<u>Weicker survives odyssey;</u> <u>Budget solution also a personal victory</u>

The Boston Globe August 25, 1991, Sunday, City Edition

Copyright 1991 Globe Newspaper Company Section: METRO/REGION; Pg. 41 Length: 1337 words Byline: By Judith Gaines, Globe Staff Dateline: HARTFORD

Body

The day after the Connecticut Legislature passed a budget for fiscal 1992, ending what had been the nation's longest-running budget battle, Gov. Lowell P. <u>Weicker</u> Jr. was sitting on a couch in his office, chatting about the political odyssey he had just completed.

Had the much-publicized impasse, which left Connecticut without a budget for more than seven weeks into the fiscal year, been damaging, he was asked.

"No," Weicker replied flatly. "Did you want a war or an endless series of fire fights? I chose the former."

That war was widely perceived as a philosophic fight about how to resolve Connecticut's most serious fiscal crisis in at least 20 years as well as a personal test of *Weicker*'s ability to govern the state.

With a victory in hand at last, <u>Weicker</u> - as well as aides, other politicians and outside analysts - tried to explain why the battle royale had occurred, and what it means for Connecticut and for <u>Weicker</u>'s political career.

<u>Weicker</u>, 60, an independent, in his first term as governor, never committed to an <u>income tax</u> during his election campaign. But it came to be viewed as a centerpiece of his administration - indeed, a prerequisite for it to operate effectively.

On Tuesday afternoon, following a news conference in which three *income tax* opponents announced they had fashioned a workable budget incorporating an *income tax*, *Weicker* told reporters, "The start is near."

And at the signing ceremony on Thursday, when a 4.5 percent state *income tax* became law, *Weicker* declared, "As I sign this bill, Connecticut will be closing the book on its past and facing toward the future."

For nearly a hundred years, opposition to an *income tax* had been an unshakable canon of Connecticut politics. "My objection to an *income tax* is religious," said Rep. Dick Foley (R-Oxford), state Republican Party chairman and *Weicker*'s archrival.

The Legislature actually passed a personal *income tax* in 1971, but it was repealed before it could take effect, following firestorms of public protest.

<u>Weicker</u>, who had formerly served in the state House and the US Senate as a Republican, was not initially wedded to an <u>income tax</u>, aides said. In fact, he had indicated he would not impose one during his first year in office, saying that to do so, given all the state's financial problems, would be "like throwing gasoline on a fire."

But as he examined the state's fiscal woes at the beginning of the year - primarily a \$ 1 billion deficit, projected to jump \$ 500 million by December - he became convinced that an *income tax* offered the only way out of the financial woods.

"The only alternatives were to tax the necessities of life, such as groceries, or to increase the sales tax" to at least 9 3/4 percent, both of which <u>Weicker</u> considered unacceptable, said Avice Meehan, <u>Weicker</u>'s spokeswoman. "He decided we had reached the upper limits of the current tax structure."

In a speech on Feb. 14, <u>Weicker</u> announced his conversion, proposing a 6 percent <u>income tax</u> coupled with a reduction in the sales tax. As House minority leader Ed Kraweicki (R-Bristol) observed, "War had been declared."

For more than six months, the battle raged. The Legislature proposed three conventional budgets, all financed by increasing the sales tax and without any *income tax*, and *Weicker* vetoed them all, calling them contrived and dangerous "art forms" based on "gimmickry."

It was a classic stand-off. Republicans insisted that the state's fiscal problems were the result of overspending, not tax policy. Democrats, who were generally more sympathetic to <u>Weicker</u>, worried that the tax would be too onerous in the current recession and complained that it did not represent genuine tax reform - just another tax.

And so the impasse continued.

Democratic leaders, who hold a majority in both houses, might have helped push <u>Weicker</u>'s plans. But they were particularly disinclined to do so.

"We're not going through the normal leadership channels because O'Leary and I don't support it," said John Larson, (D-Hartford), Senate president pro tempore, referring to Senate Majority Leader James O'Leary. "Couple that with an independent governor, and you've got politics of a dynamic order heretofore not witnessed in the state of Connecticut."

As an independent with no members of his party in either house, <u>Weicker</u> could not use party discipline to whip the troops in line. As he observed at the signing ceremony, "I do not have the power of either party. I just have the power of ideas."

Behind the scenes, many said the real story was the collapse of Connecticut's Democratic Party and its failure to negotiate effectively with the Republicans. "What this is really about," said one aide who asked not to be identified, "is where is the Democratic Party going, and who represents those in need."

Democratic leaders countered that <u>Weicker</u> played on an existing split between progressive and moderate factions of the party, following the old divide-and-conquer theme.

In the end the governor got a major assist from three relatively unknown Democratic senators, who announced Tuesday that they had crafted a compromise *income tax* budget, including a cut in the sales tax from 8 percent to 6 percent, tax credits to ease the burden on lower and middle class families, loan guarantees for small businesses, and a tax review commission - which conceivably could "*sunset*" the *income tax* by 1993.

Some politicians, and outside observers, also began to think that a subtle shift in public opinion had occurred. A statewide poll taken by the University of Connecticut's Institute for Social Inquiry and the Hartford Courant showed an *income tax* was no longer as unpopular as many had believed.

According to Professor Donald Ferree Jr., associate director of the institute, the poll showed a resistance to increased taxes but considerably more resistance to increased government spending. When asked in late July about how to raise the funds necessary to balance the budget, 32 percent of the respondents said they would prefer an *income tax*, while only 21 percent wanted a higher sales tax or some other tax.

"People were skeptical that the governor's plan or the legislature's plans would get us out of this budget mess," Ferree observed. "But they were less skeptical about the *income tax* approach. And they believed the time had

come to end the stalemate." Whether the compromise budget package - which included major spending controls - will work remains a major topic for speculation through the state. Switchboards at the capital were surprisingly quiet Friday, with some negative reactions but more callers requesting information, wondering how the complex new tax system will work.

"The public will take a wait-and-see attitude," Ferree predicted. "They want to know how much difference will the <u>income tax</u> and the new sales tax make? Will they hear again in a few months that the revenue projections were out of whack?"

At Yale University, political science professor David Mayhew suggested the public will be unhappy with the <u>income</u> <u>tax</u> and with the new side taxes - such as the taxes on newspapers, hair cuts, auto repairs and tax preparations. And politicians who supported the <u>income tax</u> may be damaged at election time, he said.

But at least for the moment <u>Weicker</u> is perceived as "principled, stubborn, forceful, and politically pretty astute," Mayhew concluded. "He made mistakes but finally he prevailed."

To help the public accept the *income tax*, *Weicker*'s office is launching a media campaign "as sophisticated as any election campaign," Meehan said.

And for now, at least, the governor is elated. The Legislature may have shaped the details, but "in a macro sense" he achieved all his goals, *Weicker* said Friday.

"For all the skeptics who said an independent governor could not work with the Legislature and govern the state, enactment of this budget puts the lie to that," Meehan said. "Lowell <u>Weicker</u>'s ability to govern is no longer theoretical. It's actual and practical."

Load-Date: August 27, 1991

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