

# Make Submits Precariously Balanced Budget

## More Than \$2 Million Allotted Talent Work

### Higher Gasoline Taxes, Postal Rate Boost Seen

#### Mild Threat of Increase in Taxes

Washington — President Eisenhower today sent Congress a precariously balanced budget of \$77,030,000,000 demanding higher federal gasoline taxes and a new hike in postal rates.

He requested an increase in gasoline taxes from 3 cents to 4½ cents a gallon and a \$350 million boost in postal charges, apparently by instituting a five-cent stamp for some letters.

These proposals, combined with higher taxes on aviation fuel and some other tax revisions, would bring in \$1,356,000,000 of new revenue in fiscal year 1960, which starts this July.

No tax cuts were proposed. On the contrary, there was a mild threat of more general tax increases, if the President's goal of achieving a \$70 million surplus in the coming year should fade and the government again goes into the red. The current year's "recession-induced" deficit was estimated at \$12,900,000,000.

The Democrats accused Eisenhower of submitting a "political budget" which has little chance of being balanced. Republicans stood solidly behind the President's proposal.

#### Warms of Tax Hike

Treasury Secretary Robert B. Anderson told reporters it "might prove to be necessary" to consider a general tax hike if the Democratic Congress should fail to give Eisenhower the legislative support he needs to balance the budget, and if business is good.

Eisenhower proposed to cut spending by nearly \$3,900,000,000 below this year's figure. He held the defense budget at virtually the same level as this year—nearly \$41 billion—and ordered big reductions in outlays for agriculture, foreign aid and housing.

Again and again in his budget message he called for state and local governments to shoulder more of the costs of services and lessen the burden on Washington, and for more federal lending functions to be put in private hands.

His chances of keeping the budget balanced appeared slim, however, on the basis of Democratic attitudes in Congress. For example, if Congress failed to approve the postal rate hike alone, it would throw finances into the red.

#### Paint Bright Pictures

Both Eisenhower and Secretary Anderson painted bright pictures of the economic outlook.

"We are now entering a period of national prosperity and high employment," the President said.

Anderson said the revenue estimate of \$77,100,000,000 for the coming fiscal year was based on the assumption that personal income would climb from \$353,500,000,000 in calendar 1958 to \$374 billion this year, and that corporate profits would rise from \$38,500,000,000 to \$47 billion.

On this basis, government income was budgeted to rise \$9,100,000,000 over this year, while spending was cut.

Budget Director Maurice H. Stans told newsmen the administration deliberately held down the introduction of new programs in what the President has called "a breather in expansion."

(See Stories on Page 10)



**PROMOTE PROJECT**—Members of Girl Scout Troop 198, Griffin Creek, have been planting bulbs and "beautifying" the area near Kennedy's Union Service Station on South Riverside ave. as their part of the "Make Medford Beautiful" program. The troop has been busy working on the plots for several months. Members (from left to right) are Maureen McNeil, Carole Leon, Shirley Romanchuk, Karen Huggdahl (with shovel), Pamela Hampton, Lorraine Le Faive, Sharon Huggdahl, Chris Killingsworth and Teresa Merritt. Standing at left is the troop leader, Mrs. Richard Foy.

## Mikoyan in Angry Verbal Exchange on Issues of Cold War

Washington — Soviet Deputy Premier Anastas I. Mikoyan's sweetness-and-light visit to the United States blew up today in an angry exchange of cold war charges with the government.

Mikoyan declared in a National Press Club speech that the U. S. is completely rigid in its "cold war position."

"We all realize that the cold war is the prelude—or may be the prelude—to a hot war," he said.

#### Angry Exchange

The Kremlin's second in command made the statements following an angry exchange with the State Department.

Mikoyan said after a 45-minute meeting with C. Douglas Dillon, undersecretary of state for economic affairs that the State Department is conducting a "cold war" that affects world trade.

The department immediately issued an equally angry retort that Mikoyan was abusing U. S. hospitality by making "fatuous" remarks about the government.

Mikoyan broadened his charges in his Press club speech.

He said the U. S., with the apparent backing of its allies, remains unwilling to reach agreement with the Soviet Union on cold war issues.

#### Americans Want Peace

The Soviet leader said on the eve of his return to Moscow that talks with Americans generally led him to believe the country wants peace. But, he said, the government "still remains on the old cold war position."

He said his talks with President Eisenhower, Secretary of State John Foster Dulles and other U. S. officials were "pleasant, friendly and useful exchanges."

But "when it came to concrete, specific matters, it was indicated that the bipartisan policy, shared by the allies, remains unchanged," Mikoyan said.

Washington — The General Service Administration has signed a deed transferring the Yamhill lock and surrounding property to Yamhill county, Ore., for recreational purposes.

Portland — Donald Ostensoe, state March of Dimes chairman, answered an attack on the National Foundation by a local weekly labor publication as "completely opposite to the national AFL-CIO endorsement of the organization, based on falsehoods and deliberately planned during January to hurt the March of Dimes."

He answered the editorial appearing in the Oregon Labor Press, an independent publication serving the Multnomah AFL-CIO, saying, "This assumes serious proportions in that it jeopardizes the total program of the Foundation in this state and was deliberately planted for this purpose."

#### Opportunity Welcomed

George Meany, president of AFL-CIO wrote all affiliates last November. "The AFL-CIO again welcomes the opportunity to endorse the 1959 March of Dimes campaign. We are happy that we have been able to participate in a program which has resulted in such decided victories over a crippling disease that troubled mankind through the ages. The March of Dimes has not only made available polio protection for our nation's school children; it has provided and continues to pro-

## Annual Meeting Of YMCA Planned Tuesday Evening

Dr. Robert F. Anderson, Salem, chairman of the Northwest Pacific YMCA area board, will be speaker at the annual meeting of the Medford YMCA tomorrow evening.

The meeting, including election of directors, will start at 7:30 p.m. with a dessert and social period. The business meeting will start at 8 p.m. with Carl Brophy presiding. Dr. Anderson served on various area YMCA committees and in 1954 was a delegate international assembly in Paris, France.

At the meeting Tuesday recognition will be given volunteers who have given outstanding service to the YMCA. Plaques will be awarded them.

Mrs. Scott Wickersham, secretary of the YMCA board, is in charge of arrangements. More than 500 persons attended the YMCA's open house Sunday, according to R. L. Jones, secretary of the local association. Visitors toured the building and watched activities of various Y programs.

Music was provided during the afternoon by students of Mrs. Darrell Huson and the junior high school music department. Dr. and Mrs. Frank Wilson were in charge of the social arrangements. Clifford McGinty is chairman of Y week activities.

Portland — Army engineers said a main generating unit at The Dalles dam with an installed capacity of 78,000 kilowatts has been placed in service.

Salem — The State Highway Department today reported light snow falling in several areas with heavy snow at Willamette pass and at Meacham between Pendleton and LaGrande. Willamette pass had six inches of new snow and Meacham one.

Washington — The General Service Administration has signed a deed transferring the Yamhill lock and surrounding property to Yamhill county, Ore., for recreational purposes.

Portland — Donald Ostensoe, state March of Dimes chairman, answered an attack on the National Foundation by a local weekly labor publication as "completely opposite to the national AFL-CIO endorsement of the organization, based on falsehoods and deliberately planned during January to hurt the March of Dimes."

He answered the editorial appearing in the Oregon Labor Press, an independent publication serving the Multnomah AFL-CIO, saying, "This assumes serious proportions in that it jeopardizes the total program of the Foundation in this state and was deliberately planted for this purpose."

Portland — Donald Ostensoe, state March of Dimes chairman, answered an attack on the National Foundation by a local weekly labor publication as "completely opposite to the national AFL-CIO endorsement of the organization, based on falsehoods and deliberately planned during January to hurt the March of Dimes."

He answered the editorial appearing in the Oregon Labor Press, an independent publication serving the Multnomah AFL-CIO, saying, "This assumes serious proportions in that it jeopardizes the total program of the Foundation in this state and was deliberately planted for this purpose."

Portland — Donald Ostensoe, state March of Dimes chairman, answered an attack on the National Foundation by a local weekly labor publication as "completely opposite to the national AFL-CIO endorsement of the organization, based on falsehoods and deliberately planned during January to hurt the March of Dimes."

He answered the editorial appearing in the Oregon Labor Press, an independent publication serving the Multnomah AFL-CIO, saying, "This assumes serious proportions in that it jeopardizes the total program of the Foundation in this state and was deliberately planted for this purpose."

Portland — Donald Ostensoe, state March of Dimes chairman, answered an attack on the National Foundation by a local weekly labor publication as "completely opposite to the national AFL-CIO endorsement of the organization, based on falsehoods and deliberately planned during January to hurt the March of Dimes."

He answered the editorial appearing in the Oregon Labor Press, an independent publication serving the Multnomah AFL-CIO, saying, "This assumes serious proportions in that it jeopardizes the total program of the Foundation in this state and was deliberately planted for this purpose."

Portland — Donald Ostensoe, state March of Dimes chairman, answered an attack on the National Foundation by a local weekly labor publication as "completely opposite to the national AFL-CIO endorsement of the organization, based on falsehoods and deliberately planned during January to hurt the March of Dimes."

He answered the editorial appearing in the Oregon Labor Press, an independent publication serving the Multnomah AFL-CIO, saying, "This assumes serious proportions in that it jeopardizes the total program of the Foundation in this state and was deliberately planted for this purpose."

## Truman Cautions Against Recent Crop of Tourists

changing figures in the Kremlin. The Kremlin has used all these talks to feed its propaganda mills.

The situation with regard to the establishment of peace is, in reality, very simple. But the Russians and the Chinese insist on making matters complicated.

And I must say that our diplomatic tourists and some of our industrial leaders have been of little help in clearing the air. Diplomacy by press interviews, special audiences or fishing expeditions can only compound an already complicated situation.

Arguments in the case were set for 2 p.m. today before the court.

House Speaker Robert Duncan, Medford, said he thought the simplest bill was the one suggested by State Treasurer Sig Unander and Fred Paulus, deputy state treasurer.

It was introduced in the House at the request of the Committee on State and Federal Affairs and provides that the state treasurer, with legislative approval, may make advances to the State Public Welfare Commission and the State Unemployment Compensation Commission to

The Medford Salvation Army has offered to give assistance to area families who are directly affected by the lack of unemployment checks, Capt. William Ricken, commanding officer, reported today.

Capt. Ricken said that the local Corps would assist in the purchase of groceries and in some cases the payment of rent and utilities. He said that the Salvation Army will continue aiding these families until compensation checks are mailed by the state.

There have been no unemployment checks issued since last Friday morning, the first time such checks have stopped in the 22-year history of the Commission.

Introduced in the Senate was a bill by Sen. Monroe Sweetland (D-Milwaukee) and Repr. Ed Whelan and Ed Benedict (D-Portland) to provide unemployment pay and state employee checks pending the secretary of state decision.

The rules were suspended on both emergency bills and they were placed on second reading.

Sweetland got together with the House committee on State and Federal Affairs this morning and amended the Unander-Paulus bill so it would run until March 1 rather than Feb. 1.

Washington — President Eisenhower said he intends to ask Congress to authorize the sale of the federally-owned long-line communications system in Alaska.

Washington — President Eisenhower today sent Congress a precariously balanced budget of \$77,030,000,000 demanding higher federal gasoline taxes and a new hike in postal rates.

He requested an increase in gasoline taxes from 3 cents to 4½ cents a gallon and a \$350 million boost in postal charges, apparently by instituting a five-cent stamp for some letters.

These proposals, combined with higher taxes on aviation fuel and some other tax revisions, would bring in \$1,356,000,000 of new revenue in fiscal year 1960, which starts this July.

No tax cuts were proposed. On the contrary, there was a mild threat of more general tax increases, if the President's goal of achieving a \$70 million surplus in the coming year should fade and the government again goes into the red. The current year's "recession-induced" deficit was estimated at \$12,900,000,000.

The Democrats accused Eisenhower of submitting a "political budget" which has little chance of being balanced. Republicans stood solidly behind the President's proposal.

By A. ROBERT SMITH  
Mail Tribune Washington Correspondent  
Washington — President Eisenhower's proposed annual budget for the fiscal year starting next July 1 contains \$2,747,788 for continued construction of irrigation works in the Talent division, Rogue river basin project.

This amount will make the project 86 per cent complete, the bureau of reclamation reported.

Reservoirs and collection and delivery canal facilities in the higher eastern portion of the project will be completed. The 16,000 kilowatt Green Springs power plant will be completed and first supplemental irrigation water delivery will begin early in fiscal year 1960, presumably in mid- or late summer of this year.

Nearly half of this budget request is to continue construction on Emigrant dam and related saddle dikes, and to complete relocation of properties in its reservoir basin.

Active construction of irrigation distribution works will proceed on the diversion structure for Phoenix canal, replacement of distribution system structures, enlargement of the existing Ashland and East laterals, and construction of a siphon on the West lateral.

Construction of the Talent lateral and of various sublaterals will be initiated in the spring of next year.

This year's budget, the President told Congress, contains no funds to start new projects. He said it contains funds totaling \$1.1 billion—

all-time high—for reclamation and Army Engineers projects. Over \$80 million is listed for dams on the Colba, Snake and Willamette rivers.

Bureau of land management access road construction will continue with \$5,200,000, most of it for roads on the O&C timberlands.

Crater Lake National park roads and trails will be improved with \$91,200. Those of Oregon Caves National monument will be improved with \$36,500. Development of the new Fort Clatsop park will start with \$105,000.

In addition to construction funds for Rogue river reclamation, the budget lists \$200,000 for rehabilitation and betterment of existing works, and \$78,000 for operation and maintenance.

Continued work on improving Gold Beach harbor at the mouth of the Rogue will be done with \$1,500,000.

Funds for forest service roads and trails in national forests were cut \$2 million to \$24 million. This will mean a reduction from 900 miles of roads being built this year to 720 miles next year.

Washington — President Eisenhower today sent Congress a precariously balanced budget of \$77,030,000,000 demanding higher federal gasoline taxes and a new hike in postal rates.

He requested an increase in gasoline taxes from 3 cents to 4½ cents a gallon and a \$350 million boost in postal charges, apparently by instituting a five-cent stamp for some letters.

These proposals, combined with higher taxes on aviation fuel and some other tax revisions, would bring in \$1,356,000,000 of new revenue in fiscal year 1960, which starts this July.

No tax cuts were proposed. On the contrary, there was a mild threat of more general tax increases, if the President's goal of achieving a \$70 million surplus in the coming year should fade and the government again goes into the red. The current year's "recession-induced" deficit was estimated at \$12,900,000,000.

The Democrats accused Eisenhower of submitting a "political budget" which has little chance of being balanced. Republicans stood solidly behind the President's proposal.

Washington — President Eisenhower today sent Congress a precariously balanced budget of \$77,030,000,000 demanding higher federal gasoline taxes and a new hike in postal rates.

He requested an increase in gasoline taxes from 3 cents to 4½ cents a gallon and a \$350 million boost in postal charges, apparently by instituting a five-cent stamp for some letters.

These proposals, combined with higher taxes on aviation fuel and some other tax revisions, would bring in \$1,356,000,000 of new revenue in fiscal year 1960, which starts this July.

No tax cuts were proposed. On the contrary, there was a mild threat of more general tax increases, if the President's goal of achieving a \$70 million surplus in the coming year should fade and the government again goes into the red. The current year's "recession-induced" deficit was estimated at \$12,900,000,000.

Washington — President Eisenhower today sent Congress a precariously balanced budget of \$77,030,000,000 demanding higher federal gasoline taxes and a new hike in postal rates.

He requested an increase in gasoline taxes from 3 cents to 4½ cents a gallon and a \$350 million boost in postal charges, apparently by instituting a five-cent stamp for some letters.

These proposals, combined with higher taxes on aviation fuel and some other tax revisions, would bring in \$1,356,000,000 of new revenue in fiscal year 1960, which starts this July.

No tax cuts were proposed. On the contrary, there was a mild threat of more general tax increases, if the President's goal of achieving a \$70 million surplus in the coming year should fade and the government again goes into the red. The current year's "recession-induced" deficit was estimated at \$12,900,000,000.

The Democrats accused Eisenhower of submitting a "political budget" which has little chance of being balanced. Republicans stood solidly behind the President's proposal.

Washington — President Eisenhower today sent Congress a precariously balanced budget of \$77,030,000,000 demanding higher federal gasoline taxes and a new hike in postal rates.

He requested an increase in gasoline taxes from 3 cents to 4½ cents a gallon and a \$350 million boost in postal charges, apparently by instituting a five-cent stamp for some letters.

These proposals, combined with higher taxes on aviation fuel and some other tax revisions, would bring in \$1,356,000,000 of new revenue in fiscal year 1960, which starts this July.

No tax cuts were proposed. On the contrary, there was a mild threat of more general tax increases, if the President's goal of achieving a \$70 million surplus in the coming year should fade and the government again goes into the red. The current year's "recession-induced" deficit was estimated at \$12,900,000,000.

The Democrats accused Eisenhower of submitting a "political budget" which has little chance of being balanced. Republicans stood solidly behind the President's proposal.

Washington — President Eisenhower today sent Congress a precariously balanced budget of \$77,030,000,000 demanding higher federal gasoline taxes and a new hike in postal rates.

He requested an increase in gasoline taxes from 3 cents to 4½ cents a gallon and a \$350 million boost in postal charges, apparently by instituting a five-cent stamp for some letters.

These proposals, combined with higher taxes on aviation fuel and some other tax revisions, would bring in \$1,356,000,000 of new revenue in fiscal year 1960, which starts this July.

No tax cuts were proposed. On the contrary, there was a mild threat of more general tax increases, if the President's goal of achieving a \$70 million surplus in the coming year should fade and the government again goes into the red. The current year's "recession-induced" deficit was estimated at \$12,900,000,000.

The Democrats accused Eisenhower of submitting a "political budget" which has little chance of being balanced. Republicans stood solidly behind the President's proposal.

Washington — President Eisenhower today sent Congress a precariously balanced budget of \$77,030,000,000 demanding higher federal gasoline taxes and a new hike in postal rates.

He requested an increase in gasoline taxes from 3 cents to 4½ cents a gallon and a \$350 million boost in postal charges, apparently by instituting a five-cent stamp for some letters.

These proposals, combined with higher taxes on aviation fuel and some other tax revisions, would bring in \$1,356,000,000 of new revenue in fiscal year 1960, which starts this July.

No tax cuts were proposed. On the contrary, there was a mild threat of more general tax increases, if the President's goal of achieving a \$70 million surplus in the coming year should fade and the government again goes into the red. The current year's "recession-induced" deficit was estimated at \$12,900,000,000.

The Democrats accused Eisenhower of submitting a "political budget" which has little chance of being balanced. Republicans stood solidly behind the President's proposal.

Washington — President Eisenhower today sent Congress a precariously balanced budget of \$77,030,000,000 demanding higher federal gasoline taxes and a new hike in postal rates.

He requested an increase in gasoline taxes from 3 cents to 4½ cents a gallon and a \$350 million boost in postal charges, apparently by instituting a five-cent stamp for some letters.

Washington — President Eisenhower today sent Congress a precariously balanced budget of \$77,030,000,000 demanding higher federal gasoline taxes and a new hike in postal rates.

He requested an increase in gasoline taxes from 3 cents to 4½ cents a gallon and a \$350 million boost in postal charges, apparently by instituting a five-cent stamp for some letters.

These proposals, combined with higher taxes on aviation fuel and some other tax revisions, would bring in \$1,356,000,000 of new revenue in fiscal year 1960, which starts this July.

No tax cuts were proposed. On the contrary, there was a mild threat of more general tax increases, if the President's goal of achieving a \$70 million surplus in the coming year should fade and the government again goes into the red. The current year's "recession-induced" deficit was estimated at \$12,900,000,000.

The Democrats accused Eisenhower of submitting a "political budget" which has little chance of being balanced. Republicans stood solidly behind the President's proposal.

Washington — President Eisenhower today sent Congress a precariously balanced budget of \$77,030,000,000 demanding higher federal gasoline taxes and a new hike in postal rates.

He requested an increase in gasoline taxes from 3 cents to 4½ cents a gallon and a \$350 million boost in postal charges, apparently by instituting a five-cent stamp for some letters.

These proposals, combined with higher taxes on aviation fuel and some other tax revisions, would bring in \$1,356,000,000 of new revenue in fiscal year 1960, which starts this July.

No tax cuts were proposed. On the contrary, there was a mild threat of more general tax increases, if the President's goal of achieving a \$70 million surplus in the coming year should fade and the government again goes into the red. The current year's "recession-induced" deficit was estimated at \$12,900,000,000.

The Democrats accused Eisenhower of submitting a "political budget" which has little chance of being balanced. Republicans stood solidly behind the President's proposal.

Washington — President Eisenhower today sent Congress a precariously balanced budget of \$77,030,000,000 demanding higher federal gasoline taxes and a new hike in postal rates.

He requested an increase in gasoline taxes from 3 cents to 4½ cents a gallon and a \$350 million boost in postal charges, apparently by instituting a five-cent stamp for some letters.

These proposals, combined with higher taxes on aviation fuel and some other tax revisions, would bring in \$1,356,000,000 of new revenue in fiscal year 1960, which starts this July.

No tax cuts were proposed. On the contrary, there was a mild threat of more general tax increases, if the President's goal of achieving a \$70 million surplus in the coming year should fade and the government again goes into the red. The current year's "recession-induced" deficit was estimated at \$12,900,000,000.

The Democrats accused Eisenhower of submitting a "political budget" which has little chance of being balanced. Republicans stood solidly behind the President's proposal.

Washington — President Eisenhower today sent Congress a precariously balanced budget of \$77,030,000,000 demanding higher federal gasoline taxes and a new hike in postal rates.

He requested an increase in gasoline taxes from 3 cents to 4½ cents a gallon and a \$350 million boost in postal charges, apparently by instituting a five-cent stamp for some letters.

These proposals, combined with higher taxes on aviation fuel and some other tax revisions, would bring in \$1,356,000,000 of new revenue in fiscal year 1960, which starts this July.

No tax cuts were proposed. On the contrary, there was a mild threat of more general tax increases, if the President's goal of achieving a \$70 million surplus in the coming year should fade and the government again goes into the red. The current year's "recession-induced" deficit was estimated at \$12,900,000,000.

The Democrats accused Eisenhower of submitting a "political budget" which has little chance of being balanced. Republicans stood solidly behind the President's proposal.

Washington — President Eisenhower today sent Congress a precariously balanced budget of \$77,030,000,000 demanding higher federal gasoline taxes and a new hike in postal rates.

He requested an increase in gasoline taxes from 3 cents to 4½ cents a gallon and a \$350 million boost in postal charges, apparently by instituting a five-cent stamp for some letters.

Washington — President Eisenhower today sent Congress a precariously balanced budget of \$77,030,000,000 demanding higher federal gasoline taxes and a new hike in postal rates.

He requested an increase in gasoline taxes from 3 cents to 4½ cents a gallon and a \$350 million boost in postal charges, apparently by instituting a five-cent stamp for some letters.

These proposals, combined with higher taxes on aviation fuel and some other tax revisions, would bring in \$1,356,000,000 of new revenue in fiscal year 1960, which starts this July.

No tax cuts were proposed. On the contrary, there was a mild threat of more general tax increases, if the President's goal of achieving a \$70 million surplus in the coming year should fade and the government again goes into the red. The current year's "recession-induced" deficit was estimated at \$12,900,000,000.

The Democrats accused Eisenhower of submitting a "political budget" which has little chance of being balanced. Republicans stood solidly behind the President's proposal.

Washington — President Eisenhower today sent Congress a precariously balanced budget of \$77,030,000,000 demanding higher federal gasoline taxes and a new hike in postal rates.

He requested an increase in gasoline taxes from 3 cents to 4½ cents a gallon and a \$350 million boost in postal charges, apparently by instituting a five-cent stamp for some letters.

These proposals, combined with higher taxes on aviation fuel and some other tax revisions, would bring in \$1,356,000,000 of new revenue in fiscal year 1960, which starts this July.

No tax cuts were proposed. On the contrary, there was a mild threat of more general tax increases, if the President's goal of achieving a \$70 million surplus in the coming year should fade and the government again goes into the red. The current year's "recession-induced" deficit was estimated at \$12,900,000,000.

The Democrats accused Eisenhower of submitting a "political budget" which has little chance of being balanced. Republicans stood solidly behind the President's proposal.

Washington — President Eisenhower today sent Congress a precariously balanced budget of \$77,030,000,000 demanding higher federal gasoline taxes and a new hike in postal rates.

He requested an increase in gasoline taxes from 3 cents to 4½ cents a gallon and a \$350 million boost in postal charges, apparently by instituting a five-cent stamp for some letters.

These proposals, combined with higher taxes on aviation fuel and some other tax revisions, would bring in \$1,356,000,000 of new revenue in fiscal year 1960, which starts this July.

No tax cuts were proposed. On the contrary, there was a mild threat of more general tax increases, if the President's goal of achieving a \$70 million surplus in the coming year should fade and the government again goes into the red. The current year's "recession-induced" deficit was estimated at \$12,900,000,000.

The Democrats accused Eisenhower of submitting a "political budget" which has little chance of being balanced. Republicans stood solidly behind the President's proposal.

Washington — President Eisenhower today sent Congress a precariously balanced budget of \$77,030,000,000 demanding higher federal gasoline taxes and a new hike in postal rates.

He requested an increase in gasoline taxes from 3 cents to 4½ cents a gallon and a \$350 million boost in postal charges, apparently by instituting a five-cent stamp for some letters.

These proposals, combined with higher taxes on aviation fuel and some other tax revisions, would bring in \$1,356,000,000 of new revenue in fiscal year 1960, which starts this July.

No tax cuts were proposed. On the contrary, there was a mild threat of more general tax increases, if the President's goal of achieving a \$70 million surplus in the coming year should fade and the government again goes into the red. The current year's "recession-induced" deficit was estimated at \$12,900,000,000.