

**BOARD OF COMMISSIONERS OF SEDGWICK COUNTY, KANS.—VETO MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 410)**

The SPEAKER pro tempore laid before the House the following veto message from the President of the United States:

*To the House of Representatives:*

I am returning without my approval H. R. 1835, for the relief of the Board of Commissioners of Sedgwick County, Kans.

This bill would have the United States accept as a binding obligation and agree to pay to Sedgwick County, Kans., \$259,-925.09 as the unpaid balance of taxes for the tax year 1947 against certain real property formerly owned by the Reconstruction Finance Corporation. This payment is contingent upon enactment by the Kansas Legislature of a law authorizing and directing acceptance of this amount as payment in full and as a release and forgiveness of all interest, penalties, liens, and charges connected with the taxes.

The property in question was acquired in 1942 by the Defense Plants Corporation, a wholly owned subsidiary of the Reconstruction Finance Corporation. Effective July 1, 1945, the Defense Plants Corporation was liquidated, and the property involved was transferred to the Reconstruction Finance Corporation. Subsequently, the Reconstruction Finance Corporation declared the property surplus, and on April 16, 1947, the War Assets Administration accepted responsibility and authority for the property. On February 25, 1948, the War Assets Administrator, acting on behalf of the Reconstruction Finance Corporation, deeded the property to the United States, and custody and accountability was thereupon transferred to the Department of the Air Force, which has retained jurisdiction ever since.

The Federal Government is constitutionally immune from taxation by States upon property owned by the United States. The Congress may waive that immunity, and by general legislation it did so on real property of the Reconstruction Finance Corporation. With respect to the property involved here, however, the Reconstruction Finance Corporation took the position that the laws of Kansas themselves exempted the property from taxation. To settle this and other issues, the Congress enacted Public Law 5, 82d Congress, which gave the Court of Claims jurisdiction to determine the claim of Sedgwick County for taxes on this property for the tax years 1944, 1945, 1946, and 1947. Under this authority the Court of Claims, by decision dated July 15, 1952, determined that there was liability for taxes for the years 1944, 1945, and 1946, but not for the year 1947. The court considered separately the question of taxes for the year 1947. It concluded, in reliance upon decisions of the Kansas Supreme Court, that there was no 1947 tax due prior to the effective date of levy, which under the law then applicable was November 1. Since the transfer from the Reconstruction Fi-

nance Corporation to the War Assets Administration took place in April, no tax could become due for 1947 because the constitutional immunity had revived upon the date of the transfer, April 16.

The transfer of the property from the War Assets Administration to the Department of the Air Force in February 1948 has continued the tax immunity. However, as an interim measure, the Congress last year enacted legislation (Public Law 388, 84th Cong., approved August 12, 1955) which is designed specifically to furnish temporary relief for the calendar years 1955 through 1958 for taxing authorities which have suffered an unexpected loss of revenue as a result of the Court of Claims decision in the Sedgwick County case. The Government is now making payments under that legislation, and I am informed that Sedgwick County has already filed its application for payment in lieu of taxes for the year 1955.

In the light of the foregoing facts, I believe that in considering this bill, which relates exclusively to the year 1947, I must also consider whether a claim for taxes for that year can be differentiated from a claim for the succeeding years up to 1955. The record in the case says that the Government applied for tax immunity for 1948 and subsequent years. Any such application has no bearing on the constitutional immunity. Therefore, I find no basis of distinction. I believe that to approve this bill would be a precedent for approving legislation for the other years, should claim be made. I also believe that to approve a bill for one piece of property, for one particular taxing jurisdiction, and for one particular year, would be to discriminate against other jurisdictions which are known to be similarly situated because of transfers of property from the Reconstruction Finance Corporation or because of the Sedgwick County decision.

Furthermore, I believe that approval of H. R. 1835 would be contrary to the principles pertaining to payments in lieu of taxation which this administration has recommended to the Congress following study of the report of the Commission on Intergovernmental Relations. That Commission recommended "that the National Government inaugurate a broad system of payments in lieu of property taxes to State and local governments," with particular reference to commercial and industrial property. After careful consideration of this general recommendation, I came to the conclusion that the magnitude and complexity of the problem is such that only a strictly limited program would be warranted at this time. Accordingly, it was recommended that any legislation should be restricted in application to communities which are able to demonstrate financial hardship directly attributable to Federal removal of real property from the tax rolls. It was further suggested by the administration that this limited program be applied prospectively and then only to properties removed from the local tax rolls subsequent to June 30, 1950.

In addition to these general objections to the bill, I believe that the contingency proviso also is objectionable.

Approval of any such provision, in my judgment, would imply acceptance of the principle that the United States Government is not immune from interest and other penalties. Federal immunity in these respects does not depend upon State law.

Fairness of treatment, and the same treatment for all similarly situated State and local taxing jurisdictions, must be the rule in any proposal for adjustment or imposition of tax liability upon the United States. Of course, we must also strive to relieve the hardship which may result from unnecessary inflexibility in the law. However, I believe that the enactment of individual, piecemeal bills does not serve the long-run best interests of either local jurisdictions or the Federal Government. If statutory relief is to be granted, the legislation authorizing such relief should be limited as I have indicated and should be of general applicability.

For these reasons, I return H. R. 1835 without my approval.

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, May 22, 1956.

The SPEAKER pro tempore. The objections of the President will be spread at large upon the Journal.

Mr. WALTER. Mr. Speaker, I move that the bill and message be referred to the Committee on the Judiciary and ordered printed.

The motion was agreed to.

**NATIONAL SCHOLARSHIP PROGRAM**

Mr. ASHLEY. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the Record.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. ASHLEY. Mr. Speaker, I am today introducing a bill designed to help meet two of the most critical problems facing our Nation today: The growing shortages in the teaching and science professions.

Today, as we cross the threshold into the nuclear era, we must face the fact that our future strength as a nation rests with the children who are now being educated and who will be educated in the next generation.

Recent magazine and newspaper articles have focused attention on the critical shortage of teachers, but I seriously doubt if the real implications of this scarcity have been realized. When schools opened in September 1955, the United States Office of Education estimated that there was a shortage of more than 140,000 teachers. The projected figures over the next 10 years give us even greater cause to stop and think—and act. The Ford Foundation has pointed out that to maintain the present teacher-student ratio, teaching staffs will have to be increased in the next 10 years more than they have increased over the past 35 years. Colleges and universities will have to add more teachers in the next 15 years than in all previous United States history combined. We will need 1,906,889 new teachers by 1965