



Flood Threatens Refinery—This picture, taken from the Bakersfield, Calif., side of the flood swollen Kern shows one of the huge oil refineries near Bakersfield that are in danger of being flooded if the river breaks its banks. Floods and high waters, caused by rain and melting snow is common in most parts of California. (AP Wirephoto)

Austerity Coming to Americans For Second Time in a Decade

Washington, Nov. 21 (AP)—Americans are headed toward an austerity economy for the second time in a decade. They again are having to build up their defenses—fast. The federal government already has slapped more than 25 federal controls on civilian production, buying, and selling. Taxes have been boosted \$5,000,000,000 a year. And about 650,000 men, many of them veterans of World War II, have been called into military service. All this appears to be only the beginning. Whether all of the restrictions of World War II, including price-wage-rationing regulations are brought back depends on what happens in the not-so-cold war.

As of now, it looks as though Americans will start doing without things like new cars, new tires, new refrigerators, new TV sets and other household appliances before they have to start skimping on groceries. Only wild score buying and hoarding of staples, government officials say, could occasion a return of food rationing in the foreseeable future. Price-wage controls are less unlikely, although President Truman said again only recently that he does not believe the time has come to impose them. But other controls aplenty are here or on the way.

Controls, taxes and draft calls are governed largely by the size of military spending. So far, they have been geared to a \$25,000,000,000 annual defense budget. Another \$10,000,000,000 to \$16,000,000,000 may be added to this shortly. For the fiscal year beginning next July 1, the military budget is expected to reach \$50,000,000,000 or more.

Here is what has been done already on the basis of a \$25,000,000,000-a-year military spending rate: **Armed Forces**—Army increased from 594,000 men to 1,000,000; navy from 375,000 to 500,000; air force from 412,000 to 480,000; and marine corps from 74,000 to 120,000.

Taxes—Individual income taxes have been boosted 15 percent. Corporation taxes have been raised from a maximum of 38 percent to 45 percent. Together, the higher levies should yield about \$4,700,000,000 in added revenue.

Consumer Credit—The World War II regulation "W" has been revived. It establishes minimum down payments and maximum-repayment periods on automobiles and a score of household articles.

Real Estate Credit—Down payments of up to 50 percent and repayment periods of 20 years were established for new houses and for any homes purchased with government-insured mortgages.

Production Controls—A priority system was set up for production of critical defense items. Steel is being allocated for freight cars and ore boats; construction of amusement places has been banned; and civilian use of aluminum in 1951 has been cut 35 percent.

Boosting the annual military spending rate to \$35,000,000,000 or \$41,000,000,000 between now and the end of the fiscal year is likely to result in: **Armed Services**—Increasing the army to 1,300,000; the navy to 570,000; the air force to 548,000; and the marine corps to 166,000.

Taxes—Further corporation and personal income tax hikes. The administration has asked congress to levy a 75 per cent excess profits tax on corporations to yield another \$4,000,000,000 a year. It also may ask increases in individual income taxes.

Controls—Restrictions of copper, nickel and zinc consumption under regulations similar to

that affecting aluminum. The steel allocation system will be extended from strictly defense to defense-supporting industries. Administration planners, including economic stabilizer Al-an Valentine, have yet to decide what to do about price and wage controls. They recognize that the Korean war has produced inflation. But they want to see whether the public is willing to control itself before they freeze either or both. They also want to measure the inflationary impact of the soaring military defense on the American budget. Most economists believe that a defense budget as low as \$30,000,000,000 still would make it necessary to impose price-wage controls.

Chicago, Nov. 21 (AP)—The nation's partial mobilization program, says Army Secretary Frank Pace, Jr., will mean higher federal budgets and higher taxes for several years and further sacrifices "that would affect our entire way of life." There may be price and wage controls, Pace said, and a lowering of the American standard of living. Pace, speaking to members of the economic club of Chicago yesterday, said that for the next several years "we are going to have to devote a major portion of our national income and effort to defense needs. . . . He said that "This period we are entering of indefinite semi-mobilization is tragic, difficult, confusing and costly—but it is infinitely better than a total war mobilization which it may prevent."

Pace said that whatever sacrifices are required to solve "our present great problems of the world, we must prepare to accept them calmly as a citizen's proper share in the preservation of this treasured freedom and prosperity which previous generations have established for us, which we have enjoyed, and which we desire for our children."

Property Tax Stays As Ace in the Hole

By JAMES D. OLSON

Majority members of the interim tax study committee refused to recommend for all-out repeal of the state property tax at its meeting in the state capitol Monday.

Instead, the committee, with Rep. Giles French expressing disapproval, will recommend that no state property tax be levied until all available revenues have been used to meet the state's obligation. It was also recommended that all revenues be placed in the state general fund would mean the end of so-called earmarking of funds for specific purposes.

This action was taken after Fred Paulus, deputy state treasurer, had told the committee that the state property tax could not be removed entirely for the reason that many of the state obligation bonds were predicated upon the property tax.

French announced that he would file a minority report and introduce a bill providing for repeal of the constitutional provision providing for the state property tax, but allowing the state tax to be used for retiring general obligation bonds.

The committee will recommend that the legislature pass a three-cent cigarette tax to finance the soldiers' bonus. William W. Collier of the state tax committee said that the 3-cent tax on cigarettes would bring in approximately \$5,000,000 annually, sufficient to pay the principal and interest on the bonds needed for the payment of the bonus. No provision was made in the bonus measure for financing it.

No action was taken at the meeting Monday on recommendations for financing the additional basic school funds voted at the November election. Rep. French suggested surtax of 15 per cent increase on income taxes to finance the basic school fund increase but no action was taken on this suggestion.

However, the committee will recommend that the legislature submit a constitutional amendment to the voters under which measures providing for new state expenses shall make provision for revenue to carry them into effect. The committee refused to endorse a proposed business tax, but did recommend for study of the legislature whether a business tax in lieu of personal property taxes or elimination of all exemptions in the personal tax structure.

A suggestion that the present exemptions for federal income taxes made to state income taxpayers be eliminated did not meet with favor with the majority members. Most felt that the present income tax rates are sufficiently high. The committee will stress the need of economy in state government as one means of aiding in meeting the expected \$63,000,000 deficit and after its formal report has been written will meet once more to give final touches to the report.

The naval armada carrying the fight of the United Nations command into Korean waters consists of more than 400 ships of eight countries.

Portland—A site in the Portland-Canby area is one of 29 being considered for a U. S. air force academy comparable to West Point or Annapolis. The announcement was news to city and chamber of commerce officials in Canby, who had not submitted any formal application for the academy. Only airport in the area is the Aurora flight strip, 5 miles west of Canby.

The area was recommended to the air force by the army engineers, along with 353 other sites similarly suggested by army engineers elsewhere throughout the nation. The 354 have now been narrowed down to 29, including two others in the northwest—one in the Seattle-McChord field area and the other in the Seattle-Sawyer area.

Air force plans for the academy call for a four-year air university teaching both academic subjects and flying. Requisites set up for the site include a minimum of 9000 acres of land within about 50 miles of the major city, plenty of access roads, railroads and airports, and a high percentage of favorable flying weather. The 29 still in the running will be inspected personally by a board appointed by the air force, headed by Gen. Carl Spaatz, USAF retired, who will arrive in Portland some time about the 8th or 9th of December in inspect the Canby area, Senator Cordon's office reported.

Nearly 100 photo labs are used by soldier-photographer-hobbyists in the Far East command.

Wounded in Ingenito's gun-wielding tour of three homes were: his wife, Teresa, 23; her uncle, Frank Mazzoli; his wife, Hilda, and a nine-year-old cousin, Jean Pioppi. All are in the Newcomb hospital, Vineland, N.J. Frank Mazzoli is listed as critical, the others out of danger.

More Troops for Berlin Berlin, Nov. 21 (AP)—Seven hundred American troops will be transferred here from west Germany this week to strengthen the Berlin garrison, it was learned today. The GIs are the first battalion of the Sixth Infantry regiment.

Woodbury, N.J., Nov. 21 (AP)—A chain-smoking young apprentice salesman has gone on a hunger strike in the jail cell where he is held for slaughtering five members of his wife's family and wounding four others in a 20-minute blaze of gunfire.

Warden William Molineaux of the Gloucester county prison said today Ernest Ingenito, 26-year-old World War II veteran, "refuses to eat." "He drinks coffee and chain smokes cigarettes," the warden said, "but he won't eat."

Ingenito's refusal to take any solid food since his arrest early Saturday has not yet endangered his health, however, Molineaux said. Ingenito has admitted he fired the shots Friday night which ended the lives of his father-in-law and mother-in-law, Mr. and Mrs. Michael Mazzoli; his

Mass Slayer on Hunger Strike

Women's Outlook: Shorter Skirts, Longer Hair Hollywood, Nov. 21 (AP)—Women soon will be wearing shorter skirts, longer hair and more sweaters, a movie fashion designer predicted today. "The world crisis brings out the natural instinctive drives of women," designer Adele Palmer said.

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Mass Killer—Ernest Ingenito, 26 (above), Malaga, N.J., veteran, armed with four guns run amok, killed five in-laws and wounded four other members of his family. Police said he did it in attempt to "clean up" his wife's entire family in retaliation for his broken marriage. (Acme Telephoto)

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**Pace Warns of
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