tential inflationary effect upon the economy or that is so discriminatory. There is no justifiable reason for making loans at interest rates below the current market available to some veterans and denying them to others.

Help to veterans in the field of housing, I am told, can be effectively provided by making funds available to the Home Owners Loan Corporation. The latter refused, calling out the decedent to dismount and be received after the sentry had been informed. Under the circumstances, therefore, I am constrained to withhold my approval of the bill.

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, September 2, 1957.

MRS. HANNAH MAE POWELL.

H. R. 1419: I have withheld my approval of H. R. 1419 entitled "An act for the relief of Mrs. Hannah Mae Powell."

The bill would direct the Secretary of the Treasury to pay, out of any money in the Treasury not otherwise provided for, $4,718.44 to Mrs. Hannah Mae Powell, 1979 East Lehigh Avenue, Philadelphia, Pa., in full settlement of all claims of said Mrs. Hannah Mae Powell for refund of excise taxes and other expenses sustained as a result of the actions of the collector of internal revenue of Philadelphia, Pa., in the years 1937, 1941, and 1942.

An examination by the Treasury Department of the facts in this case discloses that Mrs. Hannah Mae Powell has recovered by court action all taxes assessed and collected from her which were in dispute—plus interest—except $464.76 which was barred by the expiration of the time for making a protest. These taxes which were in dispute were manufacturer's excise taxes.

After a recovery of the taxes, Mrs. Hannah Mae Powell instituted a damage suit against the former collector, both individually and as collector of internal revenue of Philadelphia, Pa. The district court rendered a judgment in favor of the former collector and denied damages to Mrs. Hannah Mae Powell. This judgment was later upheld by the court of appeals.

The bill, therefore, would give to Mrs. Hannah Mae Powell from the United States under these circumstances, damages amounting to $4,718.44. By virtue of the acts of the defendant's ministerial duty to make the levy and collection here in controversy and he cannot be held answerable in damages for so doing. The trial judge, therefrom, rightly directed a verdict for the defendant.

It would thus appear that the damages sustained by Mrs. Powell resulted from her failure to satisfy two unpaid assessments, and that, in collecting the unpaid assessments, the former collector of internal revenue was acting within the scope of his ministerial duties. H. R. 1419 would have a discriminatory effect, as it would afford to Mrs. Powell relief which had been denied her by the Federal Courts and which would be denied all others in similar circumstances who do not have the benefit of special legislation. Furthermore, H. R. 1419 would create an undesirable precedent by allowing damages to be collected from the United States under these circumstances.

Under the circumstances, therefore, I am constrained to withhold my approval of the bill.

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, September 7, 1957.

Photocopy from the original Public Law 85-54.pdf.
importer and all other persons, including the United States, that provides for the same or other statutes of limitations, is desirable to permit the final disposition of cases in an orderly manner.

The importer had a legal means to contest the classification decision but failed to do so within the time prescribed by statute. To grant relief in this situation would be inequitable and would discriminate against the hundreds of other importers who have paid duty based upon a construction of the law which the courts have subsequently decided would be erroneous.

For these reasons, I return the bill without my approval.

Dwight D. Eisenhower

The White House, September 7, 1957.

Philip Cooperman, Aron Shriro, and Samuel Stackman

H. R. 1733: I am withholding my approval of H. R. 1733, for the relief of Philip Cooperman, Aron Shriro, and Samuel Stackman.

The bill would provide that, for the purpose of determining the individual liability for income taxes for the taxable year 1951 of Philip Cooperman, Aron Shriro, and Samuel Stackman, elections of said Philip Cooperman, Aron Shriro, and Samuel Stackman, sole stockholders of Queens Syndicate, Inc., which was liquidated pursuant to a plan of complete liquidation adopted on the first day of September 1951, to have the benefits of section 112 (b) (7) (A) of the Internal Revenue Code of 1939 would be computed and filed within 30 days after the date of adoption of such plan. The bill states that the benefits of section 112 (b) (7) were denied to the stockholders because the mailing of the elections was delayed, without negligence or fault on the part of the stockholders, until after the 30th day following the adoption of the plan of complete liquidation.

Section 112 (b) (7) provides a special rule in the case of certain complete liquidations of domestic corporations occurring within 1 calendar month for the treatment of gain on the shares of stock owned by qualified electing stockholders. The effect of this section is to permit deferral of tax upon unrealized appreciation in the value of the property distributed in liquidation. An election to be governed by section 112 (b) (7) must be filed by the stockholder or by the liquidating corporation with the Commissioner of Internal Revenue on or before midnight of the 90th day after adoption of the plan of complete liquidation. Essentially, H. R. 1733 would waive this requirement for the named taxpayers.

The records of the Treasury Department disclose that it was not involved in the timely filing by these taxpayers of the elections. These records show that on September 1, 1951, Queens Syndicate, Inc., adopted a plan of complete liquidation. On November 18, 1951, elections on Form 964, signed by the electing shareholders, were received by the Office of the District Director of Internal Revenue, Brooklyn, N. Y. Accordingly, the filing of the elections was delayed for more than 6 weeks after the 30-day period prescribed by law for the filing of such elections.

The granting of special relief in this case would constitute an unfair discrimination against other taxpayers similarly situated and would create an undesirable precedent which might encourage other taxpayers to seek relief in the same manner.

Under the circumstances, therefore, I am constrained to withhold my approval of the bill.

Dwight D. Eisenhower

The White House, September 7, 1957.

Federal Employee Salary Increases


H. R. 2462 would increase salaries, under the Classification Act, by about 11 percent. This increase is applicable to all except the most responsible jobs. H. R. 2474 would increase salaries in the Postal Field Service by $546. The increases would range downward from 19 percent for the less responsible jobs to 35 percent for the most responsible jobs.

I cannot approve these bills because, first, they are not justified by considerations of equity; second, they fail to provide adequately for the cost of living increases that have materially accentuated existing disparities in the pay scales; third, they would increase total Federal expenditures so as to make large supplemental appropriations necessary; and fourth, they would increase the rate of Federal expenditure so as to require in all probability an increase in the statutory debt limit; and fifth, they would contribute unnecessarily to existing and incipient inflationary pressures in our national economy.

First, the claims that the increases provided for in these bills are justified by increases in the cost of living have not been sustained. From July 1, 1951, the effective date of the 1951 pay increases, to March 1955, the cost of living increased 68 percent. Yet the 1955 increases amounted to an average of about 8 percent for postal employees and about 7.5 percent for classified employees. Since March of 1955 the cost of living has gone up a little over 5½ percent, or a total increase since July of 1951 of about 8.9 percent. Against this increase of 8.9 percent in the cost of living, approval of these bills would mean having to go beyond the 1951 escalator. Second, they would increase the cost of living increases to 20.6 percent. During this same period, fringe benefits for other Federal employees have grown substantially—low-cost life insurance, unemployment compensation, liberalized retirement, and survivor benefits. These increases would constitute an unfair discrimination against the employees of the Federal Government in the limit would appear unavoidable. The undesirable economic consequences of such action are apparent.

The granting of special relief in this case would constitute an unfair discrimination against other taxpayers similarly situated and would create an undesirable precedent which might encourage other taxpayers to seek relief in the same manner.

Under the circumstances, therefore, I am constrained to withhold my approval of the bill.

Dwight D. Eisenhower

The White House, September 7, 1957.

Knox Corporation

H. R. 2004: I have withheld my approval from H. R. 2004, for the relief of the Knox Corp., of Thomson, Ga., for the reason that it provides for a return by