

Eisenhower's Budget Calls for Ban on New Water Resource Projects

Congress Asked for New Millions To Speed Up Conquest of Space

Washington — President Eisenhower asked Congress today for new millions to speed man into space.

He proclaimed "the dawn of the space age." He said the American people must prepare to meet its "promises and dangers." He cited the recent "Soviet challenges."

In his Budget Message for fiscal 1959 the President told Congress:

"Funds are provided for an expanded (Defense Department) research and development effort on military satellites and other outer space vehicles."

And for the National Advisory Committee for Aeronautics, deeply involved in "space vehicles." This new money, he said, will advance "flight of manned and unmanned vehicles beyond the atmosphere."

For a special adjunct of the office of the defense secretary, the newly created Advanced Research Projects Agency, the President asked money for direct research and development work on "such advanced systems of military significance as anti-ballistic-missile systems and certain space systems, including satellites."

But he urged Congress to provide for a \$500 million "contingency fund" and for authority to manipulate \$2 billion of the \$40 billion military budget.

He sought this quickly available money, free of congressional or Budget Bureau restraints, "in order to take prompt advantage" of any new scientific breakthroughs.

If he gets it, and if "important" for unmanned flights to Mars and Venus and manned flights around the moon.

Schriever said the Air Force Thor and Titan missiles could be rigged to provide the propulsive power for such flights. A souped-up Thor, he

said, could power an unmanned "discovery" turn up, "I shall not hesitate to use it," the President promised.

Conceivably he might feel constrained to do this in the near future, Maj. Gen. Bernard A. Schriever, Air Force missile chief, told the Senate preparedness sub-committee last Thursday that this country could start preparing now for flight around the moon at a "relatively early date."

Ike Recommends Revisions in Farm Program To Save Money

Washington — President Eisenhower today recommended "important" farm program revisions which he said will save the taxpayers \$346 million in fiscal 1959.

He proposed a 6.5 per cent in farm program spending and held out the prospect of more significant reductions in 1960 and later years.

Farm Support Programs
He outlined to Congress a farm spending budget of \$4,981,000,000, compared with a

record \$5,327,000,000 in the current fiscal year. The savings would come principally on programs for support of farm prices, for stabilization of farm income, and in controlling production.

He foresaw considerable savings if Congress accepts recommendations he will make for lower support levels and for fewer controls. He said the recommendations—to be spelled out shortly in a special message—"will permit the secretary of agriculture to establish price supports for basic crops consistent with the increased productive capacity of our agriculture."

Burden on Taxpayers
Eisenhower said present farm programs have "tended to price key farm commodities as if they were scarce, stimulating continued production in excess of the quantities that existing markets can take at these prices."

He said present agricultural policy "places a heavy burden on taxpayers."

In addition to the anticipated \$346 million savings, Eisenhower proposed to cut \$100 million off an annual \$225 million agricultural conservation program of paying subsidies to farmers for carrying out conservation measures. This reduction would

be restricted to cases where families living on tax-free government property send their children to local schools. Proposed cutting appropriations for this purpose from \$225 million to \$130 million, with further reductions in future years.

Basic Research Support
He asked \$119 million for support of basic research, compared to \$80 million in the current year.

The President deferred indefinitely his previous request for school construction grants. He also recommended a sharp cut in the existing program of aid to school districts where enrollment has been swelled by federal activities.

He said aid to "federally affected areas" should hence-

forth be restricted to cases where families living on tax-free government property send their children to local schools. Proposed cutting appropriations for this purpose from \$225 million to \$130 million, with further reductions in future years.

Details of the new aid to education program had been announced previously by the White House. After it was in full operation, the program would cost about \$250 million a year, but first year spending would be only about half that much.

Represented by Bonds
The public debt is made up of all the money the government borrows when it is running in the red. The debt is represented by bonds and other U.S. securities held by individuals, banks and other investors.

The law fixing a ceiling on the debt was passed after World War II, with Sen. Harry F. Byrd (D-Va.) now chairman of the Senate Finance

committee, as the principal sponsor. It was designed as a device to hold down government spending.

At one time, Congress authorized a temporary increase to \$278 billion but later pulled it back down to \$275 billion. Byrd has announced his opposition to any increase.

In his message, however, Eisenhower said the temporary increase during the current fiscal year is needed "to take care of any unexpected developments and to give the treasury some much-needed flexibility in conducting its financing during this coming period."

Military Buying To Swell Economy
Washington — Military buying is now expected to pour at least \$23 billion into the American economy during the calendar year 1958.

Washington — The public debt, limited by law to \$275 billion, now stands at \$274,273,000,000.

President Eisenhower, in his budget message, estimated that it will be down to \$271,200,000,000 by the end of the current fiscal year June 30 and at the same figure again a year later, when the 1958-59 fiscal year ends.

But in the meantime, he said in his budget message, the \$275 billion ceiling should be "revised upward temporarily" to meet "rising defense expenditures" and to provide "more flexibility to permit efficient and economical debt management."

The government would be likely to hit the present debt ceiling before April income tax payments replenish its coffers.

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Washington — President Eisenhower's space age budget called today for a ban on any new water resource projects for the next fiscal year, as one way to help pay for more missiles.

But because of previously authorized projects on which work will continue, the budget called for an increase in actual spending of \$52 million for this work in the 1959 fiscal year starting next July 1.

Some of the money for the Administration's water development plans will come from previous appropriations. New appropriations requested for the Army Corps of Engineers and the Bureau of Reclamation showed decreases from this year.

Should Go Forward
In its proposals for flood control, navigation, irrigation, water supply and power projects the Administration said construction on units already started should go forward as "economically as possible."

New appropriations requested for the Reclamation Bureau for construction for fiscal 1959 totaled \$172,742,487 compared to \$181,204,336 for the current fiscal year. The Corp of Engineers would receive \$627,670,000 in new appropriations compared to \$638,293,100 in fiscal 1958.

Actual spending was set at \$665 million for Army Engineer flood control and navigation work and \$216 million for Reclamation Bureau Irrigation and power projects.

Several Projects Omitted
Because of the ban on new beginnings the budget made no request for funds for such planned projects as the Little Goose project in Washington State, the Frypan-Arkansas project in Colorado, San Luis in California and Navajo Dam in New Mexico.

Also left out was the Lower Monumental Lock and Dam in Washington state, part of the Columbia Basin project, although the budget did make an exception and request \$550,000 in planning money for this project.

The general belt-tightening recommended for water development resulted in an Administration proposal that funds which are not being actively used in one place should be transferred to "live" projects.

In the case of Navajo Dam, part of the Upper Colorado project, the budget proposed that the \$1,500,000 already appropriated for it should be transferred to Flaming Gorge in Utah. Construction on the latter, also part of Upper Colorado, is now underway.

Despite the generally tighter picture in water resource development the budget recommended full speed ahead on two major projects presently under construction.

It asked for \$35 million for Upper Colorado's Glen Canyon Dam and \$37 million for the Trinity division of the Central Valley Project in California.

At the same time it said the Interior Department plans to discontinue 1,500 jobs during the new fiscal year, 900 of them in the Reclamation Bureau. Interior officials said, however, that in most cases it would be a matter of not filling vacancies for positions which are no longer needed.

Demo. Opposition Expected
The water resource proposals were almost certain to bring quick and unfriendly reaction from Democrats in Congress. Even before the budget was finally drafted Sen. Joseph C. O'Mahoney (D-Wyo.) said he would fight for funds from unnecessary foreign aid spending to finance it.

Sen. Warren G. Magnuson (D-Wash.) a member of the Senate Appropriations Committee, said that if the budget did not request funds for the Lower Monumental and Little Goose projects he would do "everything in my power" to get congressional appropriations for them. Magnuson said they are "essential" parts of the Columbia Basin system.

But the President offered his budget recommendations to Congress confident that the money already circulating in the water resource program coupled with the suggested new appropriations would be sufficient.

Eisenhower pointed out that a total of \$210,000,000 was provided in fiscal 1956, 1957, and 1958 to start work on 407 new projects having

satellite around the moon and back, Schriever said.

In his Budget Message, the President gave no hint as to what his projected "military satellites" might be, whether weapon launching platforms or "spies in the sky."

But he made it clear that the weapons of the future, like those of the present, will be nuclear. For fiscal 1959 he budgeted \$2,550,000,000 for the Atomic Energy Commission. This compared with an estimated \$2,300,000,000 for the current year and \$1,990,000,000 for the fiscal 1957.

For New Engines
Most of the atomic increase will go for expanded weapons production, for propulsion of warships, merchant craft, airplanes, and for civilian and military electrical power plants.

But much of it will be spent also to try to develop nuclear engines for "missiles," which could include space ships. Many experts believe atomic rocket engines will work better in second or third stages above the atmosphere than in first stage boosters on the surface.

The budget disclosed that the Advisory Committee for Aeronautics is working on new high energy chemical fuels for missiles and "space vehicles," and also on "unconventional systems for propulsion in space."

These unconventional systems are believed to include so-called "ion engines" in which electrified particles traveling thousands of miles a second are ejected by atomic energy from the exhaust nozzles of rocket power plants.

Jobs Under Way Will Continue With Increase

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Glance At Ike's Budget Proposals

Washington — The 1959 budget at a glance:
Taxes — no relief for average citizen; modest cuts for small business.

Postage—five-cent stamps proposed for out-of-town letters.

Spending — up more than \$1 billion from this year to record peacetime total of \$83.9 billion. Nearly \$40 billion for military. Increased defense outlays partly offset by cuts in farm benefits, other federal subsidy programs.

An estimated total cost of \$4,500,000,000.

"We should not at this time add to this extremely high level of commitments by starting any new projects in 1959," he said.

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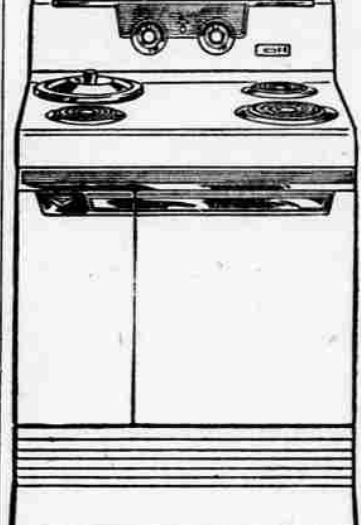
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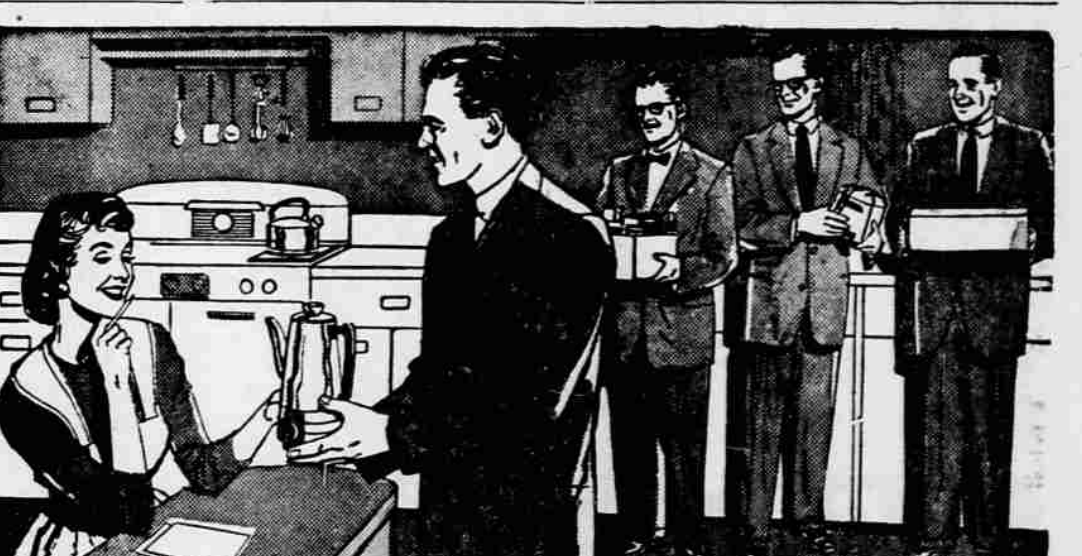
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