

Ike's Budget Calls for Boost in Missile Spending

Washington—UPI—President Eisenhower charted an \$800,000,000 increase in missile spending today and disclosed that the first Atlas intercontinental missiles will be in combat units by summer.

His record peacetime defense budget also unfolded plans for expanding air-atomic power with new supersonic and missile-launching bombers to meet "any major threat to our national security."

The military spending blueprint sent to Congress called for \$40,945,000,000, to run the armed forces in the fiscal year starting July 1.

By putting the squeeze on other elements of military strength, the President was able to expand missile, bomber and space research outlays while holding the total increase over this year's budget to \$145,000,000.

As if in challenge to skeptical Democratic congressmen who have contended the lid on defense spending is too low, Eisenhower said:

"This budget assures that essential defense needs are met."

He said his aim is a well-rounded force under unified direction and properly equipped, ready for any kind of military emergency.

The military forces of fiscal 1960 will comprise 2,520,000 men with an armada of more than 29,000 planes, a fleet of 864 ships, 17 Army and Marine divisions and growing missile units for both defense and offense.

For the first time since the Korean war ended, Eisenhower did not order any substantial cuts in manpower. He told the Air Force to trim by a "moderate" 5,000, but added that with the Communists "constantly probing the free world positions" no further cuts were warranted.

Missiles got dominant emphasis. Their procurement was a 110 per cent increase to \$3,825,000,000, up from \$3,483,000,000, and were given a lion's share of the \$364,000,000 increase for weapons research, development and testing.

Eisenhower said the first Atlas missiles "will be at launching sites" by June 30 when the current fiscal year ends and "additional missiles will be put in place in 1960."

The first squadron of the 8,300-mile missiles, at Cheyenne, Wyo., will have about 10 missile launchers.

The President also said more Thor and Jupiter intermediate range missiles will be deployed over the next 18 months. The first 1,500-mile range Thors are in England now and Jupiters are slated for Italy.

Money for the Titan intercontinental ballistic missile, a year behind the Atlas in development, was increased 50 per cent. The Minute Man ICBM, a solid-fueled, easier-to-handle weapon expected to be operational in 1963, was down for 40 per cent more.

Nike Hercules, Bomarc and Hawk anti-aircraft missiles, all atomic-capable, were slated for expanded production.

The Army was told to end production of its 200-mile range Redstone missile, deployed to Germany last summer, and speed up its successor, the solid-fueled Pershing.

The Navy will press development of its Polaris to be fired from nuclear submarines. But it got no go-ahead to build more than the nine Polaris-carrying subs now scheduled.

Eisenhower said development of the Nike-Zeus missile system, for defense against ballistic missiles, would be speeded.

Other highlights of the new weapons program: Greater production of the B52G bomber and the Hound Dog guided missiles it will carry.

The B58 bomber, which flies about 1,300 miles an hour, will start to replace the Strategic Air Command's 506-mile-per-hour B47.

Development of the 2,000-mile-an-hour B70 jet bombers and F108 long-range interceptor of similar speed will be pushed.

Glance at Fiscal Budget for 1960

Washington—UPI—The fiscal 1962 budget at a glance:

Taxes—1 1/4 cents a gallon increase in gasoline tax. All other present taxes continued.

Postal—Another \$350,000,000 boost in postal rates; no details on what rates would be raised.

Spending—Down \$3.9 billion from this year's record peacetime high of \$80.9 billion; nearly \$41 billion for defense, with accent on missiles.

Revenue—Income up \$9.1 billion from this year's \$68 billion, with anticipated surplus of about \$100 million.

World-Girdling Network of Weather Stations In Space Envisioned in Eisenhower's Budget

Washington—UPI—President Eisenhower today envisioned a world-girdling network of weather stations in space.

He disclosed long-range plans for such a network in a message to Congress budgeting billions for space exploration, atomic arms and power, and scientific research and development in many fields.

In all three categories, he said, the government proposes to set new spending records during the fiscal year starting July 1.

The President told Congress, however, that he is budgeting nothing for nuclear weapons testing in fiscal 1960 "on the assumption" that a test ban agreement will be reached in the East-West negotiations now going on in Geneva.

But he said the atomic proving grounds in Nevada and the Pacific will be maintained on a standby basis for resumption of weapons tests if the Geneva talks fail. And he added that this country will go ahead with "development and demonstration" of peaceful uses of atomic explosions.

Space Exploring—The President said "extensive space explorations are being initiated." He forecast manned space flight, exploration of the moon and planets, and use of satellites "as relays for the intercontinental transmission of messages, voice, and television."

Other programs, he said, "look toward the ultimate establishment of a worldwide system of satellite weather observation."

Being developed, he said, are nuclear rocket engines and a chemically fueled engine with a million pounds of thrust. The most powerful existing U. S. rocket engines have upwards of 300,000 pounds of thrust.

For the National Aeronautics and Space Administration the President asked authority to commit \$485,000,000, an increase of \$135,000,000 over the current fiscal year.

He estimated actual spending by NASA in fiscal 1960 at \$280,000,000 compared with an estimated \$153,000,000 this year and \$89,000,000 by its predecessor agencies in fiscal 1958.

These expenditures include only those for civilian space projects by the civilian space agency. Administration sources estimated total federal space spending, including defense department projects, at roughly three-quarters of a billion dollars.

The President also budgeted record amounts for the Atomic Energy Commission and the National Science Foundation. Here are estimates of their spending this year and next compared with 1958:

Atomic Energy commission: 1958, \$2 1/4 billion; 1959, \$2 1/2 billion; 1960, \$2 3/4 billion.

National Science foundation: 1958, \$50 million; 1959, \$110 million; 1960, \$140 million.

In the new year the Science Foundation will put out \$80,000,000 in research grants, \$20,000,000 more than in 1959 and more than twice the 1958 total.

AEC Budget—Most of the AEC's budget increase will go for raw materials. Weapons will be produced "at current high levels to meet a variety of military needs."

The AEC will continue to develop ship and rocket propulsion, civilian power, and nuclear explosives "for such peaceful purposes as mining and earth moving."

Also in the budget are three multi-billion volt atom smashers and new experimental devices for turning the H-bomb energy into peaceful power.

The President estimated total federal expenditures by all agencies for scientific research and development at \$5,484,000,000. This compares with \$4,841,000,000 in fiscal 1959 and \$3,498,000,000 in 1958.

Record Spending Proposed for Water Resources Development

Washington—UPI—President Eisenhower today proposed a record-high spending program for development of the nation's water resources, but for the second year running he ruled out any new construction starts.

In his budget recommendations to Congress, Eisenhower called for total expenditures of \$1,115,000,000 for Bureau of Reclamation and Army Engineers projects in fiscal 1960.

The figure compared to the previous high of \$1,073,000,000 which was actually appropriated for work on flood control, navigation and irrigation projects of the two agencies in fiscal 1959.

The total increase resulted from higher recommended expenditures for the Army Engineers while the Reclamation Bureau program was cut down from last year.

The President asked for \$864,000,000 for the engineers, compared to \$808,000,000 actually appropriated in fiscal '59. He requested \$251,000,000 for the Reclamation Bureau, compared to \$265,000,000 appropriated for the current business year.

Eisenhower continued to take the long view in his approach to the water program with his fiscal '60 recommendations.

He said that because of the "extremely high level" of federal commitments on projects already underway, he would not support starting any new ones in the coming fiscal year.

Eisenhower pointed out that of the total \$1,100,000,000 recommendation for 1960, an estimated \$869,000,000 would be spent on construction of projects already started.

He said that the amount of money that would be required in the next few years to complete the water building program already underway would be so great that no new projects should be undertaken at this time.

Profests Certain—The President's recommendations were certain to bring a new storm of protest from Western senators and congressmen, who went over his head last year and succeeded in getting new projects authorized despite his fiscal '59 no-new-starts edict.

Interior Secretary Fred A. Seaton, apparently anticipating another adverse reaction from capitol hill, said the President's recommendations are "sound" and "realistic."

Seaton said that the water program was over-loaded with construction starts under Democratic administrations and that the President's proposals will "help bring it under control."

Oregon Projects Get \$35,000,000—Washington—UPI—President Eisenhower today proposed a nearly \$35,000,000 program for Corps of Engineer and Reclamation Bureau projects in Oregon during fiscal 1960.

He asked Congress to appropriate \$9,600,000 for work on Cougar Reservoir; \$8,300,000 for Hills Creek Reservoir; and \$7,000,000 for the Dalles Dam, all engineer projects.

The President also asked for the following amounts for additional corps projects: Columbia River Channel, Vancouver, Wash., to the Dalles, Ore., \$1,600,000; Rogue River at Gold Beach, \$1,500,000; Multnomah Drainage District No. 1, \$703,000; Willamette River Bank Protection, \$500,000; and Interstate Bridge, Ore. and Wash., \$1,130,000.

In addition, he asked for these amounts for Reclamation Bureau projects: Crooked River, \$2,833,000; Rogue River Basin, Talent Division, \$2,700,000; Wapinitia Project \$39,000; and the Klamath Project, \$522,000.

BOREDOM CURED—Reading, England—UPI—Old age pensioner Walter Kilminster, 80, who married Mrs. Constance Mace, 64, after only two dates, explained: "I was bored and I wanted something to do."

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Summary of Major Budget Proposals For Fiscal 1960

Washington—UPI—Here is a summary of major proposals in President Eisenhower's fiscal 1960 budget:

Taxes—Raise gasoline tax 1 1/4 cents a gallon to pay for rising costs of highway construction. Boost aviation gasoline tax 2 1/2 cents a gallon and impose a new tax of 4 1/2 cent a gallon on jet fuel—passing both on to consumers. Extend present corporate and excise tax rates another year to June 30, 1960. No income tax cuts this year but a promised reduction "in the reasonably foreseeable future," if budget stays balanced.

Defense—\$40,945,000,000 for defense, about \$145,000,000 more than fiscal 1959, with heavy emphasis on missiles and defenses against missile attack. Slight cut in Air Force manpower would be only change in active duty personnel.

Space—National Aeronautics and Space Agency would get \$280,000,000 next year and \$45,000,000 added to this year's \$153,000,000. Long-range projects include manned space flight, missile shots to the moon and planets, and worldwide network of weather and communications satellites.

Postal Rates—Another \$350,000,000 increase. Specific proposals will come later.

Farmers—A \$779,000,000 drop in farm aid, bringing it to \$6,000,000,000. Advance conservation authorizations reduced; legislation promised to cut price support outlays.

Water Projects—No new starts; stretch-outs of existing projects where possible. Nevertheless, on all-time high spending total of \$1,100,000,000.

Education—\$150,000,000 for loans to college students and grants to states under science-keyed defense education program; \$75,000,000 added to this year's \$40,000,000. No mention of aid for school construction. Aid of \$181,000,000 proposed for school districts affected by federal installations, with increased state-local participation stressed.

Federal subsidies—Increase state local-private participation in slum clearance, public assistance, disaster relief and other programs. Eliminate Federal aid to states for vocational education and the waste treatment facilities after 1960.

Interest rates—Encourage private lending by raising interest rate ceilings on veterans and FHA housing loans. Boost interest rates on rural electrification, college housing and ship mortgage loans to cover government costs on them.

Aviation—A four-year program to share costs of building runways and control towers but withdrawal from airport grants in the future.

Foreign aid—Total of \$3,498,000,000 with overall reduction of \$383,000,000 from this year. Military aid would drop by \$462,000,000 but economic aid would rise \$79,000,000 with increased emphasis on repayable "development loans."

Housing—No authorization for new public housing. A six-year \$1,350,000,000 program of grants for urban renewal, with states and cities called upon to pay more, plan better and obtain private financing.

Veterans—A \$110,000,000 drop from last year's \$5,100,000,000 pensions would be granted on the basis of need. Pension program would be modernized "in light of social developments and in changes."

Atomic energy—No weapons tests budgeted; continued emphasis on peaceful uses of nuclear power and development of nuclear-driven naval vessels; no step-up in plans for developing an atomic plane.

Debt limit—This year's \$12,900,000,000 deficit will increase public debt to \$285,000,000,000 by June 30. Request will be made to boost permanent debt limit by \$2,000,000,000 to that figure.

Other legislative recommendations—Statehood for Hawaii; extend minimum wage and unemployment compensation coverage; crack down on racketeering in labor unions; allow TVA to sell revenue bonds to finance power facilities; a \$55,000,000 program of loans and grants to areas with chronic unemployment.

\$32 Per Capita Cut In Federal Spending

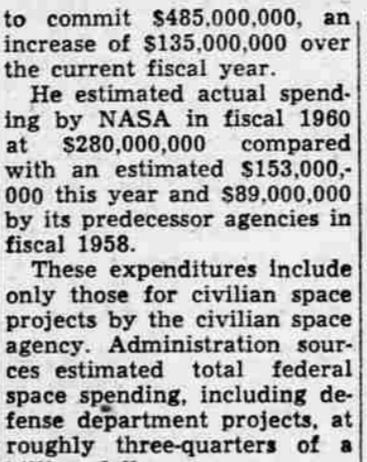
Washington—UPI—President Eisenhower's fiscal 1960 budget adds up to a \$32 per capita cut in government spending compared to this year's figures.

Part of the cut is based on a bigger population—more people to share the cost.

The new budget calls for spending \$77,000,000,000. Based on an estimated population of 179,000,000 on Jan. 1, 1960—the middle of fiscal 1960—this figures out to \$430 for every man, woman and child in the United States.

This year's spending will total about \$80,900,000,000. Based on a population of 175,000,000 as of Jan. 1, 1959—the middle of the current fiscal year—this comes to \$462 per capita.

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Yes, every one of us, who lives here in Oregon, will literally be a host at this greatest of all birthday parties . . . and the Stanford Research Institute says that eight million guests from all parts of the world will attend . . . Although both the Centennial Exposition and the International Trade Fair will be held in Portland, starting June 10th, actually ALL OF OREGON will become a vast centennial exposition grounds for the entire year, 1959! Centennial year offers an opportunity to tell the world of Oregon's scenic beauties, her cities, her people . . . her growing industries and bustling trade. Our world-wide guests will see first hand our great resources, enjoy our matchless tourist attractions, learn about the rich heritage of history that is ours—the faith and courage of the pioneers who followed the Oregon Trail a century ago! . . . Oregon's Centennial observance is important to us, here in the Rogue River Valley. We have much to offer and to show Exposition guests who come in 1959. Here we have incomparable, sapphire-blue Crater Lake, great forests and sweeping farms and orchards, historic Jacksonville and the Shakespearean Festival! . . . We must all be GOOD HOSTS . . . offer our warmest brand of hospitality to Centennial guests . . . tidy up our roadsides and communities and put our best foot forward when company comes. It will be profitable as well as pleasant to be hospitable hosts in 1959!

OREGON CENTENNIAL CELEBRATION

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FORESIGHT Springfield, Ill.—UPI—When Illinois Gov. William G. Stratton left Saturday for a week of skiing at Sun Valley, Idaho, he took his physician, Dr. Kenneth Schepp, with him—just in case. "I think this shows foresight," said Stratton.

Also in the budget are three multi-billion volt atom smashers and new experimental devices for turning the H-bomb energy into peaceful power.

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