per cent as he plans, would collect over \$41 per person."

What the state needs, he said, is not an income tax but increased job opportunities, "new plants to come here and build and our present plants to flourish."

GOV. NOTTE: Urges Public Support

Facing the first real test of his political strength, Mr. Notte asked that the people stand behind him in his "difficult and unpopular responsibility" of supporting a state income tax.

"I could have avoided my responsibility by simply adding a penny to the sales tax, for example, and a penny on this or a penny on that."

"But along with a distinguished committee of non-partisan experts, I believe that long-range stability can be achieved only by providing a sound tax structure."

Governor Notte told his television audience the increased cost of government has made increased taxes "unavoidable" even though his budget, calling

for \$101,000,000 in state spending, contains "not one single new or expanded program."

His administration, the governor declared, has been one of thrift. He said he has:

"Cut back departmental budget requests by some \$15,000,000 . . . stopped all new service programs . . . (and) continued only essential services at the lowest possible cost."

He said 27 cents on the dollar would go for highways and transportation, 24 cents for education, 15 cents for welfare, 13 cents for health, five cents for state police and prisons, five cents for general administration, five cents for debt payments and five cents for grants to communities and other items.

His taxing program would draw each dollar thus: 17 cents from the gasoline tax, seven cents from the cigarette tax, eight cents from licenses and registration fees, 16 cents from the sales tax, three cents from alcohol taxes, 19 cents from business and industry taxes, 18 cents from the income tax and 12 cents from other sources.

The governor said current taxes give Rhode Island "the 37th lowest overall personal tax burden in the nation."

He said 32 other states have income taxes, while 20 of the same states also have sales taxes.

Just as industry must diversify to be sound, so must the state diversify its revenue to be both sound and fair to its citizens.

MR. DEL SESTO: No New Taxes

Del Sesto

In support of his contention that no more taxes are necessary, Mr. Del Sesto emphasized these six points:

1. All inheritance and estate tax receipts should be made available to the state's general fund.
- Under present law, everything over \$2,000,000 goes into the so-called public assistance reserve fund, which Mr. Del Sesto maintains has never served its function.
- Governor Notte has proposed that all inheritance and estate tax receipts in excess of \$3,000,000 go into the reserve fund, but Mr. Del Sesto said that "does not go far enough" and is recognition that the fund is not working.
- On June 30, 1959, he said, the fund held close to \$1,750,000 which was immobilized as a bookkeeping entry due to the law. He said during the state's current fiscal year when he checked on collections, receipts were running far ahead of estimates. He forecast continued high returns from this source.
- The state tax division should be reorganized into a separate independent department, moved to more adequate and modern quarters, its appropriation at least doubled and there should be more intensive field audits.
- "We have never efficiently collected state taxes. There has been widespread tax evasion and avoidance in Rhode Island. It seems to me before we impose new taxes, we must strengthen and reorganize the tax division."
- The state government is top-heavy and needs reorganization.

"I think the creation and appointment of a 'Baby Hoover' Commission was a recognition of this fact and as far as it goes, the step was a good one. But I don't think that is the answer."

He said the Fiscal Study Commission appointed by former Governor Roberts spent two years and hired consultants of national stature at a cost to the state of \$125,000.

"They made very good recommendations, most of which were on a unanimous basis. In part, we do have a blueprint for cutting down on state expenses."

Mr. Del Sesto said he thinks what is needed is a law to permit the governor to reorganize the state government without going to the legislature, so that he can consolidate or eliminate departments and transfer functions.

If the legislature thought such power for the governor too drastic, Mr. Del Sesto said, there could be a modification along the lines of the federal plan, whereby the legislature could veto any specific reorganization proposal by a two-thirds vote.

Contributions by the state to the employee retirement fund should be on a variable rather than a fixed basis.

Mr. Del Sesto said the pension fund on June 30, 1959, stood at \$35,600,000, on June 30, 1960, at close to \$41,000,000 and estimates are that on June 30, 1961, will have close to \$42,000,000. He said also that pension and benefit payments for the fiscal year ending June 30, 1959, were approximately \$2,500,000 and for the last fiscal year approximately \$2,900,000.

"According to the budget laws, both for operating expenses and construction, must think you could pick up at least \$1,000,000 in the next fiscal year."

6. Major recommendations of the Fiscal Study Commission and of the consultants should be put into effect.

"What Governor Notte has done has been to pick out isolated portions—for instance the consultants' report on the income tax—but he has ignored the overall major recommendations of the commission. If we do have a financial problem, I think these recommendations should be adopted practically in toto.

"If more taxes are needed and it must be an income tax, then I disagree, in part, with both Governor Notte's proposal and that of the advisory committee."

In such an event, he said he would have these recommendations:

1. An income tax should take effect in the future on the first day of a calendar year—for example Jan. 1, 1962. Putting an income tax in effect during the course of a calendar year, he said, would be unfair.
- Furthermore, he said, there would be need to give the tax division or department sufficient time to get organized.
- The state sales tax should be repealed entirely.
- "In this respect I differ both with Governor Notte and the advisory committee," Mr. Del Sesto said. "The two taxes are incompatible. No state in New England has both a sales tax and an income tax."
- The governor has proposed a one-cent reduction in the sales tax; the advisory commission none.
- Local taxes on household furniture and on manufacturing equipment and inventories should be repealed.
- On this point, Mr. Del Sesto said he agreed with the advisory committee and disagreed with the governor, who has proposed a one-third reduction of the tax on equipment and inventories.
- Local taxes on intangible personal property should be repealed.
- The tax on savings deposits also should be repealed. "If we are to repeal the local

Governor Is Boomed On Income Tax Plan

Governor Notte was boomed by an audience of 300 persons in Westerly last night when he arrived at a meeting to speak in defense of his personal income tax proposal.

The open show of hostility, a rare experience for a Rhode Island chief executive, climaxed a day in which the income tax plan took a general beating.

In other action on the income tax front:

A Warwick legislator introduced in the General Assembly a measure calling for an anti-income tax amendment to the state Constitution.

The Committee for a More Prosperous Rhode Island submitted to the governor and General Assembly a massive petition, with 5,495 names, calling on the state government to "live within its present sources of revenue."

The Mutual Savings Bank Association of Rhode Island told the legislature in a letter that a personal income tax would result in double taxation of savings depositors.

The governor's Westerly appearance before a predominantly hostile audience gathered for what the Westerly-Pawcatuck Chamber of Commerce called a "fact-finding session."

It brought Mr. Notte into head-to-head debate with Edward A. Underhill of Warwick, a member of the Committee for a More Prosperous Rhode Island, which has been formed to

Income Tax

Continued From Page One

oppose the anti-income tax legislation.

After repeating the arguments he has used in favor of the personal income levy, the governor called on his listeners not to be swayed by the committee's arguments. He said he knows personally of some businessmen who favor the income tax.

Against that argument, four representatives of the committee had earlier distributed more than 200 copies of the anti-income tax leaflet they compiled.

The "fact book" was read in its entirety by Warren M. Greenwood, executive vice president of the chamber, before Mr. Notte arrived at 9:10 p.m.

The booning took place as the governor walked down the aisle of Westerly Senior High School auditorium with John C. Murray, state budget officer.

Mr. Underhill challenged the governor to "hold the line on expenses this year, then perhaps you can get your hands in our pockets next year." He was loudly applauded.

Governor Notte, in turn, challenged Mr. Underhill to sit in with the state budget committee if he wants to know why a state income tax is needed.

He asked the audience to send written questions to his office and promised they would be answered.

In response to written questions from the floor, Governor Notte said that:

He opposes legalized off-track gambling as a revenue source.

Summer resort residents who claim Rhode Island as a tax haven to escape intangibles taxes elsewhere would be subject to the state income tax.

He is against collecting tolls on state highways.

The only voice raised in defense of the governor was that of Sen. Natale L. Urso, D-Westerly. He said the chamber's "fact sheet" was really a "one-sided night" and called on the listeners to keep an objective viewpoint.

Mr. Urso, describing himself as a "neutral" in the tax controversy, attacked the committee's "fact sheet" for having been written before the governor's proposal was made. He said its proposals for economy were like those in a bill introduced in the General Assembly last year by Lt. Gov. Edward P. Gillogly, then a senator.

In a panel discussion before the governor's arrival, opposition to the tax plan was unanimous. It came from Lloyd Cook of Bradford, Mrs. Marian Wilson of Westerly, Everett Waltz, a Westerly retailer, and Roger W. Perry, chairman of the chamber's industrial development committee.

The constitutional amendment proposal was made by Rep. Robert H. Breslin Jr., R-Warwick, in the form of a resolution. It was referred to the committee on special legislation.

The Breslin resolution calls on the Assembly to put before the voters this amendment: "The General Assembly shall not impose, nor authorize the levy or collection of any tax upon the income of any resident of this state."

In a statement, Representative Breslin called the Notte income tax proposal "the most obnoxious and harmful tax program which any administration has ever asked the Rhode Island public to swallow."

"The tax, Mr. Breslin asserted, represents a ridiculous attempt by the governor to subsidize inflated political payoffs to political hacks, thereby neglecting the necessary state employees who are presently underpaid."

After accusing the governor of using the tax proposal as a means of building a political machine, the Warwick legislator said:

"If the governor feels that this state budget requires an income tax, this issue is of sufficient gravity to require a referendum in which the people would decide whether they desire this additional expenditure and the imposition of such a tax."

Veekapaugers Fear Effect of Income Tax

Members of the Veekapaug Group, emphasizing their opinions were personal only and not the official position of the group, generally expressed concern yesterday over the effect on Rhode Island's economic climate of a proposed state personal income tax.

The levy is "fraught with a great many dangers" and "dire results" could come from the

McWeeney, Senator In 'Integration' Talks

John G. McWeeney, Democratic state chairman, said today he had talked several times with Senator Pell since last year about absorbing the Pell campaign organization into the structure of the state organization.

"We have both agreed that everything should be done to overcome any repercussions from last year's primary fight," he said.

He conceded that handling of patronage presents one "stumbling block" in working out harmonious integration of the Pell and organization supporters.

Senator Pell has relatively little federal patronage, in numbers at least, and the state organization didn't have a wealth of

The income tax debaters overlook the main issue

In the debate over state finances, Republicans hold rigidly to the view that no new taxes will be needed next year if the administration only would economize. On the other hand, Governor Notte insists that \$7,000,000 of additional spending is required under expanding programs to which the state was committed before he took office, such as school aid, highway construction and hiring workers for new buildings at state institutions.

The Republicans have the politically popular side of the argument. While everybody says he wants better schools, new highways and improved housing for those who cannot care for themselves, nobody likes to pay for them. But they have to be paid for just the same. The disappointing aspect of the debate is that not enough consideration is being given by the administration or its critics to the best method of paying for them without unduly damaging the state's economy.

This is a side of the problem which Republicans are not meeting head on. In the latest broadside against new taxes, Rep. John H. Chafee, GOP leader in the House of Representatives, acknowledged that new roads and better schools are essential, but contended that they can be paid for by the practice of economy in government. He said he does not believe the governor practices economy in asking for a 25 per cent increase for operating his own office, or in permitting a state employee to draw state pay while working at the race track.

Moonlighting on state time is cheating, and is to be condemned. And government economy is essential: it is not practiced enough. But possibilities for economizing in specific areas mentioned by Mr. Chafee will save only thousands of dollars while the need is in the millions. The thousands should be saved, but the millions still have to be raised.

Christopher Del Sesto, former governor, is another Republican who believes no new taxes are needed. But Mr. Del Sesto, when governor,

Center stage

planned on getting \$2,800,000 of additional taxes which the Supreme Court denied the state by ruling the state-collected intangibles tax unconstitutional. On the record, then, Mr. Del Sesto while in office acknowledged need for at least \$2,800,000 of additional tax revenue which, out of office, he says is not needed. And the budget Mr. Del Sesto prepared as governor for 1960-61 lifted spending from state revenue from \$80,000,000 to \$94,000,000. Economy is a shoe to be worn by anyone it fits.

Mr. Del Sesto's present economy recommendations are more specific than Mr. Chafee's. He says that the governor ought to have authority to reorganize executive departments for the sake of economy, and that the state should do a better job of collecting existing taxes. But the legislature which he says is not likely to economize is the same legislature that would have to give the authority. Mr. Del Sesto says that reorganization, plus improved tax collections, would produce "millions," but the Institute of Public Administration which analyzed state operations three years ago figured that economies and better tax collection methods would yield \$2,000,000.

Of course, the administration owes the taxpayers its utmost effort to economize. But the basic problem of paying for better schools, new highways and improved institutional buildings remains.

In knocking the income tax without advancing alternative tax methods, and in pinning their case entirely on economizing, Republicans are obscuring the lesson laid down by IPA, and repeated recently by Gov-

Veekapaugers Fear Effect of Income Tax

Members of the Veekapaug Group, emphasizing their opinions were personal only and not the official position of the group, generally expressed concern yesterday over the effect on Rhode Island's economic climate of a proposed state personal income tax.

The levy is "fraught with a great many dangers" and "dire results" could come from the

McWeeney, Senator In 'Integration' Talks

John G. McWeeney, Democratic state chairman, said today he had talked several times with Senator Pell since last year about absorbing the Pell campaign organization into the structure of the state organization.

"We have both agreed that everything should be done to overcome any repercussions from last year's primary fight," he said.

He conceded that handling of patronage presents one "stumbling block" in working out harmonious integration of the Pell and organization supporters.

Senator Pell has relatively little federal patronage, in numbers at least, and the state organization didn't have a wealth of

The income tax debaters overlook the main issue

In the debate over state finances, Republicans hold rigidly to the view that no new taxes will be needed next year if the administration only would economize. On the other hand, Governor Notte insists that \$7,000,000 of additional spending is required under expanding programs to which the state was committed before he took office, such as school aid, highway construction and hiring workers for new buildings at state institutions.

The Republicans have the politically popular side of the argument. While everybody says he wants better schools, new highways and improved housing for those who cannot care for themselves, nobody likes to pay for them. But they have to be paid for just the same. The disappointing aspect of the debate is that not enough consideration is being given by the administration or its critics to the best method of paying for them without unduly damaging the state's economy.

This is a side of the problem which Republicans are not meeting head on. In the latest broadside against new taxes, Rep. John H. Chafee, GOP leader in the House of Representatives, acknowledged that new roads and better schools are essential, but contended that they can be paid for by the practice of economy in government. He said he does not believe the governor practices economy in asking for a 25 per cent increase for operating his own office, or in permitting a state employee to draw state pay while working at the race track.

Moonlighting on state time is cheating, and is to be condemned. And government economy is essential: it is not practiced enough. But possibilities for economizing in specific areas mentioned by Mr. Chafee will save only thousands of dollars while the need is in the millions. The thousands should be saved, but the millions still have to be raised.

Christopher Del Sesto, former governor, is another Republican who believes no new taxes are needed. But Mr. Del Sesto, when governor,

Center stage

planned on getting \$2,800,000 of additional taxes which the Supreme Court denied the state by ruling the state-collected intangibles tax unconstitutional. On the record, then, Mr. Del Sesto while in office acknowledged need for at least \$2,800,000 of additional tax revenue which, out of office, he says is not needed. And the budget Mr. Del Sesto prepared as governor for 1960-61 lifted spending from state revenue from \$80,000,000 to \$94,000,000. Economy is a shoe to be worn by anyone it fits.

Mr. Del Sesto's present economy recommendations are more specific than Mr. Chafee's. He says that the governor ought to have authority to reorganize executive departments for the sake of economy, and that the state should do a better job of collecting existing taxes. But the legislature which he says is not likely to economize is the same legislature that would have to give the authority. Mr. Del Sesto says that reorganization, plus improved tax collections, would produce "millions," but the Institute of Public Administration which analyzed state operations three years ago figured that economies and better tax collection methods would yield \$2,000,000.

Of course, the administration owes the taxpayers its utmost effort to economize. But the basic problem of paying for better schools, new highways and improved institutional buildings remains.

In knocking the income tax without advancing alternative tax methods, and in pinning their case entirely on economizing, Republicans are obscuring the lesson laid down by IPA, and repeated recently by Gov-



The Income Tax Is Only Part of the Plan

Most critics of the recent tax study report have singled out the personal income tax for special attack. Citizens groups have organized to fight the tax, which one industrialist represents as being "the most terrible block" possible to industrial growth.

It is unfortunate that critics have isolated the income tax for their displeasure. In doing so, they have skimmed over the advice of Governor Notte's advisory committee that the tax is only one item in a package offered to give Rhode Island a tax structure that is equitable to all and as attractive as possible to industrial growth.

The income tax cannot be separated from other contents of the package without destroying the value of the committee's report. The committee sought to recommend a redistribution of the tax burden that would be equitable while doing minimum damage to the state's attractiveness as a place to do business.

True, when taken alone, the income tax is not attractive to anyone who must pay it, including high-salaried executives with authority to decide plant locations. But the tax should not be considered alone. It should be considered in relation to other items in the package, among them a proposal to repeal the local tax on manufacturers' capital equipment and inventories at an aggregate savings to the state's manufacturers of some \$6,300,000 annually.

In coupling the income tax to repeal of the manufacturers' inventory tax, and to repeal of other taxes, the advisory committee said: "We cannot guarantee that these tax proposals will be more conducive to investment and employment than some alternative system raising an equal amount of new revenue. But within the bounds imposed by equity, we believe that the evidence and analysis support our conclusion (that they are)."



Hold Your Breath — We're Working Out a Comprehensive Plan.

The complement of the advisory committee are men of high competency in their field. The committee included the chairmen of the economics departments at Brown and Providence College, a bank president, a vice president of a major manufacturing concern, the president of a major Providence department store, a tax lawyer and a public accountant. Their advice is worth listening to when the effects of a tax program on business and industry are being discussed.

Unlike the industrialist critic of the income tax, the advisory committee said that the effects of taxation on the movement of industry are not clear at best. The committee acknowledged that no tax will induce industry to locate in any particular state, but then it went on:

"Existing surveys clearly suggest that taxation is a factor, although not always a controlling one, in location or investment decisions. The evidence is not conclusive."

We sincerely hope that when Governor Notte and the legislature act on a tax program, they will look at the advisory committee's proposals as a whole—as a package, as the committee put it—and not as single trees of the forest. Unless they do, Rhode Island is not likely to get the equitable tax structure which the committee says is within reach, without too much adverse effect on the state's industrial climate.

Good sense, not emotion is the tax fight need

Flights of emotion over the income tax proposal in Governor Notte's package of new taxes are making a rational solution of the state's fiscal problems more difficult. Reform of the tax structure is not possible if logic is forced to take a back seat to emotional outbursts, synthetic or real.

Governor Notte went to Westerly the other night to explain his tax proposals. The meeting was described beforehand as a "fact-finding session" by the Westerly-Pawcatuck Chamber of Commerce. But the audience of nearly 300 booed the governor when he stepped to the hall. The booing occurred before the governor had a chance to say one word in explanation of his tax program.

"The audience gathered to get the facts" had its mind made up against the income tax before the governor appeared. A panel of local speakers already had decided unanimously against the income tax. No wonder the audience booed the governor's arrival and applauded a member of the Committee for a More Prosperous Rhode Island who said that if the governor holds the line on spending this year, "perhaps you can get your hands in our pockets next year."

No tax proposal of recent years has stirred emotions or caused a display so bitter as that put on by the Westerly audience Tuesday night. And the big difference between present tax proposals and former proposals is that the present package includes a personal income tax.

The Committee for a More Prosperous Rhode Island has a right to organize and spend funds to defeat the income tax if it can. It has the

right to pay for and distribute a "Fact Book" presenting the case against the income tax. It has the right to equate a more prosperous Rhode Island with defeat of the income tax, even without supporting documentation. But carrying on in this way does not foster a calm discussion of a serious fiscal problem.

And Rhode Island has serious fiscal problems. The governor reports need of \$7,000,000 of additional spending next year to meet obligations to which the state already is committed. The money has to be found. Three years ago the Institute of Public Administration of New York, a reputable private government consultant, said Rhode Island's tax structure was in need of extensive overhaul. The governor's tax package is aimed at doing both things: raising needed revenue while beginning the tax overhaul.

IPA's tax overhaul proposed, among other things, a personal income tax and repeal of the tax on manufacturers' equipment and inventory. An advisory committee of high competency recently recommended the same two tax ingredients. Our opposition to the governor's program stems from the fact that while he accepts the income tax proposal, he wants only a partial cutback of manufacturers' taxes and has added a proposal to reduce the sales tax from three to two per cent, depriving his package of the delicate balance between equity and helpfulness to industry which obtained in the advisory committee's original package.

Rhode Island can reach a sensible solution to its tax problems if it approaches them with calmness and an open mind. It cannot do the job by booing and getting emotionally upset.

Kilvert Urges New Tax Delay

Charles A. Kilvert, director of administration under former Gov. Christopher Del Sesto, today urged a six-month delay on any new tax legislation.

The state's fiscal needs, he said, do not require immediate action and a six-month postponement "should be utilized in determining more clearly exact needs and the relative desirability of methods of meeting them than now exists."

In a statement of his views on the controversy precipitated by Governor Notte's advocacy of a state income tax, Mr. Kilvert said that it is impossible at this time for anyone "to say with finality how much the state will need in the future, or whether one form or another of an income tax is the best answer to those needs."

Consequently, he declared, "the only intelligent course at this moment is no tax action at all, but rather intense attention to needs and propriety in preparation for the next meeting of the legislature."

The tax discussion, Mr. Kilvert said, has overlooked the question of when the need will occur.

"Even if it were shown that the state needs every cent that the administration claims it will need, the availability of new cash to meet those needs will not be a problem before the early months of 1962," Mr. Kilvert said. "It seems clear that the state can operate at least for six months without touching the tax structure and without cutting back any service or program."

Governor Notte has said that he expects substantial savings in state expenses to result from studies of the baby Hoover commission, which is scheduled to report at the beginning of 1962.

"Is it not the height of good sense," Mr. Kilvert asked, "to do nothing to upset the tax structure until such a report makes known the true expenditures?"

Booing Called Minor Incident

Sen. Urso Claims Few Joined Criticism of Notte at Westerly

Sen. Natale L. Urso, D-Westerly, said yesterday that the booing of Governor Notte in the senator's home town Tuesday night was only a "minor incident" connected with the chief executive's appearance in defense of his income tax plan.

The booing occurred when the governor arrived at a "fact-finding" meeting of the Westerly-Pawcatuck Chamber of Commerce, held in the Westerly Senior High School auditorium.

The senator, speaking on the Senate floor, said the booing was a "very minor incident" that was headlined in The Providence Journal. He said the jeers came from "a few scattered people who, while they may be adult in age, were juvenile in behavior."

Senator Urso said that when the governor reached the stage of the auditorium, "the vast majority of the crowd was very respectful and got up and gave the governor a standing ovation. But that was not reported in the press."

He added that when the governor finished his defense of the income tax, he got "very strong applause" from the audience of about 300 persons. He termed it "unfortunate" that the press did not present the "true picture" of the meeting, Rep. David A. Lowry, R-Westerly, who was at the meeting, visited the governor's office to offer his personal apologies to Mr. Notte for Tuesday night's incident.

"I just told him," said Mr. Lowry after leaving the governor's office, "that I felt as a representative of the people of Westerly, I should apologize for the actions of a few people at the meeting and that these were so few I didn't think he should be disturbed about it."

A spokesman for the Chamber of Commerce said yesterday that the organization is sending a letter of apology to Mr. Notte for the booing incident. He described it as "inexcusable" and expressed the chamber's regrets.

Two Journal-Bulletin reporters were in the hall when the governor arrived. They reported that the booing began the moment Governor Notte entered the hall and lasted the time it took him to walk to the platform.

The reporters said the booing was not scattered and that people were standing when they booed.

They said there was polite applause for the governor on several occasions, but no "standing ovation."

Senator Urso's party reported he was the only voice raised in defense of the governor.

House Awaits Senate Feeling On Income Tax

Opposition of Labor Seen Unless Sales Levy Is Eliminated

Governor Notte's beleaguered income tax program will not budge from the House of Representatives until assurance is given that the state Senate will go along, it was indicated last night.

Reason for the jousting between Democratic leaders of both party-controlled branches apparently is to prevent the Senate from getting credit for killing an unpopular measure after the House has passed it.

The matter came up at a closed dinner meeting of Democratic senators and representatives in the Crown Hotel, at which Governor Notte put in a strong pitch for enactment of his fiscal program.

At the same time, it was learned that the governor's program probably will not get the support of organized labor unless the 3 per cent sales tax is wiped off the books.

This was said to be part of a report drafted by a 15-member taxation committee of the state AFL-CIO for submission to Mr. Notte and members of the General Assembly.

The Democratic legislators gave the governor a standing ovation at the close of his Crown Hotel speech last night. The interchange over assurance of bi-cameral passage of his tax program arose when legislative leaders arose to speak.

Sen. William M. Davies Jr. of Lincoln, Senate majority leader and on record in favor of reenacting a state intangible personal property tax to obtain needed revenue, restricted his comment on the income tax plan to saying that the Senate will give it all consideration.

This, according to informants, drew the rejoinder from House Speaker Harry Curvin that there would have to be assurance of dual passage before the House would act.

Otherwise, the dinner meeting reportedly went off smoothly. Mr. Notte explained his program, assisted by members of the state's budget office and charts they had prepared.

"I think it was a very profitable meeting," he said afterward. "I think they appreciated the fact I came with my budget figures to explain this program."

Continued From Page One

I appreciated the opportunity to explain it."

John G. McWeeney, Democratic state chairman, who arranged the hotel affair, called it a "very successful meeting."

"I think it was a most informative meeting on a very delicate tax problem," he said. The legislators left, he added, "with a better idea of what the tax program is all about."

Mr. McWeeney said the administration's fiscal program will be taken up further at House and Senate caucuses. There were no questions from the floor last night. Legislative leaders from both branches gave short talks in addition to the governor's.

Sale Tax Repeal Is Labor's Price For Income Levy

Governor Notte's income tax program may not get the support of organized labor unless the 3 per cent sales tax is wiped off the books.

An end to the sales tax is included in a report by a 15-member taxation committee of the state AFL-CIO, the committee chairman, Lawrence N. Spitz, confirmed last night.

Mr. Spitz, sub-district director of the United Steelworkers, declined to give further details of the report but said it may be ready for presentation to the governor and legislators today.

The governor was given a standing ovation at the Crown Hotel after explaining his tax program at a closed meeting of Democratic legislators, but the fate of the income tax proposal was still hazy.

Seek Dual Passage

Indications after the meeting were that the income tax program would not budge from the House of Representatives until the Senate gives assurance of dual passage.

The apparent reason for the jockeying between Democratic leaders of the House and Senate is a reluctance on the part of House leaders to have the Senate take credit for killing an unpopular measure—in case the House passes the income tax.

New opposition to the income tax developed around the state, meanwhile, from businessmen and Republicans.

Indirect Attack

The Newport County Council of Republican Women indirectly attacked the income tax by passing this resolution:

"In the interest of economy in government we propose to refuse to accept the refund on our license fees as a step toward not imposing the income tax."

In Central Falls, Louis E. Azar, a member of the GOP "watchdog committee" and a member of former Gov. Christopher Del Sesto's "junior cabinet,"

net," said the Republican organization in Central Falls should sponsor a public forum to explain its opposition to the income tax.

The Greater Woonsocket Chamber of Commerce issued a statement today opposing the income tax on the ground that it "would seriously impede efforts to improve the state's economy."

"Informative Meeting"

John G. McWeeney, Democratic state chairman, who arranged the meeting at the Crown Hotel, called it "a most informative meeting on a very delicate tax problem," and said the administration's fiscal program would be taken up further at House and Senate caucuses.

Legislative leaders and the governor talked at the meeting but there were no questions from the floor.

Sen. William M. Davies Jr. of Lincoln, Senate majority leader who is on record in favor of reenacting a state intangible personal property tax to obtain needed revenue, said only that the Senate would give the income tax all consideration.

Informants said later that this brought the rejoinder from Harry Curvin, Speaker of the House, that there would have to be assurance of dual passage before the House would act.

We're a reserve unit, Pell supporter asserts

"The sooner the Pell organization disbands, the better off we will be. . . . If the party doesn't understand what he (Pell) did for them, then the whole thing is lost." — Walter R. Hazard, party chairman in North Kingstown.

"Those of us who supported Claiborne Pell have gotten a foothold, but an awful lot of work has yet to be done, due to the fact the old Roberts machine is still with us in the form of Governor Notte. . . . We're like a reserve unit, ready to spring back into action within 24 hours." — William L. Cartwright, the Pell chairman in the same town.

"We realize that a United States Senator cannot become involved in the political hassles in every ward and district of the state. However, we believe the shadow of Claiborne Pell should be felt throughout the political system of the Democratic party." — Kenneth A. Barnes, chairman of the North Providence People for Pell.

"He's a party in himself and he should be treated with more respect. They treat him as he should exercise more power." — Leonard Malgrino, a barber who helped organize Pell headquarters in Westerly.

"Pell has the right idea. There is no need of two parties within the Democratic party." — Katherine M. Cullinan, former Democratic national committeewoman who headed women's division for Pell in the state.

"I don't know of anyone who has gotten a job through Pell. . . . The way it's going now, I'd be almost afraid to take a step back because it's back and

Mr. Spitz, sub-district director of the United Steelworkers, confirmed the report that the sales tax eradication is included in the committee's recommendations, but declined to disclose any further details.

He said that he knows of no meetings planned in the immediate future between state AFL-CIO leaders and the governor on the income tax proposal.

In another development in the income tax controversy yesterday, Rep. David F. Sweeney Jr., D-Cranston, signed a petition against the tax and said he believes most of the "newer and younger" House members oppose it.

He predicted Rhode Island would become an "economic desert" with both sales and income taxes. The governor's proposal is to reduce the tax to 2 per cent.

Francis Bushell, one of Mr. Sweeney's constituents and chairman of the anti-income tax Committee for a More Prosperous Rhode Island, obtained the representative's signature and said he intends to sign up more assemblymen.

Earlier yesterday, Charles A. Kilvert, director of administration under former Governor Christopher Del Sesto, questioned the need for any tax increase. "The only intelligent course at this moment is no tax action at all," he said in a prepared statement.

He predicted Rhode Island would become an "economic desert" with both sales and income taxes. The governor's proposal is to reduce the tax to 2 per cent.

Francis Bushell, one of Mr. Sweeney's constituents and chairman of the anti-income tax Committee for a More Prosperous Rhode Island, obtained the representative's signature and said he intends to sign up more assemblymen.

Earlier yesterday, Charles A. Kilvert, director of administration under former Governor Christopher Del Sesto, questioned the need for any tax increase. "The only intelligent course at this moment is no tax action at all," he said in a prepared statement.

He predicted Rhode Island would become an "economic desert" with both sales and income taxes. The governor's proposal is to reduce the tax to 2 per cent.

Francis Bushell, one of Mr. Sweeney's constituents and chairman of the anti-income tax Committee for a More Prosperous Rhode Island, obtained the representative's signature and said he intends to sign up more assemblymen.

Earlier yesterday, Charles A. Kilvert, director of administration under former Governor Christopher Del Sesto, questioned the need for any tax increase. "The only intelligent course at this moment is no tax action at all," he said in a prepared statement.

He predicted Rhode Island would become an "economic desert" with both sales and income taxes. The governor's proposal is to reduce the tax to 2 per cent.

Francis Bushell, one of Mr. Sweeney's constituents and chairman of the anti-income tax Committee for a More Prosperous Rhode Island, obtained the representative's signature and said he intends to sign up more assemblymen.

Earlier yesterday, Charles A. Kilvert, director of administration under former Governor Christopher Del Sesto, questioned the need for any tax increase. "The only intelligent course at this moment is no tax action at all," he said in a prepared statement.

He predicted Rhode Island would become an "economic desert" with both sales and income taxes. The governor's proposal is to reduce the tax to 2 per cent.

Francis Bushell, one of Mr. Sweeney's constituents and chairman of the anti-income tax Committee for a More Prosperous Rhode Island, obtained the representative's signature and said he intends to sign up more assemblymen.

Senator May Shed Light Soon

Pell Seeking to Rule R.I. Party Machinery?

Scores of Rhode Island Democrats, and perhaps many times such a figure, have been asking since last Sunday: Where does what Senator Pell is up to leave us?

What Claiborne Pell is up to was made clear in a Washington interview last weekend, in which he said the personal political group whose work and enthusiasm whipped a solid party machine to get him nominated and elected is now to be disbanded.

He will integrate this far-flung political army, comprising at one time some 40 clubs and committees by his own estimate, with the Rhode Island Democratic Party, he said.

In the wake of his decision have come such comments as these:

"He's too timid. He should throw his weight around more."

"The old Roberts machine is still with us. We're ready to spring back into action within 24 hours."

"Mr. Pell has got the right idea. One organization will be stronger than two."

The hodge-podge of thinking within ranks of Democrats and independents who worked so enthusiastically in his organization last summer and fall may be somewhat clarified later this week.

Senator Pell is expected to return to Rhode Island from Washington today, his Providence office has been informed.

Not the least of some of the questions in the minds of his supporters, of political rank all the way down from minor generals to buck privates, is whether Senator Pell's decision spells just neutrality in Democratic party affairs at this time, or is the beginning of a long-range calculated move to take over dominance of the state Democratic organization.

Even before Senator Pell outlined to the Journal-Bulletin his ideas of disarmament of his personal machine and building of a unified party organization, the Journal-Bulletin last week began inquiring among his known campaign lieutenants what might be happening to keep the Pell group alive, or if it has actually fallen apart.

The responses were varied. Enmity for the Roberts-Rao machine that denied Pell endorsement at the September primary has not died. Yet many others on the Pell campground feel there is a lot of territory still left in which to bury hatchets.

The Pell campaign last year

is Rhode Island Political history. A novice in the knuckle-breaking game, run for years by the old pros, he went into the Democratic State Committee seeking party endorsement for senator. Former Governor Dennis J. Roberts got 137 votes, and Pell only 54, but that was more than another pro, Armand H. Cote, had received in a 1958 attempt to run against Mr. Roberts for governor.

Then, his personal machine in high gear with a well-warmed motor, Mr. Pell took the primary by nearly 38,000 votes over Mr. Roberts, and went on to win the election by a dazzling, unprecedented 151,000 plurality.

It's the people who worked in his cause who now have the most conflicting reactions.

There is Katherine Cullinan, given the sack as Democratic national committeewoman last summer by the state organization forces in which Roberts and former Chairman Frank Rao had been dominant.

Today she feels Senator Pell is on the right track. There is no need for two Democratic Party organizations, she says. "It will take some time to accomplish it, but one organization will be stronger and better for the party," the chairman of the Pell women's division feels.

A little less certain is Mrs. Ann Paxton of East Providence, director of volunteer workers in the Pell campaign.

Mrs. Paxton believes a lot is to be said about the Pell idea of integration, and the six years before he has to run again "can go by very fast. Already I have heard they are working on someone else (for the Senate). But if Mr. Pell feels so secure, let him go ahead with his program."

Two weeks ago, Mr. Bruno said, he filled out an application for a job as state liquor inspector, but has heard nothing yet. As though anticipating a defeat for Governor Notte next year, he said "I'm almost afraid to take a state job now because in a year and a half I'll probably be out of a job."

Another Pawtucket Valley leader who, like Mr. Bruno says the former Pell organization is

John P. Cooney 3rd, chairman of Rhode Island Youth for Pell said he has had no inkling of any grass roots move to keep an organized Pell machine alive.

Normal politics, he suggested, would be that a man who had accomplished what Pell has done would work steadily over a period of time to build votes and support within the Democratic state committee, so he could not be denied endorsements for reelection in 1966.

Mr. Cooney discounts completely any idea that Pell would seek to interfere in the problems of the Notte administration, or in difficulties between the governor and organization Democrats over such controversial things as patronage.

Yet patronage is exactly what some Pell supporters have on their minds in rueful comment on failure of any strong Pell machine to emerge from last November's victory.

There is such an outspoken Pell supporter as Anthony Bruno of West Warwick. He championed the Pell cause and led the Republican RAO and Athambault's home town to an overwhelming plurality for Pell.

"I really believe Mr. Pell is very sincere," he says. "He hasn't changed a bit since his victory. He's the most sincere man I have ever met and if I never get a job through him, I am glad for having known and worked for him."

But Mr. Bruno adds that the state organization isn't listening to Pell, and he doesn't know anyone who has gotten a job through his office. He blames the Democratic organization for failing to recognize Senator Pell and his workers for what they did in the election.

"We felt that the advent of Claiborne Pell would help restore integrity to government and hence improve the political and economic climate of Rhode Island."

"We believed the shadow of Claiborne Pell should be felt throughout the political system of the Democratic Party."

"If we have interpreted the senator's statement correctly, then he has reduced the effectiveness such a shadow would cast. The evident reluctance of Senator Pell to lead dashes cold water on the idealistic vitality of the younger members of the Democratic Party and the independents as well."

Another Pell leader who works emphatically that the youngsters and others in politics who worked for Pell did so with the idea they were creating a brand new machine, casting off the old, is William L. Cartwright, chairman of the senator's campaign group in North Kingstown.

He said bluntly Senator Pell "hasn't been allowed to participate in state affairs as he should as U.S. Senator. He has a perfect right to be called the titular head of the party in this state, and I regard him as such."

Because he did he takes the view that "I'll get my reward. It's going to take some time, because Pell is new in Washington."

Mr. Malagrino, who has been endorsed by his Democratic party committee for a post as deputy U.S. marshal, said Senator Pell "is a party unto himself and he should be treated with more respect. They treat this guy like nothing. I've told him he should exercise more power."

There is a strong view that a lot of Pell support came from Democrats bent on getting rid of the Roberts-Rao combine and, that being their objective, they will continue their crusade—within party ranks, with or without Pell.

Says Kenneth A. Barnes, an spokesman, chairman of the People for Pell in North Providence, home town of Governor Notte:

"We take exception to Senator Claiborne Pell when he asked the Pell people to come back to the Democratic party."

"We were not aware we had left the Democratic party. We leave first, fast and always Democrats."

"We are not interested in resurgence, but in the resurgence of the Democratic party. For this we felt Senator Pell admirably qualified."

"While nationally the Democratic party seeks new frontiers, the state Democratic leadership remains stagnant. Ineffective leadership has brought the state and our people into a period of economic obsolescence."

"We felt that the advent of Claiborne Pell would help restore integrity to government and hence improve the political and economic climate of Rhode Island."

"We believed the shadow of Claiborne Pell should be felt throughout the political system of the Democratic Party."

"If we have interpreted the senator's statement correctly, then he has reduced the effectiveness such a shadow would cast. The evident reluctance of Senator Pell to lead dashes cold water on the idealistic vitality of the younger members of the Democratic Party and the independents as well."

Another Pell leader who works emphatically that the youngsters and others in politics who worked for Pell did so with the idea they were creating a brand new machine, casting off the old, is William L. Cartwright, chairman of the senator's campaign group in North Kingstown.

He said bluntly Senator Pell "hasn't been allowed to participate in state affairs as he should as U.S. Senator. He has a perfect right to be called the titular head of the party in this state, and I regard him as such."

In a burst of enthusiasm left over from last fall, Mr. Cartwright, a Navy Reserve commander, said the North Kingstown Pell organization is in "mothballs" but, "by golly, we're ready to rip it out when it's necessary. If Pell wants us to do it again, then we'll do it."

Unlike Dr. Barnes, however, the North Kingstown leader said he doesn't think Senator Pell "has anything to lose by integrating into the ranks of the organized Democratic Party."

Legislator Would Cut R.I. Budget \$4-Million

Rep. David F. Sweeney Jr., a freshman legislator, yesterday sponsored in the General Assembly six proposals which he maintained would lop \$4,000,000 off next year's state budget.

The Cranston Democrat, who is hopeful of averting an income tax, said his "package" was "designed to point out to people where the money is going."

"Without too much effort, we could cut \$2,000,000 more," he said, describing his legislation as "just a starter."

Biggest of the cuts would come from repeal of the \$3,000,000 annual state appropriation distributed to cities and towns

according to the ratio of local tax levies.

Next in size would be repeal of the entire state scholarship program. Mr. Sweeney estimated this cost at \$909,050 in the next fiscal year.

Other Sweeney measures call for saving \$191,000 by deleting from the budget provision for "support of certain organizations," mostly of a patriotic and historic nature, \$75,000 by eliminating the legislative council, and \$38,336 by sharply curtailing the number of pages and door-keepers in the House and Senate.

Another measure with no price tag proposes increasing the minimum residence requirement for recipients of public assistance from one to two years. It also would delete a provision for waiver of the requirement.

The total Mr. Sweeney proposes to save with his unorthodox proposals adds up to at least \$4,213,386. Except for the one on the legislative council, which was referred to the corporations committee, all the measures went to the finance committee. Little chance was seen for their passage.

A Republican, Rep. Robert H. Breslin of Warwick, also proposed to limit the number of pages and doorkeepers. Under his bill, there would be five pages in the Senate and 14 in the House, in addition to head pages in both branches and an assistant head page in the lower chamber. Doorkeepers would number six assistants in each branch, plus head doorkeepers in both.

In a statement, Mr. Breslin said his proposal would save the state \$32,100. The present number of pages and doorkeepers is far in excess of need, he said. His bill was referred to the committee on rules and orders.

State Legislators Facing Fire On Income Tax Issue This Week

By JOHN P. HACKETT

The battle over a state personal income tax shows signs of intensifying this week, with the fire from both sides continuing to be directed at the men who will decide the issue — the state legislators.

Pressure—pro and con—will be exerted on them both directly and indirectly.

The fact that Governor Notte felt it necessary to put his case for the tax as a solution to the state's financial problems before Democratic senators and representatives in person at a special dinner meeting last week indicates one thing to many observers:

That how the General Assembly will vote on the governor's fiscal program still is a big question mark.

This is a strange situation in an era when both houses are so heavily controlled by the Democrats and a man from that party sits in the chief executive's chair. Seldom have Democratic governors in the past encountered so much difficulty in getting their own way on such a major program.

Further evidence that Mr. Notte recognizes the precariousness of his position is his retention — although only on an informal basis and without cost to the state, according to a staff member — of Bo Bernstein & Co., Inc., a Providence advertising and public relations firm, to help push his income tax proposal.

A Bernstein official agreed the firm is "helping" the governor on the issue and that no state money is involved. The company has been connected in the past with publicizing Democratic endeavors.

First fruits of this liaison will be on a WPRO-TV broadcast Thursday evening. Using public service time offered free by the station as was done last week by WJAR-TV, the governor will plug his program with the aid of charts prepared by the Bernstein firm.

As was done by Channel 10, an opposition speaker is expected to be presented before or after the governor, along with a "neutral" to wrap up both sides in a report to viewers.

Meanwhile, opposition to the income tax led by the hastily-formed Committee for a More Prosperous Rhode Island also will take to the air waves. A committee-supplied speaker will talk at 7:45 p.m. Wednesday over radio station WWOV in

Woonsocket. The station is sponsored by the Associated Industries of Rhode Island.

Mustered with that is the formal stand of opposition taken by various organizations. Primary among these is the Rhode Island Republican Party.

Organized labor reported resistance to the tax is another

Surging from closer to home

by the North Smithfield Chamber of Commerce.

All this air time on both sides amounts to indirect pressure on the legislators. It is an attempt to muster public opinion in favor of or against the income tax, with the idea the major reaction will seep through to election-conscious assemblies.

The full-scale presentation, armed with state budget office material and speakers, made by the governor to the Democratic senators and representatives, is direct pressure, if a soft sell. A harder sell undoubtedly is being made in state house corridors and committee rooms by administration officials filled with facts on what each legislator owes to the party in the way of jobs, preference, and so forth.

The anti-income tax committee is also exerting direct pressure. A petition with the names of 5,495 opponents to the tax was placed in the legislative chambers for each member to peruse last week. A batch of another 5,000 names will be submitted similarly on Tuesday, according to Francis B. Bushell of Cranston, chairman of the committee.

Mr. Bushell says he has an additional 7,000 names — for a total of more than 17,000 — which have not yet been mimeographed. Besides that, more than 5,000 tea bags, — a symbol to committee members of unfair taxation, — are being sent back to the Boston Tea Party of Colonial times — have been distributed to the populace.

Source of all this busy activity is a headquarters at 128 Weybosset St., "donat'd" to Mr. Bushell, typewriters, services of two secretaries and other materials also have been procured, he said. Contributions have flowed in since the committee was established in early March for the sum of \$2,500. Mr. Bushell said. Many are small — \$1, \$5, \$10, \$20 — and come from anonymous donors, he said.

Another big asset to the anti-income tax people is the flood of mail opposing it to legislators. Many of the letters contain coupons clipped from newspaper advertisements against the tax sponsored by the Associated Industries of Rhode Island.

Mustered with that is the formal stand of opposition taken by various organizations. Primary among these is the Rhode Island Republican Party.

Organized labor reported resistance to the tax is another

Surging from closer to home

are votes of opposition recorded by the Sixth District Democratic Association of Pawtucket and the all-Democratic Bristol Town Council.

As has been shown many times in the past on many issues, it is for easier to obtain public display of sentiment against something than for it. The vital nature of a new tax merely emphasizes this truism.

But, regardless, the concerned legislators have to consider the expression of opposition when making their decision. It was to give them the facts of the case, as he sees them, that Governor Notte welcomed last Wednesday's opportunity to address them.

The meeting was closed to the public but expressions of opinion uttered by various legislators as they emerged frequently were along the line of "He didn't sell me."

What particularly grieved some of the Democrats was the haste with which the affair was called to a close immediately after the speaking program and with no opportunity for questions from the floor. John G. McWeeny, Democratic state chairman, mentioned that the matter would be discussed further at caucuses of senators and representatives.

Whether deliberately or not, the word has been leaked out to Democratic legislators that there possibly can be a further reduction of a penny in the sales tax next year or a rollback of the income tax rate. This apparently is based on anticipating collections coming in better than expected from an income levy.

The assemblymen could be expected to notice quickly the potent vote-getting medicine of a tax "reduction" in an election year, as 1962 will be.

Another sign at the dinner that the powers-that-be are worried about the outcome was the pledge of assurance demanded of the Senate by a House leader that if the lower chamber passed the income tax measure, the upper branch would follow suit. All the Senate leadership has offered the governor's program is "consideration."

While the governor, looking tired after his long task in the hotel dining room, drew an ovation at the suggestion of the respected House majority leader, Rep. James H. Kierman of Providence, there were still many doubting Thomases in the throng of handclappers.

Just how many, whether they can be swung around, and whether — if an — their number will show sufficient balance with those Republican legislators, to defeat the Notte program, are still big questions.

For a full-scale tax study

With all of the current talk about a personal income tax, I think that one important item has been overlooked.

Any change in our tax structure will have far-reaching effects, both on individuals and the business community. The Governor's Special Committee which recommended a personal income tax was only in effect for a few weeks. This committee was composed of excellent thoughtful men, but with all their other commitments, how much time were they able to devote to an exhaustive study of our needs?

Regardless of personal feelings, or what is good or bad politics, I think that the legislator and governor would be well-advised to form a new committee consisting of representatives from at least labor, banking, manufacturing, retailing, investments, the general public, and the R.I. Development Council, to study the long-range fiscal needs of this state. Such a

committee should measure the impact on the entire state of any change in our tax structure. It should complete its report by the first day of the 1962 Assembly so that any changes can be included with the governor's budget message. This committee might produce both a majority and minority report which would be of value to all of us.

Deliberation should be mandatory before we make any drastic changes. At the moment there is a great deal of emotionalism running about taxation and it is probable that this will result in patchwork legislation which will be a curse to live with and not even begin to meet our needs.

There is certainly no urgency for a tax change this year. Let us hope that our elected representatives and administrators can apply their wisdom and call for a full scale study of this problem. The public should demand it.

George B. Rootbach Providence

9 Out of 10 Ballots Against Any Kind of State Income Tax

Most Prefer Increase in Sales Levy

\$10,000—16 per cent; income between \$5,000 and \$10,000—10 per cent; income under \$5,000—11 per cent.

About one-fourth of those returning ballots signified through their comments that they want no tax increases of any kind. The breakdown by income groups was: Those with an income of more than \$10,000—10 per cent; income between \$5,000 and \$10,000—20 per cent; income under \$5,000—24 per cent.

Correlating political preferences with family incomes, almost half over \$10,000 said they voted without regard to party, about four in 10 were Republican and less than one in 10 were Democratic; in the \$5,000 to \$10,000 bracket, more than half said they voted without regard to party, less than two in 10 were Republican, and about 2½ in 10 were Democratic; in the under \$5,000 bracket, five in 10 voted without regard to party, fewer than two in 10 were Republican, and more than three in 10 were Democratic.

Of the small group that favored some sort of income tax, slightly more than two in 10 were Democratic, somewhat less than three in 10 were Republican, and less than five in 10 voted without regard to party.

Of those who favored an increase in the sales tax, 2½ in 10 were Democratic, about two in 10 were Republican, and about five in 10 voted without regard to party.

Of those who favored no increase in taxes under any program, about 2½ in 10 were Democratic, somewhat more than one in 10 were Republican, and more than five in 10 voted without regard to party.

The three alternative tax increase programs on the ballot were:

1. Income tax package of Governor Notte, calling for a personal income tax, a reduction in the sales tax from three to two per cent, repeal of state taxes on unincorporated business and gifts, repeal of local taxes on intangible property and abatement of one-third of the local property tax on manufacturing equipment and inventories.

2. Income tax package of the governor's fiscal advisory committee, calling for an income tax, exemption from the sales tax of utilities, fuel oil, coal and ice, repeal of state taxes on unincorporated business and gifts, repeal of local taxes on intangible property and household furnishings, and repeal of the entire local property tax on manufacturing equipment and inventories.

3. An increase in the sales tax from the present rate of three per cent to four per cent, without any reduction in other taxes.

The 194,103 taxpayers with a personal income of less than \$5,000 would provide the state with a total of \$1,580,099 from an income tax, while the remaining 120,843 taxpayers would pay more than \$17,000,000.

Of the upper income group that would pay the great bulk of the income tax, 102,973 have personal incomes between \$5,000 and \$10,000 and they alone would be taxed \$3,821,205. Analysis of the ballots showed these additional facts:

Preference for an income tax was divided this way: Those with an income of more than

Politicians Under Attack By Balloters

Politicians come off worst in the balloting about a state income tax.

The anger and bitterness directed by members of both parties at their elected representatives is a startling byproduct of readers' comments accompanying the vote on tax preferences.

Such remarks as these are typical: "I'm fed up with the grafters." "Get rid of bareface loafers." "Trim the fat, get rid of hangers-on." "Politicians are getting fat on the people."

"Get rid of all parasites," one writer ordered. "These items are in the hands of politicians, not public servants, who are concerned only with dishonestly filling their own pockets at the expense of taxpayers," warned another.

The displeasure with politicians seemed to cut across all shades of political opinion and those who earn less were more violent in their denunciations.

Also dredged up by the comments was an intense feeling about taxes in general, which any talk of new ones apparently always stirs up. It goes without saying that people tend to be against anything that lightens their pocketbook and those who wrote in, almost invariably, felt the taxpayers' money somehow was being wasted.

Some of the remarks indicated that many citizens, including a large number in the middle-income brackets, are having difficulty making ends meet. And still another offshoot of observations made was disclosure of a sense of being abandoned and unwanted harbored by some with special problems, such as illness and unemployment.

One group said it felt the balloting was rigged in favor of some sort of tax hike. Its members accused this newspaper of not permitting them to vote a categorical "no" to all and any suggested increases.

"Take the easy way out, have a state lottery." That was the attitude of a rather sizable contingent.

"We all know that book betting prevails in this state," wrote one man. "The law is not effective in stopping it. Why is it not legalized and taxed? I am quite sure the revenue derived from it would eliminate the necessity of new taxes."

Emotion Disclosed
Some were carried away by emotion and their doubts and anxieties came out thus:

"I predict another colonial war, like in 1776, they were overtaxed then."

"Communism will soon reign in the state and nation—disgusting."

One man found one word and one word alone that perfectly expressed his disgust. "Idiot," he wrote.

A few had special solutions for raising new state money, like taxing church property and charitable institutions.

"Soak the race track," was one writer's easy road of escape from all our ills.

Several citizens independently arrived at similar solutions. They wanted Governor Notte to "ride in a Ford."

The comments indicate a popular image of a state worker as someone overpaid and underworked.

"Clear the government of deadwood," warned one citizen. "Honesty and efficiency in state government would hold the line," said another.

"Fire some of those loafing political hacks and make them on the payroll do an honest day's work," an irate reader demanded.

"I put in a good day's work for my money and what pay I get covers my budget," wrote one. "I make it, so the state can do the same."

"Why in hell not cut expenses?" asked one belligerent individual.

"No matter how much money the state will take in, it will never be enough," commented a philosophical pessimist. "It's like a man with a spending wife. The more money the man takes in, the more she spends."

"I say 'shame' at what has happened to our democracy," reported a citizen. "My income is \$1,200 a year, my husband isn't working and I have medicine to buy."

"I don't think the governor knows what a winter it's been for us working people," one letter went. "How do you expect to get taxes out of a man who's been out of work for five months?" He said he earned \$1,200 last year.

Among those most violently opposed to a state income tax were some who because of low income would be least affected. One said: "I'm not rich myself but why rob those who are. That to me is not democracy."

Those who expressed a preference for an increase in the sales tax often did so with the greatest reluctance, as the lesser of two evils.

Regardless of how those voting felt, almost without exception any remarks made implied criticism of political leaders in both parties.

Some phrases kept coming up repeatedly. One popular remark was: "The politicians are getting fat on the people."

The comparative few who embraced the state income tax proposal did so with little verbal enthusiasm.

Some in this category stated their case with precision and clarity, however. One person wrote:

"I feel that the intangible property tax is discriminatory against the provident, and although I am part of management, I agree with labor that the sales tax is likewise discriminatory against the low income group. I would like to see both abolished and replaced with a fair, sliding scale income tax."

"Taxes should be based on the ability to pay and income is the best measure of this ability," wrote another proponent of a state income tax.

Live With Income
More typical were those who gave an endorsement accompanied by an expression of opinion like this:

"I think the state should live within its income like the rest of us. With a little courage it could be done." Troubled folk,

set by their own problems, asked questions like this: "We deaf people, how are we to pay the tax? We're not wanted."

"How stupid can you get?" another asked. "We've got enough high salaried incompetents on the state payroll without adding more."

"State government is not a gravy train for the ins," a writer asserted.

PARKING—PHONE PA 2-1000

GRAND OPENING

GARDE

So Convenient... Drive To the Door Where Your Purchase Will Be Placed In Your Car

PATIO CANDLE TORCH	64¢
LAWN COASTERS 2 for	35¢
CLIMBING CAT	69¢
FROG	99¢
TURTLE	99¢
ROOSTER	99¢
ELVES	1.99
FISHING BOY	1.79
4-PC. DUCK SET	88¢
HOE	1.19
CULTIVATOR LONG HANDLED	1.99
D HANDLED FORK 4 TINE	1.99
D HANDLED SHOVEL	1.94
LONG HANDLED SPADE	1.44
LONG HANDLED SHOVEL	1.94
BIRD BATH	2.99
BIRD BATH	5.96

HAND TOOLS

WHEELBARROW 638

ROCKET COMPRESSED AIR SPRAYER 647

LAWN ORNAMENTS

LAWN SWEEPER 1877

5 adjustable heights, 25" width, with removable wheels, mounted on 10" wheels.

3 cu. ft. capacity. Heavy duty steel. 10" rubber tired wheel.

WHEELBARROW 638

ROCKET COMPRESSED AIR SPRAYER 647

GRAND OPENING GARDE

So Convenient... Drive To the Door Where Your Purchase Will Be Placed In Your Car

ALUMINUM NETTING	3.59
ALUMINUM NETTING	2.89
ALUMINUM NETTING	2.99
ALUMINUM NETTING	3.99
ALUMINUM NETTING	5.59
ALUMINUM NETTING	7.66
ALUMINUM NETTING	3.29
ALUMINUM NETTING	2.29
ALUMINUM NETTING	2.99
ALUMINUM NETTING	3.99
ALUMINUM NETTING	5.59
ALUMINUM NETTING	7.66

97¢

LAWN EDGING

WOOD TRELLIS

TRIGGER HOSE NOZZLE

HOSE NOZZLE

7/16" HOSE COUPLING

3/4" MENDER

GOOSENECK

OSCILLATING SPRINKLER

50' 4 TUBE SPRINKLER HOSE

75' PLASTIC HOSE 7/16" diam.

RUBBER HOSE

TREES

McFARLAND

AUGUSTE VIKTOR

STOILE

ISMAN

1.79

Politicians Under Attack By Balloters

Politicians come off worst in the balloting about a state income tax.

The anger and bitterness directed by members of both parties at their elected representatives is a startling byproduct of readers' comments accompanying the vote on tax preferences.

Such remarks as these are typical: "I'm fed up with the grafters." "Get rid of bareface loafers." "Trim the fat, get rid of hangers-on." "Politicians are getting fat on the people."

"Get rid of all parasites," one writer ordered. "These items are in the hands of politicians, not public servants, who are concerned only with dishonestly filling their own pockets at the expense of taxpayers," warned another.

The displeasure with politicians seemed to cut across all shades of political opinion and income groups. On the whole, those who earn less were more violent in their denunciations.

Also dredged up by the comments was an intense feeling about taxes in general which any talk of new ones apparently always stirs up. It goes without saying that people tend to be against anything that tightens their pocketbook and those who write in, almost invariably, felt the taxpayers' money somehow was being wasted.

Some of the remarks indicated that many citizens, including a large number in the middle-income brackets, are having difficulty making ends meet. And still another offshoot of observations made was disclosure of a sense of being abandoned and unwanted harbored by some with special problems, such as illness and unemployment.

One group said it felt the balloting was rigged in favor of some sort of tax hike. Its members accused this newspaper of not permitting them to vote categorical "no" to all and any suggested increases.

"Take the easy way out, have a state lottery." That was the attitude of a rather sizable contingent.

"We all know that book betting prevails in this state," wrote one man. "The law is not effective in stopping it. Why is it not legalized and taxed? I am quite sure the revenue derived from it would eliminate the necessity of new taxes."

Emotion Disclosed Some were carried away by emotion and their doubts and anxieties came out thus: "I predict another colonial war, like in 1776, they were overtaxed then."

"Communism will soon reign in the state and nation—disturbing."

One man found one word and one word alone that perfectly expressed his disgust. "Idiots," he wrote.

A few had special solutions for raising new state money like taxing church property and charitable institutions. "Book the race track," was one writer's easy load of dis-

cape from all our ills. Several citizens independent arrived at similar solutions. They wanted Governor Notte to "ride in a Ford."

The comments indicate a popular image of a state worker as someone overpaid and underworked.

"Clear the government of deadwood," warned one citizen. "Honesty and efficiency in state government would hold the line," said another.

"Fire some of those loafing political hacks and make them on the payroll do an honest day's work," an irate reader demanded.

"I put in a good day's work for my money and what pay I get covers my budget," wrote one. "I make it, so the state can do the same."

"Why in hell not cut expenses?" asked one belligerent individual.

"No matter how much money the state will take in, it will never be enough," commented a philosophical pessimist. "It's like a man with a spending wife. The more money she makes in, the more she spends."

"I say 'shame' at what has happened to our democracy," reported a citizen. "My income is \$1,200 a year, my husband isn't working and I have medicine to buy."

"I don't think the governor knows what a winter it's been for us working people," one letter went. "How do you expect me to get taxes out of a man who's been out of work for five months?" He said he earned \$1,200 last year.

Among those most violently opposed to a state income tax were some who because of low income would be least affected. One said: "I'm not rich myself but why rob those who are. That to me is not democracy."

Those who expressed a preference for an increase in the sales tax often did so with the greatest reluctance, as the lesser of two evils.

Regardless of how those voting felt, almost without exception any remarks made implied criticism of political leaders in both parties.

Some phrases kept coming up repeatedly. One popular remark was: "The politicians are getting fat on the people."

The comparative few who embraced the state income tax proposal did so with little verbal enthusiasm.

Some in this category stated their case with precision and clarity, however. One person wrote:

"I feel that the intangible property tax is discriminatory against the provident, and although I am part of management, I agree with labor that the sales tax is likewise discriminatory against the low income group. I would like to see both abolished and replaced with a fair, sliding scale income tax."

"Taxes should be based on the ability to pay and income is the best measure of this ability," wrote another proponent of a state income tax.

Live With 'em Some More typical were those who gave an endorsement accompanied by an expression of opinion like this:

"I think the state should live within its income like the rest of us. With a little courage it could be done." Troubled folk-

set by their own problems, asked questions like this: "We dear people, how are we to pay the tax? We're not wanted."

"How stupid can you get?" another asked. "We've got enough high salaried incompetents on the state payroll without adding more."

"State government is not a gravy train for the ins," a writer asserted.

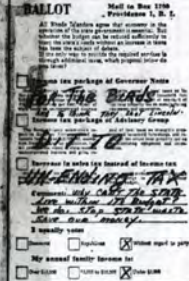
Any way one might look at the temper and gist of the comments, those who write in are unhappy with politicians as a class and the idea of raising taxes in general.

Should Rhode Island Have Income Tax?—The People Speak

Most Letters Marked By Note of Concern

The people speak and here on this page is a random sampling of their voices on the question of a state income tax.

Some are pointed, some ramble into adjoining pastures. They all have one common denominator. Almost without exception, whatever the attitude and however it is expressed, a note of concern runs like a thread through the comments received.

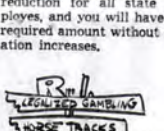


'EITHER, NOT BOTH' I feel that the people of Rhode Island should pay either income tax or sales tax, but not both.

PROPOSES GAMBLING ON BLOCK ISLAND Legalize gambling on Block Island and very soon the sales tax could be greatly reduced. The cost of administering an income tax would be enormous, increased sales tax costs state no more.

WOULD END ABUSE OF JOBLESS PAYMENTS I suggest the state of Rhode Island do as I have to do, fit my spending to my income, and a good start could be made by stopping the abuse of unemployment compensation by those retired on pensions and social security and those who are only part-time workers, mostly women.

'CUT PAY, END NEED FOR TAX INCREASE' Start with the governor's paycheck, and go right down the line with a 10 per cent reduction for all state employees, and you will have the required amount without taxation increases.



'LET GOV. RESIGN' If Mr. Notte is unable to run this state on the present terms, let him resign.

'FAVOR INCOME TAX' I favor only an income tax. Too many people are spending their money outside the state to avoid the sales tax.

HE PREFERS LOTTERIES, BOOKIES AND TRACKS I am all for legalized gambling, more horse tracks, dog tracks, a state lottery, bookies on every corner, one-armed bandits, crap games, card games, the numbers racket and every other conceivable gambling device that would put money in the state's treasury, rather than the method now used which is to take it out of my pocket, and you can give this note to the "Unfortunables" for all I care.

'WHERE IS BALLOT SPELLED ECONOMY?' This is a rigged election which will result—as in Russia—in the selection of one of the three "party" members listed above. Where is the ballot spelled ECONOMY?

QUESTIONS RAISING TAXES WITHOUT VOTE When you want a new building you let people vote. When you want to raise taxes you just raise them without voting.

'HAVE A LOTTERY' The only way to raise money is to have a lottery conducted every month—as long as people must gamble.

OK IF SALES TAX ENDS I approve of the state income tax providing they eliminate the sales taxes.

WOULD CUT BUDGET TO FIT INCOME Reduce budget to fit present income. If more money must be raised, increase state take on race track betting and increase tax on liquor and cigarettes, and advise Gov. Notte to not create any more high priced state jobs.

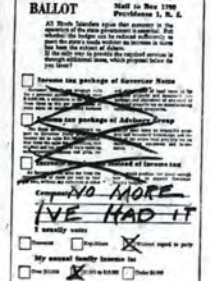
'TAXPAYERS FED UP WITH POLITICIANS' I think it is about time for the politicians, who produce nothing, to start cutting down on expenditures and live within their means before they kill the goose that lays the golden eggs.

'WE OLDER PEOPLE HAVE ALL WE CAN DO' We older people living on a pension have all we can do to make ends meet. Let Governor Notte try to do it and I'm sure he'd decrease taxes instead of increasing them.

HE OBJECTS TO 'JOBS FOR POLITICAL HACKS' Stop creating more jobs for political hacks, like a family court for three more judges. These extras soon run to thousands of dollars, then millions. Taxpayers have to live on their income; let the state do the same.

'CAN'T SURVIVE' I live alone and can't stand any more taxes to survive.

YES, BUT END SALES TAX I favor a state income tax with the abolishment of the sales tax.



PREFERS INCOME LEVY PLUS A MEALS TAX I prefer an income tax to get money only from the employed, plus five per cent meal tax to get money from visitors. Sales tax on cars, etc., but allow for trade-in.

SEE TAX COLLECTORS AS ANOTHER PLUM It will take more money to collect this income tax. This group of income tax collectors will just be another political plum for the clique, not the fellow out of work.

'END PATRONAGE' Each administration creates new jobs without regard for need. This patronage must be eliminated. State government is not a gravy train for the ins. Economize before raising taxes. We are near the bottom of the public's financial barrel.

WOULD END ABUSE OF JOBLESS PAYMENTS I suggest the state of Rhode Island do as I have to do, fit my spending to my income, and a good start could be made by stopping the abuse of unemployment compensation by those retired on pensions and social security and those who are only part-time workers, mostly women.

'LET GOV. RESIGN' If Mr. Notte is unable to run this state on the present terms, let him resign.

'FAVOR INCOME TAX' I favor only an income tax. Too many people are spending their money outside the state to avoid the sales tax.

HE PREFERS LOTTERIES, BOOKIES AND TRACKS I am all for legalized gambling, more horse tracks, dog tracks, a state lottery, bookies on every corner, one-armed bandits, crap games, card games, the numbers racket and every other conceivable gambling device that would put money in the state's treasury, rather than the method now used which is to take it out of my pocket, and you can give this note to the "Unfortunables" for all I care.

'WHERE IS BALLOT SPELLED ECONOMY?' This is a rigged election which will result—as in Russia—in the selection of one of the three "party" members listed above. Where is the ballot spelled ECONOMY?

QUESTIONS RAISING TAXES WITHOUT VOTE When you want a new building you let people vote. When you want to raise taxes you just raise them without voting.

'HAVE A LOTTERY' The only way to raise money is to have a lottery conducted every month—as long as people must gamble.

OK IF SALES TAX ENDS I approve of the state income tax providing they eliminate the sales taxes.

WOULD CUT BUDGET TO FIT INCOME Reduce budget to fit present income. If more money must be raised, increase state take on race track betting and increase tax on liquor and cigarettes, and advise Gov. Notte to not create any more high priced state jobs.

'TAXPAYERS FED UP WITH POLITICIANS' I think it is about time for the politicians, who produce nothing, to start cutting down on expenditures and live within their means before they kill the goose that lays the golden eggs.

'WE OLDER PEOPLE HAVE ALL WE CAN DO' We older people living on a pension have all we can do to make ends meet. Let Governor Notte try to do it and I'm sure he'd decrease taxes instead of increasing them.

HE OBJECTS TO 'JOBS FOR POLITICAL HACKS' Stop creating more jobs for political hacks, like a family court for three more judges. These extras soon run to thousands of dollars, then millions. Taxpayers have to live on their income; let the state do the same.

'CAN'T SURVIVE' I live alone and can't stand any more taxes to survive.

YES, BUT END SALES TAX I favor a state income tax with the abolishment of the sales tax.

BELIEVES TAX WOULD FURTHER UNEMPLOYMENT Believe state income tax would further unemployment in Rhode Island as we would lose industry to Connecticut and other states. Believe wording of this ballot to be unfair as I feel certain the state could provide the required services without an increase of a full one per cent in sales tax.

'CUT OUT PATRONAGE AND NEEDLESS WORKERS' I have not chosen any of the proposals offered because I feel corrections can be made in the State Department itself.

HERE ARE SOME SUGGESTIONS: Cut out patronage jobs; cut out needless workers. There are many good, decent people working for the state, but there are also many individuals who pull their own weight. Get them to produce, and eliminate the necessity to hire more people to do part of their jobs.

IT IS EASY FOR ME TO BLAME politicians, or for most people the higher-ups. However most of the blame can be placed on the lackadaisical attitude of the state itself. I have this to say in conclusion: Wake up Rhode Island. The ship is full of holes and we are sinking fast.

FEARS THAT WEALTHY WOULD LEAVE STATE In my opinion, an income tax at the state level will drive some of our most wealthy residents from the state, and will be a real hardship for the least wealthy, such as myself. I am a working widow.

SEES PARTY LOSING FRIENDS The Democrats are surely making themselves very unpopular.

WAYS TO REDUCE SPENDING OFFERED Stop transplanting fish—stop stocking woodlands—stop Christmas decorations—stop some of the roadbuilding—stop paying so much for condemned property—stop expensive surveys. Government is spending crazy on foolishness. Stop 50 per cent of the subjects taught in schools, cooking, driving, sewing, that should be taught by parents. Make parents responsible for children's destructiveness.

SALES TAX SEEN THE FAIREST WAY Sales tax is fairest method. Makes non-residents pay their share when using Rhode Island facilities and is less painful. Income tax is an area that should be reserved to federal government. I am nearing retirement. If state income tax goes through, I will leave the state, as no doubt, will many others.

PYRAMID TAXES—IT'S OUTRAGEOUS If I had to pay a state income on top of federal tax, I'd be working for practically nothing. It's downright discouraging and outrageous.

'THE FAIREST TAX' The sales tax is the fairest tax.

BETTING SEEN SOURCE OF OFF-TRACK BETTING ON HORSE RACES; A REVENUE COULD BE REALIZED BY THE STATE.

RACE TRACKS HELD CAUSE OF POVERTY Get rid of the race tracks and then people would have more money to spend for necessary items instead of living on borrowed money. I'm a grocer, I know.

CALLS STATE, FEDERAL TAXES 'OUTRAGEOUS' If the people want spending, let them pay for it. The tax situation in this state and nation is outrageous.

NOTTE PLAN 'EQUAL' While I like taxes no better than any other citizen, I recognize that services we need and enjoy must be paid for somehow. I feel that this way (Governor Notte's plan) is the most equal, even though I have no dependents.

SALES TAX BETTER, 'FOR MOST PEOPLE' Sales tax is more equitable. Less complicated, easier to bear financially for most people. It should be combined with more economy in government spending.

ATTENTION CALLED TO CONNECTICUT Our neighboring state of Connecticut is gaining additional revenue without the state income tax. Why can't we do the same?

ACTIONS OF NOTTE ARE QUESTIONED Why did he ask the advice of the advisory group and then take it upon himself to set up a lopsided one like he is advising?

'HOLD TAX LINE WHERE IT IS' Don't favor any tax increase and will vote only for persons who favor same. Let's hold the tax line where it is.

'I, FOR ONE, AM FOR A STATE LOTTERY. HAS IT EVER OCCURRED TO THE PEOPLE OF OUR STATE HOW MUCH MONEY GOES OUT OF OUR STATE FOR LOTTERIES? DOES IT EVER OCCUR TO THE PEOPLE OF THE STATE HOW MUCH REVENUE WOULD COME TO THE STATE FROM OUTSIDE AND RELIEVE THEM OF THESE UGLY TAXES. THEY MUST REMEMBER THAT ONCE A TAX IS LEVIED UPON A PERSON THE STATE NEVER DROPS IT; IT ALWAYS RAISES IT MORE.'

MERGER? Merge the state with Connecticut.



MAY SELL, MOVE I own two small manufacturing plants—will seriously consider moving, liquidating or selling to other owners.

CITES MUSIC FUNDS State expense must be cut. Such items as \$88,000 for orchestras and such are unnecessary.

'STATE ATTRACTION' The fact this state now has no income tax is one of its few remaining attractions.

SUGGESTS CUT IN NEW SPENDING The budget can be reduced by eliminating unnecessary services and personnel, new spending and new projects.

INCREASED SALES TAX ON LUXURIES ASKED Sales tax increases should be on luxuries such as jewelry, furs, liquor, entertainment and cosmetics, etc.—not on auto, gas, and oil, which are essential for transportation.

SALES TAX SEEN THE FAIREST WAY Sales tax is fairest method. Makes non-residents pay their share when using Rhode Island facilities and is less painful. Income tax is an area that should be reserved to federal government. I am nearing retirement. If state income tax goes through, I will leave the state, as no doubt, will many others.

PYRAMID TAXES—IT'S OUTRAGEOUS If I had to pay a state income on top of federal tax, I'd be working for practically nothing. It's downright discouraging and outrageous.

'THE FAIREST TAX' The sales tax is the fairest tax.

BETTING SEEN SOURCE OF OFF-TRACK BETTING ON HORSE RACES; A REVENUE COULD BE REALIZED BY THE STATE.

RACE TRACKS HELD CAUSE OF POVERTY Get rid of the race tracks and then people would have more money to spend for necessary items instead of living on borrowed money. I'm a grocer, I know.

CALLS STATE, FEDERAL TAXES 'OUTRAGEOUS' If the people want spending, let them pay for it. The tax situation in this state and nation is outrageous.

NOTTE PLAN 'EQUAL' While I like taxes no better than any other citizen, I recognize that services we need and enjoy must be paid for somehow. I feel that this way (Governor Notte's plan) is the most equal, even though I have no dependents.

SALES TAX BETTER, 'FOR MOST PEOPLE' Sales tax is more equitable. Less complicated, easier to bear financially for most people. It should be combined with more economy in government spending.

ATTENTION CALLED TO CONNECTICUT Our neighboring state of Connecticut is gaining additional revenue without the state income tax. Why can't we do the same?

ACTIONS OF NOTTE ARE QUESTIONED Why did he ask the advice of the advisory group and then take it upon himself to set up a lopsided one like he is advising?

'HOLD TAX LINE WHERE IT IS' Don't favor any tax increase and will vote only for persons who favor same. Let's hold the tax line where it is.

'I, FOR ONE, AM FOR A STATE LOTTERY. HAS IT EVER OCCURRED TO THE PEOPLE OF OUR STATE HOW MUCH MONEY GOES OUT OF OUR STATE FOR LOTTERIES? DOES IT EVER OCCUR TO THE PEOPLE OF THE STATE HOW MUCH REVENUE WOULD COME TO THE STATE FROM OUTSIDE AND RELIEVE THEM OF THESE UGLY TAXES. THEY MUST REMEMBER THAT ONCE A TAX IS LEVIED UPON A PERSON THE STATE NEVER DROPS IT; IT ALWAYS RAISES IT MORE.'

MERGER? Merge the state with Connecticut.

'TAKING ALL OUR MONEY' Wait until next election. State can modernize. The new way taking all our money. Two voters here.

'ABOUT TIME VETS PAID THEIR SHARE' What is hurting the State of Rhode Island is the one thousand dollar tax exemption for veterans. The veterans have readjusted themselves and it's about time they pay their equal share of taxes. There are veterans who did not set foot on foreign soil and are exempted one thousand dollars. The only veteran that should be exempted from taxation is the disabled veteran; all others should pay their equal shares.

I HAVE CHILDREN WHO ARE VETERANS, BUT EVEN MY CHILDREN THINK IT IS VERY UNFAIR TO DISCRIMINATE AGAINST THE NON-VETERAN. I THINK ANY TRUE BLOODED AMERICAN IS WILLING TO PAY HIS WAY THROUGH LIFE. I, FOR ONE, NEVER HAVE AND NEVER WILL RIDE ON ANYONE'S COAT-TAIL.



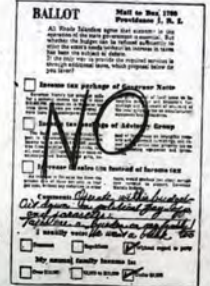
'TAXPAYERS FED UP WITH POLITICIANS' I think it is about time for the politicians, who produce nothing, to start cutting down on expenditures and live within their means before they kill the goose that lays the golden eggs.

'WE OLDER PEOPLE HAVE ALL WE CAN DO' We older people living on a pension have all we can do to make ends meet. Let Governor Notte try to do it and I'm sure he'd decrease taxes instead of increasing them.

HE OBJECTS TO 'JOBS FOR POLITICAL HACKS' Stop creating more jobs for political hacks, like a family court for three more judges. These extras soon run to thousands of dollars, then millions. Taxpayers have to live on their income; let the state do the same.

'CAN'T SURVIVE' I live alone and can't stand any more taxes to survive.

YES, BUT END SALES TAX I favor a state income tax with the abolishment of the sales tax.



Tax Load Under Average

P.S.J. Capital 1961
Journal-Bulletin Washington Bureau

Washington — Tax-shy Rhode Islanders may find some comfort in the fact that they now bear a lighter burden of state taxes than do the taxpayers of 23 other states in the union, according to figures released here by the Department of Commerce.

The summary of state government finances for fiscal 1960 shows that Rhode Islanders paid state taxes amounting to \$100.17 per capita last year.

This was slightly under the national average per capita payment of state taxes, which was \$101.01 during fiscal 1960. Per capita taxes exceeded the Rhode Island figure in 23 other states, however, ranging up to the \$161.49 per capita levied by the State of Washington.

The Census Bureau, which compiled the figures, noted that they reflect only taxes levied by state governments and do not take into account local or municipal levies.

N.J. Figure \$60.20

Hence, the bureau said, the figures do not afford a direct measure of aggregate state and local government finances. Per capita state taxes for New Jersey, for example, stood at

\$60.20, the lowest figure for the 50 states, but the compilation indicated that state government revenues in that state accounted for only 28.4 per cent of the state-local totals for the year.

The state government's share of combined state-local revenues in Rhode Island, however, stood at 50.7 per cent, or slightly above the national average of 49.2 per cent.

Other per capita breakdowns indicated that Rhode Island's state government expenditures for public welfare and hospitals were above the national average, but that expenditures for education and highways were below the national average.

Per capita state expenditure for public welfare stood at \$26.75 in Rhode Island for 1960, compared with the national average of \$20.74, while the state's per capita spending for hospitals stood at \$13.55, compared with a national average of \$9.85.

\$26.75 for Education

Per capita state spending for education stood at \$26.75, compared with a national average of \$19.60. The state figure for highways was \$37.54 compared with a national average of

\$40.98. Rhode Island's comparatively low rate of expenditure for education apparently reflects the fact that parochial schools assume a relatively large share of the state's educational burden.

In total general expenditures, Rhode Island spent \$148.16 per capita in fiscal 1960, or slightly less than the national average of \$152.49 per capita.

The state was one of 13, moreover, to report a decrease in general expenditures during fiscal 1960. Expenditures dropped by 1.5 per cent, from \$129,279,000 in 1959 to \$127,346,000 in 1960.

At the same time, general revenues increased by 7.2 per cent, from \$115,827,000 in 1959 to \$124,190,000 in 1960. The rate of increase was below the national average of 11.9 per cent.

Among Low Spenders

As might be expected, because of its small size, Rhode Island ranked among the lowest in total state government expenditures during the fiscal year.

Total state expenditures for the fiscal year were \$153,308,000, with only eight other states spending less, and total spending for current operations stood at \$55,594,000, with only seven states spending less.

Rhode Island ranked fourth from the bottom in expenditures for capital outlay, spending \$32,642,000. Only Vermont, Nevada and Alaska spent less.

The state scored the largest percentage decrease of all the 50 states in total government debt outstanding at the end of the fiscal year. Total debt decreased by 5.3 per cent from \$101,785,000 in 1959 to \$96,393,000 in 1960. Only 13 states managed to reduce their outstanding debts during the year, and many of the remainder increased their debts by substantial margins. Wyoming's state debt increased by 131.5 per cent.

On a per capita basis, however, state government debt at the end of fiscal 1960 still was above the national average of \$103.85. The Rhode Island per capita share of the total state debt was \$112.15.

The state ranked seventh from the bottom in trust fund revenues for workmen's compensation, reporting revenues of only \$11,000. Expenditures for workmen's compensation were \$80,000.

Notte Opposes Alternate Tax

Would Favor Repeal Of Income Levy If Budget Is Balanced

Governor Notte defended his proposal for a personal income tax yesterday and rejected alternate programs that have been suggested to meet the state's fiscal needs.

Emphasizing the state's need for additional revenue, the governor said he would be happy to see an income tax repealed in two years if the state budget is balanced and the income tax revenue isn't needed.

He added, with a smile, that he would like to see the sales tax repealed at the same time along with "any other taxes that aren't necessary."

The governor made his remarks during a question and answer session at a Communion breakfast held by St. Margaret's Holy Name Society in Rumford.

He agreed that legal re-actment of state-collected intangible property tax plus a one-cent sales tax increase "probably" would meet the state's revenue needs as well as the proposed income tax.

He rejected the sales tax, however, as "one big regressive tax" that places too great a burden on low income families.

The governor's program calls for a 1-cent sales tax reduction. He said yesterday the ideal situation would be to have the sales tax abolished, but said he had been advised it would

be fiscally sound to do so now.

Mr. Notte also rejected reductions in state expenditures that have been suggested as an alternative to an income tax.

The governor listed a series of "very necessary" state programs including expansion of the Ladd School and the University of Rhode Island, and the state scholarship and highway programs. In addition, he said, there are built-in budget increases, including annual salary increments for state employees.

It would be preferable, the governor conceded, to introduce the income tax after completion in January of the "Duby Hoover" Commission report on government efficiency. This would not be practical, he said, because the state needs new revenue for the fiscal year beginning July 1.

Commenting on a proposal last week by Rep. David F. Sweeney Jr., D-Cranston, that state educational aid to municipalities be ended, the governor said, "How many legislators would pass a bill that advocated something like that?"

He predicted that a Journal-Bulletin poll, which showed strong public opposition to an income tax, would affect legislators, who are guided by public opinion "just like anyone else."

The governor renewed his support for tax aid to the New Haven Railroad.

Continued From Page One

the calendar year in which it was enacted.

The new special commission to make valuation estimates would replace one on which time ran out Monday. The new one probably will have the same members.

The valuations would be made to comply with a constitutional provision that says new estimates shall be obtained before a direct tax is assessed for the first time. The lack of such estimates was one of the reasons given by the Supreme Court for ruling out an intangible property tax voted last year.

The legislature earlier had created a special commission that was directed to report by April 10, which was Monday. With its work incomplete the commission asked for more time.

At the suggestion of Rep. John P. Doris, D-Woonsocket, the House decided to substitute a new commission for a time extension. Mr. Doris said that if a new tax law subsequently were challenged in court the legal question might be raised as to whether the legislature could reinstate the commission after its time expired. The new commission would have until April 28 to report. The resolution still needs Senate passage.

The bill proposing a five per cent excise tax on track bets was introduced by Rep. Herbert J. Abedon, D-Cranston. Mr. Abedon said that as an opponent of the proposed income tax he felt he should offer a suggestion of his own.

He said that on the basis of last year's handle at the two tracks the state could expect revenue of about \$4,300,000 from the tax he proposed. He said that under his plan a track fan placing a \$2 bet would pay \$2.10 and the state would take the 10 cents. He said he did not think this would discourage the average bettor and or that it would hurt the tracks.

Rep. Robert H. Breslin Jr., R-Warwick sponsored the bill that would require voter approval before an income tax could be imposed.

the calendar year in which it was enacted.

The new special commission to make valuation estimates would replace one on which time ran out Monday. The new one probably will have the same members.

The valuations would be made to comply with a constitutional provision that says new estimates shall be obtained before a direct tax is assessed for the first time. The lack of such estimates was one of the reasons given by the Supreme Court for ruling out an intangible property tax voted last year.

The legislature earlier had created a special commission that was directed to report by April 10, which was Monday. With its work incomplete the commission asked for more time.

At the suggestion of Rep. John P. Doris, D-Woonsocket, the House decided to substitute a new commission for a time extension. Mr. Doris said that if a new tax law subsequently were challenged in court the legal question might be raised as to whether the legislature could reinstate the commission after its time expired. The new commission would have until April 28 to report. The resolution still needs Senate passage.

The bill proposing a five per cent excise tax on track bets was introduced by Rep. Herbert J. Abedon, D-Cranston. Mr. Abedon said that as an opponent of the proposed income tax he felt he should offer a suggestion of his own.

He said that on the basis of last year's handle at the two tracks the state could expect revenue of about \$4,300,000 from the tax he proposed. He said that under his plan a track fan placing a \$2 bet would pay \$2.10 and the state would take the 10 cents. He said he did not think this would discourage the average bettor and or that it would hurt the tracks.

Rep. Robert H. Breslin Jr., R-Warwick sponsored the bill that would require voter approval before an income tax could be imposed.

Pressure Groups Endanger Tax Revision

The expected pincers movement against equitable revision of state taxes now has taken shape. Lawrence Spitz of the United Steelworkers of America has announced that organized labor will not support a graduated personal income tax unless it is accompanied by total repeal of the sales tax. The income tax already is opposed, on principle, by a segment of business and industry. So the squeeze is on.

Labor's request for sales tax repeal is unrealistic. The three per cent tax raises revenue of about \$24,000,000 a year. The income tax proposed by Governor Notte would raise about \$18,000,000. If the sales tax is exchanged for the income tax proposed by the governor, the shift would result in a net state revenue loss of \$6,000,000.

The state cannot absorb this loss. Instead of less revenue, the state needs more revenue because next year's spending is to be \$7,000,000 greater than this year's.

While no labor spokesman has said so, the assumption is clear that if the sales tax were to be repealed, it would have to be replaced by a whopping income tax to provide the revenue which the governor says is needed. Such an income tax would have to raise \$24,000,000, representing the sales tax loss, plus \$7,000,000 in fresh money. The governor is having enough troubles with a tax package containing an \$18,000,000

income tax. He might as well shut up shop if labor tries to force him into asking for a bigger income tax.

Even as a tactical maneuver, labor's request for sales tax repeal could boomerang. By making enactment of an equitable tax package more difficult, labor could cause the legislators to throw up their hands in despair. The possibility is that the state would wind up by getting a sales tax of 3½ or 4 per cent—

while labor wants it repealed altogether.

Unfortunately, the governor has limited his ability to maneuver between those who want no income tax at all and those who would make a whopping income tax essential by demanding repeal of the sales tax. He did so by including in his tax package a proposal to cut the sales tax from three to two per cent. He can propose no further sales tax cut by way of compromise without irreparably damaging the total tax structure and the state's economy. In fact, we believe he already has gone too far in proposing a sales tax cut from three to two per cent.

We still believe that the tax package recommended by the governor's advisory committee, plus rigid economy, represent the best solution to the state's fiscal problems. Besides proposing an income tax, the package would exempt from the sales tax fuel oil, gas, electricity and water bills, and it would help industry by repealing the local tax on manufacturers equipment and inventory.

The package offers a middle-of-the-road solution to the fiscal problem, honoring equity without unduly burdening business or industry. But a high degree of statesmanship and skill on Capitol Hill will be required if it is to escape the jaws of the nutcracker now closing on it by the efforts of opposing pressure groups.



Caught in a Cloudburst
—Settel, Richmond Times-Dispatch

Activity Grows On Income Tax

Notte Asks Court Ruling; Valuation Estimates Sought

The income tax issue had a busy day at the state house yesterday, with these developments:

Governor Notte asked the Rhode Island Supreme Court for an advisory opinion of the constitutionality of his proposal for a state personal income tax.

The Committee for a More Prosperous Rhode Island sent state legislators a new petition against an income tax. The committee said the latest petition added 4,353 names to the 5,495 previously submitted.

The House voted to establish a new commission to make valuation estimates that could be the basis for either a state intangible property tax or a state income tax.

A Cranston Democratic legislator proposed a special five per cent excise tax on race track bets as a substitute for an income tax.

A Warwick Republican legislator introduced a bill that would require approval by the voters before any income tax could be imposed.

Petitions against an income tax were being circulated in some Rhode Island factories with the consent or encouragement of management.

The governor submitted three questions to the Supreme Court. He asked its opinion as to whether a personal income tax may be imposed under the Rhode Island constitution, if so whether it can be a graduated tax related to the size of individual income and whether an income tax law could be applied to all income received in

Plants in which petitions against an income tax were being circulated included Sealor in Warwick, Bostitch in East Greenwich, the Cranston Print Works in Cranston and Calart in Providence.

Members of the fiscal advisory committee which recommended imposition of an intangible property tax met Tuesday at the Turk's Head Club. The committee has been urged to issue a statement in connection with the tax conflict.

Dr. Merton P. Stoltz of the Brown University economics department, committee chairman, said last night that "the conditions under which we will issue a statement have been determined." He declined to say what the conditions are.

C. of C. Directors Oppose Income Tax 'At This Time'

The board of directors of the Greater Providence Chamber of Commerce has adopted a three-point resolution expressing opposition to a state income tax "at this time."

Following is the text of the resolution:

"1. The board of directors is opposed to a state income tax at this time. It is not presently convinced that a sufficient effort towards economy in government has yet been made by the administration. It believes a substantially greater effort to secure savings by the exercise of thrift in making appropriations in certain areas as well as in economical operation should precede any major change in the tax structure.

"2. The board is aware of the need for continuing present efforts which tend towards a favorable business climate for industry in the state. They realize that H-1549 runs counter to this objective and would hinder efforts to bring new industries to Rhode Island. It would thus delay the time when increased earning power and ad-

Industry Seen Shunning Tax

Del Sesto Declares Hiring Difficult With State Income Levy

The most serious argument against the proposed state income tax is the indirect way in which it would tend to discourage new industries from settling in Rhode Island, former Governor Christopher Del Sesto said last night.

"Rightly or wrongly, whether it is logical or not," he said, firms believe that locating in a state with a personal income tax is not advantageous.

Mr. Del Sesto made his remarks during a question period after a talk on federal income tax law at the final dinner of the Small Business Administration seminar in Sharpe Rectory at Brown University.

One reason industrialists are loath to locate in a state with an income tax, he said, is that they have difficulty recruiting skilled specialists, such as scientists, who are much in demand and who prefer not to pay taxes on their substantial salaries.

He said there was just such a consideration in the decision of Raytheon to locate in Portsmouth.

Additionally, the former governor said, an effective income tax must have the attribute of not costing more to collect than the revenues it would raise. He said he thinks the current state income tax proposals are lacking in that attribute in some of the income brackets.

Neither, he said, provides for a sufficient enforcement of their provisions.

"I don't think any of the several proposals was well thought out. Both the governor and the Stoltz committee have made hasty decisions which for that reason are not acceptable."

Mr. Del Sesto was principal speaker at the final dinner of the seminar, which is sponsored cooperatively by the Small Business Administration, Brown and trade organizations.

Additional, the former governor said, an effective income tax must have the attribute of not costing more to collect than the revenues it would raise. He said he thinks the current state income tax proposals are lacking in that attribute in some of the income brackets.

Neither, he said, provides for a sufficient enforcement of their provisions.

"I don't think any of the several proposals was well thought out. Both the governor and the Stoltz committee have made hasty decisions which for that reason are not acceptable."

Mr. Del Sesto was principal speaker at the final dinner of the seminar, which is sponsored cooperatively by the Small Business Administration, Brown and trade organizations.

Additional, the former governor said, an effective income tax must have the attribute of not costing more to collect than the revenues it would raise. He said he thinks the current state income tax proposals are lacking in that attribute in some of the income brackets.

Neither, he said, provides for a sufficient enforcement of their provisions.

"I don't think any of the several proposals was well thought out. Both the governor and the Stoltz committee have made hasty decisions which for that reason are not acceptable."

Mr. Del Sesto was principal speaker at the final dinner of the seminar, which is sponsored cooperatively by the Small Business Administration, Brown and trade organizations.

Additional, the former governor said, an effective income tax must have the attribute of not costing more to collect than the revenues it would raise. He said he thinks the current state income tax proposals are lacking in that attribute in some of the income brackets.

Neither, he said, provides for a sufficient enforcement of their provisions.

"I don't think any of the several proposals was well thought out. Both the governor and the Stoltz committee have made hasty decisions which for that reason are not acceptable."

Mr. Del Sesto was principal speaker at the final dinner of the seminar, which is sponsored cooperatively by the Small Business Administration, Brown and trade organizations.

Additional, the former governor said, an effective income tax must have the attribute of not costing more to collect than the revenues it would raise. He said he thinks the current state income tax proposals are lacking in that attribute in some of the income brackets.

Neither, he said, provides for a sufficient enforcement of their provisions.

"I don't think any of the several proposals was well thought out. Both the governor and the Stoltz committee have made hasty decisions which for that reason are not acceptable."

Mr. Del Sesto was principal speaker at the final dinner of the seminar, which is sponsored cooperatively by the Small Business Administration, Brown and trade organizations.

Council Apologizes To Gov. Notte for 'Booing Incident'

A formal apology to Governor Notte was voted by the Westerly Town Council last night for the "deplorable" booing incident last Tuesday at Westerly.

At the same session the council went on record as unanimously opposed to the governor's state income tax proposal.

It was the governor's appearance at the Westerly Senior High auditorium a week ago, to speak on his tax proposal, that precipitated the booing from the crowd.

Proposing the income tax vote was Councilman Angelo Spasola (D) who not only won the backing of the other six councilmen, all Democrats, but from the taxpayers attending, some of whom shouted "congratulations."

A copy of the anti-income vote was ordered sent to the governor and the Westerly legislative delegation.

BALLOT

Results at a Glance

Income tax package of Governor Notte	143
Income tax package of Advisory Group	223
Increase in sales tax instead of income tax	2,265
Comments but no. te	672
Total vote	3,303

I usually vote:

Democratic	844
Republican	671
Without regard to party	1,671
(117 ballots not marked)	

My annual family income is:

Over \$10,000	494
\$5,000 to \$10,000	1,669
Under \$5,000	1,036
(104 ballots not marked)	

Alternatives Considered

Income Tax Bill May Die in Senate

By G. RICHMOND CARPENTER

Chances of Governor Nott's proposed graduated income tax bill getting through the Rhode Island Senate are practically nil, reliable sources reported today.

Instead, considerable thought is being given to these alternatives by members of the Democratic majority, although no firm decision has yet been reached.

Re-enactment of the state tax on intangible personal property.

Strengthening of the state tax division by increasing the number of field men to make more effective operation of state retail sales tax at its present 3 per cent rate.

Deep cuts in the state budget for next year in several areas.

The dim prospect for the income tax bill was borne out today by reaction of Democratic senators to a Journal-Bulletin poll of legislators on their position on the tax.

Ten Democratic senators said they oppose the income tax, eight were undecided or would not comment, and only two would say they think the income tax is a good idea.

Republican senators lined up almost to a man against the tax proposal.

Sen. William M. Davies Jr., of Lincoln, leader of the Democrats, who outnumbered Republicans 28 to 16, said he will introduce this afternoon a bill to restore collection of the tax on intangibles by the state.

"The Supreme Court declared invalid on several grounds the 1960 law calling for collection by the state of the tax on intangible personal property.

Of the bill which is prepared to present, Senator Davies said:

"We believe that it would survive a court test. Whatever was pointed out by the court we have tried to write this bill so that it would not run into the same difficulty."

Asked about sentiment in the Senate in support of his proposal, Senator Davies said:

"I've been approached by other members of the Senate who have indicated they look favorably upon it. There are at least two senators who have offered to co-sign it."

Senator Davies said the reason he is introducing the bill is because he thinks there should be an alternative to the income tax.

The second part of the senator's program is to increase the effectiveness of the sales tax by augmenting the number of field men in the tax division, he said.

While there have been reports from individual members of the legislature, that the constituents appear to favor an increase in the sales tax over any income tax, the source said, the feeling in the Senate seems to be against an increase.

to the 60th legislative day, as possible. The 60th day and the last pay day for General Assembly members is April 28.

These are some of the proposals for budget cuts that individual Democratic senators have advanced privately and which now are being evaluated:

Imposition of a freeze on automatic pay raises for state employees.

Abolition of the state scholarship program inaugurated last year and expansion of the student loan program.

"Suspension of the program for junior colleges.

Adoption of a provision in the aid to education law to the effect that no community shall receive more from the state than it is during the current year.

Pass no bills calling for big expenditures for purposes new in nature, such as the \$150,000 family court bill.

Reduce salaries of counsel in various state departments to a level of \$2,500 or \$3,000 for the jobs that they fill are part time.

One Senate source said today that many of the big spending proposals have no doubt merit, but the feeling is that Rhode Island cannot afford them at this time.

Mr. Davies was among Democratic senators who would vote for the return that they are opposed to the income tax.

"I haven't been for the income tax program from the beginning," Mr. Davies said. "I think there are other ways of raising money."

Sen. Primo Iacobucci of Providence, chairman of the Senate finance committee, which would get the income tax bill if it comes over from the House, said he is undecided but added:

"I will be very happy to find another solution if possible. We are still working on alternatives, if any can be found."

The two senators who said the income tax is a good idea asked that they indicated they might not necessarily vote for an income tax.

They said the low income group would benefit most from an income tax combined with a reduction of the sales tax, and yet that group has been most vocal against the income tax.

They said there is much misunderstanding about the tax.

Democratic senators who said for the record they are against the income tax were Mr. Davies, Irving J. Bilgor of Providence, William C. Fecteau of Coventry, Robert O. Tierman of Warwick, Joseph A. Savanor of Newport and John E. Moran of Cumberland.

Democratic senators who had no comment or were undecided were Mr. Iacobucci, Natale L. Kane of Smithfield, Thomas P. Urie of Westerly, Walter J. Dilworth of Johnston, Fred J. Donnelly of North Kingstown, Charles J. Link of Cumberland.

Democratic senators who had no comment or were undecided were Mr. Iacobucci, Natale L. Kane of Smithfield, Thomas P. Urie of Westerly, Walter J. Dilworth of Johnston, Fred J. Donnelly of North Kingstown, Charles J. Link of Cumberland.

Brightman of Bristol, Gilbert T. Rocha of East Providence and Thomas H. Levesque of Portsmouth.

GOP Antagonists Speak Out

Lt. Gov. Gallogly Defends Income Tax Proposal

Lt. Gov. Edward P. Gallogly today offered a defense of the proposed state income tax last night while Republicans around the state spoke out against it.

Speaking as a member of a panel over station WWON, Mr. Gallogly said Rhode Island's big outlays of money for education and highway construction is necessary if the state is to contribute its fair share to the nation's wealth.

He added, however, that he would not "fly in the face of the people" if they are unwilling to accept the tax.

Of four persons on the panel, Mr. Gallogly alone supported the tax. Opposing it were George Ingraham, manager of employe and plant community relations of the Providence division of the General Electric Co., Roland Benoit, president of the Industrial Trades Union of America and Democratic town chairman in North Smithfield, and Conrad Fortier of the North Smithfield Chamber of Commerce.

Eisenhower last night Republicans and Republican organizations, voiced opposition to the proposed tax.

The Young Republicans of Providence voted unanimously to oppose the tax and issued a

State Lottery Bill Favored By House Unit

A resolution to amend the state constitution to permit state lotteries to raise funds for aid to education, public assistance and urban renewal was recommended for passage in the House of Representatives yesterday.

The special legislation committee reported the measure out and it was placed on Tuesday's calendar for action.

Deputy Speaker Alfred U. Menard, committee chairman, said it was brought out at this time in view of the dispute over the Nott administration's proposal to raise needed state funds by a personal income tax.

"Let the people vote," the Lincoln Democrat said, adding that three-fifths approval by the electorate is required for final passage of any such amendment.

In effect, he said, the proposition would be:

"Do you want a state income tax or do you want a lottery?"

"The state needs money," he said. "This is one way to raise it."

Mr. Menard said he has reason to believe that there are many persons who would prefer the lottery. More than 100 letters of support came in while the committee considered the

proposal. The group said, too, that the federal income tax is already too heavy and that a state income tax would discourage industrial growth and would hurt low income groups.

Rep. Lloyd M. Lucas, a Republican from North Kingstown, said that he was "strongly opposed" to the tax. His stand paralleled the position of the North Kingstown Republican Town Committee early this month.

More opposition came from the Smithfield Republican Town Committee which criticized Governor Nott for sponsoring the tax and Sen. Walter J. Kane, D-Smithfield, for his co-sponsorship last year of an income tax proposal.

The tax would give the government a "go-ahead" signal for unlimited spending, the committee said, adding that the state's economy cannot support more taxes.

Under the form of constitutional amendment proposed, the resolution would have to be approved by two General Assemblies with a general election intervening, and then approved by at least three-fifths of the electors at the next general election.

This would put off any lottery, assuming the amendment was approved at every stage, until at least after the November, 1964, election.

Mr. Menard said he has asked the legislative council if there is any quicker way, aside from a constitutional convention.

A council spokesman said no formal research was underway, but that Mr. Menard had inquired about a lottery amendment and it had been stated that while the state constitution prohibits lotteries, it exempted those in existence at the time of the charter's adoption in 1842.

As far as is known, these were all of a private or charitable nature and none was statewide.

Intangibles Levy Revived Income Tax Proposal Seems Condemned

Of the 44 members of the Rhode Island Senate, there appeared yesterday to be no more than two who would go along willingly with the administration's income tax proposal if it came to the Senate floor for a vote.

And the extent to which the tax plan is considered political poison might be estimated from the fact that those two refused to admit it for the record.

On the other hand, a Journal-Bulletin survey of the individual senators produced a list of 12 who were willing to be identified immediately as opposed to the income tax levy.

At least nine more Democrats gave strong indications they oppose the tax and the six Republicans who could not be reached, declined comment for the record or who claimed they were undecided are considered generally to be unanimously opposed.

Conservatively, then, the tax proposal faces a minimum of 33 nay votes in the Senate.

By the same token, the chances of those votes ever being counted — for or against — appeared yesterday to be slimmer than a snowball's on a hot griddle.

From more than one senator who was asked his attitude on the hotly controversial legislation came the cryptic comment:

"It's dead."

As if to support that view, two Democratic senators put into the legislative hopper a bill that would restore to the state the authority to assess and collect the tax on intangible personal property.

Sen. William M. Davies Jr., Lincoln, party leader, and Sen. Arthur A. Bellumeur, Central Falls, introduced the 12-page bill. It would set the intangible rate at \$4 on \$1,000 as of next Dec. 31 at 6 p. m. and make the tax payable on May 15, 1962.

A similar bill was passed last year but was ruled invalid by the Supreme Court.

Continued From Page One

As the 1960 measure did, the one provides for the state to retain 60 per cent of the collections and to distribute 40 per cent to the cities and towns according to the residence of the taxpayers.

The Davies-Bellumeur measure is more specific than the 1960 law in defining intangible personal property.

Senator Davies said it was written with the Supreme Court decision in mind, to prevent similar trouble.

In the opinion of Governor Nott, the Davies plan will not meet the state's needs. He said in an interview on television last night that the state needs \$5,800,000 in additional revenue to meet budget requirements and the intangibles tax would produce only \$2,500,000 of that amount.

In the interview, broadcast by WPRO-TV, the governor said an added penny on the sales tax would bring in \$8,400,000 but that would be "regressive" and he disavowed it.

In his press conference yesterday, and again in the TV interview, the governor commented pointedly that the "general Assembly has the right to come out on the floor with a substitute" if it does not like his tax program.

Continued From Page One

As the 1960 measure did, the one provides for the state to retain 60 per cent of the collections and to distribute 40 per cent to the cities and towns according to the residence of the taxpayers.

The Davies-Bellumeur measure is more specific than the 1960 law in defining intangible personal property.

Senator Davies said it was written with the Supreme Court decision in mind, to prevent similar trouble.

turn him down on the tax plan, but he added: "I don't think they'd vote for any tax."

Mr. Nott reiterated the pro-life arguments he has advanced in other appearances:

That the income tax is inevitable and the time to impose it is now, when the money is needed.

That it will not injure industry because it is not a corporate tax and will no more deter new industry from coming to Rhode Island than similar taxes do in other states.

That it would not be expensive to administer for the amount that would be collected, requiring an expenditure of between \$220,000 and \$230,000 a year.

That there can be no guarantee the tax would not be increased in future years except the guarantee provided by an officer of administration that raised taxes recklessly.

Purpose is Stabilization

That his purpose in proposing an income levy is to "stabilize the whole tax structure" with a view to doing away "eventually" with the sales tax and other "regressive" taxes.

That under his entire fiscal program, wage earners' will modestly prosper, but not be the losers, but will actually be gainers in sales tax and driving license savings.

The governor has proposed along with the graduated income tax, a reduction in the sales tax from three per cent to two per cent. Other proposals include elimination of the tax on unincorporated business and reduction of the tax on business inventory.

But the fiscal package, neither in whole nor in part, appeared to have any senatorial approval.

Besides the state tax on intangibles, as introduced, other alternatives being considered include sharp reductions in the state budget and getting more out of the present sales tax by more effective operation.

Continued From Page One

Some other comments came from Senator Fecteau — "I realize the state needs the money. The people vote in referendums for improvements, but they have to be paid for. If necessary, I would go along with raising the sales tax one cent. We have the department all set up for it."

Senator McMurrugh — "Many Tiverton residents work in Massachusetts and their income is taxed there. Taxes on home owners in his area are getting burdensome."

Senator Hawskley — "He is personally opposed, but doesn't know how his Exeter constituents feel because they have not been telling him. Would they please write him or visit him?"

Senator Clarke — "I haven't found a soul yet who wants it. I guess the only person in favor of it is the governor. If he hires a place downtown and we're going to do."

Not only is he opposed to an income tax, the senator said, "There's not going to be one."

Nor, he added, with the accurate, is there going to be an increase in the sales tax.

Besides Mr. LaChapelle and Mr. Davies, Democrats who were willing to be counted as anti-income tax side by side with Mr. Bilgor of Providence, William C. Fecteau Jr. of Coventry, Robert O. Tierman of Warwick, Joseph A. Savanor of Newport, John E. Moran of Cumberland, and Frank A. McMurrugh of Tiverton.

Republicans against the bill who said so are Sen. James E. Donnelly of North Kingstown, Charles J. Link of Cumberland.

Of the Democrats who said for publication that they are undecided or who would not comment at all for the record, five said, but not for attribution, that they are definitely opposed to the income tax.

Two more said, on the same off-the-record basis, that they favor the tax. Four others who claimed to be undecided offered off-the-record asides that left no doubt they would be much happier if the tax proposal would just disappear.

Loyalty to Governor

Two Democratic senators more or less evaded giving direct answers one way or the other, but suggested that if they did go along on the income tax it would be because of loyalty to the governor and not because of any personal conviction.

One of the Republicans who declined to talk for publication said, not for attribution, he opposes an income tax. All Republican senators are generally held to be opposed.

Many of those who were questioned admitted readily that the heavy volume of anti-tax mail they have received from constituents is a big factor in their position against the tax.

Figuring prominently in the comment of those who took an opposition stand were such phrases as "at this time" or "in its present form" or "with- out repeal of the sales tax."

Senator Bilgor took a position in support of the state tax on intangibles, possibly at a higher rate, and suggested as the other potential sources of income a tax on vending machines, on deeds and mortgages and on real estate transfers.

Other Comments

Some other comments came from Senator Fecteau — "I realize the state needs the money. The people vote in referendums for improvements, but they have to be paid for. If necessary, I would go along with raising the sales tax one cent. We have the department all set up for it."

Senator McMurrugh — "Many Tiverton residents work in Massachusetts and their income is taxed there. Taxes on home owners in his area are getting burdensome."

Senator Hawskley — "He is personally opposed, but doesn't know how his Exeter constituents feel because they have not been telling him. Would they please write him or visit him?"

Senator Clarke — "I haven't found a soul yet who wants it. I guess the only person in favor of it is the governor. If he hires a place downtown and we're going to do."

Not only is he opposed to an income tax, the senator said, "There's not going to be one."

Nor, he added, with the accurate, is there going to be an increase in the sales tax.

Besides Mr. LaChapelle and Mr. Davies, Democrats who were willing to be counted as anti-income tax side by side with Mr. Bilgor of Providence, William C. Fecteau Jr. of Coventry, Robert O. Tierman of Warwick, Joseph A. Savanor of Newport, John E. Moran of Cumberland, and Frank A. McMurrugh of Tiverton.

Republicans against the bill who said so are Sen. James E. Donnelly of North Kingstown, Charles J. Link of Cumberland.

Continued From Page One

As the 1960 measure did, the one provides for the state to retain 60 per cent of the collections and to distribute 40 per cent to the cities and towns according to the residence of the taxpayers.

The Davies-Bellumeur measure is more specific than the 1960 law in defining intangible personal property.

Senator Davies said it was written with the Supreme Court decision in mind, to prevent similar trouble.

Senator Nye — "I go along with the people who say it isn't the best way."

Senator DeStefano — "Live within our means. Cut out many unnecessary jobs." Let the Democrats "stop thinking about patronage and start thinking about the people and their pocketbooks."

Senator Gale — "I have received more than 300 letters, 100 per cent against it. Naturally, my responsibility is to follow the wishes of my constituents, isn't it?"

Continued From Page One

As the 1960 measure did, the one provides for the state to retain 60 per cent of the collections and to distribute 40 per cent to the cities and towns according to the residence of the taxpayers.

The Davies-Bellumeur measure is more specific than the 1960 law in defining intangible personal property.

Senator Davies said it was written with the Supreme Court decision in mind, to prevent similar trouble.

In the opinion of Governor Nott, the Davies plan will not meet the state's needs. He said in an interview on television last night that the state needs \$5,800,000 in additional revenue to meet budget requirements and the intangibles tax would produce only \$2,500,000 of that amount.

In the interview, broadcast by WPRO-TV, the governor said an added penny on the sales tax would bring in \$8,400,000 but that would be "regressive" and he disavowed it.

In his press conference yesterday, and again in the TV interview, the governor commented pointedly that the "general Assembly has the right to come out on the floor with a substitute" if it does not like his tax program.

Continued From Page One

As the 1960 measure did, the one provides for the state to retain 60 per cent of the collections and to distribute 40 per cent to the cities and towns according to the residence of the taxpayers.

The Davies-Bellumeur measure is more specific than the 1960 law in defining intangible personal property.

Senator Davies said it was written with the Supreme Court decision in mind, to prevent similar trouble.

In the opinion of Governor Nott, the Davies plan will not meet the state's needs. He said in an interview on television last night that the state needs \$5,800,000 in additional revenue to meet budget requirements and the intangibles tax would produce only \$2,500,000 of that amount.

In the interview, broadcast by WPRO-TV, the governor said an added penny on the sales tax would bring in \$8,400,000 but that would be "regressive" and he disavowed it.

In his press conference yesterday, and again in the TV interview, the governor commented pointedly that the "general Assembly has the right to come out on the floor with a substitute" if it does not like his tax program.

Continued From Page One

As the 1960 measure did, the one provides for the state to retain 60 per cent of the collections and to distribute 40 per cent to the cities and towns according to the residence of the taxpayers.

The Davies-Bellumeur measure is more specific than the 1960 law in defining intangible personal property.

Senator Davies said it was written with the Supreme Court decision in mind, to prevent similar trouble.

In the opinion of Governor Nott, the Davies plan will not meet the state's needs. He said in an interview on television last night that the state needs \$5,800,000 in additional revenue to meet budget requirements and the intangibles tax would produce only \$2,500,000 of that amount.

In the interview, broadcast by WPRO-TV, the governor said an added penny on the sales tax would bring in \$8,400,000 but that would be "regressive" and he disavowed it.

17

Two Panelists Clash on Effect Of Income Tax

PC Educator Differs With Manufacturer On Economy Growth

A Rhode Island manufacturer and a member of the study commission that recommended a state personal income tax clashed last night on what effect the tax would have on industrial growth in the state.

The Rev. Charles B. Quirk, O.P., head of the Providence College economics department and a member of the tax study committee, said failure to enact an income tax would place Rhode Island in danger of being "submerged in the backwash" of economic growth.

An opposing view was presented by Clement W. Williamson, president of the Sealot Corp. of Warwick. Mr. Williamson predicted that defeat of the income tax would bring a great increase in interest among businessmen thinking of locating in Rhode Island.

The two men participated in a panel discussion on the income tax sponsored by the Thomistic Institute of Industrial Relations of Providence College. Other members of the panel were Lt. Gov. Edward P. Gallogly and Gustave Cote, professor of taxation at Providence College.

Father Quirk said he "refused to believe the income tax is a dead subject" despite a survey that showed little support for the tax in the state Senate.

Mr. Gallogly, a proponent of an income tax, commented that the panel discussion might be considered "a wake" for the tax.

Father Quirk told an audience of 100 persons at Providence College's Alumni Hall that manufacturers want "good schools, good highways and literate work force."

"I don't know how you can

(those things without government expenditures," he added.

The state, he said, faces a deficit of \$11,000,000 in three years to pay for current programs unless new tax revenue is provided.

"It is my firm conviction that if an adequate personal income tax is not enacted during this session of the legislature we are in for serious trouble," he said.

Cuts in state aid would lead to higher local property taxes; reductions in public welfare spending would place heavy burdens on private charity, and cuts in highway construction would place the state "in real danger of being submerged in the backwash of the rising tide of New England's economic growth," Father Quirk said.

"Showed Courage"

He said that Governor Nott showed "courage and guts" in proposing an income tax, even though it was not the same package recommended by the study committee.

Some legislators, he said, "seemingly have panicked under the pressure of noisy propaganda" against the tax.

Mr. Williamson contended that defeat of the income tax proposal would be a signal to businessmen that "Rhode Island has decided against taxing the achievers or soaking the manufacturers."

Both Father Quirk and the lieutenant governor attacked proposals for a one-cent sales tax increase instead of an income tax.

Father Quirk said because of the existing level of consumer taxes, to propose an increase in the sales tax "would have been a clear injustice to the little guy in this community."

He added that because of the deficits facing the state in the future it would be "stupid" to propose abolition of the sales tax at this time.

Mr. Gallogly said that of \$30,000,000 dollars in new taxes raised by the state in the past four years, 80 per cent has been raised through consumer taxes that bear most heavily on low income groups. In view of this, he said, it would not be just to increase the sales tax.

"Not Going to Have Jobs"

Mr. Williamson said a progressive income tax would "tend to drive out of Rhode Island and discourage the ingress of those most capable of bringing growth to Rhode Island, and without those people we're not going to have jobs."

Father Quirk, on the same subject, said, "If the cost of attracting new industries to this area is the refusal of a certain breed of management to make an equitable contribution to the social costs of the public services of this community then some firms will choose to locate elsewhere — but our loss is hardly their gain."

Professor Cote indicated that he is opposed to a sales tax increase because of the burden it would impose on poorer families, but added that he is not in favor of "a progressive income tax that is too progressive."

About 100 persons attended the panel discussion. It was the first in a series of four discussions on issues affecting the Rhode Island economy.

Misconception Endanger the Tax Revision Program

It seems to us that in opposing state tax revision at this time, the Republican state chairman is helping perpetuate two popular misconceptions about Rhode Island's fiscal needs.

William T. Broomhead says that a "complete, thorough and extensive" study is desirable before tax revision is undertaken. The chairman thereby leaves the impression that no study preceded pending tax recommendations. That is not the case.

Another misconception nourished by Mr. Broomhead is that the primary purpose, if not the only purpose, of tax revision is to force upon the people a personal income tax which is not needed. This is not the case, either as to purpose or to need.

Rhode Island's tax mess has been studied well. The study was done by competent consultants known as the Institute of Public Administration and hired for the job by Dennis J. Roberts, former governor. Its report, which was the basis for tax revisions recommended by Governor Notte's tax advisory committee, was made public in 1959, only two years ago. The study is recent enough for its results to remain valid.

IPA recommended enactment of personal income tax. It also urged repeal of the intangible personal property tax, which it considered "highly discriminatory and inefficient." It urged eventual repeal of all classes of the tangible personal property tax.

But IPA singled out one classification of property subject to local taxation as having a particularly adverse economic impact. That classification is industrial inventory and equipment. In urging discontinuance of that tax, IPA said the tax "is normally shifted forward by business to consumers and ultimate purchasers, operating in many respects like a badly constructed discriminatory sales tax."

Tax revision recommended by Governor Notte's advisers then, was not something grabbed out of thin air. It was assembled from material prepared by IPA in studies costing Rhode Island tens of thousands of dollars. How much longer would Mr. Broomhead have Rhode Island wait for more studies before straightening out its tax mess? Apparently a long, long time. Mr. Broomhead wants tax revisions "without hurting people."

But revision of the tax burden from one group to another is bound to hurt some people—those whom the burden is shifted.

purpose of raising needed revenue while distributing the tax burden more equitably and in a manner calculated to do least damage to the state's chances of bringing in new industry. Assessing relative importance to each of its two purposes is not easy. Both purposes are important because they harmonize need for additional revenue for required services, while protecting job opportunities for Rhode Islanders.

Regrettably, the governor mixed up the contents of his advisers' tax package by proposing a cut in the sales tax from three to two per cent. IPA made no recommendations for changing the sales tax rate, finding that tax not incompatible with an income tax. By the change of contents, the governor's tax package loses one of the original aims of IPA, which was to relieve the state of the adverse economic effects of local taxes on industrial inventory and equipment. The governor still has time to reconsider the change.

Mr. Broomhead, as a spokesman for Rhode Island's minority party, has a right to fight tax revision. But he owes the people a full and fair explanation of his opposition, instead of handing them a lot of gobbledegook about the need for further study.

House Democrats Return State Lottery Measure

The Democratic majority of the House of Representatives sent a state lottery resolution back to committee yesterday in effect killing it in the view of high party sources.

The action came after a re-attack to permit caucuses by both Democrats and Republicans or the measure to amend the state constitution to allow lotteries to raise funds for state aid to education, public assistance and urban renewal.

Democrats reportedly were deeply divided on the issue, but Rep. John H. Chafee of Warwick, minority leader, said the Republicans were ready to vote unanimously against it.

The matter never came to a vote in the Democratic caucus.

It simply was decided to send it to the special legislative committee for further study.

According to Rep. James H. Kieran of Providence, majority leader.

The Democrats also decided to recommit to the same committee for changes a Notte administration measure creating an 11-member commission to make a comprehensive review of the state constitution with an eye to revision.

Both resolutions had been on the House calendar for action today.

There was some questioning of the moral aspects of the lottery measure at the Democratic caucus.

Deputy Speaker Alfred U. Menard, who favors it as an alternative to the controversial personal income tax proposal, expressed the opinion a majority of Democrats felt his way.

An attitude of wait-and-see what developed at last night's dinner-meeting of Democratic legislative leaders with the party leadership was given by some senators as reason for the matter being deferred. Another senate Democratic caucus is set for this afternoon.

Passage by two General Assembly sessions with a general election intervening, and then approval by three-fifths of the legislature is required for a constitutional amendment as proposed in the lottery resolution.

Displeasure of some Democrats at the required even legislative split of legislators serving on a constitutional study commission was learned to be the reason for committee of that measure.

Creation of the commission was urged by Governor Notte in his inaugural address. The resolution submitted on his behalf calls for the group to include two House members named by the speaker and two senators named by the lieutenant governor, with Republicans and Democrats to be appointed from each branch.

In addition, the commission would include four appointees of the governor, and the presidents of Brown University, Providence College and the University of Rhode Island. A \$15,000 appropriation is provided.

Against Some Parts of the measure "disapproved of some parts" of the measure, after the party caucus.

Reports were that Governor Notte has given his assent to changes to make the resolution more palatable to Democratic objects.

At another Democratic caucus in the Senate—discussion failed to materialize as expected. That might make the state's tax revision program more difficult, without a tax revision study.

The nine-member steering

R.I. Senate Group Urges Sharp Budget Cutbacks

Senate Democrats will receive today wide-ranging recommendations for budget cutbacks from their steering committee as sentiment for drastic curtailment in state spending continues to mount in the General Assembly.

The Senate Democratic steering committee, its spokesmen flatly admitting that an income tax bill has no chance of passage, will propose cuts ranging from suspension of the student scholarship programs to elimination of jobs of all legal counsel in state departments.

A spokesman predicted that only a bill to give the state authority to collect the intangible tax appears to have some chance of Senate passage among the legislation designed to produce new revenue.

Sen. Walter J. Kane of Smithfield, the steering committee's chairman, said the caucus will be advisory in how the knife can be applied to the budget because enactment of a state income tax appears impossible.

Budget-slashing action yesterday developed in the House of Representatives where two Democratic leaders sponsored the introduction of a bill which, if enacted, would cut the budget by more than \$10,700,000 through the withholding of state-aid funds to cities and towns.

While the budget itself and the income tax bill, proposed by Governor Notte are in the House finance committee, nevertheless, there has been much attention given by the Senate steering committee to possible ways of pruning deeply.

The nine-member steering committee, which also includes Lt. Gov. Edward P. Gallivan and Floor Leader William M. Davies Jr., of Lincoln, recommends policy to the majority party.

"We are going to the caucus to tell them that it doesn't seem possible to pass the income tax and that there is no feeling for any other tax, except the possible re-enactment of the intangible tax," Senator Kane said. "We are going to recommend re-examination of programs that call for increased spending in the 1961-62 budget."

Senator Kane said there is not unanimous agreement in the steering committee on all of the recommendations that will be placed before the caucus, but the consensus is that "these are the areas that should be looked into very thoroughly."

He said there is no estimate of how much could be saved if all of the recommendations should be adopted by the legislature.

Most of the members of the steering committee, Senator Kane said, believe that many of the programs where savings can be effected are very worthwhile. But, he said, the committee is of the opinion that the people are not willing to pay for them at this time.

"Until they are willing to pay for them, we've got to tailor the budget to existing revenues," he said.

Here are the ways, the committee will suggest to the legislature that expenditures can be reduced:

A possible freeze on automatic pay increases for state employees.

Suspension of the junior college program.

Abolition of the teacher scholarship program.

Limiting the University of Rhode Island and Rhode Island College to the amounts they were allotted in the current budget.

A review of all state boards and commissions with the idea of abolishing as many as possible and placing their functions within the departments under which most of them come.

A close examination of special appropriations for various private organizations.

Compare the taxes paid by banks and insurance companies with those paid in surrounding states with the possibility of increasing them.

Increase personnel to enforce the state retail sales and use taxes and stiffen the penalties for fraud in connection with them.

Eliminate all special counsel to state departments with possible substitution for them by increasing slightly the staff of the attorney general's department to handle the duties they now perform.

Reviews of the state highway construction program to determine whether it should be lengthened from seven to 10 years.

Abolition of the 3 per cent sales tax by one per cent cut in each of the next three years.

Imposition, over the next three years, of a personal income tax on net income over \$3,000 at rates of 1 per cent on the first \$3,000 of taxable income, and 2 per cent for each additional \$2,000 up to a maximum of 15 per cent on income over \$15,000.

Reducing by one-third the local property tax on manufacturers' capital equipment and inventories.

The labor group's tax plan differs in several ways from the program offered by Governor Notte. The governor proposed a one cent sales tax reduction, and a less severe income tax with rates ranging from 1 per cent on the first \$2,000 of taxable income up to 7 per cent on income over \$15,000.

In its statement yesterday the executive board said the 7 per cent maximum would be "unfair because it does not adequately reach those with high incomes, and places the heaviest burden upon those with modest incomes."

The governor's program was criticized also for taxing net income under \$3,000. "We are against this because people with a net income of less than \$3,000 do not possess ability to pay such a tax," the statement said.

A one per cent reduction in the sales tax is not enough, the group said, because the tax is regressive. The AFL-CIO also opposed repeal of the gift tax because without it the inheritance tax would be "a farce."

The labor group charged that "the current campaign against a state income tax in Rhode Island is being masterminded by those with high incomes who are attempting to mislead the people of the state on this issue. Their real aim is to bring about an increase to 4 per cent or higher of the unfair sales tax."

The board said it opposes a sales tax because it taxes income spent from old age pension, social security, unemployment compensation, and workmen's compensation.

"No matter how poor you are, even if you have blind parents, sick children and get burned out of your home, you pay a sales tax to live," the statement said.

The AFL-CIO's educational campaign will begin with a meeting next week of its general council, composed of representatives of the 263 local affiliated unions, Mr. Brown said.

He saw the number of students at URI and R-I can be

20

AFL-CIO Offers Future of Increasing 3-Year Income Tax Program

Would Abolish Sales Levy; Assembly Bill Authorized

The executive board of the state AFL-CIO yesterday proposed a state tax program calling for abolition of the sales tax and imposition of a steeply graduated personal income tax over the next three years.

The board authorized its officers to have the tax package introduced as a bill in the General Assembly. A spokesman said it was almost certain that a bill will be presented.

Edwin C. Brown, AFL-CIO secretary-treasurer, said the labor group will launch an educational campaign to let the people know "the facts" in the tax debate.

The AFL-CIO tax proposals call for: Abolition of the 3 per cent sales tax by one per cent cut in each of the next three years.

Imposition, over the next three years, of a personal income tax on net income over \$3,000 at rates of 1 per cent on the first \$3,000 of taxable income, and 2 per cent for each additional \$2,000 up to a maximum of 15 per cent on income over \$15,000.

Reducing by one-third the local property tax on manufacturers' capital equipment and inventories.

The labor group's tax plan differs in several ways from the program offered by Governor Notte. The governor proposed a one cent sales tax reduction, and a less severe income tax with rates ranging from 1 per cent on the first \$2,000 of taxable income up to 7 per cent on income over \$15,000.

In its statement yesterday the executive board said the 7 per cent maximum would be "unfair because it does not adequately reach those with high incomes, and places the heaviest burden upon those with modest incomes."

The governor's program was criticized also for taxing net income under \$3,000. "We are against this because people with a net income of less than \$3,000 do not possess ability to pay such a tax," the statement said.

A one per cent reduction in the sales tax is not enough, the group said, because the tax is regressive. The AFL-CIO also opposed repeal of the gift tax because without it the inheritance tax would be "a farce."

The labor group charged that "the current campaign against a state income tax in Rhode Island is being masterminded by those with high incomes who are attempting to mislead the people of the state on this issue. Their real aim is to bring about an increase to 4 per cent or higher of the unfair sales tax."

The board said it opposes a sales tax because it taxes income spent from old age pension, social security, unemployment compensation, and workmen's compensation.

"No matter how poor you are, even if you have blind parents, sick children and get burned out of your home, you pay a sales tax to live," the statement said.

The AFL-CIO's educational campaign will begin with a meeting next week of its general council, composed of representatives of the 263 local affiliated unions, Mr. Brown said.

He saw the number of students at URI and R-I can be

\$10.7-Million Slash In R.I. Budget Asked

Democratic legislative leaders yesterday backed up with action in the General Assembly talk of deep slashes in the state's budget for the next fiscal year.

Into the House of Representatives went a bill, which, if enacted, would result in estimated savings of more than \$10,700,000.

A three-pronged proposal the measure would cancel out the \$3,000,000 annual grant to cities and towns and the \$2,952,628 distributed among the municipalities from horse-race betting receipts and cut back to \$1.5 million the state aid for education under the foundation program, saving \$4,827,737.

Democratic Assembly leaders at a meeting Tuesday night with Governor Notte and his fiscal advisers pondered the efficacy of such a step.

The leaders reportedly were nettled by the actions of some city and town councils, particularly those under Democratic control, for passing resolutions in opposition to the state personal income tax proposed by Governor Notte.

Rep. John F. Doris of Woonsocket, a deputy Democratic floor leader, and Rep. Thomas F. Kelleher of Providence, chairman of the House Democratic steering committee, were the sponsors of the bill.

The city council of Mr. Doris' own city was one of the local governing bodies which recently went on record in opposition to the income tax.

Asked for comment on the bill and what the thinking behind it is, Mr. Doris said: "The feeling of the Democratic leaders in the House is that the proposition ought to be looked into by the House finance committee."

"I personally am disturbed about the various city and town councils sending in resolutions that they are opposed to raising the taxes while at the same time the cities and towns are the recipients of some \$30,000,000 annually in state revenues."

"I believe that if the people of Rhode Island are made cognizant of the fact that a little less than one-third of the state budget for 1961-1962 is being funneled directly back to the cities and towns, they would reevaluate their position as far as the state's fiscal program is concerned."

"I would imagine that the House finance committee would consider this bill and probably make some of the figures available to the public as to what each city and town gets each year and what each of the programs costs the state."

"There is no question in my mind but that these programs are good, but the problem is not the quality of the programs but the ability to finance them."

The Doris-Kelleher bill would wipe from the books completely the provision in the 1947 sales tax law under which \$5,000,000 in unrestricted grants is distributed annually to cities and towns on the basis of tax levies.

It would repeal the provision, long on the statute books, under which cities and towns receive 50 per cent of the tax revenue from pari-mutuel betting on the basis of assessed valuations.

It would, in effect, roll back the revenue distributed to cities and towns under the school foundation program to 65 per cent of what they are eligible to receive under the 1960 act. The Doris-Kelleher bill, which was referred to the finance committee, would take effect July 1.

It was considered no coincidence that the state budget office had prepared a table showing how much each municipality receives from each of the three state-aid programs and by how much each municipality would be required to raise its property tax rate to make up the withdrawal of revenue proposed in the bill.

The estimated tax rate jumps would range from one of \$2.45 in Jamestown to \$8.59 in Glocester, according to the table.

The Doris-Kelleher bill would not affect either the state-aid school construction program or the law under which state revenue from liquor is distributed among the cities and towns. There had been reports that these programs might figure in the budget slash thinking.

Facing Big Problems, Notte Says

Governor Notte conceded last night that he faced himself facing great problems since he became the state's chief executive almost four months ago.

"At times it's difficult for me," he remarked. "But I intend to face up to the problems, just as all the other governors of Rhode Island have faced up to them."

He promised: "You can be sure that whatever is decided by this administration will be in the best interest of the people of Rhode Island."

Mr. Notte was the guest of honor and the chief speaker at the 30th birthday party of the Aurore Civic Association at 289 Broadway. In his remarks, he noted that a number of Republicans were among the 80 club members who attended the dinner.

The governor is a member of the civic association. Stephen Achille, toastmaster, noted that the four governors who preceded him also were members.

Fred Kilgus, club president, said the organization hopes to establish government's night dinners as annual events.

Judge Thomas J. Paolino of the Rhode Island Supreme Court also spoke. "The one thing that all public officials need today is encouragement by their constituents to do what is right—and sometimes to stand for what is unpopular," he declared.

"Members of this club, those from your party and from the opposition party, want to give you their encouragement."

The association gave Mr. Notte a cigarette lighter inscribed with his name and the state seal.

However, an influential majority of Democrats felt his way.

But we wanted to get all in agreement," he said. The committee will let the legislators hear from their constituents over the weekend, the Lincoln Democrat said. He predicted that the lottery measure would again be recommended for passage by the special legislative committee, of which he is chairman.

However, an influential majority of Democrats felt his way.

But we wanted to get all in agreement," he said. The committee will let the legislators hear from their constituents over the weekend, the Lincoln Democrat said. He predicted that the lottery measure would again be recommended for passage by the special legislative committee, of which he is chairman.



Friends and party members surround Governor Notte at close of dinner for him by Aurora Club last night. —Journal-Bulletin Photo

An Objection to an Income Tax

We are writing this letter to express our dissatisfaction with Governor Notte's tax program.

This is a time when the federal government is considering tax reductions as a stimulant to the national economy, and as an anti-recession move. But the governor seems to think that more taxation is the answer to the problem.

In order to keep a campaign pledge, Governor Notte has said that he will rebate to the drivers of Rhode Island two dollars, claiming that this is an unnecessary tax on the people.

But now he decides that more taxes are necessary and beneficial to the people of Rhode Island. He says that he will sell his tax program to the voters. Well, all the people we know in Rhode Island are far from sold on his program. The sample ballot which the Journal published, asking the people of the state to give their opinions on the proposed income tax, demonstrates what the taxpayers' views are on this matter. Nine of 10 people that answered were against it.

One of the biggest reasons why a state income tax should not be enacted is the fact that Rhode Island, especially the Providence-Pawtucket area, is on the distressed area list of the Labor

Department. At a time when unemployment is high, increased taxes should not be considered.

When Governor De Sesto was in office, one of the main objectives of his administration was to attract new industry to Rhode Island. Increasing taxes is definitely not the way to entice new industry to the state.

In a state the size of Rhode Island, a state income tax would be highly impractical. This is by far the most expensive tax to collect. State tax offices would have to be established throughout the state, with countless numbers of extra state employees to figure out tax statements.

If the governor thinks that extra taxes are necessary, why doesn't he fix increases on the sales tax? Raymond Houle Jr., Everett Woodcock, Pawtucket



Trophy Time Again —Russell, Los Angeles

Democrats to Study State Budget Cuts

Democratic members of the Senate finance committee are to explore with state budget officers the feasibility of cutting next year's state budget in numerous ways.

This was the course decided upon yesterday at a full caucus of Senate Democrats after they had received from their steering committee various recommendations in respect to areas warranting scrutiny.

The steering committee of nine members has been weighing suggestions for substantial reductions in state spending in realization, they said, that an income tax bill has no chance of passing the Senate.

The committee submitted to the caucus a lengthy list of recommendations for possible retrenchment ranging from freezing salaries of state employees to reducing sharply the number of pages and doorkeepers in the legislature.

Meanwhile, Sen. Gilbert T. Rocha, D-East Providence, introduced a bill to hike the state tax on insurance premiums from two per cent to three. He said it would raise about \$1,250,000 beyond the \$2,750,000 anticipated from the tax during the coming fiscal year.

After the caucus Democratic floor leader William M. Davies Jr., of Lincoln, said:

"What we did was to bring the ideas of the steering committee to the Democratic caucus and concluded that the logical approach to the thing was for members of the Senate finance committee to explore with budget officers the areas in which they think reductions might be made."

"We hope they will be able to report back to the full caucus early next week. When they do, then we will try to firm up our position."

Senator Davies said that the finance committee members tackle the job and they readily agreed to do so.

No estimate was available on the extent of savings that might be realized if all of the suggestions of the steering committee should be effected. However, Senator Davies said it is expected that the finance committee members will have information of that nature when they report.

Later on members of the Senate steering committee conveyed to members of the Democratic steering committee of the House their sentiments on the budget and other legislative matters.

Rep. Thomas F. Kelleher, D-Providence chairman of the House joint meeting of the two committees discussed various legislative matters with the objective of trying to determine how close to the 60th legislative day—a week from today—the General Assembly can adjourn.

Mr. Kelleher said also that suspension of the 6 o'clock rule to allow the legislature to sit into the night was discussed and that Senate members gave their appraisal of the prospects of various pieces of legislation getting through that branch.

The House steering committee is to report to the Democratic membership of the House today what was discussed at the joint meeting.

Sen. Walter J. Kane, D-Smithfield, steering committee chairman, said earlier yesterday that it did not seem possible to enact an income tax and that there was no feeling for any other tax, except possible

reenactment of a law to give the state authority to assess and collect the tax on intangible personal property. Therefore, he said, the steering committee had decided to make its recommendations to the caucus.

Asked whether he would oppose the steering committee recommendations, Governor Notte said yesterday that he will have to look into the proposed cutbacks and study them with my budget officers."

Interviewed in Newport, where he was attending a mental health conference, the governor said:

"Any economy must take place in non-vital areas. I am not in favor of cutting back vital services in areas of welfare, health, or education, unless absolutely necessary."

He said he met on Wednesday with his department directors and asked them to revalue every job in their departments.

He said he asked the directors to report back to him on any jobs they can do without with a view toward possible cuts in the number of state employees. An appreciable amount of savings might be made in this area, he said.

The governor stressed that his proposed \$101,000,000 budget "doesn't provide one new program from me." He said the \$6,000,000 budget increase is to pay for built-in aid to education, increased staff at the Ladd School, pension costs and bonds.

"Notte has to get the money up for these things," he said. He urged the North Providence Democrats to be "the fighting Democrats of the old days" and support his fiscal program.

"I ask for the help, support and confidence of my home town," the governor said. "I won't let you down because I owe you too much."

The governor said talk that the Democrats "have loaded the state government with jobs is ridiculous." At the same time he said he would like to see some Republican job holders "out of there," to be replaced with Democrats.

Sen. Frank Scambato, D-North Providence, the toastmaster at the affair in the Colony Motor Hotel, Cranston, said the rank and file in Rhode Island does not understand the governor's tax program because of distortions made by pressure groups. He asserted the income tax program "would hurt very few people in the lower brackets."

Meanwhile, another group of the Rhode Island Public Expenditure Council, came out with a plan to shave \$3,000,000 off the state budget. Together with upgrading what he said were "conservative" revenue estimates and procurement of an additional \$1,000,000 from the public assistance reserve fund, this would enable the state to get by without any new taxes in fiscal 1961-62, the council said.

Both the Senate steering committee and the expenditure council concentrated on freeing many state expenditures of current levels in their economy proposals.

Notte to Cut Budget Governor Notte himself joined the economy bandwagon yesterday with an announcement he will amend his budget now in the House finance committee to save \$500,000 by abolishing 135 to 175 state jobs.

At the meeting of Democratic legislative leaders, the governor reportedly expressed concern at the myriad economy proposals floating around the state house.

John G. McWeeney, Democratic state chairman, emphasized that it is the governor's prerogative and responsibility to present a fiscal program. He said this was recognized by the legislators.

At the same time, Mr. McWeeney declared that at the meeting the governor continued to press for his income tax proposal as "the fairest program."

Notte Sees End Of His Tax Plan

Says He Now Must Get Another Program Satisfactory to All

Governor Notte last night all but conceded the death of his income tax proposal.

Speaking to Democrats from his home town of North Providence at a victory dinner-dance, the governor said:

"There are a great many people against this tax. I believe it is a sound tax structure, but if the people don't believe in it then it's my job now to come up with another program satisfactory to all the people in the state."

He did not outline any new proposal he has in mind, however, to replace the embattled tax program that is given no chance for legislative passage.

The governor blamed the mounting expense of government on projects the voters have approved — new highway construction, aid to education and new buildings for the Ladd School and the Training School for Boys. Everything over last year's state budget represents expenditures voted by the people, he said.

"Notte has to get the money up for these things," he said. He urged the North Providence Democrats to be "the fighting Democrats of the old days" and support his fiscal program.

"I ask for the help, support and confidence of my home town," the governor said. "I won't let you down because I owe you too much."

The governor said talk that the Democrats "have loaded the state government with jobs is ridiculous." At the same time he said he would like to see some Republican job holders "out of there," to be replaced with Democrats.

Sen. Frank Scambato, D-North Providence, the toastmaster at the affair in the Colony Motor Hotel, Cranston, said the rank and file in Rhode Island does not understand the governor's tax program because of distortions made by pressure groups. He asserted the income tax program "would hurt very few people in the lower brackets."

Curvin Suggests Opposers Of Income Tax Were Duped

Many of the people who signed petitions against a graduated state income tax would not have paid an additional nickel in taxes, and many of them would have saved money on the one-per cent decrease in sales taxes, Harry F. Curvin of Pawtucket, Democratic speaker of the House, said last night.

"If they had not been brainwashed by a group that spent thousands of dollars, in my humble opinion the result would not have been the same," he said. "The graduated state income tax is the fairest form of tax in the world."

Mr. Curvin, a Democratic leader for a quarter of a century, was interviewed on Radio Press Conference over WEAN, one of the Journal-Bulletin stations, by Harry V. McKenna, radio news director.

27

Notte Believed Eying New Fiscal Program

It was indicated last night that Governor Notte is considering a new state fiscal program, although for the record he is standing by his controversial income tax proposal already made to the General Assembly.

No details of an alternative program, or even admission that one is under study, could be obtained after a closed meeting of Democratic legislative leaders with the governor last night in the Sheraton-Biltmore Hotel.

However, it was reported to be based at least partly on state collection of the tax on intangible personal property. This levy, now collected locally, was figured on for \$2,500,000 a year in new state revenue until the Rhode Island Supreme Court invalidated a 1960 law providing for the state to take it over. New legislation has been introduced to send local revenue not as an administration mess-up.

Whether the remainder of the gap between less than \$94,000,000 in expected state revenue and more than \$101,000,000 in the proposed Notte administration budget would be made up by budget cuts or some other sources of revenue was undisclosed.

Legislative opinion has been running counter to imposition of any new taxes—a position the governor recognized over the weekend when he conceded an alternative program might be necessary if it proves impossible to pass his income tax program.

The Senate Democratic steering committee has suggested a list of economies that, it was learned yesterday, would add up to between \$8,000,000 and \$9,000,000 in reduced spending.

These estimates, made by state budget officers at the request of the Senate finance committee, were to have been turned over to a party caucus in that branch yesterday.

However, while the senators caucused on schedule, the suggested budget cuts were not discussed, according to Sen. William M. Davies Jr., of Lincoln, majority leader. Sen. Primo Jacobucci of Providence, finance committee chairman, said the committee saw some figures, but saw no need to report on them "at this particular time." Another caucus is set for today, with no indication of what will be discussed.

On another front, the House finance committee expressed concern through its chairman, Rep. John J. Wrenn, D-Providence, over suggestions that appropriations for student scholarships be eliminated and those reserved for the University of Rhode Island and Rhode Island College be frozen at present levels. Some review of the scholarship program's administration might be in order, Mr. Wrenn said.

The same committee received a substitute version of the governor's income tax bill. It was a move seen as primarily to get a more refined measure on the record.

Among changes it recommended was one to permit married couples to split their income in filing returns. Mr. Notte said the new bill is the work of two tax authorities at the Harvard Law School, Prof. Oliver Oldman and Langdon Work, a research associate. They worked in recent weeks with state officials to come up with the new draft.

John G. McWeeney, Democratic state chairman, emphasized that it is the governor's prerogative and responsibility to present a fiscal program. He said this was recognized by the legislators.

Towns Alarmed By Tax Threat

22 Community Heads Urge Assembly Act To Ensure Fiscal Aid

Officials of 22 of Rhode Island's 39 cities and towns last night urged the General Assembly to enact whatever equitable tax program Governor Notte may propose that would yield the money needed to finance state operations without cutting off state grants to local communities.

The Municipal Chief Executives' Association, meeting in extraordinary session at the call of its president, Mayor Walter H. Reynolds of Providence, gave its endorsement to any new tax or combination of taxes and budget slashing the governor may find necessary to maintain state revenues.

The mayors, city managers, and council presidents, agreed that only the governor can propose how to raise the income to support state operations. They stressed, however, that he should in no event consider any cut in state aid to communities that would send local real estate taxes skyrocketing.

Mayor Horace E. Hobbs of Warwick said the "breaking point" has been reached on municipal taxes on real estate, and the loss of state grants would create chaos at the local level. He said it would be lamentable if it became necessary to curtail state aid to communities.

Michael DeCiantis, West Warwick town solicitor, said that Governor Notte was to be commended both for having proposed the state income tax and for seeking an alternative when it became obvious the people of Rhode Island are not yet ready to accept one.

Mr. DeCiantis said that an income tax had been proposed by the Democratic party 25 years ago on a basis that would exempt low-wage earners from taxation. He said an income tax was seriously considered by the prior state administration but that Governor Notte in view of the widespread opposition would not seek to jam it down the throats of the people.

Edward P. Conaty, deputy state budget director, asserted that the income tax proposal was not properly explained to the voters before organized vocal opposition developed.

Sales Tax Cited Mr. Conaty said that a one cent increase in the state sales tax would have produced sufficient income to take care of the immediate problem, but would not have been enough for the built-in cost increases two years hence.

He said that every penny of the additional 5.8 million dollars needed this year to support the governor's proposed budget represented the costs of programs that were initiated prior to Governor Notte's election. He said the only new jobs provided for in the budget were 94 posts required to staff new facilities at the Ladd School, and 14 jobs in the engineering division of the state Department of Public Works required by the accelerated highway construction program approved by the voters last May.

Mr. Conaty said that the governor's income tax proposal was linked to a plan to reduce the state sales tax and to eliminate other taxes that would aid industrial development. He said the proposed budget was automatically out of balance by 2.5 million dollars because of

the Supreme Court ruling nullifying state collection of intangible taxes.

Considering Alternatives

Mr. Conaty said the opinion of some General Assembly members that it is now impossible to enact a state income tax law is not shared by the full membership but because that feeling exists the governor is now considering alternatives. He said there was a strong feeling of irritation among some legislators over the actions of local city and town councils in opposing a state income tax at the same time they were seeking more money in state grants.

The state official said that "great axe budget cutting" will not solve the state's revenue problem because percentage cuts cannot be applied to such items as debt service, welfare, and public safety. He said debt service charges and the built-in increases necessitated by a new salary plan for state employees represented a major portion of the added revenues needed now.

Mayor Daniel Marso of East Providence said that his city could ill afford to lose the amounts it receives in state aid. He said there is no question but that a state income tax at this time would be extremely unpopular. Mr. Marso said Governor Notte must raise the money to operate the state and it is the duty of elected officials of the communities to support the program he thinks best to achieve that purpose.

"I say we must tell him he has our blessing to do whatever he thinks necessary," Mr. Marso concluded.

Weak BH Providence

Mayor Reynolds said that Providence would be hardest hit by enactment of pending legislation that would withhold the distribution to cities and towns of the state funds on which they have depended in setting up their budgets. He said such a move would be false economy since it would transfer the responsibility from the state to the local communities and would be likely to result in exorbitant local tax rates.

Mayor Reynolds said he was sympathetic to proposals that every effort be made to cut down the state budget by economizing wherever possible but said it was inconceivable that such action could save more than a minute percentage of the added revenue that is needed.

Mr. DeCiantis said that West Warwick was forced to raise taxes by \$4.75 per \$1,000, and that most other communities in the state have already adopted their budgets and fixed their tax rates. He said in every case both the budgets and the tax rates were predicated upon receipt of the state funds.

He said he did not believe that the sponsors of the legislation now pending in the House ever seriously intended that it be passed, but sought rather to bring dramatically to the attention of the people the extent to which local communities are dependent upon state assistance.

Councilmen Frank SanAntonio of North Providence suggested that since it now appears too late to win acceptance of a state income tax, the governor might consider taking the easy way of raising added revenue through a state lottery.

23

Income Tax Killed By Popular Revolt

By GEORGE H. ARRISS
Journal-Bulletin Financial Editor

Tax Program

Continued From Page One
of \$18,900,000, but the elimination of \$10,000,000 in existing taxes. The original budget proposed the spending of \$101,225,000 in state funds.

In announcing that he had given up on his proposal for an income tax, the governor insisted that it would have provided "the soundest and fairest distribution of the state's tax burden."

"I am convinced that a state income tax based on the individual's ability to pay is the fairest form of taxation," the governor said. "However, the reaction to this tax has demonstrated that the public is not ready to accept such a measure."

He said that since the enactment of an income tax had become impossible he had to give "primary consideration to what is possible of achievement."

Under the governor's plan each city and town would get the same amount it collected from the local intangible tax last year from assessments made Dec. 31, 1959. The state income tax would not be on a percentage basis.

The freezing of state aid to manufacturers, unincorporated businesses and householders, the foundation program will cut \$1,000 for the preparation of a first school facility.

The program offering state scholarships to high school graduates would be cut by \$143,000. Students who entered colleges under the program last fall would continue to receive scholarships in their second college year. The number of new scholarships would be reduced by 50 per cent. Originally the program contemplated scholarships for five per cent of the high school graduates. Yesterday's proposal would cut that figure to two and one-half per cent. A total of 435 new scholarships next fall had been scheduled under the original program. That number would be cut in half.

The economy move contemplated saving \$95,000 by eliminating altogether an in-service training program under which school teachers could take evening and summer school courses.

An old program under which the state contributed to Rhode Island colleges funds for scholarships would be cut from \$90,000 to \$45,000. With the reduction, no new scholarships will be granted in this category, although students now holding scholarships would continue to receive aid.

The school housing program now is in its first year with an appropriation of \$1,313,000. The figure had been scheduled to increase by \$97,000. The new fiscal plan eliminates the increase.

The governor's revised fiscal plan would make these further

where it is needed for education.

Within the next 10 years, he said, the teaching profession—not legislators—will be setting its own standards. The profession will have more and more influence in the selection of textbooks and standards will rise, he said.

Strong Opposition

The income tax proposal went down without ever coming to a vote in a legislative caucus. It had been subject to highly vocal public opposition and many legislators insist that their constituents were strongly opposed to it.

While General Assembly Democrats were reported to have strongly favored the governor's new proposals at House and Senate Democratic caucuses yesterday, the revised fiscal program is not expected to be popular with local governments.

The governor said the program will include a guarantee that the state's share of the intangible tax come to at least \$3,000,000. If the total amount collected falls short of estimates, he said the state still would get its \$3,000,000 share and local governments would take the loss.

The \$1,600,000 local share is based on the amount actually collected last year by cities and towns.

The law enacted last year and set aside by the court would have given cities and towns 40 per cent of whatever was collected, with a guarantee that they would get at least as much from the levy when it was a local one.

Not on Percentage Basis
Under the governor's plan each city and town would get the same amount it collected from the local intangible tax last year from assessments made Dec. 31, 1959. The state income tax would not be on a percentage basis.

The freezing of state aid to manufacturers, unincorporated businesses and householders, the foundation program will cut \$1,000 for the preparation of a first school facility.

The program offering state scholarships to high school graduates would be cut by \$143,000. Students who entered colleges under the program last fall would continue to receive scholarships in their second college year. The number of new scholarships would be reduced by 50 per cent. Originally the program contemplated scholarships for five per cent of the high school graduates. Yesterday's proposal would cut that figure to two and one-half per cent. A total of 435 new scholarships next fall had been scheduled under the original program. That number would be cut in half.

The economy move contemplated saving \$95,000 by eliminating altogether an in-service training program under which school teachers could take evening and summer school courses.

An old program under which the state contributed to Rhode Island colleges funds for scholarships would be cut from \$90,000 to \$45,000. With the reduction, no new scholarships will be granted in this category, although students now holding scholarships would continue to receive aid.

The school housing program now is in its first year with an appropriation of \$1,313,000. The figure had been scheduled to increase by \$97,000. The new fiscal plan eliminates the increase.

The governor's revised fiscal plan would make these further

where it is needed for education.

Within the next 10 years, he said, the teaching profession—not legislators—will be setting its own standards. The profession will have more and more influence in the selection of textbooks and standards will rise, he said.

Governor Discards Income Tax Project

Revival of Intangible Levy Urged

Governor Notte reluctantly abandoned his proposal for a state personal income tax yesterday.

The governor proposed instead that the state revive, at a higher rate, the intangible personal property tax law that was thrown out by the Rhode Island Supreme Court early this year and that it increase the tax on insurance premiums.

At the same time he recommended cuts totaling \$3,260,000 in the budget he submitted to the General Assembly last month. The budget cuts would freeze state aid to local schools under the foundation program at the present total, would reduce by one-half the number of new state scholarships, would knock \$700,000 off the state payroll and would make other reductions in the original budget proposals.

General Assembly Democrats gave quick approval to the governor's new fiscal proposals and legislative leaders spoke optimistically of the possibility of winding up their current session in the next two weeks.

The intangible personal property tax now is collected by cities and towns at a rate of \$4 per \$1,000 of valuation. Under the governor's plan the state would take over the tax and would boost the rate to \$5. The state would expect to net \$3,000,000 from its share of the intangible tax, while distributing \$1,600,000 to local governments.

The state tax on insurance premiums would be increased from the present two per cent to three per cent, with an expected revenue gain of \$1,375,000.

The revised budget estimates anticipate spending from state funds of \$98,050,000 and revenue from state taxes and receipts of \$99,542,000. The estimate is that the state would end the next fiscal year with a surplus of about \$1,500,000.

The governor's income tax proposal had carried an estimate of revenue from that tax

of \$700,000 by eliminating positions and reducing overtime pay in the state government.

\$500,000 by putting under bond financing that much of highway construction costs that had been scheduled for support from current revenue.

\$100,000 by cutting in half an emergency construction fund.

\$150,000 by eliminating scheduled increases in the rates the state pays hospitals for the care of public assistance cases.

\$78,000 by reducing from \$2 a week to \$1 a week a scheduled increase in rates paid convalescent homes for the care of public assistance recipients.

\$25,000 by cutting in half the state's appropriation for Dutch elm disease control.

Taxes

Continued From Page One
to be augmented by direct association with groups in the state—labor, government and business.

John H. White, president of Taco Heaters, Inc., and chairman of the Weekapaug Group, advised Edwin C. Brown, secretary-treasurer of the state AFL-CIO for the latter's demand that the legislature should probe the Rhode Island Development Council, charging him with "misinformation and bad faith." He said:

"Questioning should be done in good conscience and be based on fact. Mr. Brown would seem to have done neither."

Scored by Lawmaker
Mr. Brown also came in for criticism by Rep. Frederick Lippitt, R-Providence, in the House yesterday, for being "quite unfair" in his charges that Mr. Schmidt was "intimidating" legislators.

Mr. Schmidt's testimony was not volunteered, Mr. Lippitt said, but he was invited to speak by members of the House labor committee, who wanted to hear his views on pending legislation.

The legislator said that the committee "needs the best possible advice" in making its decisions and "I hope it has not come to the state where we can't ask for their advice without them being threatened by people who are not even a part of the state government."

Dr. Gaige brought the proposals of the governor to the attention of the legislature in a speech that he said was a "tax question as an individual."

Governor Notte, who has vocated an income tax, since scrapped that plan in favor of one that would include collection of a tax on intangibles and a boost in tax on insurance premiums coupled with a freeze on state aid to education.

Dr. Gaige told his listeners that he was concerned about what he called the confusion the state over a tax program. The present state support program for public schools is one of the best balanced in the country, he said.

He urged the 6,000 teachers in the state to study, consider and "then be counted" when the problem arises of how tax shall be levied. Parents "have much at stake, too," he said. Homeowners will have to pay the increased cost of local school support if the foundation program is not carried forward, he said.

"I believe that each local teachers' association in the state should study carefully the tax issues involved," he said. "I believe they will come to the conclusions to which we have come, and that the state should support them."

Richard D. Batchelder, immediate past president of the department of classroom teachers, National Education Association, was the principal speaker at the dinner.

He warned that this country will be surpassed if it doesn't take money on a county-wide basis and spend it

R.I.C. Head Urges Both Sales, Income Taxes

Would Cut Levies Burdensome To Manufacturers

Dr. William C. Gaige, president of Rhode Island College, said last night that a "program" of taxation for the state should include both income and sales tax and reduction in taxes that are burdensome to manufacturing industries.

The college head outlined personal views on Rhode Island's current revenue problems during a talk before 1,000 members of the state AFL-CIO for the latter's demand that the legislature should probe the Rhode Island Development Council, charging him with "misinformation and bad faith." He said:

"Questioning should be done in good conscience and be based on fact. Mr. Brown would seem to have done neither."

Scored by Lawmaker
Mr. Brown also came in for criticism by Rep. Frederick Lippitt, R-Providence, in the House yesterday, for being "quite unfair" in his charges that Mr. Schmidt was "intimidating" legislators.

Mr. Schmidt's testimony was not volunteered, Mr. Lippitt said, but he was invited to speak by members of the House labor committee, who wanted to hear his views on pending legislation.

The legislator said that the committee "needs the best possible advice" in making its decisions and "I hope it has not come to the state where we can't ask for their advice without them being threatened by people who are not even a part of the state government."

Dr. Gaige brought the proposals of the governor to the attention of the legislature in a speech that he said was a "tax question as an individual."

Governor Notte, who has vocated an income tax, since scrapped that plan in favor of one that would include collection of a tax on intangibles and a boost in tax on insurance premiums coupled with a freeze on state aid to education.

Dr. Gaige told his listeners that he was concerned about what he called the confusion the state over a tax program. The present state support program for public schools is one of the best balanced in the country, he said.

He urged the 6,000 teachers in the state to study, consider and "then be counted" when the problem arises of how tax shall be levied. Parents "have much at stake, too," he said. Homeowners will have to pay the increased cost of local school support if the foundation program is not carried forward, he said.

"I believe that each local teachers' association in the state should study carefully the tax issues involved," he said. "I believe they will come to the conclusions to which we have come, and that the state should support them."

Richard D. Batchelder, immediate past president of the department of classroom teachers, National Education Association, was the principal speaker at the dinner.

He warned that this country will be surpassed if it doesn't take money on a county-wide basis and spend it

There Is Still Time to Revive the Stoltz Tax Plan

By Merton P. Stoltz

If the state income tax issue is dead for this year—and we think it would be advisable to stress the word "if" until the General Assembly has adjourned—it will have been killed because of failures in Rhode Island society and not by an uprising of the people, as was suggested the other day.

Clement W. Williamson, former chairman of the Weekapaug Group and individually an opponent of the income tax, told a seminar at the Rhode Island College that for the first time in history here, "the people rose up and demanded a cut in state expenses and no income tax."

There is no doubt that a loud clamor by a comparatively small group of citizens was raised when the state income tax was proposed earlier this year. There also is no doubt that Rhode Islanders want the fat cut from state costs, and here is growing impatience with careless fiscal planning and wasteful spending.

But the income tax got into trouble from the start because its opponents organized quickly and became active fast, while its proponents and those who might have

been expected to be its proponents took cover from the storm generated by genuine concern but magnified by reckless sloganeering.

There was political failure. Governor Notte turned aside the basic recommendation of his special study committee and came up with a patchwork offering which included an income tax proposal. But he never managed to demonstrate a leadership around which the public could have rallied to a defense of rational, over-all tax revision.

The governor found himself almost alone, and it is no wonder, politically, that he junked his own income tax program and devised other revenue raising methods. His own party generally left him holding the bag, and only a handful of prominent Democrats risked voter trouble to stand by him.

There was failure, too, among those elements of the business community which were aware of the need for tax reform, including an income tax, but which kept still while the opposition ran unchecked. The small still voice of reason seldom was heard in the clamor of opponents with their panaceas for painless government.

There was little support for Dr. Merton P. Stoltz of Brown University, chairman of the governor's study commission, who continues to warn against postponing the income tax and fundamental changes in the tax structure. There were few to second Harvey J. Saries, president of the Business Development Co. of Rhode Island, who said at the R.I.C. seminar that the best program for taxation was that submitted by the Stoltz committee in its report.

Can the governor salvage tax reform and an income tax from the present situation? Is he sponsoring his new program in the hope that its impact, when made clear to cities and towns, will induce a large number of public officials to re-study the Stoltz committee's program of reform—including an income tax?

The income tax may be dead as an issue this year, as Mr. Williamson seems to believe, but the General Assembly hasn't even set a date for adjournment, and there still is time to revive the Stoltz committee study as the basis for informed revision of the state's tax structure—if all hands get busy at the job now, from the governor on down.

Support for an income tax, then, is not dead, but neither is it robust. One reason is that labor until a few days ago insisted on repeal of the sales tax as a condition for enactment of an income tax from which low incomes would be exempt, while the Committee for a More Prosperous Rhode Island has been, and still is, dead set against an income tax under any circumstances. The committee, while it speaks for some industrialists, does not speak for them all.

Obviously, passage of an equitable tax program this year hinges on the ability of extreme elements to back away from their rigid positions with respect to an income tax and whether they can agree on tax concessions that should go hand in hand with enactment of an income tax.

Organized labor now has shown a disposition to compromise. The state AFL-CIO General Council last Wednesday night adopted a

resolution stating that its tax proposals are flexible, and that labor "stands ready to meet with representatives of government, industry and the public for the purpose of establishing an equitable tax program." Lawrence N. Spitz, its taxation committee chairman, citing an example of labor's new flexible position, said it might be willing to modify its income tax proposal by supporting a nominal tax on incomes under \$3,000.

It is a pity that the voice of compromise has been raised so late in the Assembly session. It may be too late. Working out agreement on the kind of taxes to be reduced or repealed will take time. Labor and industry still are far apart on tax concessions. Labor wants the sales tax repealed, while considerable sentiment among industrialists supports the recommendation of the Stoltz committee for repeal of local taxes on industrial equipment and inventory.

In our view, sales tax repeal is unrealistic because of the great loss of revenue entailed (about \$24,600,000). Repeal of local taxes on equipment and inventory (amounting to about \$6,800,000) could have the desirable by-product of stimulating new jobs for jobless Rhode Islanders.

Tax Revision—the Assembly's Major Job

By Merton P. Stoltz

framing a Rhode Island fiscal program has encountered as many obstacles outside the state legislature as its first one.

The governor's proposal for a state-collected tax on intangible property, such as stocks and bonds and bank checking accounts, has disturbing overtones. Owners of this kind of wealth are uneasy because the tax rate would vary annually according to the state's need for revenue. The rate could rise as high as eight dollars on each \$1,000 worth of property. This would amount to a tax of 16 per cent on the income of a \$1,000 bond earning five per cent.

Proposed budget cuts, mostly at the expense of public education, have received almost solid opposition from local school officials. Proposed cuts have inspired two

marches on the State House by several of this year's high school graduates, some of whom expected state college aid but whose receipt of it now is in doubt.

Unpopularity of the governor's second fiscal package may make his first package look more attractive than it did a month ago. The first package contained a proposal for a personal income tax, reduction in the rate of the sales tax from three to two per cent, and repeal of other smaller taxes.

Even as the governor publicly abandoned his first tax package, he expressed a personal conviction that an income tax is the fairest kind of tax, a sentiment in which he was later joined by House Speaker Harry F. Curvin of Pawtucket and Rep. Eleanor F. Slater of Warwick, both Democrats.

Support for an income tax, then, is not dead, but neither is it robust. One reason is that labor until a few days ago insisted on repeal of the sales tax as a condition for enactment of an income tax from which low incomes would be exempt, while the Committee for a More Prosperous Rhode Island has been, and still is, dead set against an income tax under any circumstances. The committee, while it speaks for some industrialists, does not speak for them all.

Obviously, passage of an equitable tax program this year hinges on the ability of extreme elements to back away from their rigid positions with respect to an income tax and whether they can agree on tax concessions that should go hand in hand with enactment of an income tax.

Organized labor now has shown a disposition to compromise. The state AFL-CIO General Council last Wednesday night adopted a

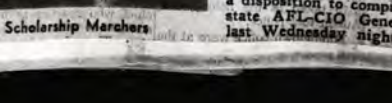
resolution stating that its tax proposals are flexible, and that labor "stands ready to meet with representatives of government, industry and the public for the purpose of establishing an equitable tax program." Lawrence N. Spitz, its taxation committee chairman, citing an example of labor's new flexible position, said it might be willing to modify its income tax proposal by supporting a nominal tax on incomes under \$3,000.

It is a pity that the voice of compromise has been raised so late in the Assembly session. It may be too late. Working out agreement on the kind of taxes to be reduced or repealed will take time. Labor and industry still are far apart on tax concessions. Labor wants the sales tax repealed, while considerable sentiment among industrialists supports the recommendation of the Stoltz committee for repeal of local taxes on industrial equipment and inventory.

In our view, sales tax repeal is unrealistic because of the great loss of revenue entailed (about \$24,600,000). Repeal of local taxes on equipment and inventory (amounting to about \$6,800,000) could have the desirable by-product of stimulating new jobs for jobless Rhode Islanders.

It is to be hoped that enough time remains this session to work out an equitable tax program. An encouraging sign is to be seen in revised estimates of Assembly leaders that the session, already running overtime, may continue another two weeks.

Replacing the present crazy patchwork of state taxes with a sane and equitable structure is the most important job the Assembly can perform this year.



Scholarship Marchers

Income Tax Proposal Is Revived

McWeeney Predicts Enactment

Gov. Notte's proposal for a state personal income tax pronounced dead even by the governor less than two weeks ago, came very much alive at the state house yesterday.

The day's developments brought from John G. McWeeney, Democratic state chairman, a flat prediction that an income tax will be enacted by the General Assembly next Friday of next week.

The revived income tax issue appeared headed for a critical test in a Senate Democratic caucus this afternoon. The House was reported by Mr. McWeeney to be ready to pass the bill if it has assurance that the Senate will do likewise.

Not all Democratic leaders shared Mr. McWeeney's optimism about a comeback for the income tax proposal. Some were predicting that it will fail in the Senate caucus. Others said its chances had greatly improved.

The proposals' new lease on life was expected to intensify the activities of the income tax opponents, who previously had felt sure the battle already was won.

The increased sentiment for an income tax appeared to be the result of the unpopularity of alternative tax proposals and proposed cuts in state school aid and college scholarships.

Mr. McWeeney offered a forecast that along with an income tax the legislature will approve most of Governor Notte's earlier fiscal program, including a one per cent reduction in the sales tax, elimination within three years of the property tax on manufacturers' equipment and the original budget proposals for state aid for local school costs and college scholarships.

He said there would be cuts in the state's payroll, overtime pay and some other budget items.

Mr. McWeeney made his statement after Democratic senators met with the governor on the fiscal deadlock yesterday.

The governor made no forecasts after the conference. He said he told the senators he still wants an income levy "as the best and most equitable tax." But he said no conclusions were reached at the conference.

Democratic senators were reported to have been polled individually at the conference, but there were conflicting accounts of the results.

Mr. McWeeney said he counted 17 senators who said they would support an income tax out of the 27 who were present. He said two others wanted to think it over, three said they favored increasing the sales tax and the remaining five favored a state intangible personal property tax. One Democratic senator was absent.

Some others present privately challenged Mr. McWeeney's count and contended that among those who committed

themselves sentiment was about evenly divided between an income tax and the intangible tax, with a half a dozen remaining uncommitted either way.

The governor and Mr. McWeeney were reported to have gone to work politically in behalf of an income tax as they had not done in earlier phases of the deliberations. They were said to be concentrating attention on the positions of individual senators.

After the conference with Democratic senators in the governor's office, Mr. McWeeney told reporters: "From my own point of view I was very, very pleased because I am certain the income tax is going to go now."

Mr. McWeeney said that if the income tax proposal is approved today by the Senate Democratic caucus he expects the legislature to move quickly through the remainder of its schedule and adjourn by Friday of next week.

The fiscal proposals must make their start in the House. The House finance committee has been waiting for word as to where the Senate Democrats stand. Mr. McWeeney said House finance committee will bring out the fiscal measures "forthwith" if Senate Democrats approve the income tax proposal.

Sen. William M. Davies Jr., Democratic leader in the Senate, who has opposed an income tax and favored an intangible tax, was non-committal about the chances of either after yesterday's conference.

He said today's caucus will re-examine both proposals "in the light of information provided" yesterday. "What the senators do is up to them," Mr. Davies said.

Mr. McWeeney said that if an income tax is enacted, appropriations for state aid to local schools and college scholarships will be returned to the schedules authorized by current law. The governor had proposed that state school aid be frozen at the present total and that new scholarships be cut in half if the income tax plan is abandoned. He also proposed that the scheduled start of a community college program be deferred. Mr. McWeeney said the question of whether the community college plan would be restored if an income tax is enacted was not "firmed up" at yesterday's meeting but that it is his opinion that it would be.

Governor Notte's original budget proposals called for enactment of an income tax, a reduction in the sales tax from the present three per cent to two per cent, repeal of the state taxes on unincorporated businesses and gifts, repeal of the local property tax on household furnishings, repeal of the local intangible tax and a one-third cut in the property tax on manufacturers' equipment and inventories. He later offered a plan that would cut the manufacturers' equipment and inventory tax by one-third each year until it was eliminated altogether.

When he announced that he had given up hope for the income tax plan on April 27, the governor dropped all those other proposals as well. Instead he

Income Tax Proposal Wins Not a Vote in Woonsocket Poll

Some 850 first and second shift workers at the French Worsted Co. in Woonsocket were polled yesterday by their union on whether they favored or opposed a state income tax.

The result of the vote, as announced by Roland H. Benoit, president of the Industrial Trades Union of America, was 350 votes opposed to a state income tax; no votes in favor.

Mr. Benoit said his union became interested in polling its members on the income tax proposal when he had read that some persons speaking on the proposal "might be speaking for labor."

He said every ballot returned yesterday was signed by the worker who cast it.

"I don't think they could sell it at this point," he said, "if they eliminated all other taxes, federal taxes included, because it's been bungled and everything

heard from the Woonsocket group last Tuesday. Dr. William C. Gaige, RIC president, told the seniors he favors an income tax and thinks half the business interests of Rhode Island are for it.

Tax 'Reprisal' Note Angers Legislators

A letter from Associated Industries of Rhode Island to state legislators and Governor Notte, implying that reprisal at the polls faces those supporting a state income tax, drew indignant retorts on the floor of the House of Representatives yesterday.

One of four Democratic state representatives from Providence speaking against it, Rep. George C. Berk, questioned if the business organization is "arbitrarily" with the John Birch Society.

Denies Birch Link Frank S. Shy, Associated Industries president, emphatically denied any connection when he was asked for comment.

The ultra-rightist Birch Society has never been discussed by Associated Industries, he said, and his only knowledge of it is what he reads in the newspapers.

"It is said, there is no John Birch Society active in Rhode Island," Mr. Berk declared. "If there is any organization that stands for practically the same thing as the John Birch Society, it is Associated Industries of Rhode Island, and I would like to know if they are affiliated in any way with the John Birch Society."

Rep. Arline R. Kiven, D-Providence, started the legislators' assault on the Associated Industries letter. She described it as being "inflammatory, insolent and in very poor taste."

"Government has always been the bulwark of property," Mrs. Kiven maintained. "When they therefore, should be dropped, Rhode Island's elected and appointed public servants should be able to see the many faults in this proposed tax and the adverse effects it will have on the state."

A representative of a leading Providence investment security office estimated that fifty per cent of his accounts were retired people living on modest incomes from their investments. These people and others who are discriminated against by this tax will quickly realize that they cannot afford to live in Rhode Island.

I believe that a politically expedient intangible tax bill will cost Rhode Island many citizens and, within one year, a reduction rather than an increase in receipts.

Robert N. Greene, Providence

Seventy per cent of the new teachers are coming from accredited teacher colleges whose graduates are being accepted on that basis by a growing number of states, he said. The figure will be 90 per cent in 10 years, he predicted.

Other points touched on by the speaker in a talk laced with humor were use of staff, use of time, teaching machines, ungraded schools and class sizes.

Says Democrats Ask Tax Rise for Spending Spree

Rhode Island Democrats want an increase in taxes so they will have more money to spend and more "cushy" jobs to give out to friends, the state chairman of the Republican Party said last night.

William T. Broomhead, in a statement, said: "The forced passage of the state income tax will prove that our form of government in Rhode Island is dictatorship by the Democrat Party. The people don't want the income tax or any other taxes; nor can the people afford tax increases. But it is being forced on them."

"There is no need for the income tax; the answer to the state's financial problem is economy—the Democrats have admitted that. But the Democrats want an increase in taxes so that they'll have money to enlarge their lavish and reckless spending and to continue giving out top-paying jobs to friends."

Senate Democrats in caucus yesterday refused to accept Governor Notte's proposal for a state personal income tax.

Climaxing a lengthy session behind closed doors, they voted 13 to 12 against the levy. Three abstained.

The result punctured the prediction of John G. McWeeney, Democratic state chairman, that the members of his party in the upper branch of the General Assembly would embrace the proposal.

Even after the caucus vote, Mr. McWeeney continued to maintain that the income tax bill eventually will command enough votes to be enacted.

He observed that only three more votes are needed to muster a majority of Democratic senators in favor of the tax. He said he felt that once that much strength was demonstrated in a caucus for the tax, the senators who had been opposed would fall in line.

But opponents of the tax vigorously disputed in private conversation that this would be the case.

On Tuesday, after the Democratic senators had met in the office of Governor Notte and reportedly had been polled individually, Mr. McWeeney asserted that he had 17 votes lined up for the bill.

But he said yesterday that five of those who had said they would be for the tax either switched their position or did not vote in the caucus—three not voting and two changing their minds.

The party chairman, who until this year was Democratic floor leader in the Senate, interpreted the caucus action as destroying utterly any hope for final adjournment a week from tonight. Any such prospect is "out the window," was the way he put it.

There reportedly is an insistent and powerful group among the Senate Democrats that continues to demand deep budget cuts.

One senator who entertains such a view ventured the opinion that should the 1961-62 appropriation bill containing \$3,000,000 in budget cuts be passed by the House and sent to the Senate, then the income tax bill would have a good chance of being passed.

Bill Chances Questioned Mr. McWeeney had said that the senators wanted to know in the caucus not only about contemplated budget cuts but why changes were made in the intangible property tax bill which is a part of the governor's alternate fiscal program.

He said the senators originally had believed that the bill would contain a provision exempting the first \$50 of tax and also a rate of \$4 or \$5 of each \$1,000 of valuation.

As the bill was introduced in the House it contained no exemption and a tax rate limit of \$8 for each \$1,000 of valuation.

Income Levy Is Opposed By Democrats

Loses, 13-12, In Caucus By Senators

Mr. McWeeney said he had told the senators he would get the information from the persons who drafted the bill. Some senators said, however, that the information sought more than any other is that concerning the budget cuts.

The Senate idled for an hour and a half while the Democrats held their caucus.

When the caucus broke up at 3:15, Sen. William M. Davies Jr., of Lincoln, Democratic floor leader, referred a reporter to

How Senate Caucus Voted

According to reliable sources, this was the caucus vote yesterday on the income tax proposal:

Against (13): Sens. Irving J. Bilgor of Providence; William M. Davies Jr. of Lincoln; Arthur A. Belhomme of Central Falls; John F. McBurney Jr. of Pawtucket; William C. Fetceau Jr. of Coventry; Roger St. Pierre of Burrillville; Walter J. Kane of Smithfield; Robert O. Tiernan of Warwick; Francis P. Smith of Woonsocket; Gilbert T. Rocha of East Providence; Charles J. Fogarty of Gloucester; John E. Moran of Cumberland and Frank A. McMurrrough of Tiverton.

For (12): Sens. Harold J. Luckina of North Smithfield; Robert C. Grimes of Providence; Joseph A. Savage of Newport; Prima Jacobucci of Providence; Frank Spambato of North Providence; Pat Nero of Cranston; Thomas R. DiLuglio of Johnston; Thomas H. Levesque of Portsmouth; Gladys M. Brightman of Bristol; Francis J. LaChapelle of West Warwick; Andrew J. Loiselle of Pawtucket and Fred J. Jannitto of Warren.

Not voting (3): Sens. Natale L. Uroo of Westerly; Harold S. Moskol of Providence and Joseph L. Luongo of Providence.

Continued From Page One

is "out the window," was the way he put it.

There reportedly is an insistent and powerful group among the Senate Democrats that continues to demand deep budget cuts.

One senator who entertains such a view ventured the opinion that should the 1961-62 appropriation bill containing \$3,000,000 in budget cuts be passed by the House and sent to the Senate, then the income tax bill would have a good chance of being passed.

Bill Chances Questioned Mr. McWeeney had said that the senators wanted to know in the caucus not only about contemplated budget cuts but why changes were made in the intangible property tax bill which is a part of the governor's alternate fiscal program.

He said the senators originally had believed that the bill would contain a provision exempting the first \$50 of tax and also a rate of \$4 or \$5 of each \$1,000 of valuation.

As the bill was introduced in the House it contained no exemption and a tax rate limit of \$8 for each \$1,000 of valuation.

An appeal for state economy

Your newspaper has aligned itself with the proponents of a state income tax, regardless of the practicality and desirability of such an impost. I therefore doubt whether you will publish this letter, but on the off-chance that a spark of fair play may ignite, I am taking the time to write.

It has long been my opinion, and that of others of at least average intelligence, that government today undertakes too much. There is the presumption on the part of those hoisted to public office in this predominantly one-party state (the Republicans gain control only occasionally, when the electorate is "sore" at the Democrats) that those who occupy the seats of power know best what is best for everyone. To pursue such a course of government conduct costs money — lots of money. Result: We see callow youths solving the problem of paying for grandiose schemes by the simple device of raising taxes here and raising taxes there. Having little, if any, practical experience in life or training in business, they fail to understand the long-range consequences of their tax and spend plans. No doubt, many of their well intentioned ideas are beneficial, at least in theory. However, if the tax-paying public cannot and will not pay the cost of these ivory-tower ideas, then they should be abandoned. I think that the public response to Governor Notte's vigorous effort to force through the income tax innovation bears me out.

Now, smarting with resentment because the income tax plan got a loud "No!" from the public, Governor Notte is toying with jacked-up state intangible personal property taxes. It is obviously the attitude of "All right, you wouldn't give me one thumping big new tax, so I'll go after you with another, and see how you like this one!"

In trying to tax excessively, the public officials do not seem to realize that they stiffen business, deter concerns from expanding or coming into this state and drive capital away. Or maybe they just don't care, so long as they appease those elements of our population who blindly vote them into office repetitiously?

And how

Leo L. Jacques

providence



employ able to do the same thing.

Such a method of taxation begins to build up public files on people's most private affairs, and it is from such dangerous schemes the police states eventually come into existence. And police states sometimes spawn types like Hitler, Franco, Lenin and that ilk.

The new idea of doubling the intangible personal property tax and making it a state pork barrel is not a proper cure for fiscal indigestion. The newspaper which you print has already informed us of the flight of capital resulting from such financial folly. I can see a modest increase in this tax, but the plan to double it appears to be vindictive and punitive.

The real solution to the state's monetary problems is honest and efficient government. We see the manner in which taxpayers' money is recklessly expended for excessive numbers of doorkeepers at the state house, for nepotism at one of our state institutions, for a large party of freeloaders attending President Kennedy's inauguration, for changes of office furniture in the governor's office every time a new governor takes office, and so on into the night. One can well conjecture about what excesses of squandering an unknown and unseen, if we have so many examples which are matters of public knowledge. What the taxing citizens of this state require, and should demand, are honest representatives, with a gleam in their eyes to cut out waste and unnecessary projects which we simply cannot afford. Then these representatives would not have to scratch their heads, trying to figure out where they can raise taxes or impose new taxes and get away with no complaints.

And how

Leo L. Jacques

providence

providence

providence

providence

providence

providence

providence

providence

providence

providence

providence

Making the Tax Program Less and Less Palatable

By dishing out state jobs, the director of public works is doing little to lighten Governor Notte's task of gaining public acceptance of a new tax program.

On last April 26 came the announcement that Ernest O. Maine, former Republican state senator from Hopkinton, had been fired as associate director, a civil service job in which he held temporary status. Mr. Capaldi announced the duties and specifications of the job were being "re-evaluated."

The re-evaluation didn't take long. Last Monday, Mr. Capaldi confirmed a report that the job was being given to James E. McManus,

who resigned as 12th Ward Democratic chairman in Providence to make himself available for the appointment paying between \$8,242 and \$10,530.

A department spokesman said the re-evaluation showed "a need" for the job. The new associate director, he said, will "effect closer liaison with all the divisions. He will circulate among them."

Maybe the department needs a man in circulation among its divisions. But the department already has an assistant to the director who might have been available for circulation. That job was created in March when Mr. Ca-

paldi split one job into two jobs, each paying up to \$9,100. Until March 20, John Q. Calista Jr. had been serving both as assistant to the director and as information officer.

Mr. Calista was given the new title of chief of information and public relations, and James F. Christian of North Providence was given back his old job as the director's assistant, which he had held in the Roberts administration.

Now three jobs exist where once there were two. This kind of economy in government hardly is calculated to endear the governor's tax program to the people, as necessary as new taxes may be.

Gastroly Assails Scholarships

Terms Income Tax Fairest, but Sees Little Hope of OK

Lt. Gov. Edward P. Gallogly last night criticized the state scholarship program and suggested that it be reevaluated. At the same time, Mr. Gallogly defended the graduated income tax as the fairest kind of taxation, but said the vote at yesterday's Democratic Senate caucus was indicative of its defeat at this session.

"We've got to get alternative programs, or think about cutting back," he said. "We've got to take another look at this is a good opportunity to do it."

The lieutenant governor made his comments in a dinner speech to about 50 members of the East Providence Lodge of the Fraternal Order of Police Associates at the Five Acres restaurant in East Providence.

Mr. Gallogly termed the present state scholarship program "all out of whack."

"There's no question that we need to develop our best brains, to enable those intellects capable of development to develop, but I think it's a fallacy to believe we have to pay for all of it, that the state has to underwrite it. We've got to recognize the responsibility of parents and individuals in this matter," Mr. Gallogly said.

He added: "We think we're doing them a favor by giving them \$1,000 for their education. I think we'd be doing them a favor if we loaned them \$1,000 and told them to pay it back in 10 years or so with three per cent interest. We're wrong if we try to protect our children from struggling, because if they stop struggling they go no place, and if they go no place, we go no place, and if we go no place, the country goes no place."

Mr. Gallogly said abuses existed in the program, permitting in some instances students to accept a \$1,000 scholarship for a school charging \$750 tuition, thus permitting the student to "pocket" the balance of \$250.

He said there were instances of families paying as much as \$2,000 to send their children through high school, qualifying for the college scholarship program under its "need" requirements.

"This is absolutely wrong, especially when we have a loan program and we can't get enough students to apply for the loans. This is no good," Mr. Gallogly said.

Some of the state's programs such as the community college plan, the Rhode Island College building program, the omnibus program of \$235,000 in aid to such civic organizations as the Cranston Blues, and its \$95,000 music assistance program for the philharmonic and related programs, might either be extended or cut back, Mr. Gallogly suggested.

The elimination of some state jobs might also be required, he added, admitting there was some "deadwood" around the state, but challenging anyone to find more than one per cent "deadwood" in the state's \$100,000,000 budget.

Mr. Gallogly said our choice in the manner in which we spend our income was vitally connected with our competition with communism in the world.

Municipal Heads Back Income Tax

The Municipal Chief Executives Association of Rhode Island went on record last night as favoring an income tax and opposing an increase in the intangible personal property tax. The executives agreed that the income tax offered the best solution, as against a state intangible tax, to the states fiscal problems.

Meeting at Delude's Diner in Central Falls, the group of mayors, council presidents and city and town managers from various parts of the state also recorded opposition to two bills pending in the General Assembly.

One measure provides for the fixing of minimum and maximum salaries for local policemen and firemen, and the other creates a three-man board of arbitration to fix minimum wages for firemen.

Mayor Walter H. Reynolds of Providence, association president, sparked the move in opposition to the two bills, basing his arguments on the premise that both are of a nature to infringe upon the principles of home rule.

The opposition to an increase on the tax on intangible personal property was led by George A. Bisson, Newport city manager, with an assist from Michael DeCiantis, town solicitor of West Warwick.

Mayor Reynolds, in referring to the two bills in his remarks, called upon members of the association to "take a definite stand" and served notice upon the General Assembly that it is the responsibility of the cities and towns, rather than the legislature, to decide the rights of police and firemen.

Mayor Daniel E. East of Providence agreed that officials of the cities are best qualified to employ the salary scales to employees.

McWeeney Sees Tax Accord or Recess

John G. McWeeney, Democratic state chairman, said last night that the General Assembly faces the alternatives of agreeing on a state tax program this week or recessing for a cooling-off period.

Mr. McWeeney said the legislators must reach a policy decision on the tax issue by Friday if the General Assembly is to end its long session by the end of this month.

He said he is confident that a "meeting of minds" on the state's fiscal problem will be reached this week.

One of two things, however, must happen within the next two weeks, he said—either adjournment on May 26 after agreement on taxes or a recess for a cooling-off period if a policy decision is not reached this week.

Mr. McWeeney was not optimistic that a recess would help bring agreement. "In the past these recesses have not been successful," he said.

The Democratic state chairman said it is unfair to ask the legislators to come to daily sessions and face a continued stalemate on the tax question.

Mr. McWeeney said he plans to report today to a Democratic caucus on questions posed at a caucus last week. The report, he said, will include information on possible cuts in the budget and explanations on changes in the intangibles tax proposed by Governor Notte.

It was reported after that caucus that the attitude of some Democratic senators might be determined by the possibility of making budget cuts of \$3,000,000 or more.

Mr. McWeeney said he has been conferring with budget officials on this question.

He said he will explain why the intangibles tax bill calls

A Desire to Save State Tax Dollars Goes Too Far

Rego offers an argument that is superficially attractive but that falls apart on close inspection.

On the question of enforcement of the new motorboat registration rules, Mr. Rego points to the existence of men and vessels in his department now concerned with enforcement of fish and shellfish laws. This squad could take over motorboat registration controls without additional spending for boats and manpower, he argues.

Enforcement of the motorboat registration rules is not going to be an easy task, Narragansett Bay and freshwater lakes will team this summer, as they do every summer, with hundreds of private craft. Is Mr. Rego suggesting that his navy has so little to do that it can take on this chore without any increase in staff or workloads?

It seems to us that Mr. Rego's navy has plenty to do with its current assignments. If it does have so little to do that it can take on new jobs, then the proper thing to do to save the state money might very well be a cutback in appropriations for the manning and operation of the conservation navy.

On the second proposal, Mr. Rego wants to take jurisdiction over the unused state-owned woodlands for multiple public use and development—hunting, fishing, camping and picnicking. Is Mr. Rego suggesting that the state division of parks and recreation isn't doing the job assigned to it by law?

The concept of multiple use of public lands has been getting a lot of attention lately in the world of recreation, but it is difficult to see why Mr. Rego feels that his department can undertake this kind of work better than the state division which was created for the very purpose of fostering public recreational facilities.

Notte Predicts Big Saving in R.I. Operation

But Governor Says New Taxes Needed To Balance Budget

Governor Notte said last night that his administration will show a saving of from \$500,000 to \$700,000 in state government operating costs during its first six months in office, ending June 30.

Mr. Notte made the prediction in reply to statements by Republican leaders calling for economy in government and no new state taxes.

The governor said also that if the income tax he proposed is enacted the state will show a surplus of \$1,200,000 by the end of the next fiscal year, ending June 30, 1962.

Of the total predicted surplus, \$700,000 would be saved through the elimination of state jobs, Mr. Notte said.

The governor emphasized that despite economies implemented by his administration, the state will still need additional revenue to pay for costs of built-in increases in government services and programs.

Mr. Notte spoke at a testimonial at Oates Tavern, North Providence, for James F. Christian, assistant state director of public works.

He flatly rejected a proposal by the House minority leader, Rep. John H. Chafee of Warwick, that the state, through economies, try operating without new taxes until October when a special session of the legislature could be called to add additional tax revenue if needed.

Mr. Notte said his administration is economizing and added that if there were further budget cuts "every area of state government would suffer, every city and town would suffer and would have to raise taxes."

In his speech, the governor estimated the six-month savings at from \$700,000 to \$800,000. He corrected himself later.

Meanwhile, with no apparent progress being made toward a recess in the General Assembly, Senate Democrats yesterday talked about recessing for a day or two.

Majority leader William M. Davies Jr. of Lincoln said the proposal for a recess came up at a party caucus and will be discussed again at another caucus this afternoon.

A recess, he said, might give the senators "an opportunity to think about these things away from here for a couple of days."

At the North Providence testimonial, Mr. Notte concentrated his attack on Mr. Chafee's proposal for a trial period without new taxes.

"If the General Assembly should put off the enactment of any new taxes, Rhode Island would not have sufficient revenue to allow appropriations even equal to those of this fiscal year," he said.

The present budget, prepared by the Republican administration, does not include \$1,300,000 needed for the 1960 state employees' pay plan, he said, and was based on \$2,500,000 in revenue from the intangibles tax which was declared unconstitutional.

"Disregarding for the moment the continued expansion of our education programs, capital programs and increased welfare aid, I would like to know where the money is to come from to maintain operation of our state government at its present level without any new revenue," Mr. Notte said.

He asked why Mr. Chafee did not call for economy last December when budget requests by Republican department directors for the coming fiscal year "totaled more than \$116,000,000, exceeding anticipated revenue by \$22,000,000."

The governor said Mr. Chafee's proposal "indicates that Mr. Chafee has absolutely no concept of Rhode Island's present fiscal condition."

Alternate Plan

Speaking earlier to 1,000 members of the Rhode Island College student body and faculty at the first annual governor's assembly, Mr. Notte said he had introduced an alternate tax plan, calling for an intangibles tax and increased insurance premium taxes because of opposition to the income tax.

He said however that "the proposed alternate taxes appear to be almost as distasteful as the income tax proposal without having any of the latter's merit for equitability."

"I am convinced and remain convinced that the tax program I initially submitted to the General Assembly was the fairest plan capable of acceptance at this time," he said.

Commenting yesterday on the proposal for a Senate recess, Democratic State Chairman John G. McWeeney said his personal position is that nothing is gained by a recess.

He said he thought policy could be determined and the legislature could be called to come home within a very short period of time—possibly a week from Friday or two weeks from Friday.

Intangibles Rate Hike

Mr. McWeeney gave the caucus information the senators had requested on budget cuts and the intangibles tax.

The information, he said, was that the intangibles bill rate had to be changed from \$5 on each \$1,000 valuation to a sliding scale of up to \$8 because it would not produce the \$4,600,000 expected. The suggested exemptions were excluded, he said, because it was felt they "would not help the bill if it had a constitutional test."

He said there was a feeling that any further budget cuts would mean the elimination of programs and services now being provided.

Meanwhile, Democrats in control of the Senate were needed on the floor by Sen. James H. Donnelly of North Kingstown, the Republican minority leader.

He said the Senate Republicans had been waiting for some solution to the fiscal problem, but told the Democrats, "It is become obvious you're not reaching one."

He said it was "reasonable" to request "recessing this General Assembly until you can make up your minds."

If a recess should not pave the way toward a tax solution, Senator Donnelly said, then "let the state run under the Constitution on last year's budget."

Notte Sets Tax Talk Tomorrow

Swift Passage of Income Levy Bill

Democratic leaders will talk money problems with Governor Notte at 10:30 tomorrow morning in a session that John G. McWeeney, party chairman, believes will result in swift passage of an income tax bill.

Mr. McWeeney predicted last night that the tempo of legislative action will pick up within 48 hours. He expressed the hope that tax bills could come to the floor of the legislature by tomorrow afternoon and that the legislature will wind up its governing session by May 26 or the middle of the following week.

The party chairman's predictions came shortly after Senate Democrats, on his recommendation, decided in caucus not to take a recess.

Prior to the caucus, there had been talk in state house corridors that the Senate planned to recess until next Tuesday.

Mr. McWeeney said tomorrow's meeting with the governor will take place in the governor's office. The purpose of the conference, he said, was to "firm up on the legislative program, particularly the fiscal program."

"I am optimistic a solution will come out of the conference that will smooth the way for advancing of the administration program with an eye to getting out of here late next week or early in the following week," he said after the caucus.

In a recorded radio interview broadcast last night, Mr. McWeeney spelled out his predictions on the tax program in more detail.

He said it was practically impossible to cut \$3,000,000 from the state budget, saying instead that \$1,750,000 was the limit on cuts that could be made without cutting out existing state programs.

Scholarship Program

In his radio interview with Harry V. McKenna, news director of WEAU, one of the Journal-Bulletin stations, Mr. McWeeney said the state scholarship program would probably be continued as at present, but that he would accept a cutback in the program by half if he had to. He said that "at the moment" the proposed freeze on state aid to education was in the offing.

Senate Democrats, after the caucus, returned to work with a vigor that hasn't been seen around the General Assembly in some time.

Going back into session at 3:42, bills poured out of Senate committees at the rate of nearly one a minute. A total of 47 were reported out, most of the Workmen's Compensation Law. Five were passed in concurrence with the House, three were referred to the calendar and the rest were passed and hustled along to the House between 3:42 and 4:25 p.m.

Explains Flood of Bills

Sen. William M. Davies Jr., Senate majority leader, said the flood of legislation coming out of committees was behind the caucus decision not to recess.

In other subjects mentioned during the recorded Rhode Island News Beat interview, Mr. McWeeney made these points:

Economy cutbacks are being made every day in the state government in areas where it is felt the people will not suffer. Legislators on both sides should be congratulated for being cautious and economical.

The proposed refunding of about \$800,000 in driver license fees is not dead. GOP senators will not vote against it. It will be passed.

Passage of the Family Court, a party platform plank, depends on the revenue program. It could be a very important factor in the overall budget.

Notte Predicts Big Saving in R.I. Operation

But Governor Says New Taxes Needed To Balance Budget

Governor Notte said last night that his administration will show a saving of from \$500,000 to \$700,000 in state government operating costs during its first six months in office, ending June 30.

Mr. Notte made the prediction in reply to statements by Republican leaders calling for economy in government and no new state taxes.

The governor said also that if the income tax he proposed is enacted the state will show a surplus of \$1,200,000 by the end of the next fiscal year, ending June 30, 1962.

Of the total predicted surplus, \$700,000 would be saved through the elimination of state jobs, Mr. Notte said.

The governor emphasized that despite economies implemented by his administration, the state will still need additional revenue to pay for costs of built-in increases in government services and programs.

Mr. Notte spoke at a testimonial at Oates Tavern, North Providence, for James F. Christian, assistant state director of public works.

He flatly rejected a proposal by the House minority leader, Rep. John H. Chafee of Warwick, that the state, through economies, try operating without new taxes until October when a special session of the legislature could be called to add additional tax revenue if needed.

Mr. Notte said his administration is economizing and added that if there were further budget cuts "every area of state government would suffer, every city and town would suffer and would have to raise taxes."

In his speech, the governor estimated the six-month savings at from \$700,000 to \$800,000. He corrected himself later.

Meanwhile, with no apparent progress being made toward a recess in the General Assembly, Senate Democrats yesterday talked about recessing for a day or two.

Majority leader William M. Davies Jr. of Lincoln said the proposal for a recess came up at a party caucus and will be discussed again at another caucus this afternoon.

A recess, he said, might give the senators "an opportunity to think about these things away from here for a couple of days."

At the North Providence testimonial, Mr. Notte concentrated his attack on Mr. Chafee's proposal for a trial period without new taxes.

"If the General Assembly should put off the enactment of any new taxes, Rhode Island would not have sufficient revenue to allow appropriations even equal to those of this fiscal year," he said.

The present budget, prepared by the Republican administration, does not include \$1,300,000 needed for the 1960 state employees' pay plan, he said, and was based on \$2,500,000 in revenue from the intangibles tax which was declared unconstitutional.

"Disregarding for the moment the continued expansion of our education programs, capital programs and increased welfare aid, I would like to know where the money is to come from to maintain operation of our state government at its present level without any new revenue," Mr. Notte said.

He asked why Mr. Chafee did not call for economy last December when budget requests by Republican department directors for the coming fiscal year "totaled more than \$116,000,000, exceeding anticipated revenue by \$22,000,000."

The governor said Mr. Chafee's proposal "indicates that Mr. Chafee has absolutely no concept of Rhode Island's present fiscal condition."

Alternate Plan

Speaking earlier to 1,000 members of the Rhode Island College student body and faculty at the first annual governor's assembly, Mr. Notte said he had introduced an alternate tax plan, calling for an intangibles tax and increased insurance premium taxes because of opposition to the income tax.

He said however that "the proposed alternate taxes appear to be almost as distasteful as the income tax proposal without having any of the latter's merit for equitability."

"I am convinced and remain convinced that the tax program I initially submitted to the General Assembly was the fairest plan capable of acceptance at this time," he said.

Commenting yesterday on the proposal for a Senate recess, Democratic State Chairman John G. McWeeney said his personal position is that nothing is gained by a recess.

He said he thought policy could be determined and the legislature could be called to come home within a very short period of time—possibly a week from Friday or two weeks from Friday.

Intangibles Rate Hike

Mr. McWeeney gave the caucus information the senators had requested on budget cuts and the intangibles tax.

The information, he said, was that the intangibles bill rate had to be changed from \$5 on each \$1,000 valuation to a sliding scale of up to \$8 because it would not produce the \$4,600,000 expected. The suggested exemptions were excluded, he said, because it was felt they "would not help the bill if it had a constitutional test."

He said there was a feeling that any further budget cuts would mean the elimination of programs and services now being provided.

Meanwhile, Democrats in control of the Senate were needed on the floor by Sen. James H. Donnelly of North Kingstown, the Republican minority leader.

He said the Senate Republicans had been waiting for some solution to the fiscal problem, but told the Democrats, "It is become obvious you're not reaching one."

He said it was "reasonable" to request "recessing this General Assembly until you can make up your minds."

If a recess should not pave the way toward a tax solution, Senator Donnelly said, then "let the state run under the Constitution on last year's budget."

Notte Sets Tax Talk Tomorrow

Swift Passage of Income Levy Bill

Democratic leaders will talk money problems with Governor Notte at 10:30 tomorrow morning in a session that John G. McWeeney, party chairman, believes will result in swift passage of an income tax bill.

Mr. McWeeney predicted last night that the tempo of legislative action will pick up within 48 hours. He expressed the hope that tax bills could come to the floor of the legislature by tomorrow afternoon and that the legislature will wind up its governing session by May 26 or the middle of the following week.

The party chairman's predictions came shortly after Senate Democrats, on his recommendation, decided in caucus not to take a recess.

Prior to the caucus, there had been talk in state house corridors that the Senate planned to recess until next Tuesday.

Mr. McWeeney said tomorrow's meeting with the governor will take place in the governor's office. The purpose of the conference, he said, was to "firm up on the legislative program, particularly the fiscal program."

"I am optimistic a solution will come out of the conference that will smooth the way for advancing of the administration program with an eye to getting out of here late next week or early in the following week," he said after the caucus.

In a recorded radio interview broadcast last night, Mr. McWeeney spelled out his predictions on the tax program in more detail.

He said it was practically impossible to cut \$3,000,000 from the state budget, saying instead that \$1,750,000 was the limit on cuts that could be made without cutting out existing state programs.

Scholarship Program

In his radio interview with Harry V. McKenna, news director of WEAU, one of the Journal-Bulletin stations, Mr. McWeeney said the state scholarship program would probably be continued as at present, but that he would accept a cutback in the program by half if he had to. He said that "at the moment" the proposed freeze on state aid to education was in the offing.

Senate Democrats, after the caucus, returned to work with a vigor that hasn't been seen around the General Assembly in some time.

Going back into session at 3:42, bills poured out of Senate committees at the rate of nearly one a minute. A total of 47 were reported out, most of the Workmen's Compensation Law. Five were passed in concurrence with the House, three were referred to the calendar and the rest were passed and hustled along to the House between 3:42 and 4:25 p.m.

Explains Flood of Bills

Sen. William M. Davies Jr., Senate majority leader, said the flood of legislation coming out of committees was behind the caucus decision not to recess.

In other subjects mentioned during the recorded Rhode Island News Beat interview, Mr. McWeeney made these points:

Economy cutbacks are being made every day in the state government in areas where it is felt the people will not suffer. Legislators on both sides should be congratulated for being cautious and economical.

The proposed refunding of about \$800,000 in driver license fees is not dead. GOP senators will not vote against it. It will be passed.

Passage of the Family Court, a party platform plank, depends on the revenue program. It could be a very important factor in the overall budget.

City Council Supports State Income Tax Plan

The Providence City Council threw its support behind Governor Notte's proposed income tax last night.

In a vote along party lines, it passed a resolution endorsing the governor's original tax program which included the income levy. The vote was 22 to 2.

The resolution was introduced by Henry Laliberte, a Democrat from Ward 8, home ward of John G. McWeeney, Democratic state chairman who has been working for passage of the income tax.

Councilman Laliberte said he does not like taxes any more than anyone else, but that he feels the income tax is the fairest kind of levy.

Council President Edward P. Quigley, D-Ward 11, relinquished the gavel to speak for passage of the resolution.

Mr. Quigley said his only regret was that the income tax proposal does not go far enough. He thinks an income tax should be administered so that property and sales taxes could be eliminated.

Edmund Wexler, majority leader from Ward 11, said the resolution was not a partisan matter, that the problem had resolved itself into a choice of increasing taxes or cutting back programs that are acknowledged to be good. Many who had petitioned against an income tax, he said, also signed petitions protesting cuts in state aid to education.

Frank Lazarus and Robert H. L. Goddard Jr., Ward 2 Republicans, spoke against the resolution. Mr. Lazarus said:

"What we are trying to do is put our committees in shape," Senator Davies said.

Republicans were not too happy last night about the way things were going.

Rep. John H. Chafee, R-Warwick, House minority leader, said Governor Notte doesn't seem to realize that neither Connecticut nor Massachusetts has both a sales tax and an income tax.

"If an income tax is needed, and I insist it isn't, how does the governor expect the legislature in 10 days to pass an intelligent bill when one hasn't even been printed yet and no one knows its details?" Mr. Chafee said in a statement.

"A Tired Man"

"It is apparent," the Warwick Republican said, "that the governor is a tired man who is saying things he can't really mean. An adjournment, as I have recommended, would give him an opportunity to get some rest, get his feet on the ground and perhaps talk with some of the men who are experienced in the field of government such as Sen. (John O.) Pastore and former Governor (Dennis J.) Roberts."

In other subjects mentioned during the recorded Rhode Island News Beat interview, Mr. McWeeney made these points:

Economy cutbacks are being made every day in the state government in areas where it is felt the people will not suffer. Legislators on both sides should be congratulated for being cautious and economical.

The proposed refunding of about \$800,000 in driver license fees is not dead. GOP senators will not vote against it. It will be passed.

Passage of the Family Court, a party platform plank, depends on the revenue program. It could be a very important factor in the overall budget.

City Council Supports State Income Tax Plan

The Providence City Council threw its support behind Governor Notte's proposed income tax last night.

In a vote along party lines, it passed a resolution endorsing the governor's original tax program which included the income levy. The vote was 22 to 2.

The resolution was introduced by Henry Laliberte, a Democrat from Ward 8, home ward of John G. McWeeney, Democratic state chairman who has been working for passage of the income tax.

Councilman Laliberte said he does not like taxes any more than anyone else, but that he feels the income tax is the fairest kind of levy.

Council President Edward P. Quigley, D-Ward 11, relinquished the gavel to speak for passage of the resolution.

Mr. Quigley said his only regret was that the income tax proposal does not go far enough. He thinks an income tax should be administered so that property and sales taxes could be eliminated.

Edmund Wexler, majority leader from Ward 11, said the resolution was not a partisan matter, that the problem had resolved itself into a choice of increasing taxes or cutting back programs that are acknowledged to be good. Many who had petitioned against an income tax, he said, also signed petitions protesting cuts in state aid to education.

Frank Lazarus and Robert H. L. Goddard Jr., Ward 2 Republicans, spoke against the resolution. Mr. Lazarus said:

"What we are trying to do is put our committees in shape," Senator Davies said.

Republicans were not too happy last night about the way things were going.

Rep. John H. Chafee, R-Warwick, House minority leader, said Governor Notte doesn't seem to realize that neither Connecticut nor Massachusetts has both a sales tax and an income tax.

"If an income tax is needed, and I insist it isn't, how does the governor expect the legislature in 10 days to pass an intelligent bill when one hasn't even been printed yet and no one knows its details?" Mr. Chafee said in a statement.

"A Tired Man"

"It is apparent," the Warwick Republican said, "that the governor is a tired man who is saying things he can't really mean. An adjournment, as I have recommended, would give him an opportunity to get some rest, get his feet on the ground and perhaps talk with some of the men who are experienced in the field of government such as Sen. (John O.) Pastore and former Governor (Dennis J.) Roberts."

In other subjects mentioned during the recorded Rhode Island News Beat interview, Mr. McWeeney made these points:

Economy cutbacks are being made every day in the state government in areas where it is felt the people will not suffer. Legislators on both sides should be congratulated for being cautious and economical.

The proposed refunding of about \$800,000 in driver license fees is not dead. GOP senators will not vote against it. It will be passed.

Passage of the Family Court, a party platform plank, depends on the revenue program. It could be a very important factor in the overall budget.

Vice Adm. James Hicks Skett, USN (ret), 62, of 44 Jgar Knock Rd., North Kings-
 town, who joined the Navy as
 a seaman in World War I and
 fired in 1956 as one of the
 day's top strategists, died Wed-
 nesday at Newport Naval Hos-
 pital. He had been ill for sev-
 eral months.

During his 38-year naval
 career, he commanded a sub-
 marine, a tanker and two heavy
 cruisers, he was naval aide for
 30 years to former President
 Harry S. Truman and was sen-
 ior naval member of the Joint
 Intelligence Committee during
 World War II.

Admiral Foskett and his wife
 moved to Wickford to live after
 his retirement. He was one of
 the prime movers in establish-
 ment of the Rhode Island
 Oceanarium, which is to be a
 combination aquarium, marine
 and museum-of-the-sea in
 South County. Last August he
 was elected president of the
 organization.

He was born in Wollaston,
 Mass., on Aug. 19, 1898, a son
 of the late Charles J. and Edith
 Wollaston (Hicks) Foskett. He
 was graduated from high school
 in Wollaston, and attended
 at the University of Michigan and
 the U. S. Naval Academy at An-
 napolis.

He joined the Navy in 1918
 as a seaman and started a
 career which took him to every
 part of the world.

He was commander of the
 heavy cruiser USS *Albatross*,
 which took President Roosevelt
 from Hampton Roads to Malta
 en route to the conference in
 Malta in 1944.

The following year he was
 commander of the Augusta, an-
 other heavy cruiser which had
 taken President Truman to the
 Potsdam Conference. On the



Rev. Wilbur Nelson
 Minister of Old Stone
 Church in Tiverton

way back the President told
 him:
 "I have just had to make a
 terrible decision. Probably in
 24 hours you will hear about it,
 a powerful new weapon, but it
 will probably be better than
 taking the lives of millions of
 our own men to take the Jap-
 anese home islands."

Within 24 hours the first
 atomic bomb fell on Japan.
 From July, 1946, to March,
 1948, Admiral Foskett was
 naval aide to President Tru-
 man. From White House duty
 he went to Cruiser Division 12
 as commander and served with
 the Sixth Fleet in the Medi-
 terranean.

During World War II he was
 liaison officer on the staff of
 the commander-in-chief, British
 Eastern Mediterranean Fleet,
 serving with British
 forces in North Africa and at
 the invasion of Sicily.

His last assignment was the
 command submarine which was
 crewed by two officers and 18
 men, he recalled in an interview
 after his retirement.

Admiral Foskett held many
 decorations, including the Leg-
 ion of Merit and the Order
 of the British Empire.

After his retirement, he
 moved to North Kingstown,
 where his wife's family had
 maintained a summer home for
 about 50 years. He was active
 in community affairs and was
 chairman of the town's Five
 Liberty building fund, which
 raised more than \$25,000 for
 an addition to the public li-
 brary on Brown Street.

Besides his wife, he leaves
 two daughters, Miss Mary Paul
 Foskett of Boston, and Mrs.
 Margaret Foskett Kalleiv of
 Oslo, Norway; a sister, Miss
 Frances Foskett of Arlington,
 Va.; two brothers, Elbridge B.
 Foskett of New York and
 Charles J. Foskett of West

He telephoned an operator
 and told her he thought he had
 been hit by lightning. The op-
 erator obtained the number
 on him and summoned Coun-
 try police who found the man

Chafee Urges State Legislature Adjourn

Rep. John H. Chafee, R-War-
 wick, minority floor leader, last
 night called for General Assem-
 bly adjournment as the only
 means of combating the "fiscal
 confusion sown by the adminis-
 tration of Governor Notte."

Representative Chafee said it
 would be impossible for the
 General Assembly to pass an in-
 telligent income tax bill in the
 next two weeks—a bill that no
 one has seen and which hasn't
 even been printed.

The Warwick legislator spoke
 at a dinner of the First Ward
 Republican Club in the Portu-
 guese Sports Club on Gano
 Street. He said that if, after
 vigorously enforcing economy,
 the governor is unable to bal-
 ance the state's budget under
 its present revenue, "let him
 devise a fiscal program he is
 prepared to back 100 per cent,

submit it to the public and the
 members of the General Assem-
 bly for suggestions, and then re-
 call the General Assembly in
 October—when it can act with
 deliberation and intelligence."

Mr. Chafee accused Governor
 Notte of trying to ram through
 an income tax bill now to avoid
 the possibility of putting in
 taxes next year—an election
 year. He contended that the
 state has sufficient revenue for
 the forthcoming fiscal year
 without imposing any new
 taxes.

Calling for economy in the
 state government, Representative
 Chafee said this objective
 should be attained not by elimi-
 nating scholarships and aid to
 education "but the family court,
 the consumers' council and the
 dozens of political patronage
 jobs recently created." He said
 a 37½-hour week for state of-
 ficials should be insisted upon.
 They now work a 35-hour
 week.

Mr. Chafee chided the 1961
 General Assembly for passing
 scores of "sympathy resolu-
 tions" and doing little else.

He said no action has been
 taken on important measures
 like the one-day primary bill,
 the fair housing bill, the bill
 calling for three mid-week
 holidays to be observed on Mon-
 days, and the family court bill.

The family court bill, he
 charged, is not being considered
 on its merits but rather on who
 is going to be the new judge.
 He said on this point—who gets
 which judgeships—that the bill
 has bogged down, he asserted.

Mr. Chafee said the govern-
 or's estimate of a quarter
 of a million dollars to adminis-
 ter the income tax is low,
 adding, "perhaps he is anxious
 for the tax because he sees an
 opportunity to create numerous
 new state jobs in the income
 tax section—all filled with pol-
 itical hangers-on."

Noting that one of the major
 objections to the income tax is
 that once in, it would be raised
 every year, Representative
 Chafee said the validity of this
 fear has been amply justified.

"In his latest proposal, the
 governor has substantially in-
 creased the rates over his origi-
 nal one," Mr. Chafee said,
 "and it is just an indication of
 what will happen if an income
 tax is ever passed."

Senate Caucus Kills State Income Tax

Legislators Eye Levy on Intangibles

Only subsequent develop-
 ments can determine whether
 that optimism is justified. It
 was just four weeks ago when
 the same leaders were voicing
 the same optimism after re-
 porting that their caucus had
 "bought" the alternative pro-
 gram of a state intangible tax
 and an increase in the insur-
 ance tax, combined with budget
 cuts totaling \$3,360,000.

The income tax proposal, on
 which the governor had given
 up hope late in April, bounced
 back into contention when op-
 position built up to the alterna-
 tive program. The opposition
 was strongest against a pro-
 posal to freeze state aid to
 local schools at 1961 levels and to
 cut in half the number of new
 state scholarships.

The governor said after yes-
 terday's meeting with Demo-
 cratic leaders that the budget
 cuts under the alternative
 program might be modified. He
 said he was especially concerned
 about any cuts in school aid and
 scholarships. Legislative lead-
 ers and budget officials are go-
 ing to work on possible modifi-
 cations, he said.

The governor did not mention
 the possibility of a sales tax on
 real estate transactions or a
 motel-hotel tax, but it was re-
 ported they were discussed at
 the conference.

A sales tax on real estate
 transactions first showed up in
 this legislative session as a Re-
 publican proposal. Sen. James
 H. Donnelly of North King-
 stown, Republican leader in the
 Senate, introduced a bill call-
 ing for a commission to make
 an estimate of the amount of
 revenue that might be realized.
 The bill has made no progress.

Difficulties Foreseen
 The possibility that the alterna-
 tive program still could run
 into legislative difficulties is in-
 dicated by the fact that the
 details of possible modifications
 have yet to be explained to the
 House and Senate members.

Another sign of possible trou-
 ble came in an announcement
 by a group of younger Demo-
 crats in the House of entirely
 different alternatives they
 favor.

This group, led by Rep. Ray-
 mond L. Davignon of Paw-
 tucket, met to oppose the in-
 come tax. Mr. Davignon said
 they discussed such possibilities
 as a five per cent tax on room
 rentals at hotels and motels and
 a 20 per cent tax on admission
 fees to race tracks. He said they
 also discussed a 37½-hour week
 for state employees, already pro-
 posed in Governor Notte's bud-
 get. Efforts to collect dodged
 sales taxes and staggered driv-
 ing licensing periods.

Returns to Municipalities
 Governor Notte's intangible
 personal property tax proposal
 would have the state take over
 that tax from cities and towns
 and reimburse local govern-
 ments for the revenue they
 would lose. The state would
 keep the remainder.

This is the tax which was
 transferred to the state by a
 law enacted last year and later
 ruled unconstitutional by the
 Rhode Island Supreme Court.

The governor's bill would
 apply an intangible tax rate
 set to produce in the next fiscal
 year revenue between \$4,250,000
 and \$4,500,000. The rate could
 go no higher than eight per
 cent. It would be set after valua-
 tions had been obtained from
 taxpayer returns indicating
 what rate would be needed to
 produce the desired amount of
 revenue. As a local tax the
 rate is \$4 for each \$1,000 of
 valuation.

Premium Tax Increase
 The insurance premium tax
 under the governor's proposal
 would be increased from the
 present rate of two per cent to
 three to produce an estimated
 revenue increase of \$1,375,000.

The budget cuts proposed by
 the governor when he first of-
 fered his alternative program
 last month included, besides
 the school aid freeze and schol-
 arship cuts, a \$700,000 cut in
 the state payroll, the financing
 of an additional \$500,000 in
 highway costs through borrow-
 ing rather than on pay-as-you-
 go, deferment of the start of
 the community scholarship pro-
 gram, a freeze in state aid to
 local school construction, reduc-
 tions in budget funds for the
 care of public assistance pa-
 tients in hospitals and conva-
 lescent homes, a 50 per cent cut
 in state aid for Dutch elm dis-
 ease and mosquito control and
 elimination of teacher in-service
 training scholarships.

A \$250,000 item for adminis-
 tration of the income tax freeze
 would be eliminated, a special high-
 way construction fund would be
 cut by \$100,000 and a \$200,000
 item for highway equipment
 would be eliminated.

How all these items fare ap-
 parently will depend on what
 "modifications" in that program
 are decided on.

Still in House Committee
 The governor's income tax
 plan never came out of the
 House finance committee, for
 which it was referred when it
 was introduced with the budget.
 The committee had been wait-
 ing for assurance that if it
 passed the House it would pass
 the Senate. The Senate Demo-
 cratic caucus could not offer
 such assurance.

After receiving one piece of
 new business, the Senate took
 a recess to permit members of
 the Democratic majority to
 caucus.

Meeting briefly in the Senate
 Judiciary committee room, the
 Democrats then sauntered down
 to the governor's office where
 they reportedly were told by
 Mr. Notte that he was still for
 the income tax. Then the sena-
 tors went back into caucus.

Meanwhile, the House of Rep-
 resentatives was called to order,
 but recessed in about 15 min-
 utes to permit a Democratic
 caucus in that branch.

More Than 22 Votes
 When the Senate caucus
 broke up, Sen. William M.
 Davies Jr., of Lincoln, the ma-
 jority leader, went directly to
 the governor's office to report
 what action had been taken.

Income Levy Spurred
 Senator Davies said that the
 caucus voted on the income tax
 as originally proposed by the
 governor, on an income tax
 combined with approximately
 \$3,000,000 in budget cuts and
 on the intangibles and insurance
 tax program.

It was reported that 10 or
 11 Democrats told the caucus
 that they could not vote for an
 income tax no matter what and
 that the highest number of
 votes for the tax appeared to be
 fewer than the 12 it was
 able to muster at the Senate
 caucus last week.

Democratic State Chairman,
 John G. McWeeny did not at-
 tend the Senate caucus and re-
 portedly was not present when
 the senators met with the gov-
 ernor.

When the Senate caucus con-
 cluded, word was relayed to
 the House Democratic caucus
 of the decision made on the
 Senate side.

Rep. James H. Kiernan of
 Providence, Democratic leader
 of the House, said there had
 been a general discussion of
 financial bills. He said some
 members favored one, some
 favored another. But he said no
 vote was taken on anything.

R.I. Weather

Continued From Page One
 the center were covered with
 sleet.

Pulaski Street in the Comp-
 ton section of town and a sec-
 tion of Washington Street in
 Coventry were reported flooded
 and a washout occurred on
 Washington Street at the inter-
 section of Route 116 and Knott
 Road.

It was difficult to learn from
 the meteorologist, but he im-
 mately said that what happened to
 his town was what happened to
 the rest of the state. He was
 making a telephone call to the
 south when it was struck by
 lightning.

He telephoned an operator
 and told her he thought he had
 been hit by lightning. The op-
 erator obtained the number
 on him and summoned Coun-
 try police who found the man

Dr. Legris Di- Practiced For 50 Years

Dr. Louis J. A. Legris
 1527 Centreville Rd., W

IS RHODE ISLAND BEING SCARED INTO AN INCOME TAX?

23,200 Rhode Islanders signed petitions requesting that the State live within its income and that no personal income tax be imposed.

The Administration then announced that the people's will was recognized — there would be no income tax. The price! Slashed aid to education!

We proposed to the Rhode Island General Assembly on May 19, a budget which would meet the needs of the state and would build a better business climate resulting in more jobs on private payrolls and less patronage jobs on political payrolls.

THIS BUDGET

1. Does not deprive our children needed education.
2. Does not sacrifice our social welfare obligations.
3. Does not restrict the public works program.

These proposals provide little leeway for wasteful political patronage, or for inefficiency or waste in the State Administration. Income estimates are realistically based on the yield from present taxes at today's general level of business.

Rhode Islanders are entitled to know the answers to the following questions before they are told to pay increased taxes

- 1) Why must we give away to various private civic organizations over \$200,000 a year?
- 2) Why is the state paying an estimated \$100,000 yearly in overtime pay in the Registry of Motor Vehicles because license renewals are not staggered to level the work load in the department?
- 3) Why is the state paying an estimated \$15,000 a year to provide the state employees with a free educational program with built-in raises?
- 4) Why don't we have a 5% Hotel Room Tax which would fall almost entirely on out-of-staters and would produce an estimated \$500,000 income each year?
- 5) Why don't we provide for effective collection of the Sales and Use Tax now on the books, and thus increase the revenue from these sources by at least \$1,000,000 a year?
- 6) Why do workers in private industry work forty hours a week and the state employees work only thirty-five? The savings per year should amount to \$500,000.
- 7) Why haven't we put into law the issuance of lettered numberplates that will produce an estimated revenue of \$150,000 a year?
- 8) What's behind the serious question whether our state college fees are equal to the fees in the other New England States?
- 9) Why haven't the recommendations of the Fiscal Studies Commission providing yearly savings of \$2,000,000 been put into effect?

Has the fat honestly been cut from the state budget, or is Rhode Island being scared into a State Income Tax?

The only way that our State Government expenses can be controlled

MAIL TO YOUR SENATOR

To: Senator
State House, Providence, R. I.

As registered voters in your district, we wish to protest vigorously against the personal income tax, and urge you to (1) oppose it and (2) hold state spending on the basis of the May 19 budget of the Committee for a More Prosperous Rhode Island

Mr. _____
Mrs. _____
Street & No. _____
City _____

Signatures of other voters at this address.

YOU STILL HAVE TIME

MAIL THESE COUPONS TODAY

Unless you inform your elected representatives of your wishes at once we will have government of the people that will not be government by the and for the people.

Committee for a More Prosperous Rhode Island

MAIL TO YOUR REPRESENTATIVE

To: Representative
State House, Providence, R. I.

As registered voters in your district, we wish to protest vigorously against the personal income tax and urge you to (1) oppose it and (2) hold state spending on the basis of the May 19 budget of the Committee for a More Prosperous Rhode Island.

Mr. _____
Mrs. _____
Street & No. _____
City _____

Signatures of other voters at this address.

Here are the names of all R. I. Senators and Representatives

BARRINGTON	Sen. C. George Desjardis Rep. Oliver L. Thompson Jr.
BRISTOL	Dist. 1 Sen. Gladys M. Brishman Rep. George C. Lima Dist. 2 Sen. George C. Lima Rep. James C. Mohr
BURRILLVILLE	Sen. Roger S. Pierre Rep. James C. Mohr
CENTRAL FALLS	Dist. 1 Sen. Arthur A. Bellumour Rep. Chester Lacy Dist. 2 Sen. Arthur A. Bellumour Rep. Chester Lacy Dist. 3 Sen. Arthur A. Bellumour Rep. Chester Lacy Dist. 4 Sen. Arthur A. Bellumour Rep. Chester Lacy
CHARLESTOWN	Sen. Charles J. Lisk Rep. Rufus K. Prosser
COVENTRY	Sen. William C. Fecteau Jr. Rep. Alfred R. Moon
CRANSTON	Dist. 1 Sen. Paul W. Sweeney Jr. Rep. David S. Sweeney Jr. Dist. 2 Sen. Paul W. Sweeney Jr. Rep. David S. Sweeney Jr. Dist. 3 Sen. Paul W. Sweeney Jr. Rep. David S. Sweeney Jr. Dist. 4 Sen. Paul W. Sweeney Jr. Rep. David S. Sweeney Jr.
CUMBERLAND	Sen. John G. Moran Rep. Joseph A. Thibault
EAST GREENWICH	Sen. G. Ellsworth Cole Jr. Rep. Horace J. D'Alora
EAST PROVIDENCE	Dist. 1 Sen. Gilbert T. Booth Rep. John Canby Dist. 2 Sen. Joseph Perry Jr. Rep. Joseph Perry Jr. Dist. 3 Sen. Joseph Perry Jr. Rep. Joseph Perry Jr. Dist. 4 Sen. Joseph Perry Jr. Rep. Joseph Perry Jr.
EXETER	Sen. Harry W. Houkley Rep. Oscar C. Pratt
FOSTER	Sen. Ernest L. Nye Rep. Maurice Feenley
GLOUCESTER	Sen. Charles J. Fogarty Rep. Henry C. Hawkins
HOPKINTON	Sen. Arthur M. Catlett Jr. Rep. Walter E. Hervey
JAMESTOWN	Sen. Chester J. Greene Rep. James A. Galagher
JOHNSTON	Sen. Thomas R. DiLullo Rep. Bernard T. McDonald
LINCOLN	Dist. 1 Sen. William M. Davies Jr. Rep. William M. Davies Jr. Dist. 2 Sen. William M. Davies Jr. Rep. William M. Davies Jr.
LITTLE COMPTON	Sen. Harvey S. Reynolds Rep. Edward H. Bowen
MIDDLETOWN	Sen. Allen S. Harlow Rep. Edward H. Bowen
NARRAGANSETT	Sen. E. Eric Conant Rep. William P. Bolter
NEW SHOREHAM	Sen. William P. Lewis Rep. Samuel O. Mott
NEWPORT	Dist. 1 Sen. Joseph A. Soveg Rep. Joseph A. Soveg Dist. 2 Sen. Joseph A. Soveg Rep. Joseph A. Soveg Dist. 3 Sen. Joseph A. Soveg Rep. Joseph A. Soveg Dist. 4 Sen. Joseph A. Soveg Rep. Joseph A. Soveg
NORTH KINGSTOWN	Sen. James H. Dineenly Rep. Lloyd M. Lucas
NORTH PROVIDENCE	Sen. Frank Spontola Rep. Alfred Spontola
NORTH SMITHFIELD	Sen. Howard J. Lockner Rep. Howard J. Lockner
PAWTUCKET	Sen. Dist. 1 Sen. Andrew J. Lattelle Rep. Andrew J. Lattelle Sen. Dist. 2 Sen. Andrew J. Lattelle Rep. Andrew J. Lattelle Sen. Dist. 3 Sen. Andrew J. Lattelle Rep. Andrew J. Lattelle Sen. Dist. 4 Sen. Andrew J. Lattelle Rep. Andrew J. Lattelle Sen. Dist. 5 Sen. Andrew J. Lattelle Rep. Andrew J. Lattelle Sen. Dist. 6 Sen. Andrew J. Lattelle Rep. Andrew J. Lattelle Sen. Dist. 7 Sen. Andrew J. Lattelle Rep. Andrew J. Lattelle Sen. Dist. 8 Sen. Andrew J. Lattelle Rep. Andrew J. Lattelle Sen. Dist. 9 Sen. Andrew J. Lattelle Rep. Andrew J. Lattelle Sen. Dist. 10 Sen. Andrew J. Lattelle Rep. Andrew J. Lattelle
PORTSMOUTH	Sen. Thomas M. Levesque Rep. William P. Galagher
PROVIDENCE	Sen. Dist. 1 Sen. Harold S. Mastak Rep. Harold S. Mastak Sen. Dist. 2 Sen. Prime Jacobson Rep. Prime Jacobson Sen. Dist. 3 Sen. Joseph L. Luongo Rep. Joseph L. Luongo Sen. Dist. 4 Sen. Robert C. Grimes Rep. Robert C. Grimes Sen. Dist. 5 Sen. Irving J. Wilber Rep. Irving J. Wilber Sen. Dist. 6 Sen. Irving J. Wilber Rep. Irving J. Wilber Sen. Dist. 7 Sen. Irving J. Wilber Rep. Irving J. Wilber Sen. Dist. 8 Sen. Irving J. Wilber Rep. Irving J. Wilber Sen. Dist. 9 Sen. Irving J. Wilber Rep. Irving J. Wilber Sen. Dist. 10 Sen. Irving J. Wilber Rep. Irving J. Wilber Sen. Dist. 11 Sen. Irving J. Wilber Rep. Irving J. Wilber Sen. Dist. 12 Sen. Irving J. Wilber Rep. Irving J. Wilber Sen. Dist. 13 Sen. Irving J. Wilber Rep. Irving J. Wilber Sen. Dist. 14 Sen. Irving J. Wilber Rep. Irving J. Wilber Sen. Dist. 15 Sen. Irving J. Wilber Rep. Irving J. Wilber Sen. Dist. 16 Sen. Irving J. Wilber Rep. Irving J. Wilber Sen. Dist. 17 Sen. Irving J. Wilber Rep. Irving J. Wilber Sen. Dist. 18 Sen. Irving J. Wilber Rep. Irving J. Wilber Sen. Dist. 19 Sen. Irving J. Wilber Rep. Irving J. Wilber Sen. Dist. 20 Sen. Irving J. Wilber Rep. Irving J. Wilber Sen. Dist. 21 Sen. Irving J. Wilber Rep. Irving J. Wilber Sen. Dist. 22 Sen. Irving J. Wilber Rep. Irving J. Wilber Sen. Dist. 23 Sen. Irving J. Wilber Rep. Irving J. Wilber Sen. Dist. 24 Sen. Irving J. Wilber Rep. Irving J. Wilber Sen. Dist. 25 Sen. Irving J. Wilber Rep. Irving J. Wilber
RICHMOND	Sen. Louis E. Perreault Rep. William H. Woodward
SCITUATE	Sen. Harry J. Hill Rep. George W. Gardner
SMITHFIELD	Sen. Walter J. Kane Rep. Antonio Mandas
SOUTH KINGSTOWN	Sen. Charles E. Clark Rep. Charles E. Clark
TIVERTON	Sen. Frank A. McHugh Rep. Joseph Stanton
WARREN	Sen. Fred J. Janette Rep. Joseph A. Meroney
WARWICK	Dist. 1 Sen. Robert M. Breslin Jr. Rep. Robert M. Breslin Jr. Dist. 2 Sen. Robert M. Breslin Jr. Rep. Robert M. Breslin Jr. Dist. 3 Sen. Robert M. Breslin Jr. Rep. Robert M. Breslin Jr.
WEST GREENWICH	Sen. Leon D. Andrew Jr. Rep. John L. Albro Jr.
WEST WARWICK	Sen. Francis J. LeChesnie Rep. Felix A. Anselmo
WESTERLY	Dist. 1 Sen. Francis J. LeChesnie Rep. Felix A. Anselmo Dist. 2 Sen. Francis J. LeChesnie Rep. Felix A. Anselmo Dist. 3 Sen. Francis J. LeChesnie Rep. Felix A. Anselmo
WOOSOCKET	Dist. 1 Sen. Francis P. Smith Rep. William J. Bollerens Jr. Dist. 2 Sen. Francis P. Smith Rep. William J. Bollerens Jr. Dist. 3 Sen. Francis P. Smith Rep. William J. Bollerens Jr. Dist. 4 Sen. Francis P. Smith Rep. William J. Bollerens Jr. Dist. 5 Sen. Francis P. Smith Rep. William J. Bollerens Jr. Dist. 6 Sen. Francis P. Smith Rep. William J. Bollerens Jr. Dist. 7 Sen. Francis P. Smith Rep. William J. Bollerens Jr. Dist. 8 Sen. Francis P. Smith Rep. William J. Bollerens Jr.

Senate Caucus Kills Income Tax

Only subsequent developments can determine whether optimism is justified. It is just four weeks ago when some leaders were voicing some optimism after rejecting that their caucuses had "bought" the alternative program of a state intangible tax, an increase in the insurance tax, combined with budget totaling \$3,360,000.

The income tax proposal, on which the governor had given hope late in April, bounced back into contention when opposition built up to the alternative program. The opposition's strongest argument was a proposal to freeze state aid to schools at 1961 levels and to cut in half the number of new scholarships.

May Modify Outbacks
The governor said after yesterday's meeting with Democratic leaders that the budget cuts under the alternative program might be modified. He said he was especially concerned about cuts in school aid and scholarships. Legislative leaders and budget officials are going to work on possible modifications, he said.

The governor did not mention possibility of a sales tax on estate transactions or a hotel-tax, but it was reported they were discussed at conference.

A sales tax on real estate transactions first showed up at a legislative session as a Republican proposal. Sen. James Donnelly of North Kingstown, Republican leader in the house, introduced a bill to estimate of the amount of revenue that might be realized. A bill has made no progress.

Difficulties Foreseen
The possibility that the alternative program still could run into legislative difficulties is indicated by the fact that the bill of possible modifications was yet to be explained to the house and Senate members.

Another sign of possible trouble came in an announcement by a group of younger Democrats in the House of entirely different alternatives they favor.

This group, led by Rep. Raymond L. Davignon of Pawtucket, met to oppose the income tax. Mr. Davignon said he discussed such possibilities with a five per cent tax on room rentals at hotels and motels and 20 per cent tax on admission to race tracks. He said they also discussed a 37½-hour week for state employees, already proposed in Governor Notte's budget efforts to collect dodged taxes and staggered driver licensing periods.

Returns to Municipalities
Governor Notte's intangible personal property tax proposal was to have the state take over tax from cities and towns and reimburse local governments for the revenue they would lose. The state would pay the remainder.

This is the tax which was referred to the state by a committee last year and later declared unconstitutional by the state Supreme Court.

More Than 22 Votes
When the Senate caucus broke up, Sen. William M. Davies Jr. of Lincoln, the majority leader, went directly to the governor's office to report what action had been taken.

Later he told reporters: "The only measure for which there was sufficient support to insure passage in the Senate was the governor's alternative proposal consisting of a tax on intangible personal property and an increase in the tax on insurance premiums in this state."

Senator Davies said that caucus voted on the income tax as originally proposed by the governor, on an income tax combined with approximately \$3,000,000 in budget cuts on the intangibles and insurance tax program.

It was reported that 10 Democrats told the caucus that they could not vote for an income tax no matter what the highest number of votes for the tax appeared to be fewer than the 12 it was able to muster at the Senate caucus last week.

Democratic State Chairman John G. McWeeney did not attend the Senate caucus and reportedly was not present when the senators met with the governor.

When the Senate caucus concluded, word was relayed to the House Democratic caucus of the decision made on the Senate side.

Rep. James H. Kiernan of Providence, Democratic leader of the House, said there had been a general discussion of financial bills. He said some members favored one, some favored another. But he said no vote was taken on anything.

Fiscal Program Put Before House

Budget Is Cut, Intangibles Tax Included

The House finance committee gave approval yesterday to what would be the General Assembly's final version of a long sought new state fiscal program.

The committee voted to recommend passage of bills that would do this:

1. Transfer from city and town governments to the state the intangible personal property tax.
2. Increase the state tax on insurance premiums from the present two per cent rate to three per cent.
3. Continue intact the state's scholarship program.
4. Maintain state aid for the support of public schools and for local school construction close to the pace called for in present law.
5. Reduce Governor Notte's original budget by about \$2,000,000, with the biggest single cut slated for the payroll.
6. Defer a planned start on the establishment of community colleges.

The tax program is the alternative one Governor Notte offered as his second choice to the rejected state income tax proposal. The appropriation bill changes are a modified version of reduced spending plans the governor had proposed as part of his alternate proposals.

The finance committee cut \$2,210,284 from the governor's original budget, but added new items that would cost \$258,336. That made a net reduction of \$1,951,948.

The committee approved bills call for appropriations totaling \$98,945,770 and anticipate state revenue of \$99,242,640.

The committee approved the full \$685,250 recommended in the governor's original budget to carry the scholarship program into its second year on the same formula set for it in the 1960 law. A proposal to cut new scholarships in half was rejected.

Under the committee's recommended appropriation bill state aid for the support of public schools under the so-called "foundation" program would be fixed at 105 per cent of this year's total. State aid for local school construction also would be set at 105 per cent of present year appropriations.

The 105 per cent formula would bring both totals close to what they would have been under the governor's original budget.

School foundation aid in the present budget comes to \$13,793,535. The governor's budget contemplated a total of \$14,500,000 for the next fiscal year. The committee's 105 per cent recommendation puts the new appropriation at \$14,483,212.

Current state aid to local school housing comes to \$1,311,310. The governor's budget called for \$1,410,000 for the next fiscal year. The committee formula calls for an appropriation of \$1,376,876.

Put on Calendar
The two tax bills were reported to the House just before 6 o'clock by Rep. John J. Wrenn, D-Providence, the finance committee chairman. They were put on the House calendar for tomorrow.

The committee worked until after 7 on the appropriation bill. Mr. Wrenn then announced committee approval of the bill and said it would be reported to the floor at the start of today's session.

The House is expected to begin debate on the appropriation bill this afternoon. Republicans reportedly are planning to offer many amendments and the debate could be a lengthy one. Republicans have only 20 of the 100 members, however.

Cuts Proposed
The finance committee made the House in the governor's original budget proposals:

A payroll reduction of \$655,740 through the elimination of jobs and less overtime pay. A 50 per cent cut in general education scholarships, from \$90,000 to \$45,000, under an old scholarship program.

Elimination of \$250,000 that had been proposed for the start of a community college program.

A cut in the program of scholarships in teacher training from \$85,000 to \$11,250. The \$11,250 was retained to continue scholarships in commercial teaching at Bryant College for Rhode Island College students.

Elimination of a planned \$150,000 increase in payments to hospitals for public assistance cases.

Convalescent Homes
A cut of \$78,000 in payments to convalescent homes for the care of public assistant recipients. Under this plan a scheduled \$2 per week increase is cut to \$1 per week.

Fifty per cent cuts in state contributions to Dutch elm disease and mosquito control efforts, amounting to a reduction of \$25,000 in Dutch elm funds and \$20,000 in state funds for mosquito control.

A \$100,000 cut in a general construction fund.

Elimination of a \$200,000 item for highway equipment.

Highway Financing
A cut of \$500,000 in pay-as-you-go financing of the state's share of the federal highway program, an item that now will be put under bond financing instead.

A \$40,000 reduction in the cost of group life insurance for state employees.

Bill Is No Solution, Rep. Wrenn Declares

A tax program that appeared headed for General Assembly approval was virtually disowned by the Democratic chairman of the House finance committee after he recommended its passage yesterday.

Bills calling for a state intangible personal property tax and an increase in the tax on insurance premiums were reported favorably to the House by Rep. John J. Wrenn, D-Providence, for the finance committee.

At a press conference a short time later Mr. Wrenn, who will have responsibility for guiding the tax bills through the House, told reporters they will not solve the state's problems.

Mr. Wrenn said he was disappointed that Governor Notte's income tax proposal was not accepted by the legislature. He said it would have put the state's tax structure on a sound basis.

Of the two tax bills approved by his committee, Mr. Wrenn said: "The passage of these two bills will in no way solve the long range tax problems confronting the people of Rhode Island and the General Assembly to provide the state essential needs in the fields of education, social welfare and allied services which are necessary for the health and welfare of the people of our state."

Mr. Wrenn said he felt badly about the failure of the income tax because it had been recommended by "competent and successful" people.

The finance committee made some other changes in the bill, including a new assessment date. The previous version had set the assessment time as 6 p.m. on May 31. The chances are now that the bill will not have been enacted by that time so the committee moved the date up to June 30.

Another committee amendment was drawn to plug a loophole in earlier proposals. The new version is intended to prevent anyone from dodging the tax by setting up a revocable trust in another state. Intangibles in revocable trusts will not be exempt under the new language.

Tax Levy Set
The bill reported out by the finance committee yesterday requires a minimum of \$4,600,000 and a maximum of \$4,900,000.

The tax would be assessed at a rate that would produce the amount of the levy after valuations had been determined on the basis of taxpayers' returns. The rate could go no higher than \$8 for each \$1,000 valuation.

Local governments have been collecting only about \$1,600,000 from the tax. The state under the bill's provisions would distribute to each city and town a share of the state returns equal to what it actually collects this year from the local levy from assessments made last Dec. 31.

The reason for boosting the limits of the levy in the bill reported yesterday was said to be that the state wanted to be sure to net at least \$3,000,000 for its own treasury after distributing the local shares.

As submitted by Governor Notte a few weeks ago the bill required a levy of no less than \$4,250,000 and no more than \$4,500,000.

The rate would be assessed at a rate that would produce the amount of the levy after valuations had been determined on the basis of taxpayers' returns. The rate could go no higher than \$8 for each \$1,000 valuation.

Local governments have been collecting only about \$1,600,000 from the tax. The state under the bill's provisions would distribute to each city and town a share of the state returns equal to what it actually collects this year from the local levy from assessments made last Dec. 31.

The reason for boosting the limits of the levy in the bill reported yesterday was said to be that the state wanted to be sure to net at least \$3,000,000 for its own treasury after distributing the local shares.

Another committee amendment was drawn to plug a loophole in earlier proposals. The new version is intended to prevent anyone from dodging the tax by setting up a revocable trust in another state. Intangibles in revocable trusts will not be exempt under the new language.

Tax Levy Set
The bill reported out by the finance committee yesterday requires a minimum of \$4,600,000 and a maximum of \$4,900,000.

The tax would be assessed at a rate that would produce the amount of the levy after valuations had been determined on the basis of taxpayers' returns. The rate could go no higher than \$8 for each \$1,000 valuation.

Local governments have been collecting only about \$1,600,000 from the tax. The state under the bill's provisions would distribute to each city and town a share of the state returns equal to what it actually collects this year from the local levy from assessments made last Dec. 31.

The reason for boosting the limits of the levy in the bill reported yesterday was said to be that the state wanted to be sure to net at least \$3,000,000 for its own treasury after distributing the local shares.

Another committee amendment was drawn to plug a loophole in earlier proposals. The new version is intended to prevent anyone from dodging the tax by setting up a revocable trust in another state. Intangibles in revocable trusts will not be exempt under the new language.

Tax Levy Set
The bill reported out by the finance committee yesterday requires a minimum of \$4,600,000 and a maximum of \$4,900,000.

The tax would be assessed at a rate that would produce the amount of the levy after valuations had been determined on the basis of taxpayers' returns. The rate could go no higher than \$8 for each \$1,000 valuation.

Local governments have been collecting only about \$1,600,000 from the tax. The state under the bill's provisions would distribute to each city and town a share of the state returns equal to what it actually collects this year from the local levy from assessments made last Dec. 31.

Democrats Kill All GOP Moves To Reduce Sum

The first of the big fiscal bills of the long General Assembly session, providing for spending \$98,945,770 to run the state government in the next fiscal year, was passed by the House yesterday. The Democrats voted down all Republican efforts to reduce it.

The small Republican minority made futile attempts all through the four-hour debate to reduce or eliminate specific items and wound up with an amendment to knock \$3,000,000 off the total appropriation.

The last move failed along with the rest and the bill as finally voted had not been cut by a penny from the \$98,945,770 that had been sent to the floor by the Democratic-controlled finance committee.

The spending bill was passed before the new taxes that will provide some of the money. The House is scheduled to take up today the two tax bills offered as substitutes for an income tax. One would transfer the intangible personal property tax from local governments to the state while the other would increase the tax on insurance premiums from two per cent to three.

The Democratic leadership hopes to pass the tax bills the afternoon and send them to the Senate, with the appropriation bill wound up in a big argument over who killed Governor Notte's income tax proposal.

Republicans said the income tax was a failure because of lack of leadership by Governor Notte.

Fiscal Bill
Continued From Page One
The bill reported out by the finance committee yesterday requires a minimum of \$4,600,000 and a maximum of \$4,900,000.

The tax would be assessed at a rate that would produce the amount of the levy after valuations had been determined on the basis of taxpayers' returns. The rate could go no higher than \$8 for each \$1,000 valuation.

Local governments have been collecting only about \$1,600,000 from the tax. The state under the bill's provisions would distribute to each city and town a share of the state returns equal to what it actually collects this year from the local levy from assessments made last Dec. 31.

The reason for boosting the limits of the levy in the bill reported yesterday was said to be that the state wanted to be sure to net at least \$3,000,000 for its own treasury after distributing the local shares.

Another committee amendment was drawn to plug a loophole in earlier proposals. The new version is intended to prevent anyone from dodging the tax by setting up a revocable trust in another state. Intangibles in revocable trusts will not be exempt under the new language.

Tax Levy Set
The bill reported out by the finance committee yesterday requires a minimum of \$4,600,000 and a maximum of \$4,900,000.

not get support from his own party. "You did not have the leadership to put it through so don't blame it on the leadership of the state or on the Republican Party," Mr. Thompson said.

Mr. Wrenn praised Governor Notte as the first Rhode Island governor "who had the guts to come out for an income tax."

In criticizing "pressure groups" he said had defeated the income tax, Mr. Wrenn mentioned the Weekapaug Group and the Committee for a More Prosperous Rhode Island. He said some members of the Weekapaug Group "did go on a higher plane" and supported the income tax.

Scholarships Retained
He said the editorial rooms of newspapers had "failed to exercise leadership" during the tax discussions, although he credited reporters who covered the subject with having done a good job in reporting what was happening.

The appropriation bill that passed the House retains the state's new scholarship program at its originally established scope and gives cities and towns state aid for local school operations and school construction that almost equals that of the original formula.

The afternoon's arguments began with a complaint from Mr. Chafee that the House was taking up the fiscal bills backward. He said it ought to be acting on the tax bills before voting appropriations so that it would know how much money would be available.

Mr. Wrenn said he had offered to take up the tax bills first but that Mr. Chafee did not want it that way. Mr. Chafee replied that there had been no time for Republicans to study the tax bills, which showed up on their desks yesterday. He said he still was willing to drop the appropriation discussions and take up the tax bills, a move that was ruled out of order by Speaker Harry F. Curvin.

Attacks Notte Office Budget
Mr. Chafee's first effort to cut the appropriation bill was directed at the money for the office of Governor Notte. He offered an amendment to cut the governor's funds from the bill's provision of \$159,665 to \$127,785. On a 52 to 20 division vote Mr. Chafee lost out and his amendment was laid on the table.

The Republican leader said the budget for Mr. Notte's office would be 25 per cent greater than that of any previous governor and four times greater than that when Senator Pastore was governor. He said Mr. Notte had been doing a lot of talking about a "tight budget" and "cutting to the bone" but that he was not practicing it in the budget for his own office.

Mr. Wrenn replied that former Governor Del Sesto, employing "the utmost political hypocrisy," had some of his office payroll in the account of the Development Council. He said Mr. Notte was offering "an honest budget and is not hiding behind any other agencies."

"Challenge You"
Mr. Chafee contended that Mr. Notte already had cut the proposed state budget from \$101,000,000 to \$98,000,000. He said it probably could easily be cut down to \$94,000,000. "What is adequate around here?" he asked.

Mr. Wrenn replied: "What longer you and the Republican Party to cut this budget \$4,000,000 more without curtailing essential services?"

Mr. Curvin entered the discussion to accuse Mr. Chafee of attempting to play politics with this appropriation bill. He blamed the state's current financial problems on the previous Republican administration and said Mr. Del Sesto had left Mr. Notte "with his back against the wall as far as revenue is concerned."

The Republican leader offered an amendment to cut the budget of the Registry of Motor Vehicles by \$100,000. He called the registry the "North Providence alumni association." He jested that there are two requirements for a job at the registry—"that you be from North Providence and that you are a loyal Democrat who is for Governor Notte." The amendment was tabled.

Tax Collection Defended
A \$3,000 cut in the \$14,654 appropriation for the division of charitable trusts in the Attorney General's Department was sought by Mr. Chafee through another amendment that was swiftly squelched by the Democrats.

The minority leader suggested that "substantial amounts of new revenue would be available" if tax collections were more strictly enforced.

He asked if the tax was being collected on items subject to the sales tax but purchased outside Rhode Island.

Mr. Wrenn said he understands that Fred Langton, state tax administrator, is negotiating with at least one Fall River furniture mart for collection at the source of taxes from Rhode Island customers. He defended present collection activity. A \$70,000 survey ordered by the Del Sesto administration came up with "no substantial disclosure" that much more money could be collected. Mr. Wrenn said.

The deputy majority leader added that Mr. Langton is looking into the field of marine transactions—boats, boat engines, etc.—to determine if tax collection is adequate.

Social Welfare Question
Rep. Bernard C. Gladstone, D-Providence, raised the question of whether there were sufficient social case workers available when the \$29,450,946 budget for the Department of Social Welfare—the state's costliest department—came up for discussion.

Mr. Gladstone said local case workers were shouldering a caseload of 155 cases each when only 75 is recommended. By spending money to hire more workers, substantial savings might be made, he said, especially in the field of aid to dependent children.

Mr. Chafee expressed agreement. An investigation of the aid to dependent children program would disclose "a scandalous condition," he said. He added that he did not imply the situation is known by the administration, but it does exist, he declared. Mr. Chafee gave no specifics.

There was more Democratic-Republican agreement when Mr. Chafee said in discussion of the division of aeronautics that the airline using state airports should be taxed.

Mr. Wrenn acknowledged that it was a subject that should be looked into by officials in charge. Charges to airlines have gone up by 100 per cent in the last four years, he said.

Rep. Charles H. Bechtold, R-South Kingstown, called North Central Airport "a white elephant" that should be discontinued. Mr. Wrenn said it might become important as northern Rhode Island develops.

Mr. Bechtold, the deputy minority leader, also challenged operations of the division of harbors and rivers. He said the division chief, Henry Ice, was not responsive to requests for studies seemingly within his jurisdiction. Another Public Works Department item of \$107,000 for overtime pay to Jamestown Ferry employees indicates the division "is not being run properly," he said. No effort was made to amend, however.

The story was different in the Department of Business Regulation account, where Mr. Chafee sought to cut \$3,000 from the \$18,987 allotted to the division of upholstery. The allocation for the three-man unit, checking on upholstery materials had "snuck up very gradually" over the years, he said. "We ought to cut back to see how much of a howl we get."

Amendment Tabled
His amendment was tabled after Mr. Wrenn said the division performed "important functions" in "ensuring cleanliness of materials in furniture" and various other duties.

The two leaders clashed on the matter of state aid to education for the cities and towns. Mr. Chafee maintained that Democratic changes in former Governor Del Sesto's foundation program proposal last year enabled municipalities to use the aid money in non-education areas. Mr. Wrenn denied that the original Del Sesto bill would have prevented this.

He announced that Governor Notte is having legislation drawn for a "complete survey" of school aid and scholarship programs of the state. Such a study "is vitally necessary to determine future costs" in the constantly burgeoning aid program, he said. Results of the study should be on hand for next year's budget deliberations.

Mr. Wrenn criticized the amount of money paid Governor Assembly pages and doorkeepers as too much, while a Democrat assailed the pay of legislators as too little when the \$379,061 General Assembly appropriation was reached.

Scholarships and Pages
Rep. Robert H. Breslin, R-Warwick, contended that state scholarships obviated the need to hire extra pages in order to help the youths through college. The number of doors in the legislative chambers hampers warrants the number of doorkeepers retained, he said. Speaker Harry F. Curvin said "the last place" any cuts should be attempted should be in areas affecting "teenagers" needing education money and "poor old fellows" assigned as doorkeepers.

Mr. Gladstone asserted that legislators should receive \$5,000 annually to let them attend sessions full time for six months.

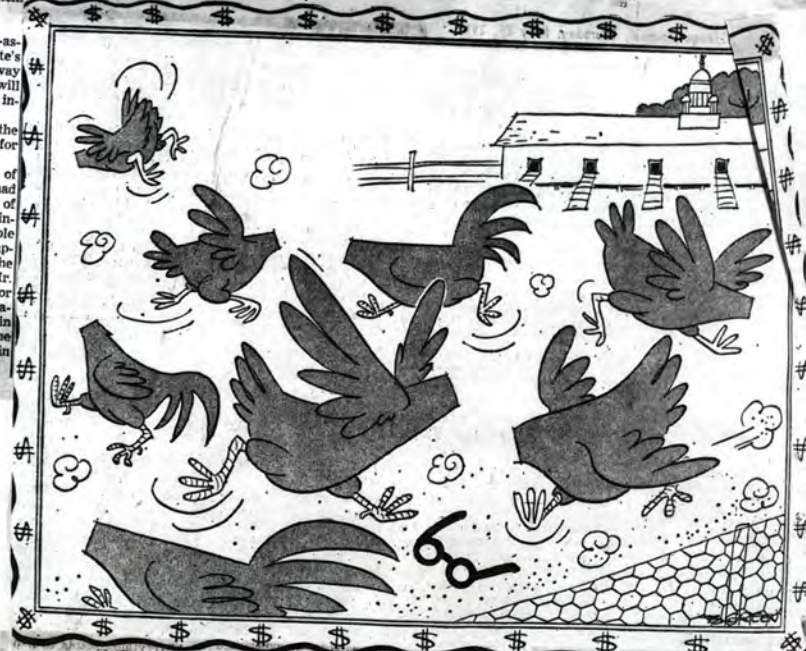
and "properly serve the people of the state." On the present \$300 annual salary, only a handful can afford to take time to attend committee sessions to become properly acquainted with legislative matters on which they vote, he declared.

One budget cut was proposed by a Democratic member, Rep. Matthew C. Cunningham of Pawtucket. He moved to eliminate a \$2,025 appropriation for the state's share of the budget of the New England Interstate Water Pollution Control Commission.

Mr. Cunningham, a long-time critic of the Blackstone Valley

Sewer Authority, said all Rhode Island is getting for its participation in the New England compact is "a lot of soapuds coming down the Blackstone River." He said the soapuds and other forms of water pollution were coming down the river from Massachusetts.

"If we had any sense we should eliminate the appropriation for



R.I. Tax Picture

R.I. House Approves \$98.5-Million Outlay

GOP Says Rise In State Taxes Is Not Needed

Senate Republicans Offer Plan to Meet \$98,544,770 Outlay

Senate Republicans yesterday offered a fiscal plan that they said would support the state administration's \$98,544,770 appropriation bill without any increase in state taxes.

The Republicans said that with their proposal there would be no need for the state intangible personal property tax and the increase in the tax on insurance premiums that already have been voted by the House.

At the heart of the GOP proposal is the use for operating expenses of \$1,600,000 in inheritance tax revenue that would otherwise go to the public assistance reserve fund, \$840,000 that was earmarked for the now defunct driving license rebates, and \$1,400,000 in planned economies.

Other General Assembly fiscal developments yesterday included these: The two tax bills and the appropriation bill arrived in the Senate from the House and were referred to the Senate finance committee.

The finance committee set private hearings on the two tax bills. A hearing on the insurance bill was scheduled for 1:30 today and one on the intangible tax bill at 1:30 tomorrow. Cornelius C. Moore, Newport attorney, who successfully fought an intangible tax bill enacted last year, will be heard at tomorrow's sessions.

The House put off until today action on a bill providing the distribution formula for the local government sharing of the intangible tax revenue. Sen. James H. Donnelly of North Kingstown, Republican Senate leader, outlined a detailed Republican fiscal program that he maintained would support the administration's

chunk of revenue that currently is slated to go to a public assistance reserve fund, earmarked for future assistance costs.

Under present law only the first \$2,000,000 of inheritance tax revenue in any one fiscal year goes into the state's general fund. The remainder goes into the public assistance reserve. A provision in the appropriation bill that has passed the House would assign the first \$3,500,000 to the general fund and anything above that to the public assistance reserve.

At the end of April the inheritance tax in the present fiscal year already had produced \$4,735,000, which meant that under the administration plan \$1,235,000 would go to the public assistance reserve, plus the inheritance tax revenue received during the remainder of the fiscal year ending June 30.

Senator Donnelly predicted that the excess will amount to \$1,600,000 by June 30. He proposed that such an amount be added to the revenue available for the new budget instead of being assigned to the reserve fund.

He said an additional \$840,000 would be available because the administration program had contemplated that much of a cut in driving license fees, a plan since killed.

License Refund Sum Available
The administration acknowledged yesterday that the revenue estimates accompanying the program voted by the House last week anticipated that driving license fees would be cut in half. The Senate defeated the fee cut bill last Friday and the administration said about \$840,000 now can be added to the revenue estimate.

The Republican plan included savings totaling \$1,400,000 which Senator Donnelly said the administration could make by carrying out Governor Notte's economy pledges. He said they would include \$700,000 in the present fiscal year and \$700,000 in the fiscal year beginning in July.

The program which passed the House included a \$2,000,000 cut in the governor's original

34
But Democratic leaders put it off because they lacked assurance of the necessary 67 votes for passage. Republicans had indicated that they were not planning to vote at all on the measure.

An administration bill authorizing \$27,000,000 worth of highway borrowing was reported favorably by the finance committee and put on tomorrow's calendar.

The bill would carry out an authorization procedure set up when the accelerated highway program was approved by the voters last year. The borrowing through notes would be undertaken in anticipation of eventual reimbursement by the federal government in federal aid for interstate routes.

The Republican plan boosted the administration revenue estimates for the sales and corporation taxes by a total of \$400,000. Sen. C. George DeStefano, Deputy Republican leader, said that with improved business conditions the revenue would go still higher.

Distribution Formula Delay
Senator Donnelly estimated that under the Republican plan the state could finance the new budget and end up with a surplus of \$451,870. His plan did not include, however, a \$420,000 driving license refund proposed in a Democratic bill introduced in the House yesterday.

The House bill setting up a formula for the distribution of local shares of the state intangible tax revenue had been scheduled for passage yesterday.

"It's a question of whether they have the right system or we have. We insist on the good things in life without self-discipline, then we've finished," Mr. Gallogly concluded.

spending plans without a tax increase.
Under the Republican proposal the state would use a sizable
Continued on Page 9, Col. 1

The Tax Mess in a Leaderless State House

R.J. May 25, 1961
Governor Notte has displayed an appalling lack of leadership in permitting tax deliberations in the General Assembly to fall into a state of utter chaos.

The situation is publicly dangerous in that the vacuum created by the governor's lack of initiative invites determined legislators to put through their own tax program, whether it promotes the state's economy or not.

Twice, now, the Democratic caucus in the Senate has rejected the governor's proposal for a personal income tax coupled with adjustments in other taxes, a variation of principles set forth in the reasoned report of the Stoltz committee. For the second time, the governor has abandoned principles in the Stoltz report, and has fallen back on a state-collected tax on intangibles, like stocks and bonds, plus a rate increase in insurance premium taxes and vague proposals for cutting expenses.

The sorry fact is that the governor has not convinced responsible groups in the community that the Stoltz report deserves support. Consequently, he and the legislature are no further forward with a sound tax program than they ever were, and after two weeks of conferences, a course of action accept-

able to the taxpayers yet is to be found.

Evidence supports the view that Sen. William M. Davies Jr., of Lincoln, Democratic floor leader whose job is to fight for the administration's program in the Senate, has done most to frustrate the governor's leadership role. It was Senator Davies who proposed a state-collected intangibles tax while the governor was proposing the income tax. It was Senator Davies who presided over the Senate Democratic caucus which twice rejected the governor's income tax program, although the House was ready to accept it.

With the governor backing down a second time from the income tax, House leaders now have introduced an alternative program based on the intangibles formula. Details of the alternative program must be submitted to the taxpayers if the General Assembly is to get from them the consent which will make the program workable.

It is now a fact that a state-collected tax on intangibles and an insurance premium tax rate increase figure in their program. There is no reason to believe that justification for either tax has increased since they were first offered a month ago. The intangibles

tax might well drive investment securities, if not their owners, out of Rhode Island. State insurance company executives report that an increase from two to three per cent on premiums will bring retaliation from other states, causing them to pay up to eight times more revenue to outside states in which they do business than they would pay to Rhode Island. Enactment of a tax with that effect would be tragic.

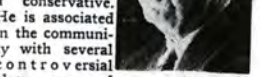
The governor's failure to furnish leadership has created almost daily new splinter groups in the Assembly with their own pet taxes. An example is a group of about 10 young House Democrats who favor a five per cent tax on hotel and motel room rentals, and a 20 per cent tax on admission fees to race tracks. The longer it took the governor to make up his mind on taxes, the more numerous were the splinter groups who have yet to be heard from on the new program and it will be anybody's guess as to what kind of tax program finally will be enacted.

The tragic lesson from the present mess is this: A reasoned tax plan like the Stoltz committee report is worthless if there is no leader in the governor's office to mobilize community support to put it across.

The governor gets caught in a political deadlock

By playing politics over the appointment of a Republican to the state personnel appeal board, Governor Notte has caught himself on a merry-go-round from which he may have trouble getting free before the General Assembly ends its annual session. He also has shown that the law on selecting the minority board member needs revision.

The term of Republican Edwin T. Scallon expired on April 1. Mr. Scallon is a conservative. He is associated in the community with several controversial ideas, none of them relating to his performance in state office. The governor decided not to reappoint Mr. Scallon for reasons he knows best, although Mr. Scallon's non-official activities may give the governor the opportunity to embarrass the Republican Party by making a fuss over reappointment of one of its more conservative members. Anyhow, the governor chose another Republican for Mr. Scallon's job.



Scallon

But the law requires that the Republican member shall be approved by the Republican state chairman before his name is sent to the Senate for confirmation. The state chairman did not approve the governor's first choice to succeed Mr. Scallon, nor his second choice, nor

his third choice, and says he will disapprove further choices if any are forthcoming.

So the private little game among the governor, the Republican Party and Mr. Scallon is in the farcical stage in which each choice by the governor is being knocked down by the chairman. The farce could keep on until the Assembly adjourns, when no Senate will be around to confirm an appointee and Mr. Scallon will keep his job under a general law stating that an incumbent shall continue in office until his successor is appointed and qualified.

In the public interest, the personnel appeal board should be bipartisan. The board reviews cases of dismissed state employees. If all its members were of the party in power, employees dismissed unfairly might get short shrift.

To make sure the board is bipartisan, the minority party chairman should pass on the political loyalty of the member chosen to represent his party on the board. But giving the minority chairman a veto over the governor's appointee is not necessary to guarantee the member's loyalty. Adequate protection would be provided if the law called on the governor to select the minority member from a list drafted by the minority chairman. This method is used in selecting members of the board of elections. If it were used in selecting the minority member of the personnel appeal board, there would be no repetition of the farce now involving Mr. Scallon's job.

Some Want Curbs Committee Has Power Over Jobs of Members

By JOHN B. LAKE JR.

The power of the Democratic town committee in West Warwick is tremendous and overriding, but there are those who think it should be modified to bar members from holding other town office.

Behind that reasoning — and some highly-placed Democrats go along with it is the fact town committeemen who hold other offices are in a position to perpetuate themselves in office.

They, in effect, become a closed group whose members, barring an infrequent party pri-

mary upset, can wield their authority to endorse candidates for election and appointment and make themselves virtually a super-government.

Occasionally, a maverick councilman may go against town committee recommendations, but usually one who does will feel the weight of the town committee next time endorsements for nominations to office come up, or votes are tallied at the polls.

Developments in the town committee since withdrawal of the strong, guiding hand of Judge Michael De Ciantis this year have turned thoughts of many important party men to the powerful town committee.

Initially, those close to him took a long, hard look at the committee when it failed to endorse his choice for town solicitor, Rep. Felix A. Appolonia, and chose Eugene J. Laferriere, longtime probate judge, instead.

Committee's Recommendation
The town council is elected to run the town, but it generally will not make a major move without the town committee's recommendation.

Two of the town's biggest vote-getters, Sen. Francis J. LaChapelle and Joseph D. Richard, town council president, are not members of the town committee. It was learned that many in the party have urged the senator to go on the committee, that he has earned authority by his record vote, but he has not sought it.

The top vote-getter, the senator reportedly has told friends he believes the town committee is not free when there are office-holders on it who are beholden to each other for back-scratching in giving out jobs. He and others reportedly believe the committee should feel free to take a disinterested, objective look at candidates and support them only if it believes support is merited, not because of a political debt.

The job and office-holding of the town committee and members' relatives is varied:

Office Holding
The chairman, Henry J. Petrarca, is also the town's highway commissioner. Mr. Laferriere also serves as the town solicitor, an appointive office.

Committeeman Robert J. Harrop doubles as the town treasurer.

John C. Zaborski, recently added, is town auditor, while his wife, Florence, is a key employe in the town treasurer's office.

The brother of committeeman Francis Giorgio is the sheriff of Kent County, Anthony Giorgio.

Harry F. Mc Kanna Jr. is also one of the town's two representatives on the Kent County Water Authority.

Manuel Silva is clerk of the town highway department. Edward Gonsalves holds a part-time school department truant officer's job.

Felix A. Appolonia is also the state representative from the first district.

Stanislaw Maznicki holds an important post at the town's sewage disposal plant in Natick.

Frank D. Boisvert is also the elective office of town sergeant.

Some other relatives of the 21 town committeemen reportedly hold town jobs.

Committees Power
Illustrating the committee's power, it last week endorsed Dorius Valliere of Clyde, a telephone company employe, to fill the upcoming unexpired term of Lorenzo Bergeron on the school committee.

Mr. Valliere was nominated by Mr. Mc Kanna. It was learned, while Wilfred Poncellet was nominated by Robert C. Quinn. The post went to Mr. Valliere 12 to 7, and he is seen as certain to be appointed by the town council at its Nov. 14 meeting.

Fire Damages 2-Story Home In Warwick

Fire, apparently started by a painter's torch, caused considerable damage to a two-story dwelling at 207 Washington St. in the Lakewood section of Warwick yesterday afternoon.

Police quoted Joseph Rossi, owner and occupant of the house, as saying he had been burning paint off the outside of the house and went inside to clean up when his wife observed the smoke. He said the building was insured, police reported.

Deputy Fire Chief Thomas Bonn said the fire spread up through the partitions from the first floor to the roof on the rear of the building before it was stopped by firemen. In addition to the damage to the rear of the house, there was smoke damage to the interior, he said.

The alarm brought six pieces of apparatus from the Lakewood and Norwood stations and required the relocation of apparatus from the Conlincut and Greenwood stations.