

the Senate, notified the Secretary of the Senate that, on the following dates, he had disapproved bills of the Senate of the following titles, together with his reasons for such actions:

RELIEF OF THE CHAMBERLAIN WATER CO., OF CHAMBERLAIN, S. DAK.

S. 228. I am withholding my approval from S. 228, which would authorize the payment of \$3,116.40 to the Chamberlain Water Co., of Chamberlain, S. Dak. This sum would be paid to compensate the company for relocation costs occasioned by the Government's acquisition of its former location for use in connection with the Fort Randall Dam and Reservoir project.

Public Law 500, approved July 3, 1958, makes provision for paying these removal expenses and the Secretary of the Army reports that the claim is now being processed. The present enactment, therefore, is unnecessary.

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, August 27, 1958.

MARY K. RYAN AND WILLIAM A. BOUTWELL

S. 489. I am withholding my approval of S. 489, for the relief of Mary K. Ryan and William A. Boutwell.

The bill would permit the two named taxpayers to file claims for refund of overpayment of income taxes for the taxable years 1949 and 1950, based on excludable cost-of-living allowances, notwithstanding that the statute of limitations has barred the filing of such claims.

The two taxpayers named in the bill filed joint income-tax returns from Alaska for the years 1949 and 1950. On these returns the taxpayers included as income certain "territorial cost-of-living allowances." The Internal Revenue Service had ruled, in 1948, that such allowances were includible in gross income. Subsequently, however, in October 1953, the Internal Revenue Service ruled that such allowances were excludable. In late March 1954, some 5 months after the publication of this second ruling, one of the taxpayers named in the bill filed claims for refund for the years 1949, 1950, and 1951. Refund was granted for the year 1951, but the 3-year period of limitations prescribed by the Internal Revenue Code of 1939 barred refund for the years 1949 and 1950.

While it is true that, at the time the second ruling of the Internal Revenue Service was published, refund for the year 1949 already was barred by the statute of limitations, the taxpayers did have from October 1953 until March 15, 1954, in which to file a timely claim for 1950. The record on this bill affords no explanation for the delay in filing such a claim until after March 15, 1954, but it does disclose that the taxpayer who filed for the refund learned of the revised ruling in November 1953. As for the taxable year 1949, bills introduced in the 84th and 85th Congresses would have provided general relief from the application of the statute of limitations to refunds of income tax paid on the cost-of-living allowances here in question.

Such legislation, however, has never been enacted.

Congress has determined it to be sound policy to include in the revenue system a statute of limitations which, after a period of time, bars taxpayers from obtaining refunds of tax overpayments and bars the Government from collecting additional taxes. Such a provision is essential to finality in tax administration. The basic justification for a statute of limitations is that, after the passing of a reasonable period of time, witnesses may have died, records may have been destroyed or lost, and problems of proof and administration of tax claims become too burdensome and unfair for both taxpayers and the Government. The basic purposes underlying the statute of limitations continue in force even in cases where, after payment of a tax, the interpretation of the law is changed by a judicial decision or by a modification in regulations and rulings.

Several thousand taxpayers received "territorial cost-of-living allowances" during the period of the Internal Revenue Service ruling that such allowances were not excludable from gross income. This bill, by singling out two of these taxpayers for special relief from the statute of limitations, would unjustly discriminate against other taxpayers similarly situated.

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, August 28, 1958.

GEORGE P. E. CAESAR, JR.

S. 571. I am withholding my approval from S. 571, for the relief of George P. E. Caesar, Jr.

The bill would provide that, notwithstanding any period of limitations or lapse of time, claims, exclusive of interest, for credit or refund of overpayments of income taxes for the taxable years 1951 and 1952 based on exemption from taxation of certain earned income received for personal services rendered outside of the United States may be filed within 1 year after the date of enactment by George P. E. Caesar, Jr., of Aldie, Va., on behalf of himself and Claudia V. Caesar (deceased).

The records of the Treasury Department show that timely joint income tax returns were filed on behalf of the taxpayer and his wife for 1951 and 1952 but that no claims for credit or refund for those years were filed prior to the expiration of the statutory period for filing such claims on March 15, 1955, and March 15, 1956, respectively.

During the years 1951 and 1952 the taxpayer earned certain income for personal services rendered outside of the United States, and the taxpayer believes that these earnings should have been excluded from his income under section 116 (a) of the Internal Revenue Code of 1939. The taxpayer also believes that his failure to file timely claims for refund should be waived because of personal difficulties resulting from the death of his wife and also because an employee who prepared his returns for 1951 and 1952 did not inform him of the necessity for filing claims for refund within the period prescribed by law. The records of the

Treasury Department show that the death of the taxpayer's spouse occurred on October 15, 1952, which date was 2 years and 5 months prior to the expiration of the period of limitations for filing a claim for 1951 and was 3 years and 5 months prior to the expiration of the period of limitations for filing a claim for 1952.

The circumstances of this case are not sufficiently unique to warrant special legislative relief. The statutory period of limitations, which Congress has included in the revenue system as a matter of sound policy, is essential in order to achieve finality in tax administration. Granting special relief in this case, where a refund was not claimed in the time and manner prescribed by law, would constitute a discrimination against other taxpayers similarly situated and would create an undesirable precedent.

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

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, September 2, 1958.

EXTENSION OF TIME FOR MAKING GRANTS UNDER FEDERAL AIRPORT ACT

S. 3502. I am withholding approval of S. 3502, "To amend the Federal Airport Act in order to extend the time for making grants under the provisions of such act, and for other purposes."

The main purpose of the bill is to expand and continue the present Federal program of aid to States and local communities for the construction and improvement of public airports. Under the bill, the currently authorized program of \$63 million a year through fiscal year 1959, would be increased to \$100 million a year and extended 4 years through fiscal year 1963. Total Government expenditures would be increased by \$437 million.

Civil airports have always been regarded as primarily a local responsibility, and have been built, operated, and maintained by States and local communities. During the period when the aviation industry was growing to maturity, it was appropriate for the Federal Government to assist local communities to develop airport facilities. Through various programs, including the grant program authorized by the Federal Airport Act, well over \$1 billion has been allocated by the Government to the construction and improvement of local civil airports. In addition, over 500 military airport facilities have been declared surplus and turned over to the cities, counties, and States for airport use. These contributions, along with subsidies to airlines, aeronautical research, and the establishment and maintenance of the Federal airways system, have greatly aided—in fact, have made possible—the tremendous growth of civil aviation in our generation.

Now, however, I am convinced that the time has come for the Federal Government to begin an orderly withdrawal from the airport grant program. This conclusion is based, first, on the hard fact that the Government must now devote the resources it can make available for the promotion of civil aviation to

programs which cannot be assumed by others, and second, on the conviction that others should begin to assume the full responsibility for the cost of construction and improvement of civil airports.

Over the past two decades, more and more airports have progressed to the point of self-sufficiency. Aviation generally has achieved a state of maturity in which the users should be expected to pay an increasing share of airport costs. With the continued growth of aviation and the application of sound management principles, the progress toward airport self-sufficiency should continue.

I recognize that there will doubtless be a transitional period during which the Federal Government will be required to provide aid to urgent airport projects which are essential to an adequate national aviation facilities system and which cannot be completed in any other way. However, this bill does not provide for a transitional program. Rather, it sharply increases the level of the existing program. It does not provide for aid to the most urgent airport projects, but continues the current allocation formula which is not related to broad national aeronautical needs.

The existing program continues through June 30, 1959, so no community will be hurt by the withholding of approval of this legislation. At the next session of the Congress, the administration will recommend a transitional program to provide aid for the construction of urgent airport projects that are essential to an adequate national aviation facilities system.

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, September 2, 1958.

#### AREA REDEVELOPMENT BILL

S. 3683. I am withholding my approval from S. 3683, the area redevelopment bill.

Every year for the past 3 years I have strongly urged the adoption of a program of Federal assistance to communities of substantial and persistent unemployment for the purpose of assisting those communities to develop a sounder and more secure economic base. I regret that no action along these lines has been taken by the Congress until this year and, needless to add, I am greatly disappointed that I find myself unable to approve the present bill.

My disapproval need cause no unnecessary delay in initiating a sound area assistance program. Even the unsound program contemplated by S. 3683 could not be of immediate help to any community because the Congress, before adjournment, failed to provide any money to carry out the bill's purposes. Until the next session of the Congress, the needs of areas of severe and persistent unemployment can be met in part through the new program of loans to State and local development companies under the Small Business Investment Act of 1958 which I recently approved.

The repeated recommendations of the administration recognized that the major responsibility for planning and financing the economic redevelopment of communities of chronic unemployment must re-

main with local citizens if Federal programs are to be effective. The present bill departs from this principle, and would greatly diminish local responsibility. In doing so, and in including other undesirable features, it defeats any reasonable chance of giving effective help to the communities really in need.

S. 3683 provides for less local participation in the costs of local development projects than is proper or necessary to stimulate and assure the continuing interest and support of local governmental and private interests. The administration recommended loans, for periods of 25 years, in amounts not exceeding 35 percent of the cost of redevelopment projects. S. 3683, on the other hand, provides for loans for such projects for periods of 40 years, at artificially low interest rates, in amounts up to 65 percent of the total cost of a project.

S. 3683 proposes in addition a program of Federal grants for public works in redevelopment areas under which it would be possible to have no local participation whatever. Moreover, the criteria for making these grants are so loosely drawn that, without indiscriminate use of funds, administration of these provisions would be almost impossible. This is a field in which, if the Federal Government participates at all, it should be able to rely upon local judgments backed by significant local contributions.

S. 3683 is also defective in my judgment because its assistance in certain instances, would be available in areas in which unemployment is traceable essentially to temporary conditions. Federal assistance to communities where unemployment is not clearly chronic would necessarily mean the assumption of responsibility by the Government for the direct support of local economies—an assumption of responsibility that would have the most profound consequences.

I also believe it would be a grave mistake to establish, as this bill would, an area assistance program in the Housing and Home Finance Agency. Such a program should be lodged, not with an agency concerned with residential housing and related matters, but rather with the Department of Commerce which has primary responsibility for business and industrial development and a long experience in extending to local areas technical aid for economic development.

S. 3683 also contemplates a Federal redevelopment assistance, including loans, in rural areas. There is serious question as to whether Federal loans for the construction of industrial buildings in rural areas would be a proper or effective approach, much less a permanent one, to the problems of surplus labor in essentially agricultural communities.

It is my intention next January when the Congress reconvenes to request the Congress to enact area assistance legislation more soundly conceived to carry out the purposes which I have repeatedly stressed as being in the national interest. It is my hope that Congress at that time will move with all possible speed to enact such an area assistance program.

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, September 6, 1958.

## HOUSE OF REPRESENTATIVES

SATURDAY, AUGUST 23, 1958

The House met at 11 o'clock a. m. The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

Jude 25: *To the only wise God, our Saviour, be glory and majesty, dominion and power, both now and forever.*

Almighty God, our Father, we are again humbly uniting our minds and hearts in the fellowship of prayer to worship and adore Thy great and holy name.

We pray that Thou wilt bestow the benediction of Thy peace and the diadem of Thy praise upon our President, our Speaker, the chosen Representatives of our Republic, and all who have served during this 85th Congress in whatever capacity.

May we have within our hearts the joyous testimony that we have sought to fulfill the duties and responsibilities of our high vocation with a pure and steadfast devotion.

Grant that we may leave this Chamber, commending and committing one another to Thy love and care and with the assurance that where Thou dost guide Thou wilt also provide.

May the Lord bless us and keep us; may the Lord make His face to shine upon us and be gracious unto us; may the Lord lift upon us the light of His countenance and give us peace.

Hear us in the name of the Christ, our Saviour. Amen.

The Journal of the proceedings of yesterday was read and approved.

#### MESSAGE FROM THE SENATE

A message from the Senate, by Mr. McGown, one of its clerks, announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 13580. An act to increase the public debt limit.

The message also announced that the Senate agrees to the amendments of the House to a bill of the Senate of the following title:

S. 3683. An act to establish an effective program to alleviate conditions of substantial and persistent unemployment and underemployment in certain economically depressed areas.

The message also announced that the Senate insists upon its amendments to the bill (H. R. 7450) entitled "An act to make the Policemen and Firemen's Retirement and Disability Act Amendments of 1957 applicable to retired former members of the Metropolitan Police force, the Fire Department of the District of Columbia, the United States Park Police force, the White House Police force, and the United States Secret Service; and to their widows, widowers, and children;" disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints