

Digest of President Eisenhower's Budget Message To Congress

Oregon Projects Get Legislative Program for Budget Allotments '58 Fiscal Year Sketched

Washington — (U.P.) — With the government and private industry on power projects, he did not specifically mention the John Day project on the Columbia which he recommended for partnership last year.

The projects, amounts being spent this fiscal year and proposed for spending next year with the next fiscal year given second, include: Navigation: Chetco river, \$225,000; Columbia river at mouth, \$1,168,706, \$1,150,000; Tiamook bay, \$951,921, \$300,000.

Flood Control: Amazon creek, \$100,000, \$446,000; Johnson creek, \$5,000, \$145,000; Columbia at Sand Point, nothing, \$500,000; Pendleton, nothing, \$400,000; Willamette river \$300,000, \$300,000; Cougar dam, \$1,706,981, \$6,570,000; Hills Creek dam \$1,969,525, \$4,800,000; Lookout Point dam, \$539,570, \$1,249,000; The Dalles dam \$47601,935, \$19 million.

Reclamation: Wapinitia project, nothing, \$191,000; Crooked river project, nothing, \$750,000; Rogue river, Talent division, \$1,859,596, \$6,041,000.

Washington — (U.P.) — Here is a digest of the main points in President Eisenhower's budget message to Congress.

The message sketched his whole legislative program for the year as well as the proposed federal spending budget for the 1958 fiscal year starting next July 1.

Income and Outgo: Budget is balanced for third year in a row. Calls for record peacetime spending of \$71.8 billion — an increase of \$2.9 billion over current year. Assuming continued prosperity, revenue is estimated at \$73.6 billion, up \$3 billion. Prospective surplus of \$1.8 billion would be applied to reduction of federal debt.

Taxes: "Must be retained at present rates" to fight inflation. Congress should consider "some relief" for small business, with "minimum loss of revenue." No cuts for anybody else. Asked one-year extension of corporation and excise levies that are scheduled to drop April 1.

Mail: The administration will seek higher postal rates, totaling \$654 million a year. Promised better mail service if rates are raised.

Interest: Interest on the \$275 billion federal debt will cost \$7.4 billion or about 10 per cent of whole budget. Although debt is going down, interest rate is going up in tight money market. Debt should be down to \$269 billion by June 30, 1958.

Defense: Proposed an increase of \$2 billion in military spending to total of \$38 billion. Armed forces will remain about the same size but will buy "growing quantities" of costly new weapons to boost firepower. Guided missile procurement up 35 per cent. Air Force will get more B-52 jet bombers to replace B-35s. U. S. Marine divisions are equipped with a "variety" of atomic weapons.

Atomic: A spending increase of \$400 million to push production of "tactical" weapons for defense and power reactors for peace. Private industry should take the initiative in building atomic power plants; warned that government will if industry doesn't. Will expand research on harnessing H-bomb reaction for peacetime power.

Farm: Proposed a record outlay of \$5 billion to support farm prices, meet soil bank payments and otherwise aid farmers. Asked for one-year extension of law permitting sale of farm surpluses for foreign currencies; also new legislation authorizing barter of surpluses with Iron Curtain countries. Farmers who use all the wheat they grow for feed and seed should be exempted from marketing quotas. A new corn program will be proposed.

Foreign Aid: Asked \$2.6 billion for military aid to Allies, the same as this year; \$1.8 for economic aid, an increase of \$200 million for "Eisenhower Doctrine" aid to Middle East. Continued aid, like heavy defense spending, is "simple matter of self-preservation."

Schools: Congress failed last year to enact his five-year, \$1.2 billion program of federal aid for school construction. Now he asks that the same program be completed in four years. Earmarked \$185 million for a starter.

Housing: Five per cent interest should be permitted on VA home loans. The rate, now pegged by law at 4½ per cent, won't attract enough lenders in tight money market. The government should buy more mortgages through Federal National Mortgage Association to provide more funds for home builders.

Gas Bill: Recommended that Congress enact a new version of the natural gas bill which he vetoed last year because of "arrogant" lobbying tactics. The "basic objective" of vetoed bill—to free gas producers from federal public utility-type regulation—is desirable.

Natural Resources: Renewed his endorsement of Frying Pan-Arkansas River development project in Colorado asked "prompt" decision by Congress on developing Niagara power project. Recommended TVA be allowed to sell revenue bonds to finance new power generating facilities. Federal spending on power irrigation reclamation projects would total \$1.5 billion up \$167 million.

Veterans: Legislative proposals on veterans benefits being prepared. Although a special commission headed by Gen. Omar N. Bradley recommended cutbacks, the proposals will add \$100 million to veterans costs in fiscal 1958. Prospective total next year: \$5 billion.

Health: Urged federal aid for medical and dental schools; increased funds for medical research, hospital construction, and other health programs; again asked legislation to expand and improve private

Record Budget Stirs Misgivings

Washington — (U.P.) — President Eisenhower's record budget stirred misgivings among some Republicans today and prompted a Democratic charge that Republican economy is a myth.

"Republicans are giving Democrats a real lesson in the art of spending while at the same time leading the country to believe that they are the guardians of the purse strings," Rep. Thomas G. Abernethy (D-Miss.) said. "The

President's budget is cold evidence that Eisenhower economy is a myth." Abernethy said the President in four years already has spent \$39 billion more than was spent by former President Truman in the four years of the previous administration.

Chairman Harry E. Byrd (D-Va.) of the Senate Banking Committee said the 1958 budget will result in increased inflation. "The federal government itself is contributing to the inflation by increasing federal budget expenditures, federal trust fund expenditures and by increased commitments under federal credit programs in which the government insures and guarantees private loans," he said. This, he added, "is volatile and dangerous."

"In times of peace and prosperity, a sound budget requires elimination of non-essential expenditures to the extent that debt and taxes can be reduced," Byrd said.

Sen. Styles Bridges (R-N.H.), ranking Republican on the Senate Appropriations Committee, praised Mr. Eisenhower's "emphasis on fiscal integrity" and the fact that the budget is balanced for the third year in a row. But he said he "will make every effort to pare it down in every place possible."

Rep. Usher L. Burdick (R-N.D.) said of the proposed \$71.8 billion spending total: "That's more than the country can stand." Rep. H. R. Gross (R-Iowa) concurred in a forecast by Treasury Secretary George M. Humphrey that failure to cut spending and taxes will insure a depression. But he asked:

"Why wait until next year? What's wrong with going it this year?" Chairman J. William Fulbright (D-Ark.) of the Senate Banking Committee said the budget shows up the administration as "hypocrites" for talking about reducing expenses and then proposing a record spending program for expenses it knew would be necessary.

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Further Testimony Waited in Trial of English Doctor

Eastbourne, England — (U.P.) — Chemists, nurses and morticians waited to testify in Magistrates Court today in the case of Dr. John Bodkin Adams, accused of murdering a wealthy widow with "massive overdoses" of narcotics.

The 57-year-old Adams is charged with murdering Mrs. Alice Morrell five years ago with huge doses of heroin and morphine. The widow left the doctor a Rolls Royce in her will.

Four nurses who cared for the patient testified in the second day of preliminary hearings Tuesday that Adams ordered frequent injections of narcotics, some of which were administered with a large syringe.

The crown was also expected to produce evidence that Adams presented a prescription for morphine in the name of Alfred J. Hullett the day after Hullett died. The prosecution was expected to argue Adams needed the morphine to replace an overdose he gave Hullett and which caused his death.

Adams is also accused of causing the death of Hullett's wife, who gave the doctor a sports car shortly before she died.

After testimony is taken from a long string of witnesses, the court will decide if the crown has enough evidence against the defendant to order him to stand trial for murder.

States—Georgia and Kentucky—have done this on their own.

Territories: Again recommended statehood for Hawaii and Alaska, with proviso that part of Alaska be set aside for defense use. Asked federal voting rights and "home rule" for District of Columbia.

New Mansion: Asked authority to acquire an official residence for Vice President Richard M. Nixon, who now lives in his own private home.

Judges: Urged creation of additional federal judgeships to ease logjam in courts. Wants authority to appoint younger judge as helper when any federal jurist reaching 70 won't retire.

Slum Clearance: Asked Congress to provide another \$250 million a year for two years to continue federal grants for slum clearance.

Public Housing: No new units proposed beyond the 35,000 previously authorized.

World Trade: Again asked U.S. membership in the proposed Organization of Trade Cooperation; legislation to "avoid unfair tax duplications" on U.S. businesses with overseas operations.

Immigration: Will send Congress a special message proposing changes in immigration laws to help Hungarian refugees and others.

Women: "Congress should make certain that women are not denied equal rights with men."

Voting Age: Should be lowered to 18 by federal constitutional amendment. Only two

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