

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

There was no objection.

Mr. **BYRNES** of Wisconsin. Mr. Speaker, present law imposes a tax of 8 cents a pound in the case of tires for highway vehicles and a tax of 5 cents a pound in the case of other tires. The tax is imposed on the rubber content of the tire. It was demonstrated that existing law imposes a particular hardship on a relatively recent development in a tire product known as laminated tires. Therefore, last year the House approved a bill to correct this hardship by providing a tax of 1 cent a pound in the case of the sale of laminated tires not of the type used on highway vehicles where the tire consisted wholly of scrap rubber. The Senate has amended this bill so as to correct a typographical error, and it is appropriate of course that the House should concur in this clerical amendment.

TREATMENT OF COPYRIGHT ROYALTIES FOR PURPOSES OF PERSONAL HOLDING COMPANY TAX.

Mr. **MILLS**. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 7588) to amend the Internal Revenue Code of 1954 with respect to the treatment of copyright royalties for purposes of the personal holding company tax, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 3, line 14, after "544." insert: "This paragraph shall not apply to compensation which is rent within the meaning of paragraph (7), determined without regard to the requirement that rents constitute 50 percent or more of the gross income."

Page 5, line 17, strike out "1958" and insert "1959".

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

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

Mr. **MILLS**. 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 Arkansas?

There was no objection.

Mr. **MILLS**. Mr. Speaker, this bill, as passed by the House, was designed to prevent the application of the personal holding company tax to income from copyright royalties to certain companies. The problem arose on the fact that music publishing companies presently get most of their income from royalties on record sales where previously the principal income came from sheet music sales. Despite the fact that the income is technically in the form of royalties, the bill prevents it from being personal holding company income where the in-

come arises in substance from the active conduct of a business. The Senate made two amendments. One was to change the effective date from 1959 to 1960. The other amendment was designed to prevent a possible unintended effect of the House bill as treating certain motion picture and TV film and tape rentals as personal holding company income.

Mr. **BYRNES** of Wisconsin. 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 Wisconsin?

There was no objection.

Mr. **BYRNES** of Wisconsin. Mr. Speaker, H.R. 7588 as passed by the House was designed to prevent the personal holding company tax from applying to operating income in the music publishing industry. This is accomplished in the bill by excluding copyright royalties from the definition of personal holding company income under certain prescribed circumstances.

The Senate amended the House-passed bill to make it clear that copyright royalties do not include income from the leasing of motion picture films which have been held under existing law to be rents and not royalties. The Senate also amended the legislation so as to make the change applicable to taxable years beginning after December 31, 1959.

Mr. Speaker, it is appropriate that the House should concur in the Senate amendments.

ST. LAWRENCE SEAWAY DEVELOPMENT CORPORATION—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 376)

The **SPEAKER** laid before the House the following message from the President of the United States, which was read, and, together with the accompanying papers, referred to the Committee on Public Works and ordered to be printed with illustrations:

To the Congress of the United States:

Pursuant to the provisions of section 10 of Public Law 358, 83d Congress, I transmit herewith for the information of the Congress the report of the St. Lawrence Seaway Development Corporation, covering its activities for the year ended December 31, 1959.

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, April 11, 1960.

OFFICE OF THE MAJORITY LEADER

Mr. **MCCORMACK**. Mr. Speaker, I offer a resolution, House Resolution 500, and ask unanimous consent for its present consideration.

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

There was no objection.

The Clerk read the resolution, as follows:

Resolved, That, effective April 1, 1960, there shall be allocated from the contingent fund of the House, until otherwise provided by law, for personal services in the office of the ma-

majority floor leader of the House, an additional basic sum of \$1,500 per annum.

The resolution was agreed to.

A motion to reconsider was laid on the table.

WILLIAM J. KAISER—VETO MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 374)

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

To the House of Representatives:

I return herewith, without my approval, H.R. 6023, a bill for the relief of William J. Kaiser.

The bill would relieve Mr. Kaiser of all liability to refund to the United States amounts improperly paid to him as sickness and unemployment benefits under the Railroad Unemployment Insurance Act while he was also receiving a pension as a retired member of the New York City Fire Department. The bill would further direct the Railroad Retirement Board to repay to Mr. Kaiser from the railroad unemployment insurance account of the unemployment trust fund the amounts already recovered from him.

The Railroad Unemployment Insurance Act itself provides that the Railroad Retirement Board may extend equitable or compassionate relief in appropriate cases of overpayment when the Board finds recovery would be against equity or good conscience. This the Board did not do and there is no evidence available to me that indicates the Board's decision to have been erroneous.

The payments which the bill would require are not authorized by general law. More importantly, the money for the payments would have to come from a trust fund. The beneficiary has no valid claim to this money and its payment would constitute a discriminatory gift from funds which the Government holds in trust for railroad employees.

For these reasons, and because the bill would create an undesirable precedent, I am constrained to withhold my approval.

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, April 11, 1960.

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

Without objection, the bill and message will be referred to the Committee on the Judiciary and ordered to be printed.

There was no objection.

MRS. VIRGINIA BOND—VETO MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 375)

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

To the House of Representatives:

I am returning herewith, without my approval, H.R. 7933, "For the relief of Mrs. Virginia Bond."