

US EPA ARCHIVE DOCUMENT

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strong. The Democrats have with
consummate hypocrisy attempted to
use this great problem in human re-
lations for partisan advantage."

CALISE RETRACTS NOT GUILTY PLEA

Unable to Furnish Bail
Set by Court Decides to
Admit Speeding

One of the men arrested earlier
this month by the Secret Service for
taking part in an alleged black mar-
ket gold ring was arraigned in Sixth
District Court yesterday on two
speeding charges.

At first, Frank Calise, 22, of 208
Sherburne Street, told Judge Luigi
DePasquale that he was "unem-
ployed and broke" when he pleaded
not guilty to the two charges.

Calise was taken downstairs to the
cell room when he was unable to
raise the \$100 bail set by the court.
Later, at his own request, he was
returned to the court room where he
retracted his earlier pleas and plead-
ed guilty to both charges. He was
fined \$5 and costs on one and assessed
costs only on the other.

William E. Kilduff, 21, of 111 Burn-
side Street, pleaded guilty to a
charge of throwing glass on Eddy
Street early yesterday morning. He
told the court he was carrying four
bottles of beer when the bag broke
and one was smashed. He then said
he lost his temper and threw the
others on the sidewalk. Judge De-
Pasquale fined him \$5 and costs.

Four men pleaded guilty to charges
of driving without licenses and were
fined \$2 and costs each. They are:
Norman Walker Jr., 23, of 24 Wicken-
den Street; John A. Kelly, 27, of 26
North Davis Street; Leo J. Des-
rosiers, 27, of 86 Mellana Street, and
George O. Vecchio, 24, of 203 Regent
Avenue. Edward F. Sadler, 20, of 923
Smithfield Road, North Providence,
pleaded guilty to a similar charge
and was fined \$5 and costs.

The following men pleaded guilty
of speeding charges: Lester P. Ellis,
26, of 43 Burton Street, fined \$15 and
costs; Edward Clavin, 23, of 1 Bull-
finch Court, \$10; Francis A. Ferreira,
21, of 28 First Street, East Provi-
dence, \$5 and costs, and Lloyd G.
Beckius, 19, of 141 Rhodes Street,
assessed costs only.

SAMOA WANTS NAVAL MAN

Tutuila, American Samoa, Jan. 28.
—(AP)—The Samoan legislature
urged today that a navy man be
named as first civilian governor of
this American possession. Samoa has
been administered by the Navy for
50 years, but President Truman has
favored setting up a civilian adminis-
tration under the Interior department
in a year or two.

RUN ON FERTILIZER

Indianapolis, Jan. 28.—(AP)—
Hoped farmers are making a run
on fertilizer warehouses for fear of
being caught without a supply next
spring. Suppliers today blamed the
frenzy on a strike in a Carlsbad,

to be the only plant in New
azolic dyes for the textile industry.

Coventry Dye Plant Feels Effect Of Devaluation of English Pound

Metro Dyestuff Corp. Is Only Small Firm in Country
Manufacturing Product; Keeping Head
Above Water With U.S. Sales

By JOHN B. LAKE JR.

Metro Dyestuff Corp. of Coventry,
believed to be the only plant in New
England manufacturing its type of
fast dyes, is keeping its head above
water despite loss of foreign business
owing to devaluation of the English
pound.

Directed by Dr. Henry W. Grim-
mel, nationally known chemist, the
plant was established about a year
ago in the lower Millburn Mill, Quid-
nick, for the manufacture of vat and
azolic dyes for cotton goods.

Since the devaluation of the
pound, the firm has been dependent
entirely on the domestic market, Dr.
Grimmel said. Shipments to Switzer-
land, England and Germany have
been discontinued because, under
the devaluation, the firm would be
forced to sell in those countries at
below cost.

The Coventry plant is the only
small one in the country manufac-
turing the fast dyes, as far as Dr.
Grimmel knows. It is in direct com-
petition with big firms such as Du-
Pont, Calico, National Aniline and
General Aniline.

To Improve Gradually
The firm was established in this
state because of the availability of
mill buildings suitable to its purpose,
Dr. Grimmel said. The present old
stone mill leaves much to be desired,
but it will be improved gradually, he
added.

With only 40 employees, the com-
pany has expanded its production in
the past year from two products to
12 products today.

Research in fast dyes is carried

on continually in a well-equipped
laboratory, where Dr. Grimmel is as-
sisted by Dr. Alfred Guenther, a
Moscow-born graduate of Massachu-
setts Institute of Technology.

As a result of extensive laboratory
work since 1925, Dr. Grimmel has ob-
tained 26 patents in his field.
Born in Hanover, Germany, 31-
year-old Dr. Grimmel studied chem-
istry at the University of Goettingen
under Professor Awinhaus, Nobel
prize winner for his work on hor-
mones and vitamins. That also was
Dr. Grimmel's field at first, but he
switched to the chemistry of dye-
stuffs after teaching at Tharand For-
est Academy.

Chemist in Germany
Before coming to this country in
1926, Dr. Grimmel was a chemist at
Farbenfabriken Vornh, E. Beyer &
Co. at Leverkusen, Germany, a firm
which later became part of the huge
I. G. Farben Industrial.

He was manager of the Grasselli
Dyestuffs Corp., Rensselaer, N.Y.,
until 1942, after which he did special
research work in New Jersey. A
member of the American Chemical
Society and the American Associa-
tion of Textile Colorers and Chem-
ists, he has written numerous articles
for the Journal of Chemistry.

About a year ago he decided to
start his own business, and he be-
lieves the Coventry plant represents
the first attempt in the U.S. to make
the fast dyes on a small scale.

Dr. Grimmel lives with his wife
and daughter, Ursula, at 140 Aldrich
Avenue, Warwick Neck.

THOMPSON TO SEEK GA. GOVERNORSHIP

Ex-State Executive Flays
Administration of
Talmadge

Atlanta, Jan. 28.—(AP)—Former
Gov. M. E. Thompson announced as
a candidate for governor of Georgia
today with a blistering attack on the
"floundering" administration of Gov.
Herman Talmadge.

Thompson, first to enter the 1950
battle officially, pledged complete
tax revision with funds to pay for a
long-sought \$25,000,000 program for
improved schools and colleges.

He jumped the gun on a half-dozen
hopefuls who have been maneuver-
ing for the anti-Talmadge banner.

FRANCE APPROVES VIET NAM ACCORD

Assembly Okays Treaty
Giving Much Domestic
Freedom to State

Paris, Jan. 28.—(AP)—The French
National Assembly approved tonight
a treaty giving a large measure of
domestic sovereignty to the State of
Viet Nam in Indo-China.

Assembly approval was the last
formally needed to put into force a
treaty signed last April by French
President Vincent Auriol and Bao
Dal, chief of the new state and for-
mer emperor of Annam.

The vote was 401 to 193. The op-
position came from Communists who
have been giving support to Moscow-
trained Ho Chi-minh who has been of

[illegible]

THE BUSINESS FRONT

CLYDE H. HARRINGTON

has been named vice president, sales manager of Lithographers-Printers, manufacturing-Lithograph Company. A graduate of Amherst College, employed by Esso, lived in Bartons of Rehoboth. He's been with the company a half year. Ernest Ovidence, has been promoted to sales specialist by A & P Food & P since 1929, became a store manager an area supervisor in '39. . . . Joseph Cohen of General Scrap Inc., of East Providence, is one of the men reappointed as co-chairmen of the East Coast for the Foreign Committee of the Institute of Iron & Steel. . . . Emil E. Usak, a native of Providence, now in Milford, Conn., has joined the Fuller Packaging, a division of The Fuller Brothers Company, of Bridgeport. He's a graduate of Colgate University, was awarded the Summerfield scholarship in his senior year, served as Acme Markets, in Philadelphia, and the Fuller Brush Company prior to joining Warner Packaging.

SLAND. Bernard V. Buonanno, treasurer of the National Barrel America. He's president of the company and general manager of the Centredale. Mr. Buonanno, a native of Providence, was a member of the Providence Institute. . . . The Advertising Club of Commerce will hold its 11th annual Country Club, in Providence, activities will begin at 11 a.m. starting at 6 p.m. . . . This Vacation Planning Week by the Industries Committee. Among the speakers: Governor Chafee; Chris-IPIC; Putnam Scott of Humble Ellsworth S. Harding, chairman of the Users Conference; Arthur E. Hanning Company and John J. Gill Owners Association.

LANE. Herbert Q. Horna Jr. is manager of The Equitable Life Assurance Co. with the Worcester agency in Attleboro resident, is a graduate of the Worcester Polytechnic Institute, was associated with the Providence agency of the Equitable Company is among five such agents. . . . J. Mark Foley is new zone manager for Puritan Life Insurance Company. . . . Kiley succeeds Mr. Foley as zone manager in eastern Massachusetts, a post held by him for 10 years. . . . Kiley is a graduate of Methuen business career includes experience as a life insurance agent, underwriter and a graduate of Holy Aetna Life Affiliated Companies 30,000 in benefits to or for Rhode Island as a 15 per cent increase over the previous year, general agent for Aetna Life, and manager for Aetna Casualty and

Chemical Firm To Build Plant

Metro-Atlantic, Inc. Plans New Operation At Greenville, N.C.

Plans of Metro-Atlantic, Inc., of Centredale, to build a new \$400,000 plant at Donaldson Center in Greenville, N.C., were announced last night by Joseph E. Buonanno, president.

He said the facility will produce a complete line of textile and paper chemicals and, in addition, branch into the manufacture of basic pigments for producing textile and paper printing inks, a new operation. Mr. Buonanno said the new plant will be capable of supplying the needs of the company's Southern customers and will enable the Centredale facility to utilize much of its present and new equipment for a steadily increasing production of intermediates and pharmaceutical chemicals.

The new Southern plant, scheduled for completion in the fall, initially will employ 100 persons, it was announced. It will be one of 26 industrial operations located on the 2,400-acre tract of Donaldson Center.

According to Mr. Buonanno the proposed building will contain 40,000-square-feet-of-floor space, including 3,000 square feet of laboratory facilities and 3,000 square feet of offices.

The plant will have a manufacturing area for chemicals and pigments as well as a pigment mixing and blending facility and a warehouse area. Planned are laboratories for product development and customer service work for the textile industry, and separate laboratories and equipment for work on pigments for other industries.

Metro-Atlantic began operations in 1940 as Atlantic Chemical Co., Inc. The operation today does a multi-million-dollar business annually, the president reported.

The company maintains headquarters at Centredale, a warehouse and laboratory at Hawthorne, N.J., a sales office at Greensboro, N.C. and foreign branches in Granby, Quebec; Brussels, Belgium, and Manchester, England.

Franco Reviews 26th Victory Parade

Madrid — (UPI) — Gen. Francisco Franco reviewed 12,000 of his troops yesterday in the 26th annual parade marking his victory in the Spanish Civil War. Disturbances threatened by anti-monarchist elements failed to materialize. Generalissimo Franco received a brief round of applause when he entered his box on Castellana Avenue where the

WORLD'S LARGEST MONEY MARKET

Define 'Insider'? It's C

Q: WHO IS an "insider" in Wall Street?

A: IT COULD be you, an amateur investor, who is given by a friend or relative in a company information which the public doesn't know and which spurs you to buy or sell the company's shares.

Q: WHAT COULD happen if you profit from this information?

A: YOU COULD be forced to make restitution to the stockholders who sold shares to you or bought shares from you—because they didn't have the information about the company you had.

THIS IS ONE explosive implication of the suit the SEC has just brought against Texas Gulf Sulphur and 13 of its directors, officers and employees who bought shares of TG between Nov. 12, 1963, when the company made an historic ore strike in Ontario, and April 16, 1964, when it finally disclosed the news. In this period, the stock rose from around \$17 to \$30—and thereafter, it soared to \$71.

THE SUIT probably will go to trial within 30 to 60 days in a federal court in New York City. No matter what the first decisions, the suit eventually will reach the Supreme Court. Thus, this case will be news for years.

Until now, the definition of an insider and the limits of his responsibility have seemed fairly clear.

Under one section of the 1934 securities law, an insider is defined as an officer, or a director of a company or any holder of 10 per cent or more of its stock. Any time insiders trade in the company's shares, they must file a report with the SEC—so that the policing agency will know whether they are taking advantage of inside information. Also, if they sell shares of the company's stock within six months of purchase, they must give back any profits they make to the company.

But the SEC's suit against Texas Gulf Sulphur under another section of the 1934 law

seeks a vast extension of the definition of an insider and his financial liability if he profits by inside knowledge.

The SEC is not just asking that insiders reimburse the company because they acted for personal gain. It is asking that they reimburse original owners of the stock who unwittingly sold out because they did not know what the insiders did—different indeed!

The SEC is not just censuring Texas Gulf for allegedly issuing a misleading press release on April 12, 1964, downplaying its ore strike. It is asking that the company it-



Sylvia Porter

self reimburse who sold before and April 16, company fines had made a cry.

The SEC is asking as it has an insider about or act. It is a precise inside informs to become put and insiders or act.

If this case dents the SEC insider could get and act from a company—you could be sued reimburse didn't know.

Or an insider securities and company off confides secret and who then act before the comes public. The stock's price financial liability could be broadened.

Or an insider newspaperman, banker, lawyer who gets and information before the public.

The ramification some. A who ground-rules and sales of insiders—under the making. A the financial insider to an come out of the. One immediate result will be a clarification of information but parently is pre this unfortunate while.

Cost in 1975 Of 1960 Goals Is Projected

By N.Y. Times News Service

Washington — Goals and escalation are wrapped together in one loose package delivered over the weekend by the National Planning Association.

The association, a non-profit economic and public policy study group, has prepared a report estimating the cost in 1975 of achieving the "goals for Americans" first proposed in 1960 by a commission appointed by President Dwight D. Eisenhower.

The commission identified and discussed goals in 15 areas affecting most aspects of American life.

The report does not offer policy recommendations, but stress-

goal of an average family income of \$10,000 a year is to be met. Expenditures for private plant and equipment, which were 48.9 billion in 1962 under the goal, would soar to 151.6 billion and urban development expenditures would rise from a 1962 level of 64.2 billion to 129.7 billion.

CANADA WATER-RIGHT

Halifax, N.S. — (AP) — Water may turn out to be Canada's best weapon in winning economic concessions from the United States, says John Turner, parliamentary secretary to Northern Affairs Minister Arthur Laing. Mr. Turner recently told the Canadian section of the American Water Works Association that Canada has a fourth of the world's fresh water supply and 70 per cent of North America's.

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N. Providence Firm Buys Mass. Company

Metro-Atlantic, Inc., of 2072 Smith St., North Providence, has purchased the Bryant Chemical Corp. of Quincy, Mass., which it will operate as a wholly owned subsidiary out of its Centredale plant.

Joseph E. Buonanno, president of the North Providence firm, said the purchase of the Bryant company will result in slight expansion of the Centredale work force and an increase in the plant's equipment and manufacturing space.

Mr. Buonanno said Metro-Atlantic will add seven or eight

new jobs in Centredale. He reported that Metro-Atlantic will increase its manufacturing space by about 5,000 square feet and will construct a warehouse of between 5,000 and 10,000 square feet.

He said the purchase was completed to increase the sales volume of Metro-Atlantic and for general diversification. Bryant Chemical is an established firm which has served the textile and paper trades in Canada and the Eastern United States.

The Quincy plant was closed upon consummation of the purchase in February. There will be no change in Bryant sales personnel, he said, and Joseph A. Bryant Jr., John Bryant and Le Roy W. Baines, officers of the Bryant firm, will continue to serve with the new division.

Warwick Youth Fined \$100 for Speeding

An 18-year-old Warwick youth was fined \$100 in district court, Cranston, yesterday when he pleaded guilty of speeding.

State police said they clocked him at 95 miles an hour in a 60-mile zone on Route 95 early yesterday morning.

Acting Judge John K. Najarian who imposed the fine recommended the license of the defendant, James T. Smith of 83 Wilbur Ave., be suspended for 90 days.

The Johnston School Committee is soliciting bids for 3-72 Passenger School Buses. Specifications may be obtained at the office of the Superintendent of Schools, 80 Greenville Ave., Johnston, R. I. All bids must be in the above office by 3 p.m. April 15, 1968.

TOWN OF JOHNSTON SPRING CLEAN-UP CAMPAIGN

The Department of Public Works announces the following schedule for a Spring Clean-Up Campaign to be held on April 10, 1968 thru April 23, 1968. Collection scheduled according to voting districts on the following dates:

- District 1 (Thornton Section) April 10 & 11
- District 2 (Winsor Hill) April 12 & 15
- District 3 (Manton Section) April 16 & 17
- District 4 (Graniteville) April 18 & 19
- District 5 (West End Section) April 22 & 23

All articles must be placed on the sidewalks the day before scheduled pick-up. Large articles must be dismantled for easy handling by two men. This pick-up does not include cans and rubbish normally collected by the regular Rubbish Collector.

Mario R. Russell



Club affairs after... ment; Daniel Brissette, new president; George Shoshan of Coventry, district governor and installing officer, and... Left to right: f. new first vice presi-

Housing Board To Be Named

Council Votes Plan At Hearing on Project for Elderly

The North Providence Town Council voted last night to create a housing board with authority to take the first step toward obtaining federal aid for the aged in the town.

Councilman Frank SanAn- tonio, president, told an estimated 25 persons who attended a public hearing on the need for such housing that he would support the authority at the council meeting Monday.

The decision came after Dr. Haynes Woolf, chairman of the state committee on housing for the elderly and Dr. Mary C. Mulvey, administrator of the state division on aging, spoke for more than an hour on the importance for specially-built, low-cost housing for persons over 65.

Dr. Woolf recommended that 60-65 garden-style units be constructed in North Providence for the aged. He said the project would cost between \$500,000 and \$900,000.

Michael A. Abatucci, town administrator, and Dr. Mulvey discussed at length over the validity of her evidence that elderly residents of the town were living in unsatisfactory housing. He said that Dr. Mulvey had shown that there were dilapidated dwellings in the town, but not that they were needed by the elderly persons. He said that state law provided that the hearing be held to show that unsatisfactory housing conditions for the aged existed in the town.

The hearing was held in the town hall, 20 of St. Nicholas St. Mrs. Anna Howell, 20 of St. Nicholas St. who made an impassioned plea that the town go ahead with housing for the elderly.

"I think it would be wise to have a place where our friends could come to help us enjoy our remaining days," she said.

Mrs. Howell said that many Golden Agers were unable to afford the heating system when they did not have transportation to the town hall.

Greater Providence

School Funds Passed in

The Cranston City Council last night unanimously passed three resolutions providing supplementary appropriations totaling \$35,563 for the school department.

The vote was on a docketed item totaling \$35,563, supplementary appropriation for the school department, through the council finance committee and two separate appropriations of \$5,000 each offered from the floor and considered by the council under unanimous consent.

Republicans attempted to get the Democratic majority in appropriate enough money in completely rid the school department of debt, including a deficit carried over from last year, but were beaten down by the 15 to 5 majority.

The Democrats contended that the amount appropriated was close to the figure asked by the school department to rid it of debt in its current fiscal year and the carryover from last year would be worked out over a period of years.

The council's move climaxed weeks of negotiations between administration finance experts and members of the financially troubled school department, but the funds fell short of the total \$133,000 asked by the school committee in two separate requests.

The committee had asked for appropriations of \$128,000, including \$5,000 for a business administrator, and for a separate \$5,000 for the department to run its annual summer swimming and recreation program at two city schools.

The three resolutions for the docketed item approximating \$35,563, in compliance with the state department's request for summer session funds, and the resolution for \$5,000 for a business administrator, when passed could be used for that purpose if the school department desired to do so.

However, Republicans

Rep. Kiven to Speak

Rep. Arthur R. Kiven, Providence will address members of the Providence League of Women Voters at their meeting of the year to 1:30 p.m. in the Jewish Community Center on S. Street.

Mrs. Kiven, former president of the Providence League, will speak on the topic, "The Legislature."

Rao Urges Lower Tax Assessment Rate for Homes

Francis J. Rao, candidate for the Democratic mayoral nomination, called last night for a return to the tax assessment differential between residential and commercial property.

Mr. Rao, criticizing the city administration's recent revaluation of all property, said its decision to assess residential, commercial and industrial property at 60 per cent was a step "against the residential homeowners."

He said the "long-established" policy of assessing industrial and commercial property at 80 per cent of its valuation and residential property at only 60 per cent was sound policy, since industrial and commercial property have "a

at YOUR service . . . A convenient . . . from Plantations . . . many money . . . tions personne . . . in at your city

Professional Survey Urged For E. Providence Schools

A professional study of the June 12 independent professional survey of the East Providence school system was announced last night by the East Providence School Board. The board urged the city to hire a professional surveyor to study the school system.

In 1956-57, the Pawtucket school board undertook such a program and it showed special interest in the study from the city of East Providence. The board said the study would be a first step toward a complete study of the school system.

Mr. Ford said the city of Pawtucket had a school system that was a model of efficiency and that the city of East Providence should have a similar system. He said the city of Pawtucket had a school system that was a model of efficiency and that the city of East Providence should have a similar system.

Mr. Ford also called attention to another Pawtucket elementary school, the L. S. P. O'Brien, and said because it is a model school, it should be a model for the city of East Providence.

The design was by Mrs. Anna Howell, 20 of St. Nicholas St. who made an impassioned plea that the town go ahead with housing for the elderly.

"I think it would be wise to have a place where our friends could come to help us enjoy our remaining days," she said.

Mrs. Howell said that many Golden Agers were unable to afford the heating system when they did not have transportation to the town hall.

ST. PLANS PROPE. Montpelier, Vt. - (UPI) - Vermont's Commissioner on Civil Rights denied at its organization meeting yesterday its members reports of discrimination at the state's winter resorts.

PERSONAL

Plantations

• A good bank to START with
• A good bank to GROW with

950 Broad St. • 41 WEYBOSSETT
1355 Hartford Ave., J

Clothing Store Is Broken Into

A clothing store in East Providence was broken into last night, with two nights, using the same window each time. Cranston police reported.

About \$125 cash and at least \$165 worth of women's clothing were reported stolen by the shop owner, Mrs. Mary M. Tortorella.

Patrolman Kenneth Gallivan said he was called to the store at about 10 p.m. Sunday. He found the shop had been broken into by a thief who broke a window in the rear.

Patrolman Joe W. Fitzgerald said about 5:30 last night found a car that had parked in front of the store. The car was a 1955 Ford, with a license plate from Rhode Island. The car was found with its doors open and its windows shattered.

The car was found in the street, and the driver was not seen.

Giorgio Difazio

Giorgio Difazio, a member of the executive committee of the South Ward Democratic Club, reported last night that it had more than 19 prospective candidates, making it the number of persons who had been heard by the club.

The club chartered early this morning to hold a meeting at the club house, 1000 W. 1st St. The meeting was held at 7 p.m. and was attended by about 25 persons.

THE SUNDIAL'S WITH RAY

THE SUN - YOUR D - WITH T - SJO. IT - OF LIG - MUSIC - BY A F

McNorton Runs Against Aids

Case in June 15

THE IS FIRE

Firemen were called to a fire at a house on a street in East Providence. The fire was caused by a gas leak. The house was damaged and the firemen were working to contain the fire.

Two Get City Jobs

Two new workers were hired by the city of East Providence. They will be working on the city's new housing project.

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Authority Discloses Approximate Sites for N. Providence Housing

By MARTIN J. FUNK

The North Providence Housing Authority announced last night the approximate locations and sizes of seven sites it has chosen, subject to town council approval, for construction of public housing containing 150 units.

The disclosures came after a closed-door session meant to be a joint session with the council, in the town clerk's vault in town hall.

The council, anxious to speed the problems that have plagued the \$250-million-dollar federal project for nearly two

years, plans to view the sites before giving its endorsement.

The sites, among several others, were submitted to the housing authority by the contractor, U.S. Investment & Development Corp. of Cranston. Several were rejected "almost immediately," according to Joseph R. DiStefano, the housing authority's attorney, and the board selected seven sites out of 10 it was seriously considering.

Anthony Macari, housing board chairman, said federal appraisers have already examined the sites and that their report is expected soon.

Mr. DiStefano said the two

appraisers hired by the local board, Rudolph Caranci and Ralph Part, area realtors, have almost completed their separate appraisals, which are required by the federal government. Each is being paid \$200 per site, Mr. DiStefano said.

The Cranston firm was awarded the construction pact in mid-1969. Despite major changes in specifications allowed by the financing agency, the Department of Housing and Urban Development, new bids will not be sought and the Cranston firm will still be the contractor.

Originally, plans called for building 100 units for the elderly

on three sites, and 50 units for low-income families on two sites.

However, public opposition—especially to low-income family dwellings—was spurred by the sentiment of the board's secrecy about locations and prompted the town council to call a halt to the project early last year and initiate a long series of talks with HUD in an attempt to lower the number of family dwellings required and to spread them over more sites.

Last month, after a previous concession that the town council deemed unacceptable, HUD agreed to modify the plan to allow 130 units for the elderly

still on three sites, and 20 units for low-income families, which the board plans to build on four sites.

Mr. DiStefano said that the housing authority has not yet forwarded its choice of sites to HUD, pending the council review, although the authority is technically not responsible to the local government.

He said the council must draft a resolution, probably to be acted on at next Monday's meeting, reaffirming the need for low-income housing in North Providence and endorsing the HUD 130-20 division of units. This will not be an automatic endorsement of the housing

board's site choices, the attorney stressed.

He said HUD is urging speedy action on the program, which has been on the books since 1964, when the council passed its first housing resolution.

Mr. DiStefano said that U.S. Investment & Development was able to keep the contract only by giving assurances that it will stay within the federal grant of 2.85 million dollars.

With two exceptions, at least as presently planned, all construction for both the elderly and for families will be duplexes, Mr. DiStefano said, rather than multi-unit structures, as originally planned.

Before last night's session began, a reporter who learned about it from an anonymous source was refused entry, and was told that the locations would not be made public until their selection was final.

John C. Ricci, town council president, and Mr. Macari, the housing board chairman, pointed at each other when asked who called the meeting, until Mr. Macari—in Mr. Ricci's presence—silently admitted he had arranged the party.

However, Mr. DiStefano said the council and housing authority agreed that it was best to make public the sites.

Mr. DiStefano said the three

sites which were seriously considered and rejected were Woodward Road, across from the Louisiquisset Golf Course; Lexington Avenue, near Douglas Avenue, and Wentworth Avenue, "in the same vicinity" as the site chosen on that street.

Asked why the meeting was held in the large walk-in vault in the town clerk's office, Mr. Ricci, the council president, said it was the only room in the town hall, besides the large accessible council chamber, that could accommodate the meeting.

Although the vault doors remained open, the "cigar smoke" became overpowering, Mr. Ricci said.

In Cranston

Council Urged To Join Probe Of Police-Floor

A former Democratic Cranston councilman has written Republican mayor James L. Taft Jr. asking him to invite the council to join the investigation into the sinking basement floor of the city police station.

Richard M. Casparian, a lawyer, also asked that the investigation be conducted in public.

The basement concrete slab, according to a consultant's report issued last October, has been settling since the police station was completed in 1966.

gling, the walls in the basement are cracking badly, floor tiles are listing and panels of the suspended ceiling are tilting in several directions.

In his letter, Mr. Casparian asked the mayor to "immediately contact Frederick L. Lepore, council president, with a view toward making arrangements for joint participation by both the executive and legislative branches of government in any investigation."

He noted that the city charter grants the mayor and the council investigatory powers and called for the in-

Greater Providence

Cranston—East Providence Johnston North Providence



Cranston Asks Role In TOPICS

Mayor James L. Taft Jr. of Cranston yesterday notified Francis J. Fazzano, state director of transportation, that Cranston wants to be included as a participating community in TOPICS, a state and federal program for improving the capacity and safety of certain streets within local communities.

The mayor asked that Cran-

Housing Sites

Housing for the elderly, three sites:

Russet Avenue, behind Al-rans shopping center—7.8 acres, 60 units tentatively planned as duplexes.
Charles Street, near Town Diner and Carolville Street—2.5 acres, 10 units tentatively planned as duplexes because of small lot size.

Woonasquaket Avenue, near an apartment complex at Chandler Street—1.5 acres, 30 units tentatively planned as duplexes.

Housing for low-income families, four sites:

Lyman Avenue, about 250 feet from Woonasquaket Avenue—one duplex with 100-foot frontage.
Oakhurst Avenue, at end of Davis Avenue—one duplex with 100-foot frontage.
Wentworth Avenue, behind Oates Tavern at end of Frederick Street—about 2.5 acres, five duplexes.
Ander Street, about midway between Woonasquaket Avenue and Smithfield Road—about 10,000 square feet, three duplexes.



Big incomes find shelter under housing program

Almost all of the money that developers make building Section 8 subsidized housing projects comes from selling tax shelters to doctors, lawyers and businessmen who use their shelters to save thousands of dollars in taxes every year.

For example, in Rumford Towers, a \$9.5-million, 294-apartment project for the elderly in East Providence, a partnership headed by Roland O. Ferland of Ferland Corp. will make a profit of \$751,000 over five years by selling tax shelters.

The Section 8 project also benefits professionals earning more than \$75,000 a year who invest to cut their tax payments. Over 15 years, in most cases, a doctor or lawyer can double his money in tax savings alone.

In fact, Section 8 apartment complexes are considered the best tax shelters in the United States today because they are government-subsidized and involve little risk, according to top investment brokers who make their living by advising the affluent on how to avoid heavy taxation.

Robert R. Gaudreau, whose investment firm, Gaudreau & Co., has handled tax-shelter sales for 40 percent of the Section 8 projects in Rhode Island, said a tax shelter in the subsidized housing program is worth 30 to 40 percent more than a comparable shelter in a conventional real estate deal.

"What it amounts to," said another Providence investment banker, "is government-subsidized tax avoidance."

FOR EXAMPLE, a doctor in the 60 percent tax bracket who invested \$52,000 in a project could be expected to save as much as \$100,000 in taxes over 15 years. That figure doesn't count the additional money he could make by reinvesting the money that otherwise would have been paid to the government in taxes. In some cases, that additional money amounts to four or five times the original investment.

When a high-income person puts money into a Section 8 project as a tax shelter, it's not like making a normal investment. He doesn't expect a dividend. He doesn't even expect to get his investment back. It's as if he were making a gift to the project developer.

The developer doesn't have to use the money for project expenses or to repay loans. He just puts it in his pocket.

The reporting team

BRUCE DeSILVA, 33, has worked for the *Journal-Bulletin* since 1968, when he graduated from the University of Massachusetts. He has worked as a reporter in the Warren and Pawtucket bureaus and on the night city staff. He also worked in the Washington bureau before becoming medical writer in 1977. He has done many newspaper investigations, including one that exposed poor care and needless deaths at the Ladd Center for the retarded. That investigation won the 1978 Sevelion Brown Award, the top Associated Press award in New England. He also won the 1979 Claude Bernard Science Journalism Award for the top medical story of the year.

ROBERT W. STEWART, 26, has been a reporter at the *Journal-Bulletin* since 1977. Before joining the newspaper, he received a master's degree in communications from Syracuse University and worked as a reporter for two years at the Pawtucket Valley Daily Times in West Warwick. In 1974 Stewart graduated from Brown University where he was executive editor of the *Brown Daily Herald*. Since coming to the *Journal-Bulletin*, he has worked as a general assignment reporter in the West Warwick bureau and on the *Journal* night city staff. Stewart covered the Eugene Roberts bankruptcy fraud case for these newspapers.

The investor isn't interested in earning a profit on his investment. He wants a loss.

Look at it this way: If a person in the 50 percent tax bracket is earning \$200,000 a year, he's paying \$100,000 a year in taxes. But if he can show a loss of \$150,000, that cuts his taxable income to \$50,000 and reduces his taxes from \$100,000 to \$25,000.

If he can do that without having to actually lose the \$150,000, he's ahead of the game.

That, basically, is the theory behind a tax shelter.

WHEN AN INVESTOR puts money into a Section 8 project, he is buying a share of the paper losses that the project shows during the first 15 years or so it's in business. For the most part, those losses aren't real. The project isn't actually eating up more money than it's taking in. But the government allows such large tax deductions for interest payments and depreciation on the building that on the tax forms, it appears the building is losing a lot of money.

If an investor is able to buy a share of a project for less money than he will save in taxes, he'll make money on the deal.

Eventually, after the project starts showing a profit, he'll have to pay some of the money to the government in taxes. But in the end, he'll still come out ahead.

Ironically, some of the Section 8 developers are buying tax shelters in their own or other subsidized projects to protect their profits.

Ronald R.S. Picerno, for example, has invested in Taunton Plaza Apartments, a 103-unit subsidized apartment complex for the elderly in East Providence being developed by Kelly & Picerno Inc. Picerno has also purchased a tax shelter in Woodlawn Gardens, a 75-unit Kelly & Picerno Section 8 project in Pawtucket, according to records in the secretary of state's office.

Others who have bought into Section 8 projects in Rhode Island as tax shelters are Joseph S. Sinclair, chairman of the board of the Outlet Co. state Rep. Edward Magliacomo, Howard W. Armbrust, president of Armbrust Chain Co.; John J. Cummings, president of Industrial National Bank, and Henry E. Kates of Kates Properties Inc.

But their investments pale in comparison to those of Dr. Felix M. Balasco, a Cranston physician, and Vincent T. Sardelli, vice president of T. Sardelli and Sons Inc., a Providence jewelry manufacturing firm.

ACCORDING TO RECORDS filed with the secretary of state, Balasco will invest at least \$209,980 in five Section 8 housing projects over a five-year period.

The records also show that Sardelli will spend at least \$322,848 to buy tax shelters in four projects.

Sardelli said that as far as tax shelters go, Section 8 is about the best you can get. He said he has done a good job of chopping down some of these tax shelters.

He said Section 8 projects are attractive because the government "protects" them through rent subsidies. "But it's not a one-sided deal," he said. The people living in the projects "are getting the biggest break." But Sardelli said he is concerned that poor people living in the projects might not "appreciate what they have and keep it up. Sometimes something that comes too easy isn't taken care of. I've asked my accountant that more than once."

"Basically what's going to do is shelter your income for the next 15 years or so," explained Gaudreau, the investment specialist.

INVESTORS PUT their money into projects over a five-year period. In each of those years, the losses they buy save them in taxes about the same amount that they

for a \$100,000 investment in the 100-unit project, a doctor would expect to get about \$18,000 in tax losses. Assuming the doctor is in the 60 percent tax bracket, that translates into an actual tax saving of \$10,800.

After the fifth year, the doctor stops putting money into the project. But the project continues to show paper losses in which the doctor gets to share and those losses continue to reduce the doctor's taxes.

Eventually, after about 15 years, the investor would have saved twice as much money in taxes as he had invested in the project during the first five years.

When the projects start to show a paper profit and become a tax liability, the investors have to begin paying taxes, brokers explain.

But if the developers sell the projects at the right time, the investors can make enough money to pay off any taxes they may owe and still keep all the tax money they have saved, the experts said.

Even if the projects are not sold, investors still come out ahead because they will have had years to relieve the money they would otherwise have paid to the government.

"If you look at the bond tables now, you can see that you gave me a dollar today and I gave that dollar back to you in 20 years. I could make \$6.72 on that dollar. I will have given you your dollar back and still made \$5.72," said Gaudreau.

Multiplied by tens of thousands, that's a lot of money.

The Spoil

Feel rich and wardrobe boost



Two inspectors and two health phys-
icists were reported at the scene. The only

"There was nothing unusual about the release. It occurs all the time," he said. "If it went on for three months continuously,

"The equipment worked as it was supposed to do," Doug Cochran said. "What caused the occurrence is totally non-nuclear. The release itself was handled total-

-KENNEDY: "I'll let who
-lo, draw whatever bond
want."

Did the Church issue

United Press International

"Senator Kennedy has been in Congress 16 years," Mr. Carter said. "For premise, or goal, has been a comprehensive national defense policy for our country."

"He is chairman of the committee in the Senate. He's on

House members approve a spending bill that includes a 5.5 percent pay raise for Congress. Page A-3.

Action Lines	C-1	Food	F-20
Amusements	C-5	Good Neighbors	F-20
Classified	C-9	Jumble	A-13
Contract Bridge	C-4	People	A-4
Crossword	C-19	Sports	B-11
Death Notices	C-2	Television	C-5
Editorials	A-14	Weather	A-2
Financial	C-7	What's Going On	A-13

Associated Press

It contracted with the three companies to receive the oil from tankers at their docks and transport it through company-

The government has options to utilize these pre-paid services later, but the re-

See OIL - Page A-10.

Tenants find cheating easy

And it's got a retired law officer in South County hopping mad.

• But the ex-officer's former next-door neighbors, in-laws of a state official, just moved into the project even though they are better off than he.

asked director of the Providence Service
Office of HUD.
There is nothing legally wrong with

He said the program was meant to help

Officials v one devel

It was also learned that deals were offered bribes by live of a developer who was zoning decision on one public under the federal Section 8 housing program. They reported the offers to the FBI's investigation.

Two other developers, if
were asked by middleman

See TENANTS Page A-10

Free-Mile Island accident in Pennsylvania.

equipment worked as it was supposed to do," Doug Cochran said. "What I think the occurrence is totally non-nuclear. The release itself was handled totally."

See NUCLEAR, Page A-10

millions, o services

storage pipelines to the department own pipelines and its storage caverns in Louisiana and Texas.

contracts required the department to make minimum payments even if the services are not entirely used.

the world oil shortage caused by the situation in Iran last winter forced a move in Energy Department oil import strategy. By the end of the report said, the department had the three companies a total allocation for the marine terminal service of \$27.5 million "represented pay-for services the department was to use."

government has options to utilize the paid services later, but the report said.

See OIL, Page A-10

Did Carter open the Chappaquiddick issue in Queens?

United Press International
NEW YORK — President Carter said last night that he has never "panicked in a crisis" and that Sen. Edward M. Kennedy has failed to deliver on his chief legislative goal during 16 years in Congress.

Mr. Carter said that he has displayed leadership by tackling tough issues and that he would report to the nation next week on one of them — the presence of a Soviet combat brigade in Cuba.

Mr. Carter, in a town meeting punctuated by heckling and applause, said he was looking forward to the political challenge by Kennedy, his possible rival for the Democratic nomination next year.

"Senator Kennedy has been in Congress 16 years," Mr. Carter said. "His major premise, or goal, has been to establish a comprehensive national health insurance policy for our country."

"He is chairman of the health subcommittee in the Senate. He's never gotten a

comprehensive health bill out of his subcommittee.

"I'm determined to get national health insurance," Mr. Carter said.

On leadership, Mr. Carter said, "I've never been afraid since I've been in office to tackle a difficult issue. I don't think I panicked in a crisis."

Mr. Carter's remark referred directly to the Panama Canal treaties. He did not mention Kennedy's accident in 1969 in which a woman drowned when his car ran off the bridge at Chappaquiddick.

Mr. Carter, speaking at Queens College, said a presidential straw vote in Florida on Oct. 13 may provide a "preliminary political skirmish" with Kennedy.

"We look forward to that encounter," he said.

IN WASHINGTON, Kennedy brushed off Mr. Carter's criticisms. He said the

See CARTER, Page A-12

n Section 8 program

SELL

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The Housing Game

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Officials were offered bribes; one developer paid \$100,000

By BRUCE DeSILVA
and ROBERT W. STEWART
Journal-Bulletin Staff Writers

PROVIDENCE — A developer made a payoff of more than \$100,000 to influence the approval process for lucrative government-subsidized housing projects for the poor, a Journal-Bulletin investigation has found.

It was also learned that two local officials were offered bribes by a representative of a developer who was seeking a zoning decision on one project to be built under the federal Section 8 subsidized housing program. They refused and reported the offers to the Federal Bureau of Investigation.

Two other developers, it was learned, were asked by middlemen for money

with which to bribe officials who could help push their projects through the involved approval process.

OFFICIALS, DEVELOPERS and others close to the Section 8 industry who talked about bribes insisted on anonymity. They said their business would be ruined if it were known that they talked.

One source expressed fear for his life.

"There is too much money at stake," he said. "I could be put out of business, and by that I don't just mean my business. I could end up in a box."

Developers stand to make huge profits on little or no investment by building projects under the federal Section 8 rent subsidy program. The developer of a project

See BRIBERY, Page A-10

g-assets and then applying for need for a subsidized housing project. "I know there is some of it in it," he said. "It may be legal, it's an abuse. Nobody said the program was meant to help

See TENANTS, Page A-10

Section 8



Tenants

Continued from Page One

the poor, not those who arrange their finances so that they look poor.

A manager of several Section 8 projects, who asked not to be named, said a handful of tenants in his projects qualified by divesting themselves of their assets.

Some of the Section 8 apartments "are very nice," he said. "Some people feel just because they saved all their lives, why should they be penalized?"

THE MANAGER OF another Section 8 project said one prospective tenant even

showed up at the project rental office with an attorney to help figure out what the tenant needed to do to qualify under the program's income guidelines.

HUD, which provides the rent subsidies, doesn't check on the income eligibility of tenants.

The Rhode Island Housing Mortgage and Finance Corporation (RIHMF), the state housing agency that makes the mortgage loans used to build the subsidized apartment buildings, doesn't do any direct checking either.

The checking is left up to the private management companies that run the private apartment buildings constructed with the government loans.

Kolaski said the management compan-

ies are required by HUD verification of a tenant's income tax form will do it, but he was willing to provide it, but he was required to do so, the HUD letter from an employer, he said.

Furthermore, Kolaski said, a tenant is asked to do such as savings, property

THE MANAGEMENT companies supposed to check up on Kolaski said, but they won't assets if the tenants don't.

"If they don't tell you, it's under the bed, how," he said.

Bribery

Continued from Page One

can make hundreds of thousands of dollars just by selling small shares in his building as tax shelters to people with substantial incomes, usually in excess of \$100,000 annually.

Ralph A. Pari, executive director of the Rhode Island Housing Mortgage Finance Corporation (RIHMF), which plays a major role in the Section 8 program, expressed doubt that any payoffs have been made.

He said that because so many agencies play a role in the Section 8 approval process, it would be "almost impossible" for any one unscrupulous person to promise approval in return for payment.

ONE DEVELOPER ACKNOWLEDGED in an interview that he made a payoff of

more than \$100,000 in response to a solicitation by an official.

He said the payoff succeeded in moving a previously stalled project through the complicated approval process that involves local heads of government, zoning boards, several state agencies, the RIHMF, and the federal Department of Housing and Urban Development (HUD).

Three developers and another source close to the Section 8 program independently confirmed parts of the first developer's account.

The first developer said his payoff was arranged to make it difficult to prove who ultimately received the payoff money.

To make the bribe, the developer said, he took in a new partner chosen by the official who first approached him about the payoff. The new partner's only role, the developer said, was to share in the hundreds of thousands of dollars earned by selling tax shelters.

The new partner, therefore, was able to take money out of the project and then

quietly transfer some of it to others, he added.

The developer excused his decision to make the payoff by calling it "a cost of doing business."

"It was my decision. It had to be made," he said. "It was no different than a guy in New York City who wants to open his doors. As a businessman, you have to make a decision."

TWO OTHER DEVELOPERS said they were approached for bribes for officials through middlemen involved in the housing development industry.

Both said they refused, and one of them said he allowed a project to die rather than pay.

The two local officials, both from the same community, were approached individually by a developer's representative on several occasions.

One was offered subcontract work in the construction of the proposed project, according to a law enforcement source.

The other local official said in an interview that he was offered another financial deal that would be available with the construction of the apartment building.

This second official said he met with the developer's representative and talked with him on the telephone on several occasions, taping some of the conversations. Once, when the official met personally with the developer's representative, an FBI agent who was investigating the two

officials' complaints was away.

The second official's conversations the developer said: "We need your anything. Name it and it's yours," the local official would have said, "Give would have had \$100,000."

However, the local official's representative offered money.

"He just kept asking," the official added.

The FBI, the official investigated but at one point permission from the U.S. al "to wire me for sound could listen in on one with the developer's representative, the meeting was and there apparently time for the request to local official added.

The local official said its investigation because the offers were too vague and because no money changed hands.

Portions of the developer's conversation with the source.

This is the last part of the conversation.

Oil

Continued from Page One

port said, "Oil shipments to (the strategic petroleum reserve) have dried up to such an extent that the contracts will almost surely expire before the Department of Energy can take advantage of these catch-up provisions."

The Sunoco contract is being extended for 18 months at a greatly reduced service price which, if fully used, would bring the costs down substantially, the report noted.

But so far, it said, Sunoco has been paid \$22.5 million, Koch \$2 million and Seaway \$2.8 million for services that have not been used.

The report said about \$1.8 million could be saved by ending the Koch contract immediately and diverting incoming shipments to use the "catch-up" provisions still available in the other contracts.

The report was critical of the procure-

ment office for waiving usual procedures and agreeing to pay Sunoco the full \$23 million cost of expanding its facilities to serve the strategic reserve during the two-year life of the service contract, instead of paying only the pro-rated share of the cost of facilities which will be owned by the company and available for its use over many years.

The procurement office commented that it made this arrangement because "the company was firm in its position that it had no interest in expansion for future commercial purposes."

But the inspector general's office said that apparently the department negotiators simply caved in to Sunoco's demands in "a well-intentioned effort. The report recommended actions to reduce unnecessary payments and added, "Whatever is done should be done promptly as DOE is being charged more than \$100,000 per day under the existing arrangements, and immediate action could yield substantial savings."

Nuclear

(Of that total, 124 milligrams come from background sources in nature: radioactivity found in soil, rocks, food, water, the

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les are required by HUD to get written verification of a tenant's income. An income tax form will do if the applicant is willing to provide it, but he can't be required to do so, the HUD official said. A letter from an employer will also suffice, he said.

Furthermore, Kolaski said, the prospective tenant is asked to disclose his assets, such as savings, property or stocks.

THE MANAGEMENT companies are supposed to check up on these assets, Kolaski said, but they won't find out about assets if the tenants don't disclose them. "If they don't tell you they have a gold bar under the bed, how will you know?" he said.

officials' complaints waited a few blocks away.

The second official said that in their conversations the developer's representative said: "We need your help. We'll do anything. Name it and it's yours."

Several times he said, "You name it, it's yours," the local official said. "If I would have said, 'Give me \$10,000,' I would have had \$10,000."

However, the local official said, the developer's representative never specifically offered money.

"He just kept asking me what I wanted," the official added.

The FBI, the official said, not only investigated but at one point tried to get permission from the U.S. Attorney General "to wire me for sound" so that agents could listen in on one of the meetings with the developer's representative. However, the meeting was a last-minute one and there apparently was not enough time for the request to be processed, the local official added.

The local official said the FBI dropped its investigation because it was felt that the offers were too vague to prove guilt and because no money had actually changed hands.

Portions of the developer's account were confirmed by a law enforcement source.

This is the last part of the Section 8 series.

ANOTHER WAY to cheat is to lie about how much money you make. That's illegal.

But that's what several prostitutes did to get into a Section 8 federal rent subsidy project in West Warwick.

They were living — and working — in the project last spring until the local police were alerted to the unusual comings and goings there.

The police called RIHMFC, which plays a key role in administering the Section 8 rent subsidy program, and told its officials to get the hookers out of town.

The management firm that operates the project wound up evicting the women.

HEADS of several management companies said the income verification system makes it easy to cheat.

"Defraud me? You could do it. No question," said Robert Branchaud, the boss at Ventures Management Inc. of Woonsocket.

et, which manages a total of about 300 Section 8 apartments.

"In many cases," he continued, "we're depending on the honesty" of the prospective tenants.

"We don't like to become policemen," he added. "That's really not our business. It's not what we're paid for."

The head of another management company, who asked not to be named, agreed that cheating is easy.

"We aren't an investigative agency," he said of his firm. "If they sign a statement" indicating how much they are worth, "that's good enough for me."

A few months ago, however, Branchaud's management company stumbled onto a cheater.

One of the firm's employees walked into a local business and happened to see a tenant working at a job that he hadn't told the management company about.

"We reported it to HUD," Branchaud said. The agency, he said, is investigating.

"JUST ONE LOOK
... and I was
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design

26

SE

Journal

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Page A-1

tion

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Challenger RIHMFC misled HUD on flooding problems at site

HOUSING PROBLEMS

Federal officials to probe Centredale Manor, 2nd project built on flood plain

Story by Steve Winter with reports from Elliot G. Jasplis, Journal-Bulletin Staff Writers.

Federal officials, acting on false statements filed by RIHMFC, allowed construction of a subsidized housing complex in a North Providence flood plain, the Journal-Bulletin has learned.

The project, called Centredale, is for handicapped residents, many of whom refer to the site as "the lake," because of the waters that frequently overflow the banks of the Woonasquatucket River.

Casimir Kolaski, manager of the

Providence office of HUD, promised an investigation into Centredale Manor, after viewing the site last week following Journal-Bulletin inquiries.

"We made a mistake," said Kolaski. "We should have looked at the flood maps and I don't think we did."

The Centredale Manor site has had other problems, according to residents. These include mosquitoes, land erosion and a bad odor from a stagnant pool of water behind the apartment complex.

John Gordon, director of housing management at RIHMFC, said he wasn't aware of any of these problems — including the frequent floods.

The manager of Centredale Manor, who has been blind since 1984, has been blind since 1984.

THE PROBLEMS with Centredale Manor came to light via anonymous phone calls to the Journal-Bulletin.

Turn to RIHMFC, Page A-6.

Reagan's new budget boosts arms spending, cuts social programs

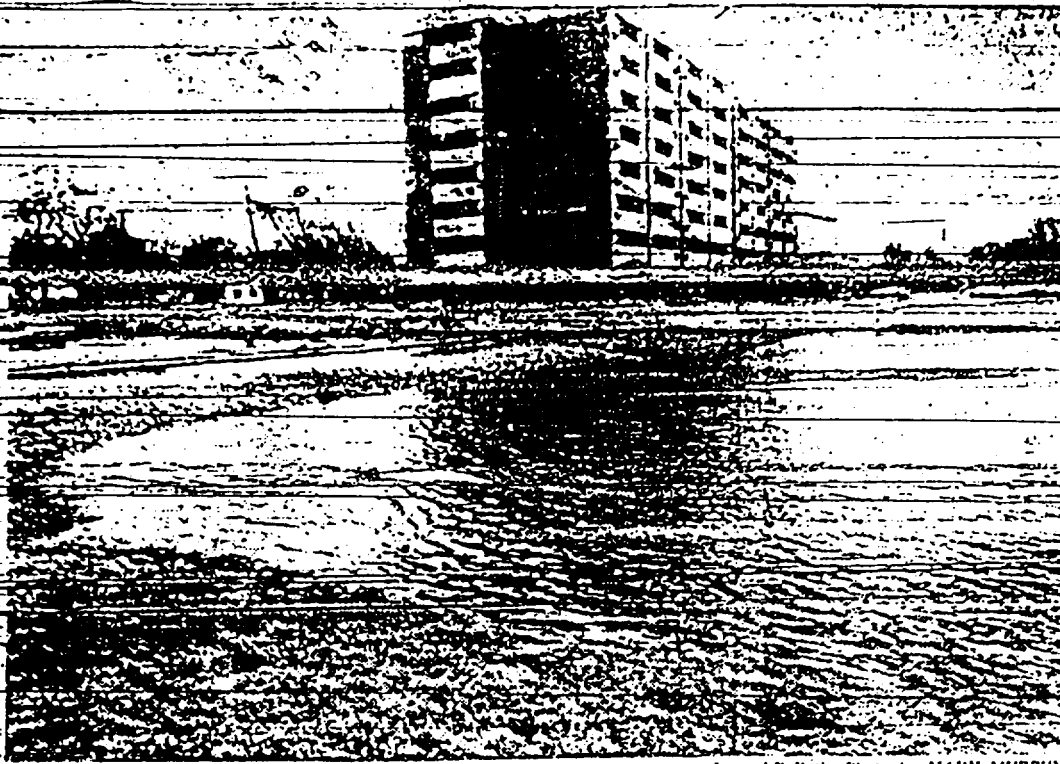
The Washington Post
WASHINGTON — President Reagan's fiscal 1987 budget is expected to propose Defense Department spending increases of nearly 40 percent over five years, plus a hefty boost for the space program. But most civilian agencies would be cut substantially or frozen in place, according to the budget documents.

went to the printers. Sources said the documents accurately reflect the printed budget, although minor changes might have been made.

THE DOCUMENTS did not spell out which programs within a department would be cut, reports have circulated that the president would seek major reductions in

FEB

THE RIHMFC SCANDAL



—Journal-Bulletin Photo by MARY MURPHY

IN FLOOD PLAIN The Centredale Manor in North Providence is plagued by flooding problems whenever the banks of the Woonasquatic River overflow because the complex was built on the river's flood plain.

RIHMFC

Continued from Page One

Bulletin, following the newspaper's Jan. 19 account of construction of another Section 8 apartment complex, Greenwich Village, on a flood plain in Warwick.

In its investigation of Centredale Manor, the Journal-Bulletin has discovered that Thomas R. Broussard, a part-owner of Greenwich Village, also has a share of Centredale Manor.

Broussard is a Los Angeles attorney who is a long-time friend of Lance Wilson, a special assistant to HUD Secretary Samuel Pierce Jr. at the time Greenwich Village received funding directly from Washington. Funds for Centredale Manor

addition to a \$45,000 fee — to help get Section 8 funds from Washington for the stalled project. Eventually, the developer of Greenwich Village, Picerne Properties Inc. of Warwick, was given the only known waiver of an eight-step process involving construction of a Section 8 development in a flood plain.

IN THE CASE of Centredale Manor, the issue of the flood plain never came up at HUD. That's because HUD officials were unaware that Centredale Manor would be built in a flood plain, said Kolaski. HUD did its own environmental report on the site, but Kolaski couldn't explain why it failed to note that the site was in a flood plain.

"Even though we relied on others," said Kolaski, "we should still decide independently, because ultimately, responsibility for this must be ours."

Kolaski said he was unable to

contact the man who prepared the environmental report, since the man has left the agency.

According to HUD documents, RIHMFC and North Providence officials certified that Centredale Manor was not in a flood plain. Last week, Leo Perrotta, director of planning and development in North Providence, confirmed that the Centredale Manor site is located in

a flood plain. If HUD had known about the flood plain, Kolaski said, it would have imposed the eight-step clearance process. This probably would have delayed construction at Centredale Manor for several months, he said.

CENTREDALE MANOR was completed in March 1983 by Marshall Contractors, the construction company affiliated with Marshall Properties of East Providence, which manages Centredale Manor. RIHMFC lent Marshall Contractors about \$5.1 million to build the apartment complex.

General partners of Centredale Manor include two East Providence-based construction company executives — John L. Marshall III, president of Marshall Contractors, and Bernard Hodess, president of HOMAR, Inc. Executives from Marshall Properties declined to comment.

A third general partner is Centredale Associates, which is also a limited partnership that owns 45

percent of the project. Broussard and Paul W. Goodrich, a Boston lawyer, each own 44 percent of Centredale Associates.

Paul Goodrich is the brother of Donald Goodrich, principal of the Cranston-based insurance firm, Goodrich & Blessing, which insures several Section 8 developments in Rhode Island.

Broussard and Paul Goodrich could not be reached for comment.

THE CENTREDALE MANOR building sits off State Street in the business district of the Centredale section of North Providence. The rear of the building is a few yards away from a backwater marsh that leads to the Woonasquatic River. The main river runs within a few hundred feet of the front of the Centredale Manor building — and just a few yards from the edges of the parking lot.

Now HUD is trying to determine what to do about Centredale Manor.

It's possible that HUD might withdraw its Section 8 support for the project. The owners of Centredale Manor receive \$960,000 per year in rent subsidies from HUD.

And Kolaski said HUD is considering penalties against RIHMFC officials.

Ralph Paris, executive director of RIHMFC at the time, and John L.

with HUD, said a flood insurance was not necessary for Centredale Manor, since the site was not located in a flood plain.

RIHMFC officials said they relied on certifications by the engineering firm of the Robinson, Green Beretta Corp. of Providence (RGB), that the site is free from adverse environmental conditions, such as flooding.

Officials from RGB say they can't comment, because its client, Marshall Properties, won't allow them to.

GERHARD GRAF, a senior vice president of RGB, visited the site in the midst of a heavy rainstorm in 1984 with William Benford, senior construction specialist at RIHMFC.

At the time, the two men watched water rolled over the banks of the Woonasquatic River onto the parking lot at Centredale Manor. Benford said trees and land at the southern tip of the site were washed into the river. The force of the waters was so strong that ducks had stopped trying to swim upstream and were walking along the banks.

"He (Graf) reiterated to me that the site was not located in a flood plain. I determined that it (the overflowing waters) had to be a fluke," said Benford. He said he told Gordon about the flooding problem, but did nothing to determine if Graf was right.

Eventually, the water rose to the bottom step of the front porch of Centredale Manor, residents said. Fire department officials had to be called in to help residents move

WANTED 10 HOMES FOR VINYL SIDING

SCHEDULE NOW AND SAVE HUNDREDS DURING THE SLOW WINTER MONTHS. WE WANT TO KEEP OUR MEN WORKING, SO WE WILL SACRIFICE PRICE IF YOU WILL SCHEDULE NOW. OUR VINYL SIDING IS GUARANTEED FOR 50 YEARS TO BEAUTIFY AND PROTECT YOUR HOME.

BARRY WEPMAN, M.D., INC.

EYE PHYSICIAN
AND SURGEON

Takes Pleasure In
Announcing The
Association Of

DR. ELLIOT D.
WATERMAN

Optometrist
Office Hours By

DIVORCE

THE RIHMFC SCANDAL

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Said Owens: "I stepped off the curb (of the sidewalk onto the parking lot) and ... the force of the water almost knocked me over."

But, in the months that followed, RIHMFC took no further action, even though a second flood hit the parking lot about two months later, in April, 1984, according to records at the North Providence fire department.

In the backwater area behind the building, a small stream that funnels drainage and sewer water from Smith Street. The water mainly comes from a large drain pipe, beneath a parking lot that services a Bess Eaton donut shop and variety store on Smith Street.

When there's a heavy rain, the flow of water from the drain pipe helps flush out the slimy water that settles in the stream, residents said.

But when it's hot and dry, the pool of water turns green and stinks.

"It gets unsightly," said Owens.

MEANWHILE, Kolaski is looking into a possible conflict of interest regarding John and Lucy Gordon.

As director of housing management, John Gordon is responsible for making sure that Section 8

Gordon said he's never had any

problems with Marshall Properties. And he said he's never been told that he should contact HUD about his wife's role at Centredale Manor. Gordon said both Pari and William Wilkinson, former chief development officer at RIHMFC, were aware that his wife was managing Centredale Manor.

"I would not tell my department to give her (Lois Gordon) an easier grade because she's my wife," said Gordon.

"I assume RIHMFC knows, in a technical sense, that people shouldn't be overseeing the work of their own family," said Kolaski.

TODAY, RIHMFC officials still insist that the site is not located in a flood plain. "Nobody has come back and told us there is a problem," said Benford. "There's nothing in the documents to indicate it's in a flood plain ... Reading the maps can be very confusing."

The document signed by Pari and Marshall clearly states that misrepresentation carries a possible penalty of \$10,000 or five years in jail.

Said Dana Bishop, senior development specialist at RIHMFC: "You're

the paper and if somebody comes back and says 'You (RIHMFC) dropped the ball,' we'll do what we

can."

Couple sues bank, RIHMFC over denial of low-interest loan

By PETER PHIPPS

Journal-Bulletin Staff Writer

At first, Bruce and Donna Villella, a young couple looking to buy their first home, accepted their bank's explanation that they were too late for a 8.5 percent mortgage from RIHMFC.

They laid their plans for having children. With their mortgage bill \$150 to \$200 more than they had hoped, Donna Villella said she had to continue working.

The Villellas didn't get angry until three years later, when the Journal-Bulletin reported that the Rhode Island Housing and Mortgage Finance Corporation had given 8.5 percent mortgages to the sons and daughters of state VIPs long after the Villellas were told the money was all gone.

So late last year, Donna, 27, a legal secretary, and Bruce, 28, a computer technician, sued RIHMFC and Citizens Savings Bank. They say the bank "knew or in the exercise of reasonable diligence should have known" that 8.5 per-

Then last spring the Journal-Bulletin reported that RIHMFC considers and the children of some of the state's most powerful political figures, including former Governor Garrahy's daughter, had received 8.5 percent mortgages in 1982, 1983 and 1984.

"I thought it was just terrible," Donna Villella said this week. "Very unfair."

"It made us angry," she said, to think that when RIHMFC and the bank told them that the 8.5 percent loans were gone, the money was being held "for celebrities and their children."

RIHMFC's computer records show that 25 8.5 percent mortgages were purchased by the agency after the Villellas received approval for their 13.75 percent mortgage on Dec. 31, 1981.

NONE of those mortgages was written by Citizens Savings Bank. The last 8.5 percent Citizens loan, the records show, was purchased by RIHMFC in March, 1980 — 19

Journal-Bulletin Photo by MARY MURPHY

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Marshall Properties declined to

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[illegible]

Explosion of a huge chemical vat at the Metro Dyesuffs Corp., injured 10 men, three critically, blasted an adjoining machine shop into wreckage and rocked the Quindick section of Coventry shortly before 3 p. m. yesterday.

The blast set a fire which damaged the first floor of the 700-foot long, three-story brick building and scorched several score sacks of chemicals before it was extinguished by the Anthony Hired Department. Firemen were aided by the plant's sprinkler system.

Three of four men standing within 15 feet of the exploding vat full of chemicals used in the manufacture of dyestuffs were on the danger list at Rhode Island Hospital last night. Witnesses said they ran out of the building, their clothing aflame.

They are

Alme Hebert, 46, of 247 Main Street, Pawtucket, an employe of the R. I. Covering Co., 351 South Main Street, Providence.

Between Hackett, 53, of 83 Pocasset Avenue, Johnston, also an employee of the covering company.

Wells, Dorothy, 19, of Victory Highway, Coventry, a worker at the plant.

The men suffered second and third degree burns of the face, head and neck, both arms, and in spots on the legs and back.

The vat is about eight feet in diameter and 10 feet deep.

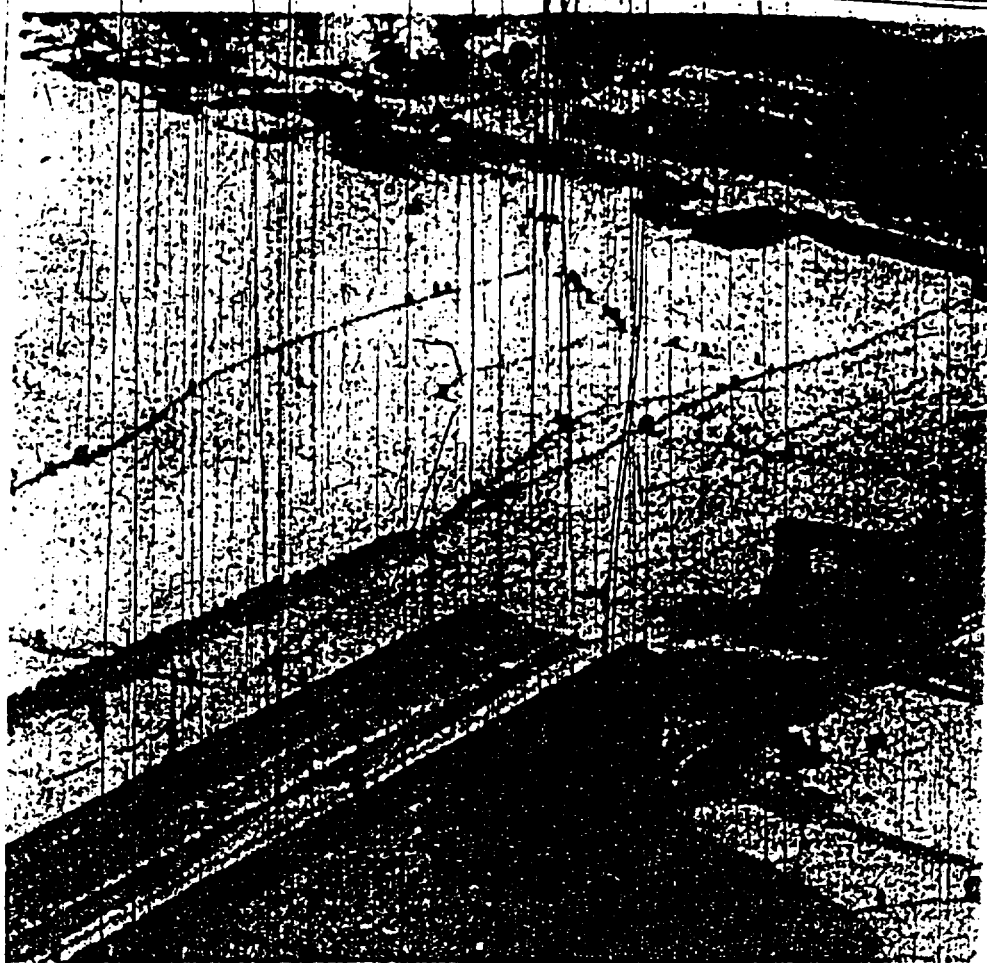
Dr. Harry W. Grinnell, 51, of 140 Aldrich Avenue, Warwick Neck, nationally known de-stuffed chemist and plant general manager, was closest to the vat, he said. His clothing caught fire, but he pulled off his long, white laboratory coat and avoided body burns. He was treated by Dr. Joseph E. Witting of 331 Washington Street, West Warwick, for second and third degree burns of the face, hands and legs and taken home.

While he was being treated at Dr. Wising's office, Dr. Grinnell was asked what caused the explosion.

He said, "For some reason the vat did not behave normally and, on turning it out, the acetone used evaporated quickly. A lighting fixture directly over it gave the spark which ignited it."

When the blast came, there were 35 employees in the plant. An office worker in a small building adjoining the stone mill immediately called Dr. Leroy E. Garlock of 112 Washington Street, Lundmark and excitedly asked him to send all available doctors and ambulances to the scene.

He summoned the directors



U.N. Combat Team Under Assault; Allied Drive in West Is Checked

Strong Communist forces opened a heavy assault on the central Korean front early today and threatened encirclement of an American-French regimental combat team.

The enemy forces, believed to include both North Korean and Chinese troops, attacked north of Yaju, 34 miles east of Suwon, with the single blaring that usually preceded a Communist assault.

The enemy infantrymen began their charge at 4:30 a.m. Then in rapid succession more troops hit the Allied perimeter from the northwest, the west, the southwest and the south.

The last attack was launched against a company protecting the main north-south route below the Allied forces. The battle was raging in full force at last, reports a front dispatch from United Press correspondent Glenn Stackhouse.

The Communists struck after the United Nations limited offensive began. Seoul backed out two miles yesterday in bitter fighting that cost the enemy 240 dead, a total

Four Spans Down: Four of the six spans of the D. Maurice River at Three Rivers, after collapsing yesterday, carrying four persons to their death bridge when it gave way with a roar can be seen at the bottom residents of the city line the river to view the tragic spectacle.

Snow Changes Into Sleet, Glazes Highways in State

Warwick Woman's Death Blamed Indirectly on Storm; 60 Persons Hurt in Falls Here; Road Conditions Poor as Freezing Rain Covers Sand

Snow which had been expected to reach six to eight inches in Providence turned to freezing rain last night after two to three inches had fallen, coating highways with fresh ice.

The freezing rain was expected to continue today, changing to rain along the coast, the Boston Weather Bureau said, as it warned of hazardous driving conditions. It forecast clearing and continued cold weather tonight, fair and colder tomorrow.

An inflow of warm air at high levels coming up the coast late in the afternoon melted the snow into rain at high levels and then it changed to freezing rain as it fell through colder air nearer the ground, the Boston bureau said.

The Hillsgrove Weather Station reported a total fall of 31 inches of snow, ending at 10 (9) p.m.

Edwin Hackett, 33, of 83 Pucet Avenue, Johnston, also an employee of the covering company. Willis Dorothy, 19, of Victory Highway, Coventry, a worker at the plant.

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Gives Theory on Blast

While he was being treated at Dr. Wittig's office, Dr. Grinnell was asked what caused the explosion.

He said, "For some reason the vat did not behave normally and, on thinning it out, the acetone used evaporated quickly. A lighting fixture directly over it gave the spark which ignited it."

"We're never going to use acetone again," he declared.

When the blast came, there were 35 employees in the plant. An office worker in a small building adjoining the stone mill, immediately called Dr. Leroy F. Garland of 412 Washington Street, Quinwick, and excitedly asked him to send all available doctors and ambulances to the scene.

He summoned the Coventry, Hope & Jackson and West Warwick ambulances, but was still trying to reach other doctors when the three men most seriously injured were driven up to his office in private autos. He gave the men first aid for shock and ordered them taken to the hospital in the West Warwick ambulance.

Clothing of one of the men was entirely torn or burned off and that of the others was in smoldering shreds.

Also treated by Dr. Garland, but not hospitalized, were the following: transports, messengers, and other plant employees Eugene Patenaude, 39, of Colorado Road, Togue, superficial burns on the face; John Sota, 32, of Kulas Street, Crompton, burns on the back of the neck and face; and Ar-

Continued on Page 2, Column 3

REDS OPEN ATTACK IN CENTRAL KOREA

U.N. Combat Team Under Assault; Allied Drive in West Is Checked

Tokyo, Thursday, Feb. 1.—(UP)—Strong Communist forces opened a heavy assault on the central Korean front early today and threatened encirclement of an American-French regimental combat team.

The enemy forces, believed to include both North Korean and Chinese troops, attacked north of Yoji, 34 miles east of Suwon, with the bugle-blasting that usually precedes a Communist assault.

A regimental combat team normally consists of 3000 to 5000 men. The enemy infantrymen began their charge at 4:30 a.m. Then in rapid succession more troops hit the Allied perimeter from the northwest, the west, the southwest and the south.

The last attack was launched against a company protecting the main north-south route below the Allied force. The battle was raging in full force at last report, a front dispatch from United Press correspondent Glenn Stackhouse said.

The Communists struck after the United Nations limited offensive below Seoul halted out two miles yesterday in bitter fighting that cost the enemy 2500 dead—a total of more than 6200 in two days of fighting.

The battleship Missouri and a powerful supporting fleet shelled the Kosong area of the Korean east coast from dawn to dark and noncommittant vessels took advantage of a lack of enemy opposition to move in close and help blast the beaches.

A Navy spokesman said the U.S. fleet included the Missouri, a cruiser, destroyers, cargo vessels, transports, minesweepers, and some small amphibious ships. These vessels usually are equipped with deck guns.

Stackhouse said the Communist attack came 10 miles north of Yoji in an area known only as the "Tun-

Continued on Page 7, Column 3

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Four of the six spans of the Du Maurice River at Three Rivers, Ct. after collapsing yesterday, carrying four persons to their death. Residents of the city line the river to view the tragic spectacle.

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An inflow of warm air at high levels coming up the coast late in the afternoon melted the snow into rain at high levels and then it changed to freezing rain as it fell through colder air nearer the ground, the Boston bureau said.

The Hillsgrove Weather Station reported a total fall of 3.1 inches of snow, ending at 10:10 p.m.

Warwick Woman Collapses

The snow was blamed indirectly for one death. Emily C. Fairbrother, 72, of 149 Palmer Avenue, Warwick, who apparently had been sweeping her walk, collapsed on her way back to the house and died. She was found about 7 p.m. by Joseph F. Ford of 129 Maryland Avenue, Lincoln Park, a friend who had come to visit her. Dr. Rocco Abbatte, Kent County medical examiner, said death was due to natural causes.

Treacherous walking conditions caused by the snow covering icy patches sent 60 persons to Rhode Island, St. Joseph's and Roger Williams General Hospitals yesterday for treatment for fractures. Six of them were admitted for leg and hip injuries, but physicians said none was serious.

It was reported the largest number of persons injured in falls in a single day in this city for several years.

More than 35 persons were treated at Pawlucket Memorial Hospital for falls on the ice.

Highways Slippery

State police reported last night that road conditions were poor, despite the best efforts of state crews. The state had 120 trucks and 350 men working through the night, plowing the two to three inches of snow and sleet from the highways, and sanding hills and intersections.

About 40 to 50 big trailer trucks were stuck on Togue Lake Hill on Route 3 in Crompton early today, crisscrossed every which way on the highway as state sanding trucks

worked to make the hill passable once more.

While trucks re-sanded the hill where the freezing rain had covered the earlier sanding, Coventry and West Warwick police re-routed traffic around the tieup. Coventry police sent traffic through Washington and Arctic and Natick, back onto Route 3, while West Warwick police sent southbound traffic from Quinwick Avenue to Cowesett Road, along Main Street to Arctic, around onto Washington Street and back onto Route 3. The tieup started about 12:30 a.m.

Southbound traffic on the Nooseneck Hill Road was halted for a time last night by ice on Hope Valley Hill in Hopkinton. State police said the tieup was minor and cleared in about 30 minutes after state sand trucks arrived.

Sleet was covering much of the sand as fast as it was spread, but despite the bad conditions few accidents were reported, probably because there were few cars on the roads.

Worst Cold of Winter

The snow and sleet came on the heels of the worst cold of the winter, which dropped the mercury in this city to an official low of 3.8 degrees at 6 a.m. yesterday, one-tenth of a degree colder than the previous low for the winter, on Dec. 27. It was much colder in some other parts of the state, with Ide's Farm, Bridgeton, perennial ice box, reporting 14 below. Block Island was the warmest spot—13 below for the day was 14.

The temperature began rising last night and at 1 a.m. had reached 30 degrees, and was still climbing slowly.

The snow canceled all flights out.

Continued on Page 2, Column 1

House Approves Stop-Gap Measure As State Anti-Eviction Law Dies

Emergency Bill Would Extend Statute to Mar. 1, Goes to Senate for Possible Action Today or Tomorrow; Opposition Blocks Re-enactment of '50 Code

Rhode Island's anti-eviction law, a measure which is an exact duplicate of the 1950 statute. It since was every indication the General Assembly will complete action on a new bill today or tomorrow.

The House of Representatives yesterday started on its way an emergency bill which would extend the anti-eviction statute until Mar. 1, but the Senate had gone home for the day before the House acted.

As a result, the one-month extension of the present law will not reach the Senate until today and it is not yet sure whether the Senate will insist upon committee study.

Yesterday, Duphney introduced the emergency bill after talking with House leaders. Only 28 of the 100 members were in their seats when the bill was introduced and passed without opposition.

Last night, Herman D. Ferrara of Providence, acting Democratic majority leader, said action was put off on re-enactment of the 1950 anti-eviction law because many Repub-

Group Formed to Fight 3 Hours After G

Spruille Braden Heads 60 Must Succeed or Move From Annual Cost to Be Raised to

New York, Jan. 31.—(AP)—A New York City crime commission was organized today, three hours after a Brooklyn racket grand jury had called for a public watchdog committee on law enforcement. Spruille Braden, former ambassador to Argentina and former assistant secretary of state, was named acting chairman of the group, to be built around a nucleus of 60 top business and civic leaders. The grand jury recommended the crime fighters in a presentment handed up to Kings County Judge

Sports Headlines

BARRY SULLIVAN, new wingar

at work on hills and interstates. The UER had its tankers in operation also.

As it appeared earlier in the day that the state was in for a heavy snowfall, Governor Roberts, leaving for New York by train, directed Philip S. Mancini, director of public works, to have his highway crews alerted to keep abreast of the storm. As a result, all day men were kept on the job through the night and emergency crews were called in.

The storm resulted in the cancellation of several events. A meeting of the Robert Williams Family Association scheduled for 2 p.m. today in the ILL Historical Society building, Tower Street, has been canceled because of the weather.

While the southern sections of New England got sleet and freezing rain last night, the snow continued in most of Massachusetts, Maine, Vermont and New Hampshire and was expected to reach a depth of six to eight inches.

U.S. WEATHER BUREAU EASTERN STANDARD TIME Jan. 31, 1931

R.I. STATE AIRPORT

WEATHER—1:30 a.m. cloudy; 7:30 a.m. cloudy; 1:30 p.m. snow; 7:30 p.m. snow.

BAROMETER—7:30 a.m. 30.73—10:00 a.m. 30.70—1:30 p.m. 30.46—10:15 p.m. 30.46.

TEMPERATURE—1:30 a.m. 6°; 7:30 a.m. 6°; 1:30 p.m. 15°; 7:30 p.m. 19°.

RELATIVE HUMIDITY—1:30 a.m. 48°; 7:30 a.m. 66°; 1:30 p.m. 82°; 7:30 p.m. 87°.

WIND—1:30 a.m. SSE, velocity 15 miles; 7:30 a.m. NNW, velocity 15 miles; 1:30 p.m. N, velocity 13 miles; 7:30 p.m. NE, velocity 12 miles.

PROVIDENCE DATA
HIGHEST temperature, 28 degrees at 11:50 p.m. (unofficial). A year ago, 32.

LOWEST temperature, 3.8 degrees at 6 a.m. A year ago, 21. Normal mean Jan. 31, 27 degrees.

Today's Miniature Almanac
Sun Rises: 8:59 a.m. Sun Sets: 5:00 p.m.
High Tide: 12:39 a.m., 3:28 p.m.
Low Tide: 8:54 a.m., 8:54 p.m.

Indications For Today
Boston Jan. 31.—Forecast for Rhode Island, Massachusetts, Connecticut—Freezing rain Thursday, possibly changing to rain along coast and pokey to sleet. Hazardous driving conditions. Rain ending late in day, followed by clearing and continued cold at night. Fair and colder Friday.

For Maine, New Hampshire, Vermont—Snow Thursday, possibly becoming mixed with sleet and freezing rain with hazardous driving conditions with portions. Not quite so cold. Partly cloudy with snow bursts north portions Thursday night and Friday. Continued quite cold Thursday night and Friday.

For the coastal waters: Eastport to Rock Island—Northeast storm warnings are displayed for easterly winds of 31-45 mph Thursday becoming moderate variable and then increasing again from the north-west by evening. Snow north portion, and rain and freezing rain south portion Thursday followed by clearing at night. Generally poor visibility.

Boston, Jan. 31.—(AP)—Maximum temperatures for 12 hours ending at 7:20 p.m. and minimum

at work on hills and interstates. The UER had its tankers in operation also.

Four 180-foot spans of the bridge collapsed at 2:55 a.m., carrying away telephone lines linking Quebec and Montreal. The bridge crosses the St. Maurice River where it joins the St. Lawrence, and connects Three Rivers with Cap de la Madeleine.

Four cars were hurled through the ice by the sudden snapping of the spans, and several other motorists had narrow escapes.

Darkness and bitter 26-below-zero cold prevented rescue workers from dragging away the four wrecked cars.

The dead were listed as Henri Paul Gendron, 41, Maurice Baimler, 29, and Noel Doucet, 42, all of Cap de la Madeleine, and Paul Fluet of Ville St. Laurent, near Montreal.

NEW SPY INDICTMENTS

Grand Jury Brings Bills Against Five Accused in Gold Case
New York, Jan. 31.—(AP)—A new indictment was returned by a federal grand jury today against five persons accused of conspiracy in commit espionage in the Harry Gold atomic spy case.

The indictment is the same as one filed Oct. 10, except that the period of the alleged conspiracy is lengthened by five months and an additional alleged overt act is included.

Those named in the indictment are Julius Rosenberg, 33, and his wife, Ethel, 35; Anatoli A. Yakovlev, former Russian vice-consul here; David Greenglass, 29, and Morton Sobell, 33.

The new indictment specifies the conspiracy dates as from June 6, 1944, to June 16, 1950. The old indictment gave the dates as Nov. 1, 1944, to June 16, 1950.

CHINESE LEAVE MALAYA

Thousands Return to Mainland, Attracted by Red Propaganda

Singapore, Jan. 31.—(AP)—Thousands of Chinese throughout Malaya, attracted by promises of opportunity in China, have started an exodus to the Red mainland.

Immigration officers in the big coastal towns are besieged by the Chinese, who tell of letters from China reporting free plots of available land on which to settle and be independent.

Chinese youths, a target for mobilization in Malaya's anti-bandit war, say they are under pressure from their parents to go to China.

British officials issued warnings that conscription in China is more severe than in Malaya.

10 HURT IN BLAST AT QUIDNICK SHOP

Continued from Page One.

That Patrick, 29, of Corvett Avenue, Crompton.

Perrais received a back injury when a heavy beam fell on him in the blasted machine shop. Krays was taken to his back today. Louis Cooke, 34, of 17 Bennett Street, West Warwick, who was at work in the spinning machine shop, was blown about 25 feet away and received a shoulder injury when a beam glanced off him. He said he would see a physician.

Thrown Down Stairs
John Kerula, 39, of Foster Center, a former Foster councilman, was walking down a flight of stairs when the blast threw him down the staircase, injuring his back and right hip. He also said he would see his own doctor.

Vincent Miller, 33, of 72 Arlington Avenue, Warwick, was at work on the first floor when the blast threw him against another vat, injuring his left knee. He was not hurt.

Witnesses said Dr. Grinnell was with Dorothy and the two covering company men and that all were within 15 to 20 feet of the vat which exploded on the first floor. They said Dr. Grinnell saw that something was about to happen and yelled a warning, but too late.

Hebert and Hackett were engaged in applying asbestos covering on some adjoining equipment near the exploded vat.

Miss Arpin, 33, of 63 Community Drive, Cranston, a driver for Sessions-Gifford Co., was unloading chemicals at the plant door.

"I saw a man come out all burning and trying to pull his clothes off," he said. "I helped him pull the clothes off and he ran around the building."

Arpin, who was in the plant doorway, said, "The blast pushed me back and then sucked me in."

James F. Cutlip, 25, of 54 North Street, Quinick, was working on the first floor. "I happened to look up and I saw a ball of fire before I was blown out a door," he said.

David Renick, 16, of Harkney Hill Road, Coventry, and Richard Mercantaux, 25, of 26 Gardner Avenue, West Warwick, said they leaped out a window propelled by the blast. Almost every window in the huge

plant was shattered by the explosion.

Chief Elmer A. Capwell of Anthony Fire Department said firemen did not have too much trouble with the fire because of the effective sprinkler system.

Joseph E. Buonanno, of 130 Upper Avenue, Providence, former Brown University football captain and president of the firm, went to the scene later transported Dr. Grinnell home.

The plant, located on Quinick Street, is known familiarly as the lower Quinick Mill. The larger mill nearby is occupied by the George F. Mousley Co.

16 SHIP WORKERS KILLED

Others Injured at Belfast When Gangway Collapses

Belfast, Northern Ireland, Jan. 31.—(AP)—A gangway leading to a ship collapsed tonight, killing 16 workers and injuring 48 others.

More than 60 workers crowding ashore at the end of a wharf fell 30 feet. Some were thrown into the water and others onto the dock beside the ship—the Juan Peron being outfitted as a whale factory ship for an Argentine firm.

It was the worst shipyard disaster in Belfast history.

\$65,000 PRICE INDICATED

Deed Is Filed in Sale of Manville Mill Property to Atlantic Co.

Federal tax stamps attached to a warranty deed filed yesterday in the town clerk's office in Cumberland indicated Atlantic Wool Combining Co. paid about \$65,000 for the former Manville Jenckes weave shed in Manville.

The deed transferred the property to the wool combing firm from Crescent Corp. of Fall River in a move to reactivate the big sessions-Gifford Co., was unloading chemicals at the plant door.

"I saw a man come out all burning and trying to pull his clothes off," he said. "I helped him pull the clothes off and he ran around the building."

Arpin, who was in the plant doorway, said, "The blast pushed me back and then sucked me in."

James F. Cutlip, 25, of 54 North Street, Quinick, was working on the first floor. "I happened to look up and I saw a ball of fire before I was blown out a door," he said.

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IRAQ, USSR TRADE PACT

Bagdad, Iraq, Jan. 31.—(Reuters)—Iraq is to receive newsprint and timber from Russia in return for dates. This is provided in a temporary trade agreement announced here today.

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Dump Fires Again Posing Problem

By JOHN R. VALLE

Dump fires, a chronic problem in North Providence and Smithfield, reappeared this week. According to several telephone reports received by the Journal yesterday morning, large sections of North Providence, near a series of dumps on Smithfield Road (also called Ridge Road) in North Providence and Smithfield were clouded with heavy smoke on Monday night. A study of existing ordinances in the two towns suggests that, at the present time, not much can be done about it.

One mother, speaking of Monday's fire, said the smoke was so thick that she and other mothers in the block called their children in from play.

A clerk at the North Providence town hall said the smoke was "so thick you couldn't see the houses."

According to a number of reports, this particular fire occurred. The North Providence dump, rented land a little over a quarter of an acre in size, the several-acre Smithfield dump, located nearby, and land in the general area owned by Raymond P. and Helen Patriarca, comprising several acres also used for dumping purposes. Although the fire was unusually large, it was not unusual.

As one person put it, "The day you didn't have a fire out there, you didn't have a pretty good story."

A survey of the dump site yesterday morning showed burning in wide areas about the North Providence dump. There was only a small amount of smoke coming from the Smithfield dump. A Smithfield police officer said he believed the burning had been restrained to the North Providence side of the dumping area, but Michael Costello, North Providence councilman, said the Smithfield dump had been the chief location of the fire.

North Providence families were bothered by the smoke because of a change in the prevailing winds from southwest to northwest during the past two days. Michael A. Abatuno, North Providence town solicitor, reported: Mr. Abatuno is also an amateur sailor.

Apparently burning at none of the dumps is prohibited by law. Mrs. Margaret A. Crepeau, Smithfield town clerk, said the town's dumping ordinance does not specifically prohibit burning, but does prohibit the dumping of combustible material or chemicals.

Miss Blanche M. Barnard, North Providence town clerk, said she is not aware of any anti-burning ordinance. In inspection of the town's three ordinances involved with the dumps showed that no reference is made to burning. Two

leases of the property by the town, signed in 1963 and 1953, contain no conditions on burning.

It was Mr. Abatuno's opinion that all burning except of paper should be prohibited. "My feeling is that it should all be taken care of by sanitary land fill," he said.

The Smithfield dump has its gates locked on weekdays. It is open weekends for the convenience of householders who want to drop off rubbish and there is an attendant present during the week, a person wishing to enter the dump may get the key either from the police department or from the director of public works.

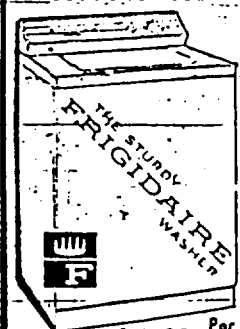
The North Providence dump is open on all business days. There was evidence of dumping, some of it in truck-load lots, along the sides of Smithfield (Ridge) Road.

An attendant at the North Providence dump, who would not identify himself, said yesterday of the burning situation, "It can't be helped. Some of the kids come in and set fires. It can't be helped, you know?"



The gate to the Smithfield dump is locked so dumpers leave their rubbish outside.

Lowest-priced FRIGIDAIRE 2-speed, 2-cycle WASHER!



\$2.00 Per Week

- Fresh, running water rinses!
- Pumps lint away automatically.
- Spins clothes driest of all.

DiStefano Returns \$5,514 In Court Fees

Police Chief Jack DiStefano of North Providence mortgaged his house and paid back \$5,514 in court officers' fees to the town treasurer yesterday morning.

Benoit P. Fisette, council president, said last night he is "glad" to see the situation straightened out. Mr. Fisette said he does not anticipate any further discussion of the issue at council meetings.

The chief's action came after a Journal-Bulletin investigation last month which showed that the court fees have been reduced since Chief DiStefano took office in December, 1969. A town ordinance states that all such fees shall be turned over to the town.

Chief DiStefano took out a \$6,000 mortgage on his home at 35 Intervale Ave. from the Cranston Loan Co., 1005 Smith St., Cranston. He handed over the check to Ralph D. Cienda,

To Hear Cranston Case? 3 High Court Judges Will Decide Today

A three-man panel of Rhode Island Supreme Court justices will meet today to decide whether to hear a special session appeal from the Superior Court ruling that bars the preparation of a tax roll sought by Mayor James DiPrete Jr. of Cranston.

Mayor DiPrete said the special session was held last night that the meeting would take place today before Justices Thomas H. Roberts, Thomas J. Paolino and Alfred H. Joslin.

The mayor has said he is confident that the court will decide to hear the appeal before the start of the regular fall session Oct. 1.

Veteran court observers say that special summer sessions of the court are rare, once the justices have left for vacations. The court adjourned for the summer July 8.

Today's meeting is expected to take place in the court chambers, Christopher P. Del Sesto Jr., assistant city solicitor for Cranston, and attorneys for Charles W. O'Rourke of Park Ave., Cranston, who brought the suit, are expected to be present.

Judge Fred H. Perkins of Superior Court ruled June 26 that the tax assessor could not prepare the \$5,265,488 tax levy ordered by Mayor DiPrete, but left the door open for the city to

present a proposed measure of council to adopt the mayor's lower levy. He was heard during his briefcase about the suit of the town when he was defeated. A resolution was struck by a 4-0 decision by John would have adopted the mayor's \$5,265,488 tax levy.

DiPrete Loses Tax Move Council's Silence Kills Resolution; Mayor Touches Off Debate

Nineteen Cranston councilmen remained silent last night when asked to move adoption of the \$8,265,488 tax levy resolution sought by Mayor James DiPrete Jr., and the measure was declared lost by GE Edward Silva, council president, five minutes after the special session had been called to order. An involved debate touched off by remarks by Mayor DiPrete after the resolution had been defeated prolonged the meeting another 40 minutes. The mayor renewed his charge that the council had made a mistake in setting an \$8,000,000 maximum to raise \$7,805,000 and told the councilmen, "You are not men enough to stand up and admit you made a mistake."

An identical tax levy ordinance introduced July 25 by Mayor DiPrete has been scheduled for hearing Aug. 21 by the ordinance committee.

The mayor was understood to have placed greater emphasis on the resolution since the language of the restraining order prohibiting preparation of the mayor's tax roll specifically uses "resolution" to describe how the council may order the mayor's levy.

Both the shortness of the meeting and the defeat of the mayor's resolution had been predicted by the council.

There was no move last night to introduce the \$8,000,000 minimum compromise tax levy, reportedly favored by some councilmen.

Robert V. Joslin, R-Ward 4, one of the reported backers of the compromise, was absent, and council leaders had expressed reluctance to introduce the compromise measure without 11 favorable votes needed for passage confirmed before hand.

Mr. Silva called the council to order at 8:38 p.m. and ordered Mrs. Astrid Leidman, city clerk, to read the mayor's resolution. When she had completed the reading, Mr. Silva asked for a motion to adopt the resolution.

After waiting a few moments and hearing no motion, Mr. Silva declared the resolution lost at 8:43 p.m.

Mayor DiPrete, who sat silently through the motion on his proposal, asked whether its defeat meant that the council's \$7,805,000 to \$8,000,000 tax levy was still in effect. Mr. Silva said it was.

Displaying a cardboard chart with the figures written on it, the mayor asked the council if it expected next year to raise \$7,805,000 from an \$8,000,000 maximum when it expected this year to raise only \$7,377,000 from the same maximum.

Anthony Antomiet, D-Ward 3, answered that the mayor was comparing the figures from the 12-month 1969-70 budget with the figures from the 11-month 1968-69 budget. Mr. Antomiet said of the councilman that he expected next year to raise \$7,805,000 from an \$8,000,000 maximum when it expected this year to raise only \$7,377,000 from the same maximum.

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The chief said he was not sharing in fairness to every one. The money has been turned in. I have done what the town ordinance says.

George Ganetti, 9, of 62 State Park Ave., Cranston, presented a complaint of council to adopt the mayor's lower levy.

The city council last night adopted a resolution to raise \$7,805,000 minimum was secured for 12 months. It would be a \$5,612,000.

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Smoke hampers volunteers at North Providence storehouse fire.

N. Providence Factory Fire Delays Traffic

Flames last night destroyed
the Atlantic
Company building at 2072
Smith St. in North Providence.
No one was injured. The fire
caused a traffic jam on Smith
Street.

The fire started just before
6 p.m. and ruined the wooden
roof of a brick and masonry
building which housed drying
equipment and chemicals which
were not explosive.

Chief John Murphy of the
Centerville volunteer fire com-
pany said the cause of the fire
is under investigation and that
damage will be estimated today.

Volunteers of the Fruit Hill,
Lymanville and Geneva fire
companies assisted the Centerville
unit in extinguishing the fire
in the building within an
hour.

Bernard Buonanno, general
manager of the firm, said the
fire may have started near a
machine used to dry a metal
stripping product. The firm pro-
duces dyes and chemicals used
in making dyes.

Firemen confined the blaze
to the brick and masonry struc-
ture, although flames were leav-
ing high above its roof when
they arrived.

Gaming Tax Case Going to Jury in U.S. Court Today

A jury trial of Martin DiDon-
to, 35, of 25 Deborah St., on
charges of violating the federal
gambling tax law was concluded
in three hours in U.S. District
Court yesterday and Judge Ed-
ward W. Day will give the case
to the jury this morning.

Alton W. Wiley, assistant U.S.
district attorney, rested the gov-
ernment's case at noon and Joseph
Palumbo, defense counsel, but in
no testimony but stood on
legal argument of insufficient



Working on roof timbers from the inside.

Decision by N. Providence Supt. Class in Basement Moved After Fire in Boiler Room

Use of a basement room as a
eighth-grade class of 22 pupils
at a North Providence ele-
mentary school has been discon-
tinued after a minor fire Nov. 16
in the nearby boiler room, it was
learned yesterday.

The school is the James L.
McGuire School on Central
Avenue in the Fruit Hill sec-
tion. In recent weeks it has had
oil burner problems, which this
week forced cancellation of
classes for two days.

Prior to the Nov. 16 inci-
dent, a basement room at the
school had been used for en-
hancement rooms should not be
used as classrooms at McGuire
School.

Mr. Maguire said that at the
start of the school year he de-
cided to use the basement room

Cranston Council Takes Up I

The Cranston City Council
last night moved to consider a
plan requesting the General
Assembly to redraw city ward
lines and add a sixth ward to
the existing five.

It received a proposal, pre-
pared by the Republican execu-
tive committee and backed by
the GOP city administration—
that would create a new ward
by combining the South Elm-

wood section and the
situation area.
The redistricting is
by the home rule cha-
Under the proposed
second ward, almost d-

\$2,950,000 for Projects

Council Okays Ordinances For Cranston Bond Issue

Three ordinances authorizing
the City of Cranston to issue
\$2,950,000 in bonds for school,
sewer plant expansion, fire sta-
tion improvements and a new
police station were approved
unanimously last night by the
city council.

Approval marks a major
achievement for the administra-
tion of Mayor James DiPrete
Jr. and clears the way for issu-
ance of the bonds and the be-
ginning of construction.

The issues had been approved
at a Sept. 17 special election.
They received bipartisan sup-
port last night.

The council met in a 30-min-
ute adjourned session originally
scheduled for Nov. 25 which
was postponed until last night
on the death of President
Kennedy.

Passage of the bond ordi-
nances spurs plans for the pro-
posed Glen Woods-Garden Hills

school and numerous school re-
pair projects.

A combined school commit-
tee-school building committee
meeting to discuss plans for the
new school is set for tomorrow
night.

Progress toward a new police
station now is in the hands of a
site committee appointed two
weeks ago by Mayor DiPrete.

In straight party line voting
the council approved, 11 to 8,
a zone change from industrial
to residential use for an area
bounded by East View Avenue
and Urban, Surz, and Macklin
Streets.

Suspension To Close Cafe On Dec. 22

The police committee of the
Cranston City Council last night
set dates on which a five-day
suspension will be imposed on
the Riviera Cafe, 1618 Elmwood
Ave.

The committee Nov. 15 found
the establishment guilty of al-
lowing minors to drink there
and voted to impose a suspen-
sion and set the effective dates
later.

The suspension will be in ef-
fect Dec. 22, 23, 24, 25 and 26.
The committee voted 4-1 on
the dates. Councilman William
F. Cote, D-Ward 5, who voted
against the suspension Nov. 15,

stated that an emergency
existed in his office. Mr. Rus-
sillo said that as a result of
the discharge of his only office
clerk "we have been running
behind on extremely important
work."

He said that despite repeated
calls for help, no effort is being
made to meet the emergency.
The salary of Miss Marylyn
Kaye, former clerk in Mr. Rus-
sillo's office, was deleted from
the budget in April, although
she has been employed period-
ically since then. Mr. Russillo
and his budget would not per-
mit her continued employment.

Blaming the council and
Adam R. Macari, town treas-
urer, who controls the work
assignments of general clerks
at the town hall, Mr. Russillo
said he was seeking the legal
opinion from Angelo G. Rossi,
town solicitor, "in order to de-
termine what recourse I have."

He said he was obligated to
take steps "to prevent chaos
and permanent damage to vital
public records which I am un-
der obligation to maintain and
preserve under the law." He
charged that the budget cut
that resulted in the loss of Miss
Kaye was an "arbitrary and
politically motivated" action of
the council. The council is con-
trolled by regular Democrats.

Employed in the office, he
sides Mr. Russillo, is Mrs.
Emilie Surazo, his deputy. One
of several girls enrolled in a
high school clerical training
program also reports to be
in the part of each day to
perform clerical tasks.

Guido Pagliaro
Guido Pagliaro, 16, of
Cedar St., Johnston, school of

Councilman in Cranston last
night voted an additional \$2,000
to the \$4,000 already appropri-
ated for the police department
investigation by the Public Ad-
ministration Service of Chicago.

The extra funds bring city
appropriations in line with the
estimated \$6,000 cost for the
investigation.

Representatives of the PAS
are expected to start their four-
month investigation next week.

Blank Pistols Sale To Boy Is Denied

An adult was arraigned and
two juveniles were picked up
by Providence detectives yes-
terday after the firing of a
blank pistol by a 16-year-old
boy, part of each day to
perform clerical tasks.

population of water
would be divided ap-
proportionately along
Aqueduct Road, Av-
enue, and Arthur St.
Reservoir Avenue to
Haven tracks.
By Jan. 1, the town
must forward a re-
plan in the General
for action, according
charter.
Breaking custom,
posal in resolution
referred to the com-
mune committee which
met on Dec. 18.
Frederic A. Charle-
il majority leader, v

East Providence Ac

Mrs. Eleanor Water
Massachusetts Ave., Ex-
dence, complained of
injury after a car hit
her husband, John J.
of the same address,
with a car driven by
Barman, 34, of 44 1
Seakonk, yesterday
p.m. at Broadway at
Wood Avenue, East P.
Mrs. Walsh, who was
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WOOLWORTH'S

... urged voters to ... Sandquist by name. They ... backed by simply reminded voters, he said. ... According to the league press ... Mr. Connors did not ob-



ing the colors from the gradu- escorted by candidate Alan B. Holmes
cers' candidate class to the of Philadelphia, commanding officer of
ss after reviewing them at the color company of the graduating
l at the Newport Navy Base class.
is Nina Dötterer of Newport.

Providence Officials Renewal Is Needed, Spokesman Says

nder, president of the Businessmen's ... yesterday took the ... Democratic ... to task for fall- ... appropriate funds ...
... spokesman within ... criticize the ad- ... for dragging its ... val projects, Mr. ... at the Centredale ... ct is in danger of ... py hollow" unless ... in soon.
... said that in view ... renewal projects ... ay in surrounding ... under, federal or ... es, Centredale will ... a quiet little vil-

would bring in needed tax dol-
lars.
At a relatively small cost to the town, Mr. Zander said, the federal government would carry out a survey of the entire Centredale business district. The benefits of urban renewal in the district would be twofold, he said. Not only would the business district be uplifted, but there is a prospect for new highways to untangle the Centredale traffic bottleneck, he said.
Mr. Zander noted that there is at least eight acres immediately south of the municipal parking lot off Smith Street that could be used to construct new buildings.

n the budget com- consider a special priation required by planning. Mr. ed the town coun- ure to recommend ...
at the Centredale "have been push- munity renewal for air years. Yet, he ot until after the submitted its ap- quest to the budg- this year that en to seek funds

Blaze in Dump At Chemical Co. Is Extinguished

North Providence firemen knocked down a stubborn dump fire at the rear of the Metro-Atlantic Chemical Co. at 2072 Smith St. yesterday at 5 p.m.
The blaze, more than 100 yards away from the plant, was confined along a horseshoe-shaped area close to the Woonasquatucket River. It took Centredale and Fruit Hill firemen about an hour to extinguish the fire.
Fires at the dump, where large quantities of empty barrels are deposited, have been a source of complaint from nearby residents. Company officials have been asked to appear at a town council meeting later this month to discuss means of preventing the fires.
Bernard Buonanno, general manager of the firm, who summoned firemen yesterday, said the firm plans to eliminate the dump by August or September. He said that rubbish would be carried away by a private collector.
The cause of yesterday's fire was not known immediately.

Mrs. Alfred DeMaio
Mrs. Mary Theresa (Covellone) DeMaio, of 44 Oak St., Cranston, died yesterday at St. Joseph's Hospital after an illness of about six months. She was the wife of Alfred DeMaio.
Born in Providence, April 5, 1914, the daughter of the late ...



Mrs. Anthony Gargano
Mrs. Angelina (LaFazia) Gargano, 70, of 19 Zanolaga St., Johnston, died Wednesday at

election.
The Citizens League head also said that Raymond H. Hawksley, Democratic city chairman, put out a newsletter last Nov.

Democratic party did not think the city manager was doing a good job. Mr. Cranmer called the reasons listed "fallacious."
If Mr. Connors' political party is dissatisfied with the city manager, the league statement said, "we should ask where Mr. Connors stands?"
Mr. Cranmer said it appears

J. Roy Kingsbury
J. Roy Kingsbury, 81, of 60 Orlo Ave., East Providence, died yesterday at his home. He was the husband of the late Idella (Marsh) Kingsbury.
Born in Warren, Vt., on Oct. 18, 1882, he was the son of the late Edward C. and Ella (Sleeper) Kingsbury. He had lived in East Providence for the last 43 years.
"Mr. Kingsbury retired in 1947 after working for many years as a buyer in the furniture department at Gladdings Inc.
He is survived by one son, Marshall R. Kingsbury, of East Providence, and a granddaughter.
Funeral services will be held tomorrow at 2 p.m. at the J. H. Williams and Co. Funeral Home, 210 Taunton Ave., East Providence. Burial will be in Swan Point Cemetery in Providence.

there is only one issue at this critical election, and it is, said Mr. Cranmer: "shall this form of government be retained with a professional city manager as its only candidate?"
The League statement said: "We feel that Mr. Hawksley and state Sen. Gilbert T. Rocha, by their recorded acts in the past five years, have well demonstrated that the Democratic party is determined to get rid of the council-manager form of government and our city manager."
"It is hardly a coincidence that just before the elections for councilman that Mr. Connors suddenly becomes a loud supporter of Mr. Sandquist."
The statement said it appears to the citizens league that Mr. Connors is "Part of a Democratic scheme to displace Mr. Sandquist."
Mr. Cranmer concluded by asserting that this is the reason the Citizens League advocates that Councilman Connors be replaced by William J. McClarran as councilman from Ward Four.
Reached for comment last night, Mr. Connors denied that he was part of a "scheme to displace Mr. Sandquist," he said, he did not feel that any such thing was going on.
He said he would stand on his record as a councilman which he said would show that he has supported the city manager in far more instances than candidates with citizens league backing.
"I think Earl Sandquist has

fact that the ... claimed that its ... candidate w

SCOTT
and A
Watches—
\$6.95 to \$50
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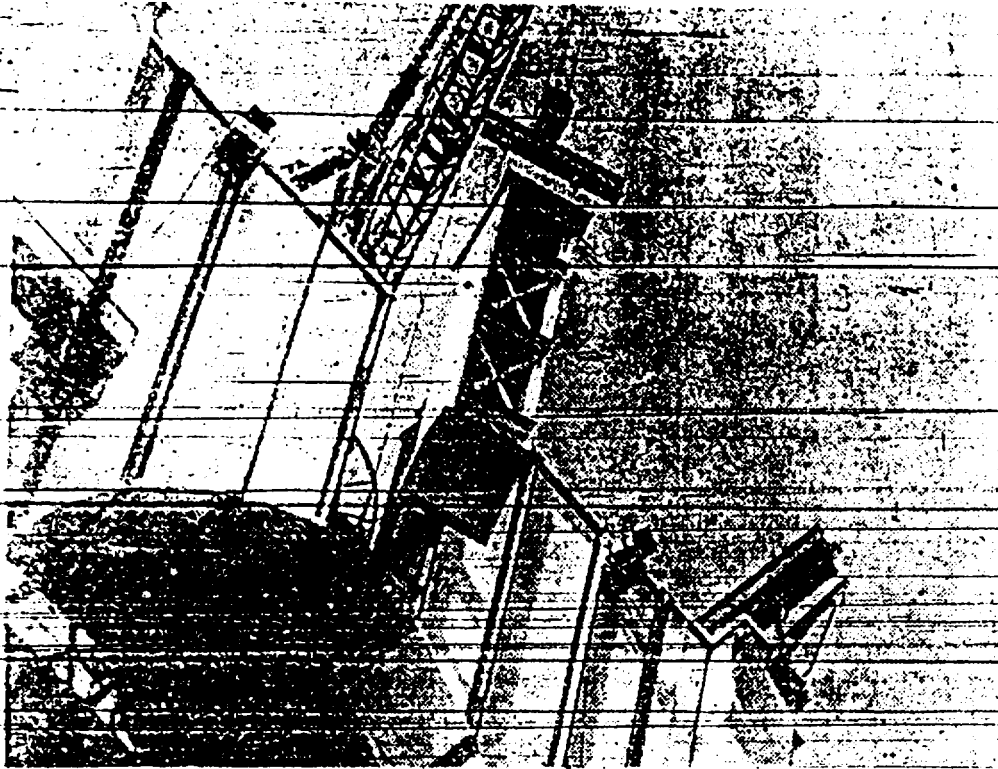
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RELIEF FROM THE HEAT
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take home a new, 1964
FRIGIDAIRE ROOM AIR C
today for regular double-hung windows
... install it yourself in minutes!

Listen to the still, small voice of QUI



The Finishing Touch: A 10-ton section is set into place, completing the second of the main towers of the Newport Bridge. Story on page 8.

—PHOTO BY ERNEST MYETTE

N. Providence Buildings Burn

A fire which broke out in the rear of a building at 1015 North Main St. in Providence, R.I., on Monday night, destroyed a two-story wooden structure which was being used as a warehouse for furniture. The fire started in the rear of the building, which was being used as a warehouse for furniture. The fire started in the rear of the building, which was being used as a warehouse for furniture. The fire started in the rear of the building, which was being used as a warehouse for furniture.

RC Names Vice President

The Rev. Martin Luther King Jr. has named a vice president to complete the plan to restore the relations between the administration of the city and the people.

What the Rev. King has quietly represented is that he has become the catalyst for a new era of peace and understanding between the city and the people. He has become the catalyst for a new era of peace and understanding between the city and the people.

Continued on Page 2 Col. 4 Continued on Page 21, Col. 8

ism is the best we can hope to achieve under present circumstances" and said "we should be willing to accept less than what is and has been our real objective in Southeast Asia in return for a cessation of the conflict."

Senator Gore did not elaborate on his concept of neutralization of Southeast Asia or on how his proposal differed from past administration suggestions that it would be prepared to accept a neutralized Vietnam. But he made clear that he did not believe the administration was in fact willing to accept neutralization and he emphasized that he believed this was the price the U.S. must pay in order to get out of South Vietnam.

Except for such strident criticism, the Senate's role in the Vietnam war ended in an early morning ambush in the hills north of Da Nang.

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Wounded Marine W

He Didn't

Angelo G. De Pardo's role in the Vietnam war ended in an early morning ambush in the hills north of Da Nang. Wounded in both his arms and legs, the 21-year-old Marine from Johnston new views the war from afar in a small room off Ward D at the Newport Naval Hospital.

Given in the crowded and busy hospital, where Corporal De Pardo is one of 24 such wounded Marines, his single room seems isolated from the world of its own removed both from the military war in the jungles and the civilian war debate in the streets and newspapers.

Corporal De Pardo is now part of a silent but growing group of wounded veterans less waiting for the way to end the war in order to better understand the part they played in it.

In an interview, Corporal De Pardo declined to discuss his feelings about being wounded, saying that he would

5 from
men to

"thumbs" have been arrested.

As the campaign continues here, Colonel McQueeney is preparing a letter to the governors of all states through which Route 95 passes describing the enforcement drive here and urging that all of the states mount similar campaigns to save lives.

The Providence police chief said that he has received word that some other police departments in Rhode Island are bearing down on hitchhiking. These include the state police, who have been ordered by Col. Walter E. Stone, superintendent, to discourage ride-begging.

Colonel Stone has no statistics on hitchhiker arrests, since this is left to the discretion of individual troopers.

are not aware that hitchhiking in Rhode Island is illegal, he said.

Colonel McQueeney ordered the campaign July 13, the day after Mary Ann Carroll, 19, of Brookline, Mass., was killed by a hit-and-run driver as she crossed northbound Route 95 near Route 146.

She was the second expressway hitchhiker fatality in Providence in 14 months. Stephen Randall, 15, of 72 Larchmere Drive, East Providence, was killed May 23, 1971, on southbound Route 95 north of the Pine Street overpass.

Colonel McQueeney in releasing the figures on the Providence arrests said he had obtained statistics from

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Hitchhikers

Street this morning and apparently grazed a little girl before smashing a large hole in a two-story tenement.

The girl, Tracy Luther, 5, of 18 Carver Court, was found lying underneath the truck after the driver and a passerby had searched the house for possible victims.

She was rushed to the Miriam Hospital with head and knee injuries, but police said she was conscious and did not seem seriously hurt. They doubted that the truck had run over her.

She was released after treatment of multiple bruises and scratches.

Three elderly occupants of the house were shaken up, but declined emergency treatment. One resident later went to Miriam where he was examined and released.

The truck driver, John Capraro, 55, of 70 Phebe St., told police the truck started to roll backward after he put the gears in neutral and tried to start it.

As he fought to stop it with the hand brake, the big 10-wheeler rolled down the hill about 150 feet, swerved onto the sidewalk and smashed into the living room of the house at 98 Pleasant St.

"I was lying in bed when all of a sudden the plaster just fell on top of me," said

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Truck

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Blasts and Fire Rip Old Plant

An explosion-punctuated fire destroyed two storage buildings and heavily damaged a third early today at the closed Metro-Atlantic Chemical Dye Works plant in the Centredale section of North Providence.

First reported at 12:49 a.m., the fire wrecked two of the structures within five minutes.

A general alarm was signalled, bringing 20 fire trucks and 201 firefighters from North Providence and surrounding communities.

Local officials said the state

fire marshal would be asked to investigate.

The plant has been closed for about a year. Plans were being made to tear it down and erect twin tower apartments for the elderly, but the proposal was tabled until the town's newly created Redevelopment Agency decides what direction urban renewal will take in the business district.

On July 9, fire damaged two floors of a wooden annex to the plant's main building. At that time, Fire Chief Joseph T. Morrissey said the site was apparently a hangout for

youths. Two weeks ago, he told the town council that the buildings were a fire hazard and ought to be razed.

The blaze today was knocked down within half an hour, but firemen stayed for three hours. Area residents left their homes to watch a wall of flame 100 feet high.

The initial alarm was given by Patrolman Angelo Rotondo, who was cruising in the

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Fire

Providence Journal 8/29/72

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Explosion and Fire Light Up Centredale

Fire

Continued from Page One

downtown area. Seeing a glow, he went to check.

"When I got there, I saw a wall of flames," the policeman said. "Just as I was calling headquarters, the whole place went up. There were three explosions. The heat was terrific."

Early watchers said they saw 50-gallon drums blown 150 feet by the first explosion. Some off-duty firemen heard the blasts and left their homes without waiting for the general alarm.

John Murphy, town superintendent of fire alarms, said he was watching a late movie on television, heard the explosions and thought at first it was thunder.

"I looked out the front door and all Centredale was lighted," Mr. Murphy said.

The fire apparently started in a 50-by-50-foot cinder block building once used for cleaning used steel barrels. It spread to a wood frame storage building. Both were destroyed and an adjacent cinder block warehouse was badly damaged.

A large number of empty

barrels were lying around the 10-acre site. Residue in them apparently helped feed the fire. Firemen said there was a tar-like coating on the walls and floor of the storage shed, left by a chemical that was sprayed on renovated barrels.

The firm's barrel reconditioning activity was moved to a new plant off Washington Highway in Smithfield more than a year ago.

While the fire was raging, a gas odor was detected. A crew from the Providence Gas Co. was called and shut off a main valve on Smith Street at the front of the site.

Engine 1 from the Centredale station arrived first. Its driver called for a general alarm. Units of the Woonasquett Valley Firemen's League responded under a mutual aid pact. Johnston, Smithfield and Harmony sent equipment.

Police Chief John T. Leyden brought in all available men to patrol downtown, where more than 1,000 spectators crowded streets and sidewalks.

The closed plant is owned by Metro Associates. Its principals are Joseph E. Buonanno and Edward W. Ricci of

Providence, and Centredale Properties Corp., whose partners are John Rao Jr. of Providence and Peter Arden of Franklin, Mass.

Mr. Buonanno is president of Metro-Atlantic, which was created after the Atlantic Chemical Co. purchased the Centredale Mill, one of the largest textile plants. Atlantic then bought the Metro Chemical Co. of Coventry, and all operations were consolidated in Centredale.

The bright flames and the explosions early today led to a flood of telephone calls from alarmed residents of North Providence and Johnston.

McGovern Outlines Tax Reform

McGovern

Continued from Page One

said his program would not increase the taxes of any person whose income comes entirely from wages and salaries.

In addition to the welfare plan, which McGovern said would cost \$5 billion a year, he proposed creation of public service jobs, such as teacher aides, park workers and similar tasks to provide employment for one million people at an annual cost of about \$8 billion. He said this would remove 3.5 million people—the workers and their families—from welfare.

Takes Gamble

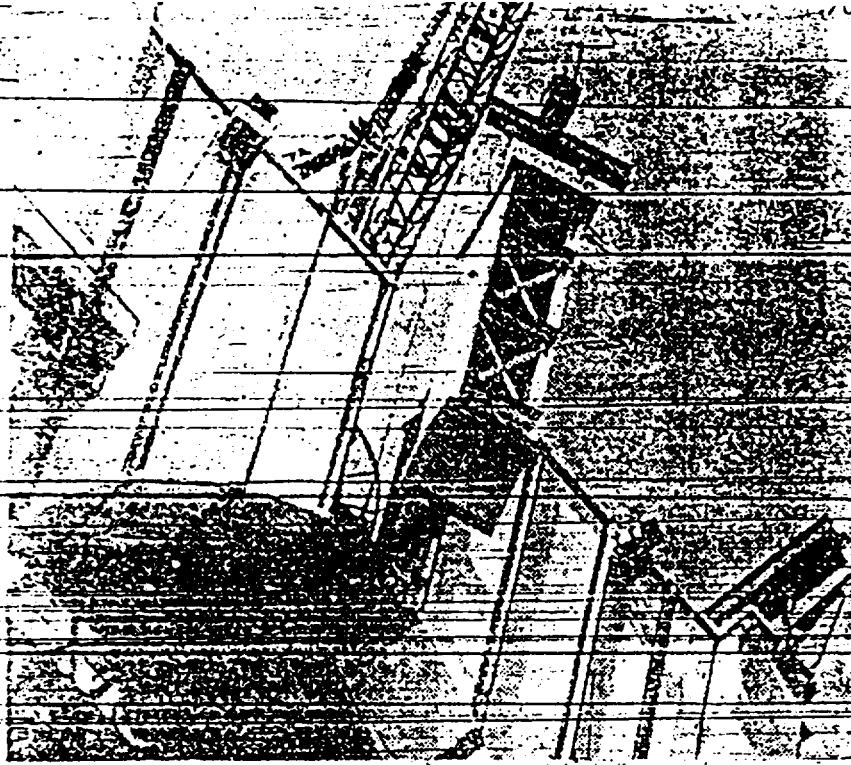
He said he agreed McGovern on "a n" for withdrawal ar, is awaiting Mr. clarification of proposals, and has ions on foreignat necessarily in line McGovern's. future?

McGovern may yet wind up carrying Rhode Island and that there is no groundswell of public affection here for Mr. Nixon.

"When we talk about linking together, we're talking not only about the war and Chafee's role in perpetuating that war

"Choose Pell First" strategy surfacing in 1972, the Pell aide said he saw no possibility of that.

Ford, GM Price Hike



The Finishing Touch: A 10-ton section is set into place, completing the second of the main towers of the Newport Bridge. Story on page 8.

—PUBLISHED BY FRANKLIN M. WATSON

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M. Providence Buildings Burn

The fire, which broke out in the kitchen, was injured was sitting in the cafe when the fire started, which was taken to Our Lady of Fatima Hospital and treated for smoke inhalation. The fire spread out of control until midnight. Frank Marsini of 9 Victor St., North Providence, a bartender at Eddie's Lounge on South Street, said

the yard behind the warehouse. Fire officials said the cause of the fire was not immediately determined.

The president of the furniture company, Aaron Burrows of 935 Hope St., Providence, said the first floor of the warehouse had been completely stocked with merchandise that included a furniture shipment received on Monday. He said the furniture was insured.

Manassas, Fruit Hill, Geneva, Georgetown, Graniteville and South Carolina. More than 400 persons watched the firefighting operation from the street.

Christine's Restaurant, a one-story older brick building, was yesterday damaged. At the

The owner of the restaurant

EC Names Vice President

...the plan to restrict the administration of the ...

100. The witness stated that he quite represented

It has become increasingly obvious that it is necessary to

He is completely conversant with the complex and fluctuating demands of the modern-day life.

1. The first step in the process is to identify the problem or issue that needs to be addressed. This involves gathering information and understanding the context of the problem.

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Wounded Marine V

He Didn't

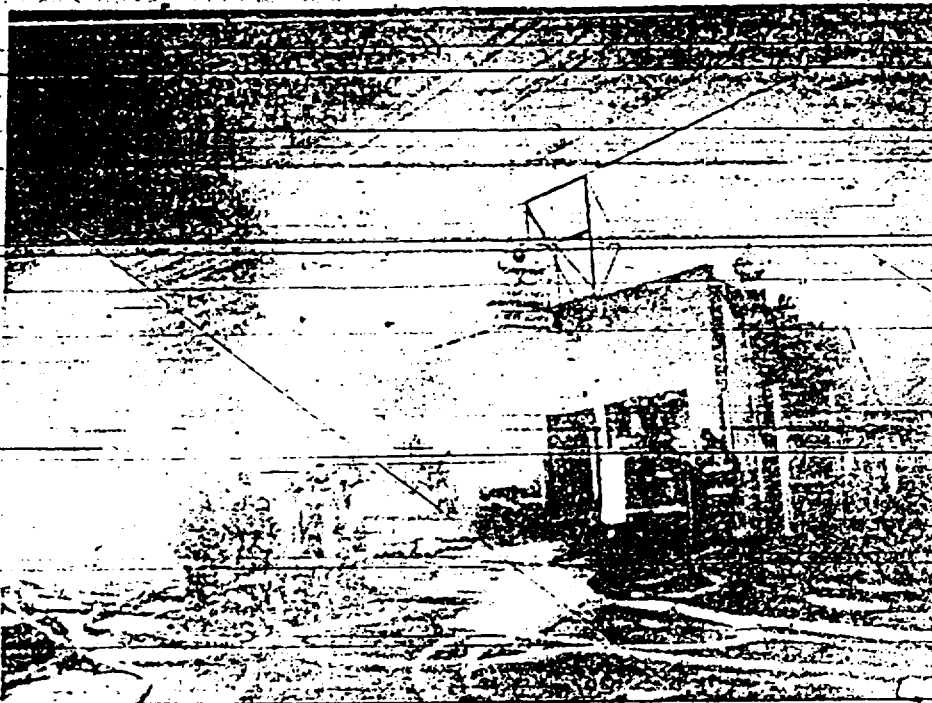
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adian Urges nbing Cease

AP — Ottawa
Canadian Prime Minister
Lester B. Pearson
has urged a
cease-fire in
Vietnam, saying the
country is "not
worth the cost of
continued fighting."
Pearson said the
United States and
France should
seek a negotiated
settlement, rather
than continue the
war. He said the
United States should
not "use force to
bring about a
change of government
in a country which
is not a threat to
the peace of the
world."



Fire scene last night on Smith Street, North Providence.

All M-16s in Vietnam Revamped Fire Damages Buildings in N. Providence

CHRONICLE — The U.S. military has announced that all M-16 rifles in Vietnam have been revamped. The revamping process involves replacing the old magazine with a new one that can hold 30 rounds instead of 20. This will allow soldiers to fire for a longer period of time without having to reload. The new magazine is made of a different material and is designed to be more durable. The U.S. military has also announced that it will be replacing the old M-16 rifles with the new M-16A1 rifles. The M-16A1 has a number of improvements over the original M-16, including a new magazine, a new trigger, and a new sight. The U.S. military has also announced that it will be replacing the old M-16 rifles with the new M-16A2 rifles. The M-16A2 has a number of improvements over the original M-16, including a new magazine, a new trigger, and a new sight. The U.S. military has also announced that it will be replacing the old M-16 rifles with the new M-16A3 rifles. The M-16A3 has a number of improvements over the original M-16, including a new magazine, a new trigger, and a new sight.

Senator Suggests U.S. Accept Neutral Area

Continued From Page 19

WASHINGTON, Oct. 24 (AP) — Sen. J. William Fulbright, D-Ark., today suggested that the United States accept a neutral area in Vietnam, rather than continue the war. Fulbright said the United States should not "use force to bring about a change of government in a country which is not a threat to the peace of the world."

Power Rate Cut Approved By U.S. Board

WASHINGTON, Oct. 24 (AP) — The Federal Power Commission today approved a 10 percent cut in the rate of return on the investment of electric utilities. The cut would reduce the rate of return from 7.5 percent to 6.75 percent. The commission said the cut was necessary to bring the rate of return in line with the rate of return on other investments.

Ruck Picketed as He Reaffirms Viet Policy

WASHINGTON, Oct. 24 (AP) — Sen. J. William Fulbright today picketed Sen. J. William Ruckelshaus as he reaffirmed the United States policy in Vietnam. Fulbright said the United States should not "use force to bring about a change of government in a country which is not a threat to the peace of the world."