



The Activist News

Citizens for Limited Taxation

The Commonwealth Activist Network

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The Massachusetts Taxpayer Activist's Newsletter □

April 2000

Activist Alert: Us vs. Them (the usual suspects)

The anti-rollback campaign has begun. Senator Tom Birmingham and House Speaker Tom Finneran have joined the Massachusetts Teachers Association, the AFL-CIO, their puppet the Tax Equity Alliance of Massachusetts (TEAM), the Massachusetts Municipal Association, and the Massachusetts Taxpayers Foundation in their varied efforts to defeat the petition. The Legislature is spending every available cent on pork so they can say the commonwealth has no money for a major tax cut.

On the other side, wearing the white hats: Citizens for Limited Taxation's "A Promise to Keep: 5%" ballot committee; The Tax Rollback Committee led by Governor Paul Cellucci with its chairman, Paul Melkonian; the Republican State Committee; the National Federation of Independent Businesses (NFIB).

Income Tax Rollback Schedule, 2000

May 2 – Last day for the Legislature to act on initiative petitions. Legislators must vote up or down, no amendments; roll call required. If the Legislature ignores a petition, as it sometimes does to avoid the roll call, this is considered a "nay" vote.

May 3 – Governor Cellucci and other original rollback petition signers will request initiative petitions from the Secretary of State for the required additional signatures.

Mid-May – Tax Rollback Committees will receive additional petitions, and begin to collect the required 9,500 additional signatures. To avoid legal challenges

by our opponents, we will need to collect at least 20,000 signatures from voters who did not sign last fall. Activists who collected signatures last fall should go to different places; new collectors are very valuable for this drive.

June 21, 5:00 PM – The last day and hour to file additional petition signatures with local registrars of voters for certification (except for Boston, whose date is June 26th).

July 5, 5:00 PM – The last day and hour to file final petition with additional signatures with the Secretary of State.

November 7 – If enough additional signatures were certified, the tax rollback petition will be on the ballot today.



Tax Rollback Committee chairman Paul Melkonian presents "Tax Busters" t-shirts to Barbara, Gov. Cellucci, and Lt. Gov. Swift at Gov's "Thank You" Party for top petitioners.

Rollcall Vote Continues the Broken Promise

On April 10th, the Republican House leadership attempted to amend the House budget with a vote for Gov. Cellucci's income tax rollback. Seven Republicans stood and spoke persuasively for "keeping the promise": Representatives Ron Gauch (Shrewsbury), Mary Rogeness (Longmeadow), Fran Marini (Hanson), George Peterson (Grafton), Brad Jones (Reading), Paul Frost (Auburn) and Brian Cresta (Wakefield). All House Republicans voted FOR the rollback *except* Nancy Caffyn (Mashpee) and Carol Clevon (Chelmsford) who voted AGAINST keeping the promise.

Seven Democrats voted FOR the promised rollback: Demetrius Atsalis (Hyannis), David Bunker (Worcester), Brian Dempsey (Haverhill), Barry Finegold (Andover), David Flynn (Bridgewater), William McManus (Worcester), and Jose Santiago (Lawrence). All the other House Democrats predictably voted

against keeping the promise.

Here is what you can do:

1. Sign up for the May/June petition drive.
2. From now until November, write a short, pointed letter to the editor in response to any opposition statement, column or editorial seen in newspapers. Write a brief letter of support for any pro-rollback column or editorial.
3. Call talk shows in support of the tax rollback.
4. If you are involved with a local taxpayer group, get a vote in support of the income tax rollback; call Chip Faulkner at 508-384-0100 for information.

CLT calls MTF's "responsible" alternative "a risky tax-rollback scheme" ... for taxpayers

Desperate for an alternative scheme to confuse the voters in November, the so-called Massachusetts Taxpayers Foundation proposed what it called a "reasonable, responsible alternative" to our tax rollback proposal. It was immediately snatched up and adopted in the proposed House budget for FY 2001.

Starting in 2003, when we're *promised* the income tax rate will be 5.75 percent, the rate will be further reduced by .1 percent per year – if "triggered" by growth in personal income for the preceding year of at least 2.5 percent. The House slipped in another gimmick they term a "trigger lock," which will freeze

the tax rate if the unemployment rate rises to 6 percent.

This means that if a blue moon is in the 7th house, and Jupiter is aligned with Mars, in a month with an "R" in it, then we might ... *might* see another one-tenth of one percent reduction in the income tax rate for that year. That is, unless unemployment is decreed to have reached 6 percent!

Even in a perfect-world scenario, the income tax would not be returned to its historic 5 percent rate until 2009!

All they ask is that we give up a sure thing in November, vote against our ballot question, and just ... well ... *trust* them.

Broken Promises, Greed and Vice

by Chip Ford

"If our word is not good in this building, then what is?"

On April 8th, the *Boston Globe* reported ("Activists cry foul over state budget"): "In the latest skirmish over how Massachusetts should spend the money it is receiving from a huge tobacco lawsuit settlement, antitobacco activists are accusing House leaders of undercutting programs that warn people about the hazards of smoking."

An outraged state Rep. Harriet L. Stanley (D-West Newbury) asserted – apparently with a straight face: "If our word is not good in this building, then what is?"

But only three days later, the *Lawrence Eagle-Tribune* was staggered by Rep. Stanley. It reported ("Stanley reneges on tax cut vote"):

"Three days after announcing her support for Gov. A. Paul Cellucci's plan to cut the state income tax to 5 percent, state Rep. Harriett L. Stanley voted against the idea.

"The vote came yesterday during the first day of House budget deliberations. The tax proposal died 124-32, with nearly all House Democrats voting to kill the tax cut.

"At a Greater Newburyport Chamber of Commerce and Industry breakfast last week, Rep. Stanley spoke in favor of Gov. Cellucci's proposal. Following the event she reiterated her stand to The Eagle-Tribune, saying: 'I have always been in favor of the tax cut. To be anything but for a tax cut implies the state budget is lean and mean and it is neither of those.'"

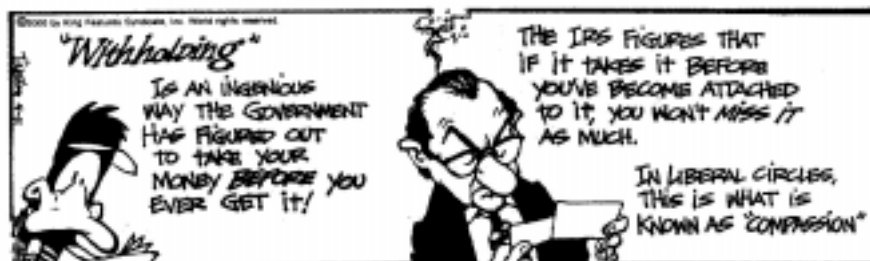
CLT delivered a memo to the Legislature on March 31st, titled Broken Promises, Greed and Vice. In it we attacked the proposed increase in their compensation: "The House Ways and Means Committee does not keep the Legislature's promise to rollback the income tax rate to 5 percent, while it breaks the Legislature's promise that a vote for Question 1 in 1998 would mean that legislators no longer hike their own pay."

Referring to the above "risky tax-rollback scheme," we reminded legislators just how untrustworthy they've become, just how many promises they've made and broken:

"Voters have been promised that 1) the auto excise, sales tax, deed excise hike, income tax rate hike and Turnpike tolls were temporary; 2) the gas tax would drop with the price; 3) the Big Dig wouldn't take highway funds from local projects; 4) the Big Dig would only cost \$2.6 billion; 5) legislators wouldn't vote anymore for their own pay hikes; and by the way, 6) the mandatory seat belt law would never be primary enforcement. Now you hope to convince them that if they don't vote for the initiative petition in November you'll keep this promise three years from now through the end of the decade? Using *what* for credibility?"

Beware, politicians will say or do *anything* to seduce and have their way with us. After they've got what they wanted, they will then claim it's unfair to hold them to their promises.

MALLARD FILLMORE by Bruce Tinsley



Big money for the Big Dig

By Jeff Jacoby

Globe Columnist

There is no putting a shine on the news about the Big Dig's latest cost overrun. The most expensive public works project in America will come in, it is now estimated, at \$12.2 billion, maybe more.

Everyone always knew it would cost a king's ransom to build an eight-lane underground highway through the middle of downtown Boston. But the price tag is now 13 percent higher than the \$10.8 billion budget state officials going back to 1997 had sworn was chiseled in granite.

It is 17 percent higher than the \$10.4 billion budget they were swearing to in 1996.

And 58 percent higher than the \$7.7 billion budget they were swearing to in 1994.

And 91 percent higher than the \$6.4 billion budget they were sure of in 1993.

And 110 percent higher than the \$5.8 billion budget they were comfortable with in 1992.

And 144 percent higher than the \$5 billion budget that was in place when the Weld-Cellucci administration came to office in 1991.

No, you can't put a shine on a project whose bottom line has skyrocketed 144 percent in nine years. But you can put it in context.

In 1987, the Massachusetts state budget hit a new milestone: Beacon Hill spent more than \$10 billion. This year it will pass \$21 billion. That makes an increase of 110 percent in 13 years — far steeper than the Big Dig. After all, James Kerasiotes, the state's transportation czar, does not spend his entire budget every 12 months.

Moreover, never in all that time has Beacon Hill managed to stay within its budget for even a single year. And only once has it managed to actually trim spending from one year to the next. If the Big Dig has a problem with budgeting, it is far from alone.

When news of the price spike broke, Senate President Tom Birmingham witheringly urged Governor Cellucci to "demonstrate some leadership." He also suggested that he didn't trust the governor's judgment. "We're putting the administration on a short leash," he said. Last week, he and House Speaker Tom Finneran ordered up a hearing on the Central Artery project's finances. In the course of the hours-long session, Kerasiotes and the project managers were repeatedly played for their fiscal failings.

Again, some context:

It was just five months ago that Birmingham and Finneran were starring in a comic opera of budgetary incompetence. For days, weeks, months, the two of them tried and failed to finalize the state budget for fiscal 2000. Cellucci had submitted his budget proposals to the Legislature in January, but the speaker and the Senate president couldn't manage to get a final spending docu-

ment back to him until Nov. 11. By that point, fiscal 2000 was more than one-third over.

Nobody is happy about the latest jump in the Big Dig's grand total, and the intense public scrutiny the new numbers are receiving is to the good. But it is also good to point out that covering the increase is not going to put Massachusetts in danger of a budget meltdown.

That is because the commonwealth has more funds than it knows how to spend. A late-December headline on an Associated Press story summed up the situation nicely: "Bay State awash in \$\$ for a rainy day."

"With tax dollars gushing in to state coffers because of the booming economy," the AP's Martin Finucane wrote, "the state has now piled up mountains of money in trust funds." The official "rainy day" account is bursting with \$1.4 billion, but that is only for starters. Among the other pots of cash the state has buried here and there are \$1.8 billion in the unemployment insurance account, \$131 million in surplus welfare money, and \$125 million in a rarely touched medical security trust fund. All told, there is a pool of more than \$3.5 billion, and state officials, as the Globe reported last month, "expect ... to push that number over the \$4 billion mark by June 30."

As if all that wasn't enough, the cities and towns of Massachusetts are sitting on stashes of their own. Since 1992, local reserve funds have ballooned from \$166 million to nearly \$1 billion.

And there are still more funds on the way — the state's \$8 billion share of the tobacco settlement. No wonder Administration and Finance Secretary Andrew Natsios says, "We're swimming in money."

Even that understates the case. The Revenue Department announced the other day that tax collections are once again going to set a new record, just as they have done every year since 1990.

With so many billions in unencumbered cash available, there is no need to resort to new debt to meet the Big Dig overrun. Nor is there any need to reimpose a fee on driver's license renewals or to scrap plans to roll back the state income tax to its traditional rate, 5 percent.

These economic good times won't last forever, of course. That is why the worst way to use these billions is to spend them on new budget items that would have to be funded anew each year. Far better to tap these surpluses to finish the Central Artery and to give Bay Staters the tax relief they have been waiting for ever since the income tax was "temporarily" raised 11 years ago. That will still leave billions in place with which to meet the next recession. Or the next Big Dig surprise.

Jeff Jacoby is a Globe columnist.



Spring brings arrival of the crocuses and the gimmee bird

By Barbara Anderson

Salem Evening News, March 17, 2000

The golden crocuses are blooming in my front yard, and you know what that means.

It's the time of year when Proposition 2½ overrides sprout like skunk cabbage, and the sound of the gimmee cuckoo is heard in the land. "Gimmee, gimmee, gimmee" it shrieks at town meetings, city council meetings, and budget hearings on Beacon Hill.

Like many military families, we once bought a German cuckoo clock at the commissary. In the middle of the first night's attempted sleep, we turned it off forever. Wish it were that easy to turn off the gimmee cuckoo.

Proposition 2½ partly drowns it out at the local level; the increase in the property tax levy is limited to 2½ percent more than the previous year's levy, with a factor for new growth. It can only grow faster with a voter-approved override or debt exclusion.

The property tax, however, is only part of a community's revenues; the statewide average increase each year has exceeded the rate of inflation. According to the Department of Revenue's Division of Local Services (DLS), statewide local expenditures increased 31.2 percent for Fiscal Years 1990 through 1998, when inflation was 23.9 percent.

The latest DLS newsletter has a chart detailing this spending. General government went up 21.5 percent. Education went up 52.6 percent. These percentages do not include capital outlay or construction costs.

The cities and towns, in the aggregate, had \$773 million in various local "free cash" and "rainy day fund" accounts last year. Yet the Massachusetts Municipal Association (MMA) last week deplored the state's recently enacted tax cuts, predicting that "these cuts will clearly restrict the state's ability to expand programs."

How much more can they expand? The state budget doubled in the past dozen years. New state slush funds are being discovered weekly, the most recent being a huge surplus in the little-used Medical Security Trust Fund, despite the so-called health care crisis. Early this month, a coalition of Massachusetts gimmee organizations urged the Massachusetts Legislature to spend the \$70 million surplus in the federal welfare block grant funds, even though the welfare rolls are down and entry-level jobs are plentiful.

MMA also predictably warns against the two November tax cut ballot questions, stating that they "would have a greater impact on the state budget than Proposition 2½ had on local government."

Yes, and what was that impact again? When Prop 2½ was on the ballot in 1980, opponents including the MMA, Mass. Taxpayers Foundation, League of Women Voters and public employee unions predicted fiscal disaster for the cities and towns. The voters, fed up with the highest property taxes in the nation, voted for it anyhow, and the state was finally pressured into sharing its revenues with the cities and towns on a regular, fairly predictable basis.

Opponents said that this sharing would decimate state services (see state budget increase, slush funds, above). The truth is, the gimmee lobby can never get enough.

Peabody mayor Peter Torigian is an unlikely member of that lobby, but his recent actions are indicative. First he was quoted in this paper in opposition to the income tax rate rollback. "That's \$1.1 billion in revenue lost. That's billion with a B," Torigian says. It doesn't take a mathematical genius to see that when you reduce revenues and you increase costs because the state budget is up — you have some problems."

Hello, Mr. Mayor. That's 1.1 billion with a B in revenue returned to the taxpayers, many of whom live in your city. And it doesn't take a math genius to add up the state surpluses and slush funds before knee-jerk-deciding that reducing state revenues is "a problem."

Then while expressing his concern that a state tax cut could cause property tax increases, the Peabody mayor, using the government power of eminent domain, took the land of two elderly farmers, over their strenuous objections, for a new school. Hello again, Mr. Mayor: the reason we all want to keep property taxes down is so that the government won't take our homes when we're old.

The bigger and stronger the government is, the scarier it gets. Take our money, take our homes: the gimmee lobby will never have enough. The sound of its greed is heard in the land in all seasons, demanding what it never earned, caring nothing for the earners, the homeowners, the elderly farmers. If we continue to feed it then we are the ones who are cuckoo.

A correction ... sort of

In the last issue of *The Activists News* we reported: "One Beacon Hill pol, Rep. Doug Peterson (D-Marblehead) wants to increase the gas tax by 25 cents per gallon. Been there, done that under Dukakis too, Doug."

We received a letter from Rep. Petersen, after he heard from an angry constituent, in which he stated: "You correctly quoted the misquote as it appeared in *The Boston Globe*. What I told the

reporter for the *Globe*, when she asked me what alternatives to toll increases ... I would be willing to entertain, was that I could support '...dedicating one quarter of one percent of the current gas tax...' toward supporting the Big Dig and a \$400,000,000 local road and bridge project schedule."

At least one legislator is aware of our concerns ... thanks to an *Activist News* reader!



The Outsiders Track

By Barbara Anderson

Maybe, as **Annie Oakley** sang, “You cain’t git a man with a gun,” but the Second Amendment issue brought *The Man* to town on March 28th. **Chip Ford** and I stood in line with CLT members **Pat Warnock** and **Bob Bryne** at *Brandeis University* to support “our President (of the NRA),” **Charlton Heston**. In opposition to some students chanting for gun control, Chip led the older revolutionaries in the crowd with our own chant: “What do we want? *Freedom!* When do we want it? *Now!*” I felt young again.

Pat and I also were guests at **Lovett Peters’ Pioneer Institute** dinner forum, where the guest speaker was libertarian columnist **Walter Williams**, speaking eloquently against big government, regulation and taxes. Chip Ford wouldn’t go with me because the event was black tie. He was vindicated, he says, a few days later when EMC Chairman **Dick Egan** accepted our invitation to be honored at the annual CLT dinner on the condition that, a) he doesn’t have to give a speech and, b) he doesn’t have to wear a tuxedo!

You should have received your invitation by now; rest assured you don’t have to wear a tux either. However, I wouldn’t be surprised if Dick Egan has a few words to say about big government regulation and taxes himself, at least to his dinner companions. Our scheduled speaker, though, is **Andrew Natsios**, the former Secretary of Administration and Finance, just appointed chairman of the Massachusetts Turnpike Authority and new boss of the Big Dig, and long-time CLT ally.

CLT has joined the *Citizens Against Stadium Subsidies* in opposition to taxpayer dollars being used for the Boston Red Sox. This is part of our ongoing membership in the MassPirg-led *Green Scissors Coalition* against corporate welfare. There was good media coverage of our press conference on March 29th.

Both issues, along with the income tax rollback and legislative pay raise, were discussed when I was a guest on **Jim Braude’s** “*Talk of New England*” on April 1st and 2nd with former con-



gressional candidate **John O’Connor** and sportswriter **Steve Buckley**.

On the evening of March 29th, **Chip Faulkner** and CLT activists **Jerzy Jachimczyk** and **Joe Marino** attended a Democratic town committee forum in Sturbridge on the income tax rollback. And TEAM leader **Jim St. George** and local state **Rep. Mark Carron** thought they were going to have the floor to themselves! Chipster reports that the audience wasn’t necessarily anti-tax cut. Let us know if a similar forum is to be held in your area.

Jerzy, who is running against Carron again this year, also attended the May 5th State House hearing on the tax rollback petition. Also present were CLT members **Norm and Joan Paley**, **Anne Hilbert**, **Allen Karon**, and **Dick Curran**, who is running for state representative from Bridgewater this year.

Activist **Mark Ferguson** is not the new Republican state rep. from Holden, as celebrated in the last *Activist News*; he lost a recount by 13 votes, but will run again this fall.

Report from CLT activist **Paul Dynan**: “Hello all; In case you missed it, voters in the town of Reading convincingly voted down a proposed Prop 2½ override that would have raised the average property tax bill by over \$350 per year! Another victory for the good guys!” Another member, **Tom Ryan**, had been sent Chipster’s “How to Fight an Override” report.

Reports were also sent to members **Harlan Gilman** of Danvers and **Steve Bardsley** of North Attleboro. The Danvers debt exclusion override was defeated 2-1 and North Attleboro’s 6-1.

Steve is a folk-singer whose song about a “River Falls” complains: “People once worked hard to earn their keep here, now they’re just sheep here.” Gee, could be lots of places, but not, apparently, Reading, Danvers or North Attleboro!

Every serious political activist should own a copy of *The National Debt from FDR (1941) to Clinton (1996)* by CLT member **Robert E. Kelly**, with a forward by Jeff Jacoby, now available in bookstores. A fascinating read, with everything you really need to know about the federal government in one compact place.

An opportunity to help us right a terrible wrong

By the time you read this, we expect that Gov. Cellucci will have been asked to commute the sentence of Gerald Amirault, and have good reason to think that he will do so.

Ever since an outraged Chip Faulkner called my attention to the Fells Acre Day Care case, I have been haunted by what seemed to be history repeating itself in another Salem-like witch trial. I read the columns by Dorothy Rabinowitz in the Wall Street Journal, viewed the television specials on this and other cases nationally, visited Gerald Amirault in prison, got to know his mother Violet, his sister Cheryl and their supportive family, read the transcripts of the trial and the report supporting the prosecution published by Scot Harshbarger’s office, and heard a speech by the Pennsylvania District Attorney who refused to get caught up in a

similar case of hysteria.

We are convinced not only of Gerald’s innocence, but that the abuse alleged at his trial never happened at all; innocent children were encouraged by social workers to lie. The prosecution shows an appalling lack of evidence, proper process, and common sense. But nevertheless Violet, Cheryl and Gerald Amirault went to jail.

Violet has died, Cheryl was set free because she drew courageous judges. We ask CLT activists to send the governor a short personal letter that he can share with the parole board and Governor’s Council, asking that Gerald Amirault’s sentence be commuted. Send it to **Governor Paul Cellucci, State House Room 360, Boston MA 02133**. Thank you very much.

Barbara Anderson



Speaker of the House

(Sung to the tune of "Keeper of the House" from Les Miserables)

Lyrics by Steven E. Jens
Candidate for State Representative
28th Middlesex (Cambridge)

Speaker of the House
Keeper of the zoo
Ready to relieve us of a buck or two
Beefing up the dole
Doling out the pork
Cutting up our paychecks with a knife and fork
Everybody loves the Speaker
The media's bosom friend
Does whatever pleases,
Jayzus! won't he bleed us in the end.

*If your local taxpayer group has a website, please let us know
so we can add a link to it from ours – <http://cltg.org>*

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Our Battle for the Promised Tax Rollback Rages On!