

We can and must be united and strong. The Democrats have with consummate hypocrisy attempted to use this great problem in human relations for partisan advantage."

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# ON HELD JR ROADS

In Page One.

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the importance of nation's economy, these observations: now has 3,227,000 roads and streets. 1,000 people spent working hours in 1,000 trucks almost ver the American

2,500,000 people at year manufac- instruments of tation, namely, me- automobile parts, ind in selling those people and serv-

## FIRMS' RFC AID

ernment to Do More long-Term Loans. in. 28.—(AP)—Sen. D. M. proposed to government do more to small businessmen capital loans. democratic leader said a on Monday a bi- government's Re- nance Corporation to 100 per cent of such them directly when they get them through enders.

RUN ON FERTILIZER Indianapolis, Jan. 28.—(AP)—Hooper furnaces are making a run on fertilizer warehouses for fear of getting caught without a supply next spring. Suppliers today blamed the

## 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 market 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 "unemployed 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 retraced his earlier plea and pleaded 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 Burnside 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 DePasquale 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 20 North Davis Street; Leo J. Desrochers, 27, of 86 Melrose 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. Ells, 28, of 43 Burton Street, fined \$15 and costs; Edward Clavin, 23, of 1 Bulfinch Court, \$10; Francis A. Ferraris, 21, of 28 First Street, East Providence, \$5 and costs, and Lloyd G. Beckius, 10, 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 100 years, but President Truman has favored setting up a civilian administration under the interior department in a year or two.

### RUN ON FERTILIZER

Indianapolis, Jan. 28.—(AP)—Hooper furnaces are making a run on fertilizer warehouses for fear of getting caught without a supply next spring. Suppliers today blamed the

## 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, on continually in a well-equipped laboratory, where Dr. Grimmel is assisted by Dr. Alfred Quenner, a Moscow-born graduate of Massachusetts Institute of Technology.

As a result of extensive laboratory work since 1925, Dr. Grimmel has obtained 28 patents in his field.

Born in Hanover, Germany, 31-year-old Dr. Grimmel studied chemistry at the University of Goettingen under Professor Awindaus, Nobel prize winner for his work on hormones and vitamins. That also was Dr. Grimmel's field at first, but he switched to the chemistry of dyestuffs after teaching at Tharand Forest Academy.

Chemist in Germany Before coming to this country in 1928, Dr. Grimmel was a chemist at Farbenfabriken Vorm. A. Bayer & Co., at Leverkusen, Germany, a firm which later became part of the huge I. G. Farben Industries.

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 Association of Textile Colorists and Chemists, he has written numerous articles for the Journal of Chemistry.

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

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

Research in fast dyes is carried

## THOMPSON TO SEEK GA. GOVERNORSHIP

Ex-State Executive Flays Assembly Okays Treaty Giving Much Domestic Freedom to State

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

Thompson, first to enter the 1930 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 maneuvering for the anti-Talmadge banner.

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

# 9304



# Define 'Insider'? It C

# HE BUSINESS FRONT

CLYDE H. HARRINGTON

has been named vice-president, sales of Lithographers Printers, manufacturer of Lithograph Company. A graduate of Amherst College, employed by Esso, lived in Barre of Rehoboth. He's been with for about a half years. . . . Ernest Ovid has been promoted to a specialist by A & P Food & P since 1929, became a store supervisor in '39. . . . Harry Joseph Cohen of General Scrap Inc., of East Providence, is one of men reappointed co-chairmen of East Coast for the Foreign Committee of the Institute of Iron & Steel. . . . Emil E. Us, a native of Providence, now in Milford, Conn., has joined Packaging, a division of Theer Brothers Company, of Bridgeport. He's a graduate of Colgate University, was awarded the Summerfield Scholarship in his senior year, served Acme Markets, in Philadelphia; he Fuller Brush Company prior to Warner Packaging.

**SLAND**, Bernard V. Buonanno, treasurer of the National Barrel America. He's president of the company and general manager of a Centredale. Mr. Buonanno, a member of the Providence Advertising Club, will hold its annual meeting at the Kirkbride Country Club, in its activities will begin at 11 a.m. starting at 6 p.m. . . . This Vacation Planning Week by the Industries Committee. Among advance, Governor Chafee, Christopher; Putnam Scott of Humble Ellsworth S. Harding, chairman of the Users Conference; Arthur E. Fanning Company and John J. Gill Owners Association.

**LANE**.—Herbert Q. Horne Jr. is ger of The Equitable Life Assurance Company. He's with the Worcester agency in Attleboro, resident, is a graduate of the Institute, was associated with Texas Instruments, before joining the Providence agency of the company. is among five such Lent's Plaque for net production. . . . J. Mark Foley is new zone Puritan Life Insurance Company. Kiley succeeds. Mr. Foley, an eastern Massachusetts, a post held. Kiley is a graduate of Methuen business career includes experience as a life insurance agent, Worcester and a graduate of Holy Aetna Life Affiliated Companies \$10,000 in benefits to or for Rhode Island, a 15 per cent increase over the year, general agent for Aetna Life, 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

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, reimbursed who sold bet and April 16, company fine had made a ery.

The SEC is in action, as it has an—insider—about or—act mation. It is lish a precise inside informa to become put and insiders—or act.

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## Cost in 1975 Of 1960 Goals Is Projected

© 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 \$8.9 million in 1962 under the goal, would soar to 151.6 billion and urban development expenditures would rise from a 1962 level of \$4.2 billion to 129.7 billion.

**CANADA WATER-RICH**  
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 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.

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

## 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. Najarlan who imposed the fine recommended the license of the defendant, James T. Smith of 83 Wilbur Ave., be suspended for 90 days.

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.

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 handing by two men. This pick-up does not include cans and rubbish normally collected by the regular Rubbish Collector.

Mario R. Russell



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## Professional Survey Urged For E. Providence Schools

A professional study of the June 12 inspection report East Providence school system may be advocated next night by Mr. George Shochet of Coventry, district governor and installing officer, and Kirkland F. Knight, outgoing president. The survey, which will be held at the Hotel Congress, will be conducted by the Board of Education. Mr. Fordin will preside. The meeting begins at 7 p.m. in the Hotel Congress.

Mr. Fordin said the city's educational system is not a model community, but he believes there is no financial difficulties of the kind and time existing with the suggested recommendations. He patch-up programs."

Mr. Fordin spoke before a group of workers and supporters at the home of Mrs. Norman Ford, 25 Clare St., Providence. He is one of our candidates running the campaign.

## Clothing Store Is Broken Into

WATERFORD — A clothing store at 21 Main St. was broken into about 9:30 p.m. Saturday, according to Mr. E. G. Cuddeback, business manager. The store was broken into to obtain the last two night, using the same man, police reported.

About \$1200 cash and at least \$165 worth of women's clothing were reported stolen by the shop owner, Mrs. Mary M. Torrence.

Patricia Koenig, owner of other 14 piece fashions, found the shop had been entered by a thief who broke in through a window to gain access. Patrolman Joe W. Fitzgerald learned that a thief had pushed in the front door, breaking locks and replacing a glass pane held to be the suspect of persons who had been heard by the owner. The thief had more than 100 yards of wire and some electrical equipment, he said. The shop was located near the intersection of Main and Elm streets.

**McKenna Runs Against Aldo**

Cast in June 12, an unopposed North Providence election on June 4.

**ONE IN FIVE** — Aldo DiFilippo, a member of the executive committee of the North Providence school committee, attended the meeting.

**NIGHT** — Tom Ford, president of the North Providence school committee, attended the meeting. His wife, Mrs. Mary F. Ford, was elected first vice president.

**Two Get City Jobs**

Two new members were

selected by the North Providence school committee on June 4.

Mr. and Mrs. John P. Robinson, parents of

## Housing Board To Be Named

### Council Votes Plan At Hearing on Project for Elderly

The North Providence Town Council voted, last night, to re-establish authority. This is the first step toward advancing federally-financed low-cost housing for the aged in the town.

Councilman Frank SanAntonio, president, told an estimated 20 persons who attended a public hearing on the need for such housing that he would appoint the authority at the annual meeting Monday.

The distinctive name after Dr. Hayes Wolff, chairman of the state Committee on Housing for the Elderly, and Dr. Mary C. Shulkes, administrator of the state division on aging, spoke for more than an hour on the importance of specially-built, low-cost housing for persons over 60.

Mr. Wolff recommended that 600 garden-style units be constructed in North Providence for the aged. He said the project would cost between \$800,000 and \$900,000.

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

The architect was working on a plan made by Mrs. Alice Howell, 20 of 3 Clipping St., who made an agreement with the town to build a new residential complex for the elderly.

"I think it would be nice to have a place where our friends could come to help us enjoy our remaining days," she said. Mrs. Howell said that many senior citizens were unable to afford the "thriving" because they did not have transportation to the town hall.

**Giorgio Difazio**

Giorgio Difazio, 25, son of Giorgio and Anna Difazio, the executive committee of the Seventh Ward Democratic Political Action Club, reported last night that it had received a letter from the North Providence Fire Department, which read:

"We are grateful to you for your letter, and we hope that you will continue to support our efforts to help the fire department in its work.

Patrolman Joe W. Fitzgerald learned that a thief had pushed in the front door, breaking locks and replacing a glass pane held to be the suspect of persons who had been heard by the owner.

The club chartered early this year plans to organize a local chapter of the American Legion.

Patrolman and Fire Department were not present.

Patrolman and Fire Department were not present.

**MARSHALL McLELLAN**

Marshall McLean, 25, of

the North Providence

school committee, was

## Greater Providence

## School Funds Passed in

The Cranston City Council last night unanimously passed three resolutions providing supplementary appropriations totaling \$83,563 for the school department.

The vote was on a doubtful \$3,563; a supplemental appropriation of \$33,563; and the motion for \$50,000 for a bus improvement, which would have been used for that purpose if the school department did not want to do so.

However, Republicans

### Rep. Kiven to Spee-

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

Mrs. Kiven, former president of the Providence League, spoke on the topic, "The in the Legislature."

### Rao Urges Lower Tax Assessment- Rate for Homes

François 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 resolution of all property, said its decision to assess residential, commercial and industrial property at 60 per cent was a step "against the residential home owners."

He said the "long-established" policy of assessing industrial and commercial property at 60 per cent of its valuation and residential property at only 65 per cent was sound policy, since industrial and commercial property have a

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# Authority Discloses Approximate Sites for N. Providence Housing

By MARTIN J. FLAN

The North-Providence Housing Authority announced last week that the approximate locations of seven sites it has selected for low-income families on two of the sites, - among several others, were submitted to the council committee that handles housing authority in the town. The contractor, U.S. Investment & Dev. Co., of Cranston, has been subject to town council approval, for construction of immediate. According to Joseph R. Di Stefano, the housing authority's attorney, and the in mid-1968. Despite major changes in specifications, all talks with HUD in an attempt to lower the number of family units required and to spread them over more sites, - required and to be agreed on at next Monday's meeting, reaffirming the need for housing in North Providence and endorsing the plan, will still be the concession that the town council, Providence and ending the month, after a previous division of units. This pieces, Mr. Di Stefano said, will be delivered under contract. The council have already appraised the properties that have submitted the report in expected soon. Mr. Di Stefano said the two original project for nearly two

years, plans to view its environment, before giving its endorsement. The sites, - among several others, were submitted to the council committee their separate time ever, public appeal was required especially to low-income families. The government dwellings, - was spurred by the housing authority's demand for forward its share of sites to its first housing resolution. Mr. Di Stefano said that U.S. Investment & Development was president, and Mr. Macari, the chairman of the board, chairman, pointed held in the later walkin visit at each other when asked who learned her, learned her and rejected were Woods Road, across from an anonymous street, Louisquisset Gaff Course; Love Avenue, near Dousch Avenue, and Wrentham Avenue. In the same vicinity, - as their selection was, final. John C. Ricci, town council president, and Mr. Macari, the Asked why the meeting was able to keep the contract only by giving assurances that it will called the meeting, probably in \$2.5 million dollars. With two exceptions, at least - silently admitted he had arranged the parties. However, Mr. Di Stefano said could accommodate the elderly and the disabled. Although the vault doors, Mr. Ricci said, agreed that it was best to make public the sites. Mr. Di Stefano said originally planned the elderly dormitory, the three sites, as originally planned.

Mr. DuTefo said the three said.

## Council Urged To Join Probe Of Police Floor

In Cranston

A former Democratic state representative, has written a letter to the mayor to "immediately contact Frederick L. Levesque, a police council president, with arrangements for joint participation by both the executive and legislative branches of government in any investigation." He noted that the city station was completed in 1966, chartered the mayor and city government, - and called for the in-

# Greater Providence

Cranston — East Providence — Johnston — North Providence

## In TOPICS

Mayor James L. Tait Jr. of Cranston yesterday notified Francis J. Farzani, 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 dinner that evening

# Housing Sites

Housing for the elderly, three sites:  
Sunset Avenue, behind Al-  
exander Center—1.5 acres, shipping  
units tentatively planned,  
planned as duplexes,  
Dixie and Carroll Street—2.5 acres,  
one structure because of small lot size,

Woodquisset Street—about mid-size  
Chandler Street—1.5 acres, 50,000 square feet, three duplexes with

Housing for low-income fami-  
lies, four sites:  
Lynn Avenue, about 200 feet  
from Woodquisset Avenue  
center—1.5— one duplex with 100-foot  
lot size,

Oakhurst Avenue, at end of  
Quail Avenue—one duplex with  
100-foot frontage.



The major dinner that evening

# 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 would make by investing 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 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. Picerne, for example, has invested in Taunton Plaza Apartments, a 103-unit subsidized apartment complex for the elderly in East Providence being developed by Kelly & Picerne Inc. Picerne has also purchased a tax shelter in Woodlawn Gardens, a Stratford-Kelly & Picerne 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 Cos. state Rep. Edward J. Maggiacomo, Howard W. Arndorff, president of Arndorff 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 deal you can get." Uncle Sam 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 we're 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 \$10,000 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 reinvest 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.

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



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# Local authorities complain company did not alert them

RICHMOND, Va. — A mechanical failure, apparently compounded by human error, caused Virginia-Electric and Power Co.'s North Anna nuclear plant to "burp" radioactive xenon gas into the atmosphere yesterday. Local authorities say the company did not alert them to the accident.

Nuclear Regulatory Commission (NRC) and Virginia Electric (Vepco) officials said the release from the No. 1 reactor, the station's first known incident since the March accident at Pennsylvania's Three Mile Island plant, posed no public health danger.

The Louisa County, Va., reactor, the sole nuclear power generator in Virginia, immediately shut down. Cold shutdown was set for today.

Two inspectors and two health physicists were reported at the scene. The only

residents within a mile radius are plant employees, Vepco said.

The exact amount of xenon gas released was unknown even early today, but NRC officials said it was a very, very small amount.

VEPCO VICE PRESIDENT C. M. Stollings said about "one-200th" of the maximum permissible amount allowed by NRC specifications in a three-month period was released.

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

we would only reach 12 percent of our quarterly maximum."

A spokesman for Virginia Electric and Power said today the mechanical failure that led to the shutdown of the North Anna nuclear plant bears no similarity to the Three-Mile Island accident in Pennsylvania.

"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-

See NUCLEAR, Page A-10

KENNEDY: "I'll let you know, draw whatever you want."

# Did the Ch... issue

United Press International

NEW YORK — President last night that he has never faced a crisis, and that Sen. Edward Kennedy has failed to deliver on his legislative goal during 16 years.

Mr. Carter said that he is leadership by tackling tough issues that he would report to the Senate on one of them — the Soviet combat brigade in Cuba.

Mr. Carter, in a town meeting attended by heckling and applause, was looking forward to the challenge by Kennedy, his possible Democratic nomination.

"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 no

## Good Evening!

### Inside

#### House votes raise

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

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## Oil firms got millions, but returned no services

Associated Press

WASHINGTON — The Energy Department has paid \$27.5 million to three oil-storage firms for services it has never received, according to an internal audit released yesterday.

The report covered contracts for marine terminal services provided by Sunoco Terminal Services Inc., Seaway Pipeline Inc., and Koch Shipping Inc.

Under the Strategic Petroleum Reserve program, the Energy Department has been purchasing crude oil abroad for storage in underground caverns in the United States as a reserve to be tapped during emergencies which disrupt normal oil supplies.

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

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

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

But the world oil shortage caused by the revolution in Iran last winter forced a slowdown in Energy Department oil imports for the strategic reserve. By the end of June, the report said, the department had paid the three companies a total of \$41 million for the marine terminal services, but \$27.5 million "represented payments for services the department was not able to use."

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

See OIL, Page A-10

# Abuses abound in Section 8

See next page

### Tenants find cheating easy

By BRUCE DESILVA  
and ROBERT W. STEWART

Journal-Bulletin Staff Writers  
PROVIDENCE — If you want the government to pay most of your rent but you make too much money to qualify for a federal rent subsidy, it's easy to cheat.

The most a single person can make and still qualify to live in a Section 8 project in Rhode Island is \$9,800 a year, according to guidelines set by the U.S. Department of Housing and Urban Development (HUD). Tenants who live in these projects pay no more than 25 percent of their incomes for rent. The rest, which can amount to several hundred dollars a month, is paid to the landlords by HUD.

One way to cheat is to make yourself poor. You can do this by giving all your money to your children. That's legal. And it's not a retired law officer in South County hopping mad.

The former officer and his wife are liv-

ing on \$12,000 a year from his disability insurance and Social Security. That's about \$800 too much for them to get into Beechwood Apartments the new, attractive Section 8 housing project down the street in Narragansett.

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.

They qualified, the former law officer said, by turning over most of their assets, including the proceeds from the sale of their Florida condominium, to their children.

They even came over and bragged about it, the former lawmaker said. "You can do that," said Casimir Kosacki, director of the Providence Service Office of HUD.

There is nothing legally wrong with



### The Housing Game

Part 4 of 4 parts

### Officials... one develo...

By BRUCE DESILVA  
and ROBERT W. STEWART

PROVIDENCE — A developer paid off more than \$100,000 in the approval process for his meat-subsidized housing for the poor, a Journal-Bulletin investigation found.

It was also learned that the developer were offered bribes by five of the developers who sought a decision on one plot under the federal Section 8 housing program. They reported the offers to the FBI investigation.

Two other developers were asked by middlemen

divesting assets and then applying for admittance to a subsidized housing project, he said. "I know there is some of it going on."

While it may be legal, it's an abuse, Kosacki said.

He said the program was meant to help

See TENANTS, Page A-10

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See NUCLEAR, Page A-10

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Government has options to utilize

re-paid services later, but the re-

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	GOVT	?
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Part 4 of 4 parts	?	?	?
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assets and then applying for

a subsidized housing program.

"I know there is some of it."

It may be legal, it's an abuse, Koenig said.

The program was meant to help

See TENANTS, Page A-10

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

By BRUCE D'ESTILVA  
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 offer 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 harmed 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 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

P  
2  
6

# 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 income eligibility of tenants:

The Rhode Island Housing Mortgage and Finance Corporation (RIHMFC), 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 compa-

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

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

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

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

officials' complaints walk away.

The second official in conversations the developer said: "We need your anything. Name it and

"Several times he said, 'It's yours,' the local official would have said. 'Give me would have had \$10,000.'

However, the local developer's representative offered money.

"He just kept asking for it," the official added.

The FBI, the official investigated but at one point permission from the U.S. to wire me for sound could listen in on one with the developer's representative, the meeting was apparently no time for the request to be 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 confirmed by a source.

*This is the last part of the series.*

## 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 (RIHMFC), 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 RIHMFC, 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

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-intended 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."

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-

## 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.

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The report was critical of the procure-

## Nuclear

Of that total, 124 milligrams come from background sources in nature, radioactively 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.

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

is 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.

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

ct. Portions of the developer's account ed. 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 rental 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.

el, 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.

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.

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Shampoo

Well  
Balsam  
Conditioner

**WE  
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providence journal  
2/3/86

# The Journal

ition

Three Sections/38 Pages 35 Cents; \$1.70 per week by carrier

## Challenger RIHMFC misled HUD on flooding problems at site

### HOUSING PROBLEMS

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

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 since 1984 has been his

*Story by Steve Widder with reports from Elliot G. Jaspin, 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

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

wife, Lois Gordon.

★ ★ ★

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*

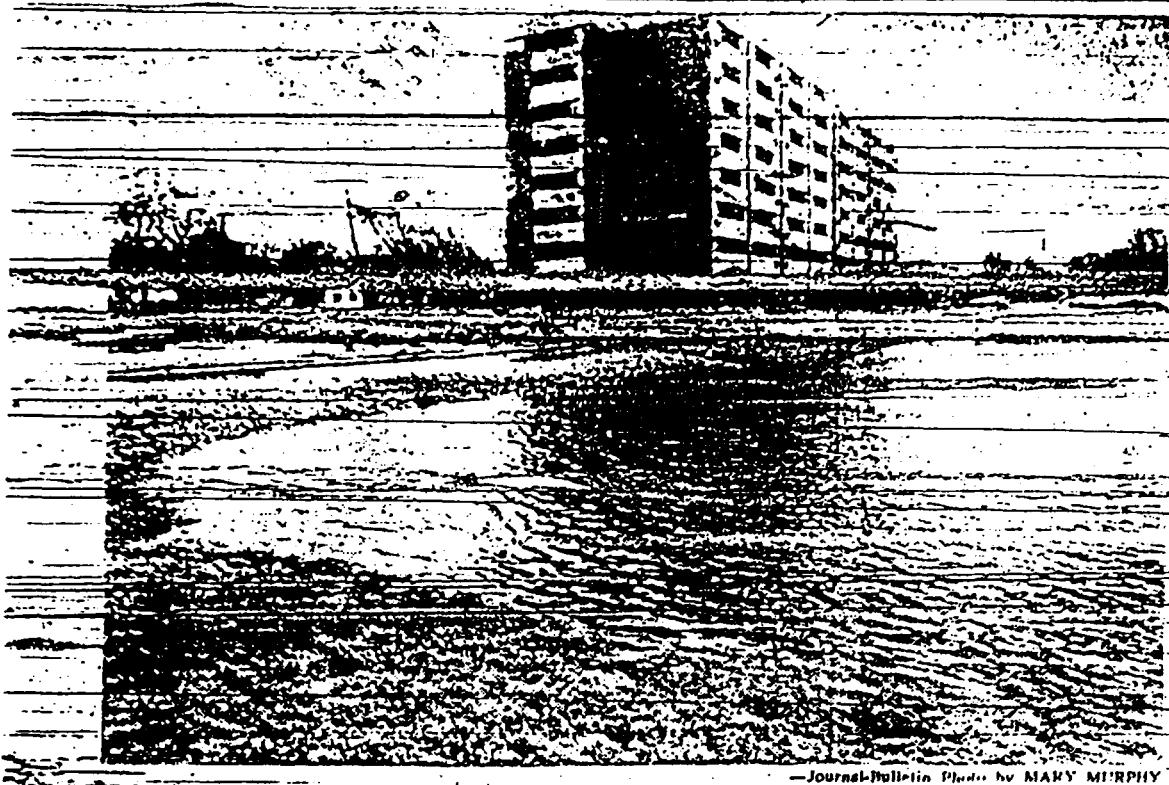
WASHINGTON — President Reagan's fiscal 1987 budget is expected to propose Defense Department spending increases of nearly 40 percent over five years, plus a hefty boost for the space program. But most civilian agencies would be cut substantially or frozen in place, according to the budget documents.

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

E  
B

# THE RIHMFC SCANDAL



—Journal-Bulletin Photo by MARY MURPHY

**IN FLOOD PLAIN:** The Centredale Manor in North Providence, shown here, has flooding problems whenever the banks of the Woonasquatucket River overflow because the complex was built on the river's flood plain.

## RIHMFC

*Continued from Page One.*  
Balletta, 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 Man-

Providence office of HUD. Broussard was given a 50 percent

addition to a \$45,000 fee — to help get Section 8 funds from Washington for the stalled project. Eventually, the developer of Greenwich Village, Picene 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

prepare 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 Smith 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 Woonasquatucket 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 Pari, executive director of RIHMFC at the time, and John L. Marshall, president of Marshall Properties, could not be reached for comment. Pari's tenure 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 water had rolled over the banks of the Woonasquatucket River onto the parking lot at Centredale Manor. Benford said trees and logs at the southern tip of the site were washed into the river. The force of the water 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 in case residents

## 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 QUARANTEED FOR 50 YEARS TO BEAUTIFY AND PROTECT Y' R HOME.

### BARRY WEPMAN, M.D., INC.

#### EYE PHYSICIAN AND SURGEON

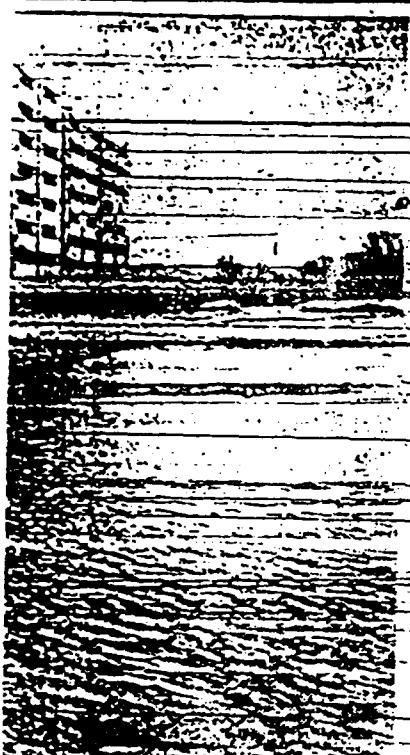
Takes Pleasure in Announcing The Association Of

#### DR. ELLIOT D. WATERMAN

Optometrist  
Office Hours By

DIVORCE

# THE RIHMFC SCANDAL



Journal-Bulletin Photo by MARY MURPHY

Woonasquatucket River overflow begins

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.

**CENTREDALE MANOR** building sits off Smith Street in 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 Woonasquatucket 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 Pari, executive director of RIHMFC at the time, and John L.

with RIHMFC now, said no 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, water rolled over the banks of the Woonasquatucket 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 water 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 haul residents' ma-

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.

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 Paul 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 general 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 going to see it in the paper and if somebody comes back and says 'You (RIHMFC) dropped the ball,' we'll do what we

"It gets unsightly," said Owens.

**MEANWHILE**, Kolaski is looking into a possible conflict of interest regarding some and Lois 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 the paper and if somebody comes back and says "You (RIHMFC) dropped the ball," we'll do what we

can to make it right," he said.

He added, "I'm not going to say the

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back and says "You (RIHMFC) dropped the ball," we'll do what we

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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.

Later, the couple learned they delayed 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 received approval for their 13.75 percent mortgage on Dec. 31, 1981.

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 insiders and the children of some of the state's most powerful political figures, including former Governor Carrahy'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

# 10 INJURED AS VAT BLOWS UP, ROCKS SHOP AT QUIDNICK

3 on Danger List as Tank Full of Chemicals Explodes at Metro-Dyestuffs Corp.

Explosion of a huge chemical vat at the Metro Dyestuffs Corp., injured 10 men, three critically, blasted an adjoining machine shop into wreckage and rocked the Quidnick 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 Fire 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 afame.

## Three on Danger List

They are:  
Aimee Hobert, 46, of 247 Main Street, Pawtucket. An employee of the R.I. Covering Co., 351 South Main Street, Providence.

Elsie Hackett, 38, of 83 Peascod Avenue, Johnston, also an employee of the covering company.

Wolfe, 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 dyestuff chemist and plant general manager, was closest to the vat, he said. His clothing caught fire, but he pulled his long white laboratory coat off his body and avoided body burns. He was treated by Dr. Joseph E. Wittig of 211 Washington Street, West Warwick, for second and third degree burns of the face, hands and legs and taken home.

## Gives Theory on Blast

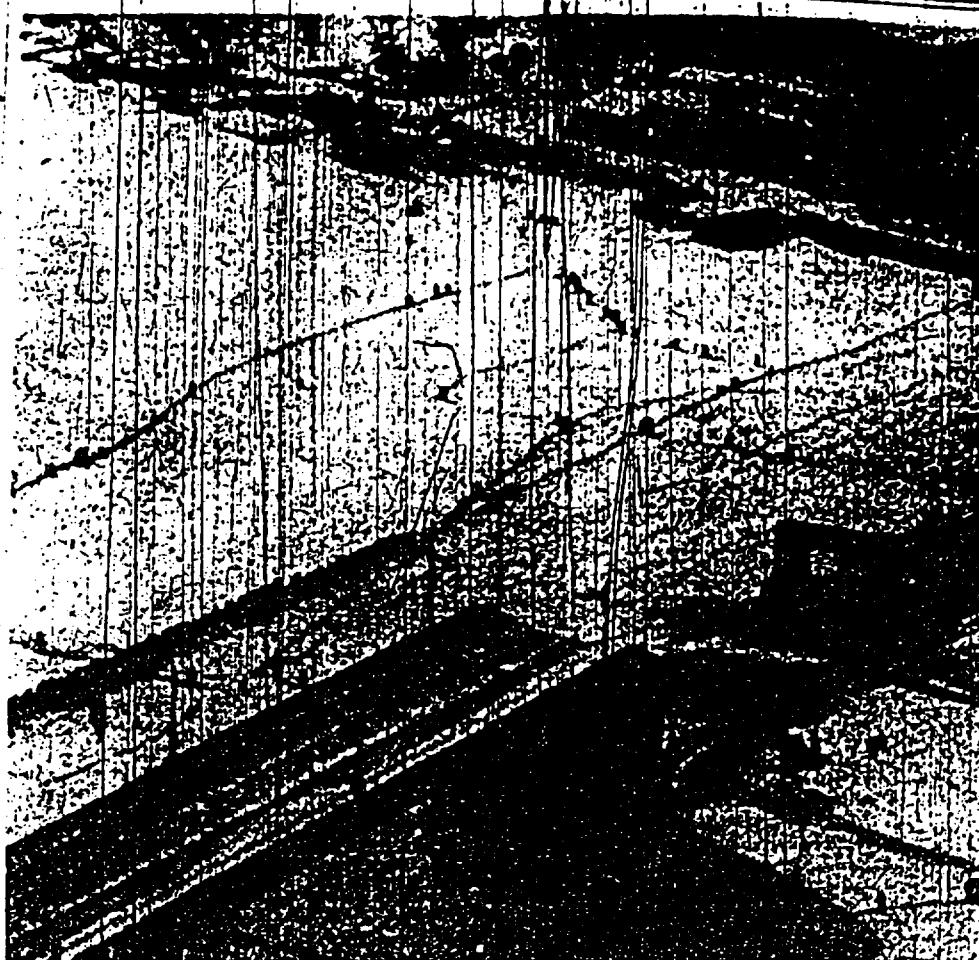
While he was being treated at Dr. Wittig's office, Dr. Grinnell was asked what caused the explosion.

He said: "For some reason the vat did not behave normally and, on running 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 officer worker in a small building adjoining the stone mill immediately called Dr. Leslie F. Garfield of 112 Washington Street, Quidnick and requested him to send all available doctors and ambulances to the scene.

He summoned the Coventry



## REDS OPEN ATTACK IN CENTRAL KOREA

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

TOKYO, Thursday, Feb. 1 (UPI)—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 Yonju, 34 miles east of Suwon, with the bugle-blaring that usually preceded 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 forces. 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 began. Seoul backed out two miles yesterday in bitter fighting that cost the enemy 250 dead, a total

## Four Spans Down

Four of the six spans of the 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 worked to make the hill passable to much six to eight inches 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 tarp. Coventry police sent traffic through Washington and Arctic and Natick, back onto Route 3, while West Warwick police sent southbound traffic from Quidnick Avenue to Cowesett Road, along Main Street to Arctic, around onto Washington Street and back onto Route 3. The tarp started about 12:30 a.m.

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 fore cast 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 Hillside 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

Edwin Hackett, 31, of 81 Pleasant Avenue, Johnston, also an employee of the roofing company.

Willis Dorothy, 19, of Melody 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.

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#### Gives Theory on Blast

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

When the blast came, there were 35 employees in the plant. An officer worker in a small building adjoining the stone mill, immediately called Dr. Leroy F. Garland of 412 Washington Street, Quindnick, 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 other plant employees: Elmerence Patenaude, 39, of Colorado Road; John Soto, 32, of Kildas Street, Crompton, burns on the back of the neck and face; and Ar-

Continued on Page 2, Column 3

Continued on Page 7, Column 3

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The Communists struck after the United Nations limited offensive below Seoul, harked out two miles yesterday in bitter fighting that cost the enemy 2500 dead—a total of more than 6000 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 nonmigrant 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, mine sweepers, and other ships. Some small amphibious ships, these Patenau, 39, of Colorado Road, vessels usually are equipped with Tugue, superficial burns on the deck guns.

Stackhouse said the Communist front, John Soto, 32, of Kildas Street, Crompton, burns on the attack came 10 miles north of Yonju in an area known only as the "fun-

Continued on Page 2, Column 3

Continued on Page 7, Column 3

## 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 committee.

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, Duplinney introduced the emergency bill after talking with House leaders. Only 28 of the 51 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-

Four Spans Down Four of the six spans of the Du Maurier River at Three Rivers, carrying four persons to their death, collapsed yesterday, residents of the city line the river to view the tragic spectacle.

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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 steep. Coventry police sent traffic through Washington and Arctic and Natick, back onto Route 3, while West Warwick police sent southbound traffic from Gidderick Avenue to Cowesett Road, along Main Street to Arctic, around onto Washington Street and back onto Route 3. The steep started about 12:30 a.m.

Southbound traffic on the Nonnepeck Hill Road was halted for a time last night by ice on Hope Valley Hill in Hopkinton. State police said the steep 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.

Worried Woman Collapses

The snow was blamed indirectly for one death. Emily C. Fair, 72, of 349 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. Poco Abbott, 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 of fractures. Six of them were admitted for leg and hip injuries, but physicians said none was serious.

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

More than 30 persons were treated at Pawtucket Memorial Hospital for falls on the ice.

Highway 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 slush from the highways and sanding hills and intersections.

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

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

New York, Jan. 31.—(UPI)—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 city fighters to a presentation handed up to Kings County Judge

BARRY SULLIVAN, new winger

Sports Headlines

at work on hills and intersections. The U.S.R. had its sanders 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 ahead of the storm. As a result, kilometer 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 Foster Williams Family Association scheduled for 2 p.m. today in the I.C.L. Historical Society building, Lower 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, 1951

##### R.I.—STATE AIRPORT

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

HIGROMETER—7:30 a.m., 30.73—10.06; 7:30 p.m., 30.46—10.01.

TEMPERATURE—1:30 a.m., 6:30 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., NNE, velocity 15 miles; 7:30 a.m., NW, velocity 15 miles; 1:30 p.m., N, velocity 15 miles; 7:30 p.m., NE, velocity 15 miles.

PROVIDENCE DATA  
HIGHEST temperature, 28 degrees at 11:50 a.m. (sunfiddle), 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: 6:54 a.m.; Sun Sets: 3:00 High Tide: 2:59 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—Following rain Thursday possibly changing to rain along coast and no quite so cold. 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, south portions. Not quite so cold. Partly cloudy with snow flurries 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 35-45 mph Thursday becoming moderate variable and then increasing again from the northwest 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 7:30 p.m. and minimum

or Communist connection may be checked.

Four 100-foot spans of the bridge collapsed at 2:35 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 air by the sudden snapping of the spans, and several other motorists had narrow escapes.

Darkness and bitter 28-degree-zero cold prevented rescue workers from dragging away the four wrecked cars.

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

#### NEW SPY INDICTMENTS

Grand Jury Brings Bills Against 12 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 to commit espionage in the Harry Gold atomic spy case.

The indictment is the same as one filed Oct. 10, except that the period during which his left knee was not 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, 33; 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 offices 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 infiltration in Malaya's anti-handicap 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.

Thus Perrak, 29, of Crescent Avenue, Crompton,

Harris received a back injury when a heavy beam fell on him in the blasted machine shop. X-rays

were taken of his back today.

Louis Copley, 34, of JT Bendell Street, West Warwick, who was at work in the adjoining machine shop,

was blown about 23 feet away and

received a shoulder injury when a beam glanced off him. He said he would see a physician.

Through Down State

John Kerstul, 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 Arling-ton Avenue, Warwick, was at work on the first floor when the blast threw him against another vat, fracturing his left knee. He was not

able to stand and Dr. Grimshaw and Dorothy and the two erring company men said that all were

alleged overt act is included.

Three named in the indictment within 15-to-20 feet of the vat which exploded on the first floor. They

said Dr. Grimshaw saw that something was about to happen and yelled a warning, but too late.

Hackett and Hackett were

shed in Manville.

Dredge Filed in Sale of Manville's Property to Atlantic Co.

Federal tax stamp attached to a warranty deed filed yesterday in the town clerk's office in Cumberland indicated Atlantic Wool Combing Co. paid about \$65,000 for the

former Manville Jencks weaver

shed in Manville.

The deed transferred the property to the wool combing firm

from Crescent Corp. of Fall River, Drift, Cranston, a driver for Sessions-Gifford Co., was unloading textile plant on a basis of industry chemicals at the plant door.

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

clothes off and he ran around the building."

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

James F. Cudlip, 25, of 34 North Street, Quidnick, 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 Bennett, 16, of Harkney Hill, Rodd, Coventry, and Richard Mandoux, 25, of 26 Gardner Avenue, West Warwick, said they leaped for safety. West Warwick said they leaped for safety. This is provided in a temporary trade agreement announced

Almost every window in the huge

shed here today.

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. Ruorahn of 130 Union Avenue, Providence, former Brown University football captain and president of the firm, went to the mill home.

The plant, located on Quidnick Street, is known familiarly as the lower Quidnick Mill. The larger mill nearby is occupied by the George E. Moulsey Co.

#### 16 SHIP WORKERS KILLED

68 Others Injured at Belfast-Wheat Gangway Collapse

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 crowded aboard at the end of a shift 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

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IRAQ, USSR TRADE PACT

Bagdad, Iraq, Jan. 31.—(Reuters)—Iraq is to receive newsprint from Novo Sibir across the States, particularly March.

Millions of dollars worth of timber and lumber will be sent to Iraq from Soviet Russia.

British Leader of Cos. Hotel.

London, Britain—Central Banker, Sir John T. C. Macmillan, chairman of the Bank of England, has been appointed to the

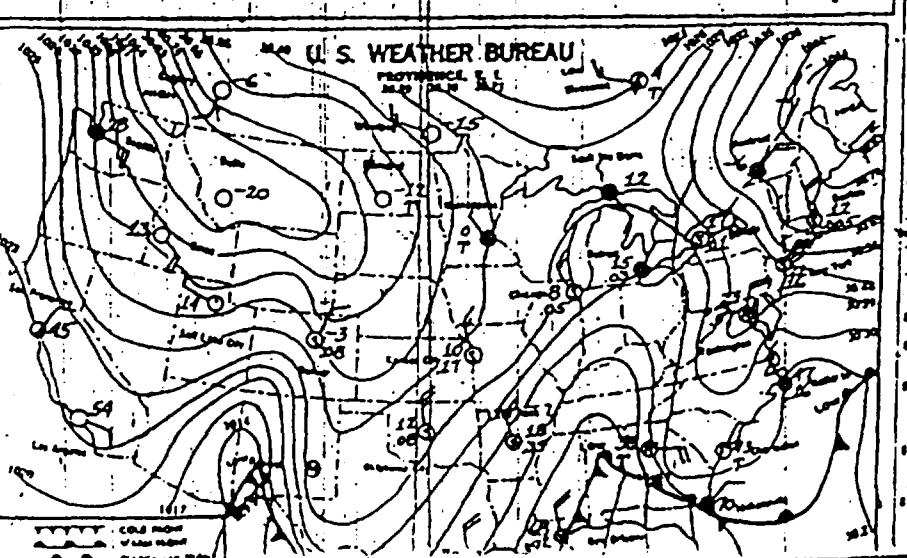
Bank of America, New York, as chairman of the board of directors.

He succeeds Sir John C. Dillwyn Llewelyn, who has been appointed to the

Bank of America, New York, as chairman of the board of directors.

He succeeds Sir John C. Dillwyn Llewelyn, who has been appointed to the

## Weather in the Nation



# Dump Fires Again Posing Problem

BY JOHN R. VALICE

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 residents, the problem has never ended. 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 fierce, it was not unusual.

"As one person put it: 'The day you didn't have a fire out there, you'd 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 restricted to the North Providence side of the dumping area, but Michael Cicallo, 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 property by the son 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."

Miss Blanche M. Bagnard, 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 want to drop off rubbish and dumps showed that no reference is made to burning. Two them, During the week, a per-



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

—Journal-Bulletin Photo by JOHN R. VALICE

## 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.

Benito P. Fisette, council president, said last night the Superior Court ruled that DiStefano "had to see the situation straightened out." Mr. Fisette said he does not anticipate any further discussion of the issue at journal 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, 1962. 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 36 Intervale Ave. from the Cranston Loan Co., 1965 Smith St., Cranston. He handed over the check to Ralph D. Ciocca,

## 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 at a special session an appeal from the Su-

preme Court that the court will decide to hear the appeal before the start of the regular fall session Oct. 7.

Veteran court observers say

that special summer sessions of

the court are rare, once the

justices have left for vacation.

The court adjourned for the summer July 8.

Today's meeting is expected to take place in the court chambers—Christopher T. 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 \$5,293,155 tax levy proposed by Mayor DiPrete, but

the city council to adopt the mayor's proposed budget. The city council last night defeated a resolution to

## 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 G. Edward Silva, council president, five minutes after the special session had been called in 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 demand that the council hold a special session to introduce a tax levy of up to \$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 23 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 beforehand.

Mr. Silva called the council to order at 8:35 p.m. and declared Mrs. Astrid Lestrand, city clerk, to read the mayor's resolution. When she had completed the reading, Mr. Silva asked for a motion to adopt the resolution.

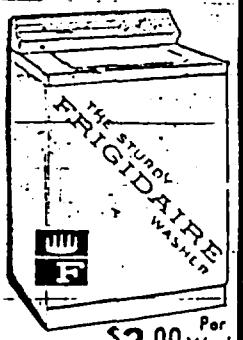
After waiting a few moments and hearing no motion, Mr. Silva declared the resolution lost at 8:43 p.m.

Mayor DiPrete, who sat silently through the meeting 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 sandwich board chart with the figures written on it, the mayor asked the council if it expected next year to raise \$7,800,000 from an \$8,000,000 maximum when it expected this year to raise only \$7,377,000 from the same maximum.

Anthony Antonucci, D-Ward 3, answered that the mayor was comparing the figures from 12 months ago to 12 months

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- Fresh, running water rinses
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- Spins clothes drier of all

The come and pay store my share in fairness to every one. The money has been turned in. I have done what the town ordered me to.

with the figures from the 11-month 1964-65 budget. Mr. Antonucci said of the councilman that the minimum was figured that for 12 months, it would produce \$5,612,000.

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e escalator.

owner said an  
performed in  
the Mrs. Ryan  
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Smoke hampers volunteers at North Providence storehouse fire.

## N. Providence Factory Fire Delays Traffic

Flames last night destroyed  
the Smith-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  
Centredale volunteer fire company  
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 Centredale  
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 structure,  
although flames were leaping  
high above its roof when  
they arrived.

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

A jury trial of Mario DiPona,  
36, of 25 Detbreath St., on  
charges of violating the federal  
gambling tax law was con-  
cluded in three hours in U.S. District  
Court yesterday and Judge Ed-  
ward W. Day will give the case  
in the jury this morning.

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



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-classroom of 32 pupils  
classroom at a North Providence, John A. McGuire con-  
dense elementary school has been suspended yesterday. He said that  
been discontinued after a minor fire, the day after the old boiler  
Nov. 16 in the nearby boilerplant caused by only black smoke  
room, it was learned yesterday through the school, he de-  
creased yesterday through the school, he de-  
clared last night.

The school is the James L. McGuire School on Central. On Nov. 16 the class was moved  
Avenue in the Fruit Hill to the all-purpose room on the  
In recent weeks it has had first floor. Mr. McGuire said  
burner problems, which this  
week forced cancellation of Zileakas, state fire marshal, and  
classes for two days.

Prior to the Nov. 16 in the Fruit Hill Fire Company resi-  
dent, a basement room at the school official, that henceforth  
school had been used for embassment rooms should now  
used as classrooms at McGuire School.

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

to perform clerical tasks.

Guido Pagliaro

Guido Pagliaro, 16, of 13  
Carter St., Johnston, charged

## Cranston Council Takes Up

The Cranston City Council received a proposal, pre-  
last night, moved to consider a plan prepared by the Republican execu-  
tive committee and backed by the GOP city ward  
lines and add a sixth ward to  
the existing five.

work election and the  
stitutions area.

The redistricting is  
by the home rule cha-  
Under the proposed  
around ward, almost d-

population of mon-

would be divided appr-

along Aqueduct Road,

Avenue, and Arthur St.

Reservoir Avenue to Havin

tracks.

By Jan. 1, however  
must forward a redi-  
plan in the General  
for action, according  
charter.

Breaking routine  
plan in resolution re-

ferred to the com-

munity committee un-

til next on Dec. 18.

Frederic A. Charle-

rill majority leader, +

East Providence As-

Ass. Election West-

Massachusetts Ave., Ea-

done, complained of

injury after a car

her husband, John J.

of the same address

with a car driven by

Barman, 54, of 44 1/2

Seekonk, yesterday

on, at Boardway at

Mr. Walsh, who a

singer in her hus-

band, she would see

doctor.

## Suspension To Close Cafe On Dec. 22

The police committee of the  
Cranston City Council last night  
set dates on which a 24-day  
suspension will be imposed on  
the Riviera Cafe, 1618 Elmwood  
Ave.

The committee Nov. 13 found  
the establishment guilty of al-  
lowing minors to drink there  
and voted to impose a suspen-  
sion and set the effective dates.

The suspension will be in ef-  
fect the town council was actuated  
in the best interest of the town.  
The committee voted 4-1 on  
not hiring additional clerical  
assistants.

Stating 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 Marylynne  
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-  
surer, 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 damage  
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, besides  
Mr. Russillo, is Mrs. Emilie  
Savo, his deputy. One of  
several girls enrolled in a  
high school clerical training  
program also reports to the blank posted in a 16-year-old  
office for part of each day.

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 in a 16-year-old  
Pratt Avenue.

Kara Adim, 57, of 16 Prattman  
St., pleaded innocent at a spe-  
cial session of district court last  
night to charges of selling han-

**AU**

**WOMEN'S AD**

**TED BAKER**

Newman Avenue

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**NEW**

**Everyone**

**Lindsey**

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CHASSIS**

**3 microphones  
pure 24 kt gold**

**plated**

**in precision  
electronics**

**NEW ADAMANT GOLD**

**PRECISION MADE  
CHASSIS**

For completing 10-week night course in community human relations, 20 foremen receive certificates from Edwin B. Krause, left, president, R.I. Branch, Metal Trades Association, last night in Sheraton-Biltmore Hotel.

Journal-Bulletin Photo

## Adequacy of State Police Bldg. Budget Questioned

Col. Walter E. Stone, state police superintendent, yesterday was urged to obtain professional advice on his cost estimates by a R.I. Development Council official who questioned the adequacy of the proposed state police building budget for next year.

Colonel Stone's \$341,000-building budget, presented at a hearing conducted by the advisory commission of the development council, included \$185,000 for a police training school building, \$100,000 for a headquarters ga-

rage, and a \$56,500 addition to the headquarters building in Scituate.

Raymond H. Trott, commission chairman, said he thought Colonel Stone's budget reasonable, but perhaps not sufficient for the work which is planned.

In reply to questions from commission members, Colonel Stone said he disagreed with Col. Harry C. Gill, the former superintendent, who advocated that a new headquarters building be constructed in Lincoln, where the main office was located before it was moved to Scituate.

Colonel Stone said he disapproved of Colonel Gill's plan because the Lincoln barracks building is located opposite the entrance to Lincoln Downs race track; because Lincoln is not centrally located for the headquarters, and because the state does not own sufficient land in Lincoln for expansion of the barracks building.

### Two at Brown Get U.S. Research Aid

Washington, D.C., Nov. 29.—The National Institutes of Health yesterday announced general research grants to two Brown University scholars.

The first went to Lawrence G. Kingsland Jr., associate member of the Institute for Health Sciences, for a six-month study in medical information handling. It totaled \$4,695. The second went to Dr. Julian H. Gibbs, professor of chemistry, who will work through the Metcalf Research Laboratory on a six-month study of biological macro-molecules.

The latter study carries a grant of \$4,626 for one year's work and includes a commitment for two additional years at \$29,250 per year.

### North Providence Fire Investigated

North Providence firemen today were investigating the cause of a fire that destroyed the roof of the Metro-Atlantic Company building at 2072 Smith St. last night about 6.

Bernard V. Buonanno, general manager of the firm, said the fire may have started near a machine used to dry a metal stripping product, one of the dyes and chemicals produced by the firm.

Volunteers of the Fruit Inn, Lynnsville, and Geneva fire companies assisted the Centredale company in confining the blaze and extinguishing it.

### Ex-R.I. Woman Killed in Florida

A former Providence woman, stricken and fell on the down moving escalator.

The Associated Press reported that Mrs. Ryan, who was born in County Clare, Ireland, moved to St. Petersburg from Providence 12 years ago. She is survived by her husband, Edward H. Ryan, and a sister, Mrs. Nellie Tuohy of Bayside, N.Y.

Be A . . .

### Glamour Shaped Christmas Belle

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WHERE FINE FIT  
IS A TRADITION

CORSET SHOPPE

# Woolworth's

etc urged voters to P. Sandquist by name. They did not identify Mr. Connors did not ob-



ing the colors from the graduates' candidate class to the escorting candidate Alan B. Holmes of Philadelphia, commanding officer of the color company of the graduating class at the Newport Navy Base is Nina Dotterer of Newport.

Journal-Bulletin Photo

## Providence Officials

### Renewal Is Needed, Less Spokesman Says

nder, president of the Businessmen's Association, yesterday took the fence Democratic task for sufficient funds for its spokesman within criticize the ad- for dragging its val projects, Mr. at the Centredale let in danger of being hollow" unless in soon.

said that in view of renewal projects in surrounding under federal or es, Centredale will a quiet little vil-

n the budget com- consider a special priation required planning. Mr. and the town coun- to recommend mer.

at the Centredale "have been push- munity renewal for years. Yet, he not until after the submitted its ap- quest to the budg- this year that ten to seek funds

would bring in needed tax dollars.

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.

#### Mrs. Alfred DeMaio

Mrs. Mary Theresa (Cavellone) 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

## 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 Rennano, 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. Anthony Gargano

Mrs. Angelina (LaFazio) Gargano, 70, of 19 Zafta St., Johnston, died Wednesday at

the Citizens League head also said that Raymond H. Hawley, 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 Edella (Marsh) Kingsbury.

Born in Warren, Vt., on Oct. 18, 1882, he was the son of the late Edward C. and Ella (Slepper) 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.

"I think Earl Sandquist has

fact that the claimed that its candidate w-

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

the League statement said:

"We feel that Mr. Hawley 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. McLellan 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 true.

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

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Watches

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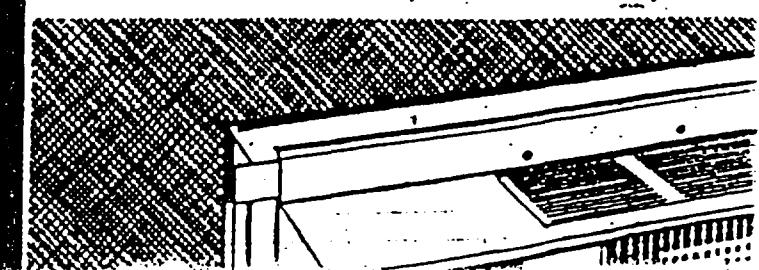
take home a new, 1964

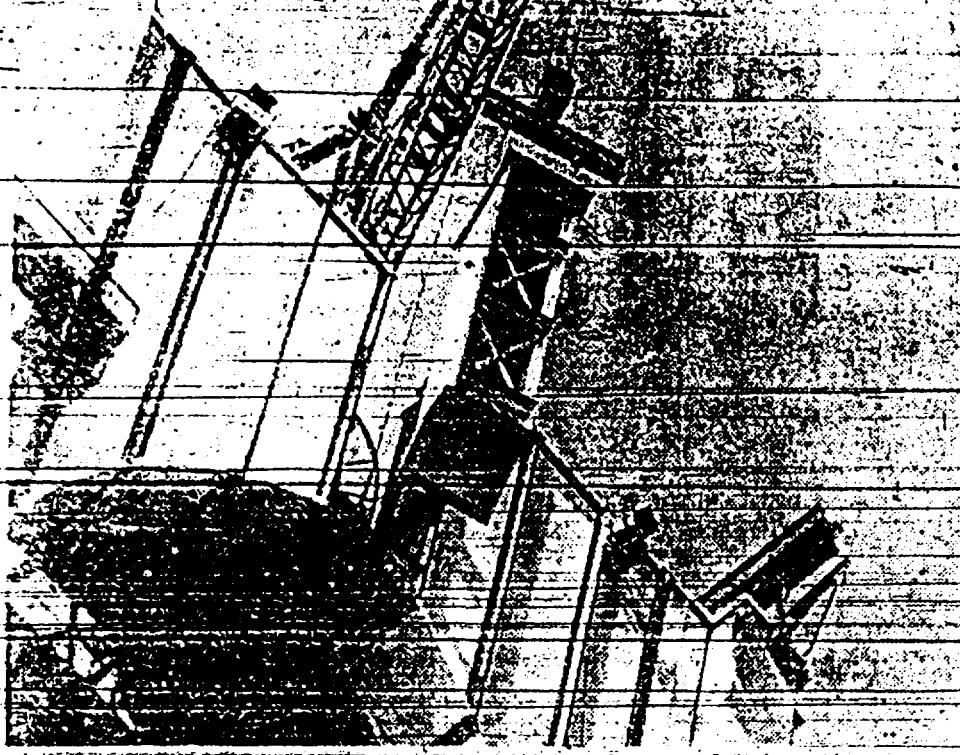
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The Finishing Touch: A 10-ton section is set into place, completing the second of the main towers of the Newport Bridge. Story on page 8.

Photo by ERNEST MYERSON

## N. Providence Buildings Burn

A second alarm fire which a fireman was injured was sitting in the cafe when the blaze, which was first started, was taken to Our Lady of Eptima Hospital and the two-story wooden were treated for smoke inhalation. The fire, which started at 10:15 a.m., was extinguished early this morning. The injured fireman, Robert J. Chishaw, of the Central Fire Department, a bartender at Eddie's Cafe, a member of the H. Company, was admitted to Louise on Smith Street, said

John J. O'Leary's Restaurant smoke inhalation. Hospital spokesman said he was in good condition. Fire officials said the cause of the fire was not immediately determined.

## RC Names Vice President

RC has named its new vice president. Father Hays said R. C. will keep its present vice, George, the plan to retain him as vice president, the administration of the

new vice president, and Hays' equally represented. It has become increasingly apparent that it is not only the government that is not fully prepared for the coming peace that will bring about a better future. It is the people who are completely unprepared for the changes that will come. The people are not fully prepared for the complex and the difficult

problems that lie ahead. One of the problems is the lack of understanding between the different parties involved. Another problem is the lack of communication between the different parties involved. The third problem is the lack of understanding between the different parties involved.

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 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 Southeast Asia.

Except for such strident criti-

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McCloskey was with Mr. McCloskey

## 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 now views the war from afar in a small room off Ward D at the New Bedford Naval Hospital.

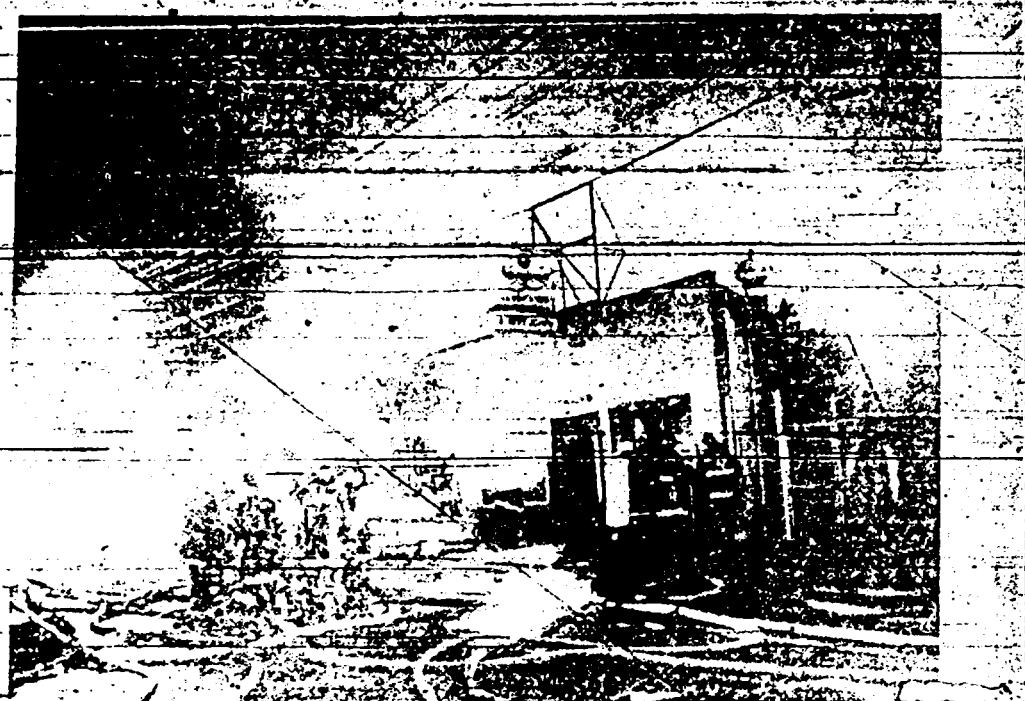
Even in the crowded and noisy hospital, where Corporal De Pardo is one of 24 such wounded Marines, his single room seems isolated.

World of its own removed both from the military war in the jungles and the civilian debate in the streets and newspapers.

Corporal De Pardo is now part of a silent but growing group of wounded veterans waiting for the war to end 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

## Indian Urges Bombing Cease



Fire scene last night on Smith Street, North Providence.

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

## Power Rate Cut Approved By U.S. Board

## Senator Suggests U.S. Accept Neutral Area

## Rusk Picketed as He Reaffirms Viet Policy

from  
men to

"thumbers" 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 145.

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

Turn to Page 10, Col. 1

## 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 victim.

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 in full-backward after he put the gears in neutral and tried to start it.

As he sought 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

Bulletin 8/29/72 pg. 10

# 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 Woonasquatucket 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 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 \$6 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 "an" for withdrawal or, is awaiting Mr. Nixon's clarification of proposals, and has no position on foreign policy necessarily in line with 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 Nixon to 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

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 total neutralization and he emphasized that he believed this was the price the U.S. must pay in order to get out of Southeast Asia.

Except for such strident criti-



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 S.

PHOTO BY ERNEST MAYER

## N. Providence Buildings Burn

A second-story window frame which, according to neighbors, was sitting in the eave when the fire started, was taken to Our Lady of Eptima Hospital and treated for smoke inhalation. The fire spread out of control until midnight. Frank Manzini, a bartender at 1449's, a barbershop on Smith Street, arrived shortly after the alarm was sounded at 10:15 p.m. The injured woman, Roberta W. Johnson, 21, of 9 Victor St., North Providence, was admitted to the hospital. The injured woman, Roberta W. Johnson, 21, of 9 Victor St., North Providence, was admitted to the hospital.

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## EC Names Vice President

After a long-drawn-out appointment, Father Heske said he has accepted the job.

He has become increasingly suspicious that it is necessary to keep him in the dark about the political situation in Europe, particularly concerning Britain's entry into the European Economic Community and the complex and fluctuating political situation in France.

He has also been disturbed by the number of the right-wing parties in France and Germany.

The president of the furniture company, James Burrows, off

the first floor of the warehouse building, completely destroyed by the fire, purchased a new piece of furniture equipment received Monday. He said the turn-around was insured.

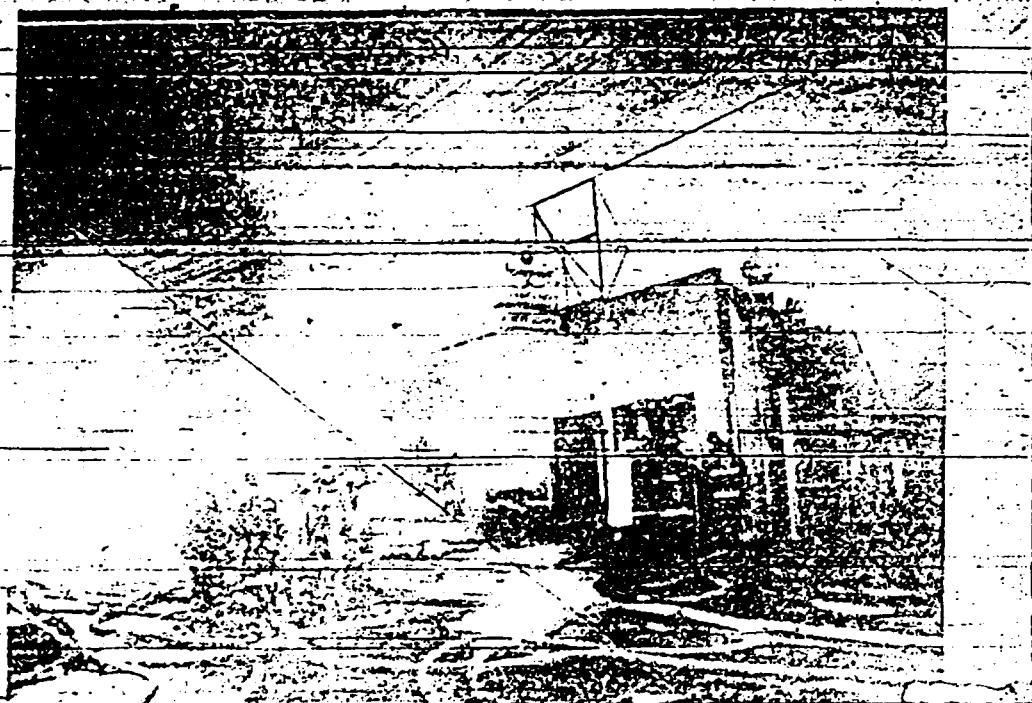
Lymanville, Fruit Hill, Geneva, Newgate, Granbyville and South Scituate.

More than 40 persons watched the firefighting operation from the street.

Christine's Restaurant, a tiny corner eatery, was destroyed. All the

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

Indian Urges  
Truce Cease



Fire scene last night on Smith Street, North Providence.

## All M-16s in Vietnam Revamped

### Fire Damages Buildings in N. Providence

Senator Suggests U.S.  
Accept Neutral Areas

Power Rate  
Cut Approved  
By U.S. Board

Rock Picketed as Ho  
Affirms Viet Policy