"SEC. 17056. Amounts received by a contractor in settlement of a claim arising under the same contract as a claim the settlement of which resulted in the receipt of income in any taxable year ending after such date, shall be deemed to be income which was received in a subsequent taxable year of an amount set aside in any taxable year ending after such date in connection with any claim against the United States, which was not allowed as a deduction from gross income unless notified by the Secretary of the Treasury as provided in section 17042 (b) (2) of such code (relating to time for commencing suits for refunds) shall not expire prior to the date of the enactment of this act, and, with the accompanying bill, referred to the Committee on Interior and Insular Affairs, and ordered to be printed.

To the Senate:

I am returning without my approval S. 3186, "To extend for 1 year certain programs established under the Domestic Tungsten, Asbestos, Fluorspar, and Columbium-Tantalum Production and Purchase Act of 1956." The bill is identical with H.R. 227, which passed the Senate December 31, 1959, the asbestos and acid-grade fluorspar purchase programs provided for by subsections (b) and (c) of section 2 of the 1956 act (Public Law 733, 84th Cong.). The programs authorized by Public Law 733 were supported by the administration for two reasons. First, they offered the affected industries an opportunity to maintain domestic production in a market uncertain due to the ending of defense expansion programs affecting the commodities involved, and, second, it was the hope that the purchase programs would permit the domestic industries to reorient their operations to normal commercial markets.

The Public Law 733 programs has satisfactorily maintained a high level of activity on the part of the domestic acid-grade fluorspar producing industry. It has not, however, achieved its objective of reorienting the industry to normal commercial markets. Because of the importance of consumer-consumer relationships to the acid-grade fluorspar industry, a means whereby the close contact between producers and users could be re-established was included in the stabilization plan which is a portion of the long-range minerals program submitted to the Congress by the Secretary of the Interior. The stabilization price being considered for acid-grade fluorspar by the Congress approximates that contained in Public Law 733.

A further extension of stockpiling of acid-grade fluorspar beyond the original term of Public Law 733 would further separate domestic producers from their normal markets and thus defeat the stabilization objective. The stabilization price for acid-grade fluorspar, as enacted in this session of the Congress, will go into effect on October 1, 1958, subject to the availability of funds, just prior to the termination date of the 1956 act (Public Law 733, 84th Cong.). The maintenance of two programs for this commodity with contradictory objectives would be ill advised.

As regards asbestos, the enrolled bill would simply extend the time limitation of the program without increasing the quantitative limitation. On the basis of the present rates of delivery of this material under the Public Law 733 program, the quantitative limitation will be achieved prior to the termination of the existing legislation. Sufficient funds are now available to accomplish all authorized purchases. For this reason, no purpose would be served by a simple time extension of the asbestos program.