

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