

IKE PRESENTS BALANCED BUDGET

Power Projects In Washington, Oregon Listed \$14,000,000 Increase In Spending Requested

Washington — (U.P.) — President Eisenhower called today for an increase of nearly \$14,000,000 in federal spending on water and power projects in Oregon and Washington.

His budget for the fiscal year starting next July 1 asked for a total of nearly \$103,000,000 for flood control, navigation and reclamation projects. About \$93,500,000 is being spent this year.

A separate request of \$18,700,000 was submitted for power line construction by the Bonneville Power administration, an increase of \$4,100,000 over the amount being spent this year.

Larger, second-year appropriations were asked for work on Hills Creek and Cougar dams in Oregon and Ice Harbor and Eagle Gorge dams in Washington. Congress approved a start on these projects last year.

A \$2,400,000 fund was sought for a start on the Talent reclamation project in Oregon, and stepped-up work was scheduled at the Deschutes project in that state.

The President said that funds would be sought later for the Juniper division of the Wapinitia project in Oregon, if it is authorized.

Increased amounts were asked, too, for the Foster creek and Roza projects in Washington.

Partnership Re-Emphasized At the same time, the President re-emphasized his "partnership" policy for water development, indicating additional funds will be endorsed for three other projects if Congress approves enabling legislation.

His budget included a \$10,000,000 federal contribution toward construction of John Day dam on the Columbia river, for the Green Peter dam in Oregon, and the Bruce Eddy dam in Idaho. They are to be built, he said, "in cooperation with states, local governments or private groups."

A \$13,850,000 item that was included for the Columbia Basin project will allow distribution systems for 47,000 acres of land to be completed in the next fiscal year.

Foster Creek Project On the Foster Creek project, a \$1,500,000 fund will complete work on the Bridgeport Bar unit.

Canals and laterals to irrigate 10,730 acres in the Kennewick division would be financed by a \$1,288,000 allotment, and a \$1,720,000 fund would allow continued work on the Roza power plant.

A \$1,035,000 fund was asked for continued work on the Haystack reservoir of the Deschutes project.

Here are the budget totals for navigation and flood control projects in Oregon for 1956 and 1957 respectively:

- Columbia river channel, \$750,000, \$1,300,000.
- Coos Bay, \$236,000, \$439,000.
- Tillamook bay, \$200,000, \$1,300,000.
- Amazon creek \$100,000, \$100,000.
- Johnson creek, \$100,000, \$100,000.
- Willamette river, \$300,000, \$300,000.
- Cougar reservoir, \$500,000, \$1,500,000.
- Hills Creek reservoir, \$310,000, \$2,000,000.
- McNary dam, \$7,500,000, \$6,000,000.
- The Dalles dam, \$52,000,000, \$50,000,000.

The Oregon reclamation project figures: Deschutes project, North unit \$275,000, \$1,035,000. Talent project, nothing, \$2,400,000.

Mollet Seen Possible Premier of France

Paris — (U.P.) — Guy Mollet, leader of the French Socialist party, emerged today from the jungle of French politics as the most likely candidate to be France's next premier in an alliance with Pierre Mendes-France.

Most observers were giving Mollet the nod and said he could get the premiership if he makes any sort of fight for it. The alternative appeared to be Mendes-France as one of the leaders of the "Republican Front."

Mendes-France called a meeting today of the executive committee of his Radical Socialist party to put its formal statement of approval on the alliance with the Socialists and it promised to be a stormy one.

MEDFORD TRIBUNE

United Press—Full Leased Wire MEDFORD, OREGON, MONDAY, JANUARY 16, 1956 Price 5c No. 254

Yuba City Dike Holds

Vigil Maintained As Feather River Continues To Fall

City Remains in Critical Situation

San Francisco — (U.P.) — Mud-smear levee workers sloshed across the spongy top of the repaired dike at Yuba City today in belief they had saved the city from a second inundation by the Feather river.

Yuba City, however, still remained the critical situation in the Northern California flood disaster area.

All the coastal streams that had gone over their banks and driven thousands from their homes during the week end were reported falling today. The crisis passed when the 48-hour storm came to an end yesterday afternoon.

For a time, the storm had threatened to duplicate the Christmas week disaster when floods resulted in 75 deaths and more than \$175,000,000 property damage. Although the storm had passed, constant vigilance had to be maintained at Yuba City.

The danger there was pinpointed at Shanghai Bend, where the Feather river lapped at the muddy top of the reconstructed levee. It was here that the bulwarks broke at Christmas time, sending nearly 10,000 persons fleeing for their lives and killing at least 33.

At 6 a.m. today, the river stood at 67.1 feet, a danger point, but the river was falling above Yuba City and the waters were rising at the rate of only a tenth of a foot an hour at Yuba City.

The levee at Shanghai Bend is 71 feet high, and the city levee commission did not believe the water now would go over the top.

The greatest danger, however, was whether the levee would continue to hold. Since the Christmas break, construction crews and heavy equipment has been used in the three-week struggle to restore the city's defenses. This work, however, was untested, unpacked and spongy. There always was the chance that the river could come boiling in from the bottom.

Heavy Equipment Moved A crew of Army Engineers from Camp Beale Air Force Base, working in shifts of 100 around the clock and augmented by city volunteers, continued to man the levee. Heavy equipment had to be removed because it could not be used in the mud. Upstream, north of Yuba City, the river had dropped a tenth of a foot at Gridley. At Oroville, 16 hours away as the stream flows, the river had dropped seven feet.

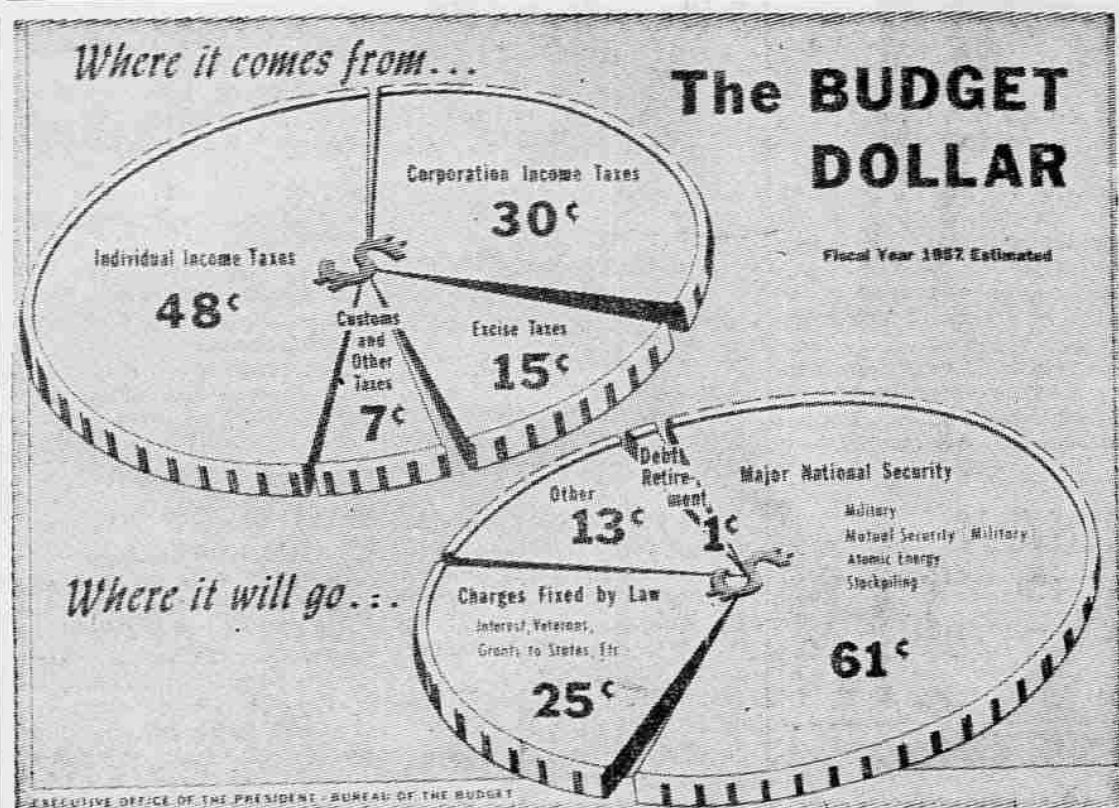
So far, three deaths were reported from the current floods. Henry R. Beneken Sr., 64, a carpenter, apparently slipped into Paper Mill creek behind his home at Forest Hills in Marin county around midnight and drowned. Ray Stepp, 50, drowned in an irrigation ditch south of Alturas, and John Maurer, 32, Eureka contractor, was killed Saturday by a falling tree as he worked to break a log jam in a creek.

UP Passenger Train Jumps Tracks at Biggs Junction

The Dalles — (U.P.) — An east-bound Portland-to-Spokane Union Pacific passenger train was derailed at Biggs Junction east of here early today. The engineer and fireman were hospitalized but state police said none of the estimated 65 passengers was injured seriously.

The seven-car train was derailed about 12:35 a.m. The rear part of the two-unit diesel and the front baggage car were on their sides. The other cars were derailed but were upright. One passenger car was tilting slightly.

Hospitalized here were R. W. Harvey, 61, Portland, the en-



NOT SO EASY COMING OR GOING—This is one of the charts which accompanied President Eisenhower's budget message to Congress. It shows the budget dollar for fiscal 1957, where it comes from and where it goes.

More Rain Forecast As Rivers Recede; Little Damage Listed

Weather conditions in southern Oregon got back to normal shortly after noon yesterday, averting possible extensive flooding by Jackson county streams.

The Rogue river at Grants Pass crested at 15.98 feet about 2:45 p.m. yesterday, and at Dodge bridge the crest was about 7.41 feet at 1 p.m. Flood stage at Grants Pass is 17 feet and at Dodge bridge 9 feet.

Warm southwest rains combined with a high freezing level Friday and Saturday to bring conditions similar to those

which caused disastrous floods Christmas week.

Weather bureau officials said the outlook is for more showers today, with another less severe storm front moving into the area about noon Tuesday. Rain is expected to increase in northern California early Tuesday and move into southern Oregon about noon.

Westerly winds yesterday pushed a lingering storm front northeastward and brought cooler temperatures relieving threatening conditions. The freezing

level lowered from 11,000 feet yesterday to 4,100 feet early today, bringing snow in the mountains.

Rivers in the area have been receding since early afternoon yesterday.

Bob Church, meteorologist at the local weather bureau, said low lands along the Rogue river are covered when the river reaches 7 feet at Dodge bridge, but no serious damage is caused at that level.

State police reported few local high water conditions yesterday. Highway 238 was flooded in the Ruch area, but traffic was moving slowly through six to eight inches of water. Kirtland rd. near Tolo also was flooded.

Water lapped at the edge of Highway 99 in the Savage Rapids dam area, but the highway was not covered. Highway department crews were standing by.

Some Families Move Civil defense volunteers worked around the clock Saturday and Sunday keeping watch along rising streams and assisting some families to move furniture from lower areas.

Maj. Gen. Joseph Hicks, county civil defense director, said workers in Rogue River helped move belongings of a few "worried" residents near the river, and Shady Cove volunteers pulled stalled cars from low areas and removed a number of irrigation pumps from the river.

Medford station of the weather reported 2.32 inches of rain from the storm.

Of the total, 1.07 inches fell Saturday and .74 Sunday. Only .09 was recorded from midnight up to 10 a.m. today.

A total of 19.27 inches of rain has fallen since the agricultural year began Sept. 1, 1955. This contrasts to the 8.89 total of the dry year which began Sept. 1, 1954. Normal precipitation for an entire agricultural year is 18.15 inches.

Lumber Mill Worker Scalded to Death

Toledo, Ore. — (U.P.) — Ault E. Coxen, 59, employee of the C. D. Johnson Lumber mill here died early today as result of a scalding suffered at the mill Saturday.

Two co-workers Robert Smith, 33, Toledo, and Walter R. Balzano, 30, Newport, were injured slightly in the accident.

Plant Manager Milton B. Luton said the three men were working on a steam pipe after closing off the steam with a valve in the boiler room. They failed to put a note on the valve, however, Luton said, and other workers unknowingly turned on the steam.

TALENT SLATED FOR \$2,400,000 IN '57 BUDGET

President Eisenhower's budget for fiscal year 1957, made public today, contains nearly \$3,000,000 for projects in Jackson county.

The largest item is \$2,400,000 for a start of construction on the Talent project.

The other item is \$585,000 for continuation of work on the rehabilitation of the water distribution systems of the Medford and Rogue River Valley Irrigation districts, which has been started.

The Talent project, when completed, will have cost an estimated \$22,000,000.

Project Includes Number of Items

It includes a big new reservoir for some 50,000 acre-feet of water in the Howard Prairie district north of the Green Springs highway east of Ashland; a system of canals and tunnels to bring the water to the Rogue valley; a power house which will generate about 16,000 kilowatts of electric energy; reconstructing the present Emigrant dam to increase the capacity of the reservoir from about 8,000 acre-feet at present to nearly 48,000 acre feet, or an increase of six times, creating a big addition to the size of the lake, and extension and improvement of the waterworks of the Talent Irrigation district.

Also benefiting from the project will be the Medford and Rogue Valley districts, which will pick up surplus and "used" water from the increased supply of the Talent district. Some 8,000 acres of productive agricultural land will be brought under irrigation for the first time, and about 27,000 acres in the three irrigation districts will receive supplemental irrigation water.

Project Authorized

The 1954 Congress authorized the project. Last year, \$154,000 was appropriated for planning purposes, although it was not called for in the administration budget as presented. Efforts by the members of the state's Congressional delegation and by Gov. Paul Patterson, who made several trips to Washington, are credited with obtaining the amount in 1955. The planning work is by now virtually completed.

Two things remain to be done before construction can start. Congress must approve the appropriation contained in the 1957 budget, which is regarded pretty much as a foregone conclusion, and landowners of the Talent district must vote to approve the repayment contract with the federal bureau of reclamation. An election for this purpose will be held in the near future.

If these actions are completed, funds will become available at the start of the fiscal year, July 1, and contracts can then be let.

Meanwhile, Washington reports indicate there is some likelihood that sufficient funds can be obtained in a supplemental appropriation for the fiscal year 1956 to permit construction to begin this spring or early summer. Presumably the amount appropriated in this manner would reduce the 1957 appropriation by the same amount.

It is hoped the Talent job can be completed in three or four years after actual construction starts.

No further action is necessary in the case of the rehabilitation work on the other two irrigation districts, for construction already has been authorized and started. This year's appropriation is for continuation of the work, which will take about three years to complete, and when finished will have cost about \$1,700,000.

Sweetland To Seek State Secretary Job

Portland — (U.P.) — Monroe Sweetland, state senator from Clackamas county and publisher of the Milwaukie, Ore., Review, yesterday announced he was filing for the Democratic nomination for Secretary of State in the May 18 Oregon primary.

Sweetland, Democratic national committeeman since 1948, said he would not run again for that post because "I do not believe that major party officials should be candidates for other major offices."

"In 1956 Oregon can take long steps forward," Sweetland said. "With increasing population, with unbalanced industry, and with state government too long dominated by a few selfish economic interests, our great state must make a new beginning," he said.

Sweetland said a state government "responsive to the people's needs" required a liberal and Democratic legislature and a state board of control that would "at least be bi-partisan."

Bigger Spending Said Necessary To Protect Peace

No Tax Cuts in Foreseeable Future

Washington — (U.P.) — President Eisenhower proudly presented to Congress today a balanced black ink budget calling for \$65,900,000,000 of federal spending.

For the first time since 1951, Treasury deficits were turned into small projected surpluses. Despite this, the administration held out more firmly than ever against tax cuts in the foreseeable future.

The President said bigger spending in fiscal 1957, up \$1,600,000,000, is necessary to protect uncertain world peace with "the greatest military power in our peacetime history" and to promote wider sharing of "our unprecedented prosperity" at home.

Items of major interest: \$35,500,000,000 for the military; \$3,600,000,000 for farm relief; \$4,300,000,000 for foreign aid; \$4,900,000,000 for veterans; and lesser amounts to start new programs of federal aid for school construction and to help depressed areas of the country.

Fiscal 1957 is the government's bookkeeping year which begins this July. The proposed spending of \$65,900,000,000 compares with \$64,300,000,000 this year.

Most of the increase was earmarked for the titanic weapons of tomorrow — supersonic aircraft, new atomic weapons, guided missiles.

Taxes on boomtime profits and wages were estimated to rise even more than spending, from \$64,500,000,000 this year to \$66,300,000,000 in fiscal 1957.

That meant an indicated budget surplus, excess of receipts over spending, of \$400,000,000 for 1957. And Mr. Eisenhower said revised figures show there will be a surplus of \$200,000,000 when fiscal 1956 ends this June 30.

Should Reduce Debt The President in a 40,000-word budget message to Congress said these indicated surpluses were too "slim" to permit tax relief. He said they should be used to reduce the debt.

Secretary of Treasury George M. Humphrey, the administration's top man on tax matters, made this more emphatic. He told newsmen there should be a surplus of \$2,500,000,000 before tax relief will be in order. He tried hard to deflate a belief cherished by many that the surplus will grow mightily by late spring and permit a tax cut after all in this election year. The secretary denied the revenue figures had been underestimated so a bigger figure could be unveiled later. No additional surplus is "buried in this budget," he said.

The projected surpluses, small as they are, would be the first since fiscal 1951. President Truman then budgeted for a \$3,000,000,000 deficit and wound up with a \$5,000,000,000 surplus. New taxes were imposed because of the Korean war and they brought in more than had been expected. Not since 1948 has a president actually submitted a balanced budget to Congress.

Mr. Eisenhower and Humphrey said the achievement of a balanced budget is very important for everyone. They said it cements the foundations for continued prosperity, discourages inflation, protects the stability of wages and living costs. Inflation is encouraged when the government consistently spends more than it takes in.

The budget represented the administration's desires. Congress still has a lot of say about it. However, there is general agreement in Congress on the need for continued heavy spending for defense, veterans, farm relief and other big items. So material change in the spending budget is not likely. (See Stories on Page 14)

Oregon School Funds Figured Under Program

Washington — (U.P.) — Oregon would receive \$2,332,000 from the federal government under tentative first year figures for the proposed five-year \$1,200,000,000 school construction program, the Office of Education said today. Oregon would provide \$1,678,000 in state funds.

DOW-JONES AVERAGES New York — (U.P.) — Dow-Jones final stock averages: 30 industrial 476.24, off 5.36; 20 railroads 158.37, off 2.31; 15 utilities 63.75, off 0.26, and 65 stocks 168.67, off 1.91. Shares today were about 2,260,000 sales compared with 2,120,000 Friday.

Ultra-Modern Weapons Listed In Defense Budget

Washington — (U.P.) — President Eisenhower submitted to Congress today a huge military program accentuating push-button weapons.

He called for record outlays on air-atomic power, and nearly a \$1,000,000,000 boost in military spending.

He proposed military spending of \$35,500,000,000 for the year starting next July 1, to keep more than 2,800,000 men armed for "a long period of uncertain peace." The defense bill, reversing three years of cuts, will be \$972,000,000 greater than this year's and \$14,000,000 above last year's.

Military Spending

Military spending was the top item in a \$40,000,000,000 package of "major national security programs," designed to deter aggression and strengthen alliances. The other items were \$2,500,000,000 for foreign military aid, \$1,900,000,000 for the Atomic Energy Commission and \$378,000,000 for stock-piling and expansion of defense production facilities.

In his defense budget, Mr. Eisenhower put the emphasis squarely on nuclear weapons and ultra-modern means of delivering them. He gave short shrift to traditional warfare and slashed funds for conventional weapons.

Guided missile production will be "the highest in our history," the President said. The armed forces, exploiting new scientific breakthroughs, will buy \$1,300,000 worth of those weapons in fiscal 1957, a 39 per cent increase over this year. They probably will spend at least another \$200,000,000 for research on newer missiles, budget figures indicated.

The budget called for an armada of 43,266 planes by mid-1957. That will be a net increase of 755 in the year. But striking power will be increased much more by replacement of many additional planes with later types. The President said production will be pushed on the giant B-52 intercontinental jet bomber and the supersonic F101, F104 and F8U jet fighters. Aircraft production will run about \$6,800,000,000, a shade under this year's.

The atomic-age military plan called for a fleet of new warships, every one of them either nuclear-powered or capable of delivering nuclear weapons.

The lion's share of next year's spending will be done by the Air Force, which at last will reach its long-sought goal of 137 wings.

Ft. Lewis Soldiers Held for Assault

Albany — (U.P.) — Two soldiers from Ft. Lewis, Wash., were arrested in a stolen car here today and held for Marion county authorities on a charge of assault and battery.

Police said Billy Mercer of Gresham reported he had been hit on the head with a hammer and robbed of his billfold containing \$15 early today by two soldiers he had picked up in his car near Oregon City. He said the soldiers dumped him out near Salem and drove off in his car.

Mercer was picked up by a bread truck driver and taken to Salem where they phoned the police.

WEATHER	
FORECAST: Showers this evening. Snow level 3,500 feet. Partly cloudy tonight. Patchy valley fog early Tuesday. Increasing cloudiness during day with rain by evening. Low tonight 35-38. High Tuesday 50.	
Highest yesterday	Temp. 53
Lowest this morning	40
To 4:30 a.m. today	Prec. 45