

...asked me to look at because it was alleged to be a loophole that would result in large revenue losses. We believe this is not the case and that the new rules adopted in 1954 are better than the old law.

Under the old law, companies could take a tax loss on sales of Treasury stock if they had a loss on it, but if there was a gain involved, instead of selling Treasury stock and having a tax to pay on the gain, they could simply issue new stock which did not result in any taxable gain. Thus the old law really provided a loophole because companies could take losses but avoid taxes on gains. The opportunity to handle transactions to the taxpayer's advantage was noted in the report of the Joint Treasury and Congressional Staff Committee in 1953 which studied this point of the tax law.

Corporations typically buy and use their own stock only for limited purposes, in connection with mergers, or stock option and bonus plans. These transactions can be and often are handled by newly issued stock and are then clearly capital transactions. The fact that they may buy their own stock and use it instead of new stock does not change the real character of the transactions.

The Securities and Exchange Commission holds that any gain or loss arising from dealings in Treasury stock affects the capital account and should not be reported in income or in earned surplus. Thus the old tax rule was directly contrary to what was required for reports to stockholders and the public.

There are relatively few instances where corporations deal in their own stock for profit and loss. If officers arrange for a corporation to buy up its own stock because of inside information, both the corporation and its officers are liable to the same sort of penalties under the Securities and Exchange Act as the officers would be if they traded in the stock for their own account.

We shall continue to watch the operation of this and all other provisions of the tax law. If any abuses arise we shall promptly report them to the Congress.

Although I have a high regard for the Secretary, as a member of the tax-writing Ways and Means Committee, I feel qualified through actual experience to recognize the inaccuracies of the Secretary's opinions with respect to the existence of a loophole and I was under the impression that his statements regarding the operation of the laws administered by the Securities and Exchange Commission were incorrect. To verify my impression I wrote to the Securities and Exchange Commission on June 7, 1955, asking if there was any law or regulation imposing a penalty on a corporation buying and selling its own stock similar to the penalty imposed upon the officers or directors of corporations who indulge in inside dealings. On this point the Securities and Exchange Commission replied as follows:

There is no law or regulation which imposes upon a corporation that buys and sells its own stock the penalty that is imposed upon officers and directors who trade in such stock, such as provided by section 16 (b) of the Securities Exchange Act of 1934. In this connection Rule X-16A-4 (b) exempts from the provisions of section 16 (b) securities reacquired by an issuer for its account during the time they are held by the issuer. Clearly, the issuer could not recover trading profits from itself.

The Securities and Exchange Commission also supplied me with the information that of hundreds of thousands of

corporations required to register, only 376 companies subject to the Public Utilities Holding Company Act of 1935 and 554 companies subject to the Investment Company Act of 1940 are subject to restrictions imposed by the Securities and Exchange Commission regarding the acquisition and sale of the companies' own stock. The Securities and Exchange Commission has similar authority with respect to securities issued by closed-end investment companies. It appears that the SEC's statement is directly contrary to that of the Secretary of the Treasury. The rest of the Secretary's statements are similarly subject to criticism because they are not directed to the subject at hand. For example, it is true that the Securities and Exchange Commission holds that gain or loss arising from dealings in Treasury stock affects the capital account of a corporation and should not be treated as income or earned surplus. However, this ruling is premised upon the requirements not of taxation but business reporting. The logic of bookkeeping may require such profits to be excluded from the operating income of a corporation, but the logic of taxation was, until section 1032, and should now be, equally adamant in requiring such profits to be included in income for the purpose of determining the corporation's income tax. These profits should also be included in earnings and profits of the corporation for purposes of determining the amount of dividends to be taxed to the corporation's shareholders. Surely, the Secretary of the Treasury could not believe that earned surplus for purposes of bookkeeping is equivalent to earnings and profits, or that the considerations governing taxation are always identical to those adopted by accountants in their theoretical analyses. Yet, to read his letter, one would think he does.

The Secretary of the Treasury assures me in his letter that there are relatively few instances where corporations deal in their own stock for a profit. However, he does not attempt to prove his point with statistics, and his statement would seem to be contradicted by the fact that 11 cases, involving \$830,000, are currently pending before the courts. Untold others involving prescription 1032 law are yet to be processed before assessments can be made. If only those companies listed on the New York Stock Exchange are taken into account, the amount of Treasury stock held is tremendous and the volume of trading in such shares is more than substantial.

It is my belief that the enactment of section 1032 has served to increase the volume of trade in Treasury stock, and such trade will continue to increase in volume now that such transactions are no longer subject to the capital gains tax. Section 1032 is more than a loophole. It is an open sesame to speculation by a corporation in its own stock—an invitation to reap untaxed profits.

The law existing prior to the enactment of section 1032 had its imperfections and uncertainties. This, I do not deny. But section 1032 is worse as a cure than the disease. Under the old law, corporations were not freed from the reporting requirement with respect

to dealings in Treasury stock generally imposed by the tax laws. This provided a source of information as to the number of corporations dealing in their own stock and as to the number and value of the shares involved. This requirement, together with the fact that corporations were required to pay taxes on any gain derived from dealing in their own shares, acted as a brake on the number of companies indulging in such activity.

Putting the best face possible upon section 1032, it is a poor substitute for the Treasury regulations which its authors intended it to replace. The provision is not as broad as the regulations. It mentions neither the tax consequences to a corporation on acquisition of its own capital stock nor the consequences to the corporation when such stock is exchanged for services rather than money or property. If the objectives of the section had any justification at all, that justification lies only in the fact that a corporation should be entitled to reward the services of its employees through incentive plans involving the corporation's stock.

The tax laws have long been designed to encourage such incentive programs. However, section 1032 fails to include services as one of the considerations for which a corporation can gain its benefits. Yet a loophole is wide open in it for transactions involving money or property.

I believe that it is possible to deal with the problems proposed by the old Treasury regulations without granting the carte blanche of untaxed profits awarded by section 1032. For that reason, I renew my request to the Secretary of the Treasury for a review of section 1032, for a review of the workings of section 1032 in conjunction with subchapter C of chapter I of the Internal Revenue Code of 1954, and urge him to make recommendations for bringing that section into line with the sound administrative and fiscal principles which should govern our tax laws.

**SUPPLEMENTAL APPROPRIATIONS FOR THE FISCAL YEAR ENDING JUNE 30, 1956**

Mr. CANNON submitted the following conference report and statement:

**CONFERENCE REPORT (H. REPT. NO. 1586)**

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 7278) "making supplemental appropriations for the fiscal year ending June 30, 1956, and for other purposes," having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 13, 46, 57, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 87, 96, 99, 101, 110, 111, 112, 118, 119, 121, and 136.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 4, 5, 6, 7, 8, 9, 10, 11, 15, 17, 18, 20, 32, 36, 42, 44, 47, 51, 55, 60, 77, 90, 94, 97, 102, 106, 108, 113, 114, 120, 124, 125, 128, 129, 132, 133, 134, 135, 137, 139, 140, and 141 and agree to the same.

Amendment numbered 12: That the House recede from its disagreement to the amend-

Amendment numbered 12, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert:

"For an additional amount for Loan authorizations for loans under title II of the James I. James Farm Tenant Act, as amended, \$1,000,000: *Provided*, That not to exceed the foregoing amount shall be borrowed in any amount from the Secretary of the Treasury in accordance with the provisions set forth under this head in the Department of Agriculture Appropriation Act, 1952."

And the Senate agree to the same.

Amendment numbered 14: That the House recede from its disagreement to the amendment of the Senate numbered 14, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$350,000"; and the Senate agree to the same.

Amendment numbered 16: That the House recede from its disagreement to the amendment of the Senate numbered 16, and agree to the same with an amendment, as follows: In lieu of the matter stricken out and inserted by said amendment insert:

*"Office of the General Counsel"*

"For an additional amount for 'Office of the General Counsel', \$40,000."

And the Senate agree to the same.

Amendment numbered 21: That the House recede from its disagreement to the amendment of the Senate numbered 21, and agree to the same with an amendment, as follows: In lieu of the sum named in said amendment insert "\$600,000"; and the Senate agree to the same.

Amendment numbered 24: That the House recede from its disagreement to the amendment of the Senate numbered 24, and agree to the same with an amendment, as follows: In lieu of the sum named in said amendment insert "\$37,730,000"; and the Senate agree to the same.

Amendment numbered 30: That the House recede from its disagreement to the amendment of the Senate numbered 30, and agree to the same with an amendment, as follows: In lieu of the matter proposed by said amendment insert:

*"Central Intelligence Agency"*

*"Construction"*

"For the preparation of detail plans and specifications of a Central Intelligence Agency headquarters installation and for other purposes as authorized by title IV of the Act of July 15, 1955 (Public Law 161), to remain available until expended, \$5,500,000."

And the Senate agree to the same.

Amendment numbered 45: That the House recede from its disagreement to the amendment of the Senate numbered 45, and agree to the same with an amendment, as follows: In lieu of the sum named in said amendment insert "\$50,000"; and the Senate agree to the same.

Amendment numbered 52: That the House recede from its disagreement to the amendment of the Senate numbered 52, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$325,000"; and the Senate agree to the same.

Amendment numbered 53: That the House recede from its disagreement to the amendment of the Senate numbered 53, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$10,000,000"; and the Senate agree to the same.

Amendment numbered 54: That the House recede from its disagreement to the amendment of the Senate numbered 54, and agree to the same with an amendment, as follows: In lieu of the sum named in said amendment insert "\$1,500,000"; and the Senate agree to the same.

Amendment numbered 63: That the House recede from its disagreement to the amendment of the Senate numbered 63, and agree to the same with an amendment, as follows: In lieu of the sum named in said amendment insert "\$122,500"; and the Senate agree to the same.

Amendment numbered 79: That the House recede from its disagreement to the amendment of the Senate numbered 79, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$1,200,000"; and the Senate agree to the same.

Amendment numbered 81: That the House recede from its disagreement to the amendment of the Senate numbered 81, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$750,000"; and the Senate agree to the same.

Amendment numbered 91: That the House recede from its disagreement to the amendment of the Senate numbered 91, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$250,000"; and the Senate agree to the same.

Amendment numbered 100: That the House recede from its disagreement to the amendment of the Senate numbered 100, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$230,000"; and the Senate agree to the same.

Amendment numbered 103: That the House recede from its disagreement to the amendment of the Senate numbered 103, and agree to the same with an amendment, as follows: In lieu of the matter proposed by said amendment insert:

*"Mental Health Activities"*

"For an additional amount for 'Mental health activities', \$250,000."

And the Senate agree to the same.

Amendment numbered 105: That the House recede from its disagreement to the amendment of the Senate numbered 105, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$600,000"; and the Senate agree to the same.

Amendment numbered 107: That the House recede from its disagreement to the amendment of the Senate numbered 107, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$256,327,000"; and the Senate agree to the same.

Amendment numbered 115: That the House recede from its disagreement to the amendment of the Senate numbered 115, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$1,970,000"; and the Senate agree to the same.

Amendment numbered 122: That the House recede from its disagreement to the amendment of the Senate numbered 122, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$336,630"; and the Senate agree to the same.

Amendment numbered 138: That the House recede from its disagreement to the amendment of the Senate numbered 138, and agree to the same with an amendment, as follows: In lieu of the matter proposed by said amendment insert "Senate Document Numbered 75 and"; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 2, 3, 19, 20, 22, 23, 25, 27, 28, 29, 31, 33, 34, 35, 37, 38, 39, 40, 41, 43, 45, 49, 50, 56, 58, 59, 61, 62, 64, 75, 76, 78, 80, 82, 83, 84, 85, 86, 88, 89,

92, 93, 95, 98, 104, 109, 115, 117, 123, 127, 128, 130, 131, 142, and 143.

CLARENCE CANNON,  
JOHN TABER,

As to chapter I:

JAMIE L. WHITTEN,  
FRED MARSHALL,  
H. CARL ANDERSEN,

As to chapter II:

PRINCE H. PRESTON, Jr.,  
ALBERT THOMAS,  
FRANK T. BOW,

As to chapter III:

GEORGE MAHON,  
HARRY R. SHEPPARD,  
ROBERT L. F. SIKES,  
R. B. WIGGLESWORTH,  
ERRETT P. SCRIVNER,  
GERALD R. FORD, Jr.,

As to chapter IV:

OTTO E. PASSMAN,  
J. VAUGHAN GARY,  
R. B. WIGGLESWORTH,

As to chapter V:

GEORGE ANDREWS,  
GEORGE MAHON,  
IVOR D. FENTON,

As to chapter VI:

ALBERT THOMAS,  
SIDNEY R. YATES,  
JOHN PHILLIPS,

As to chapter VII:

MICHAEL J. KIRWAN,  
W. F. NORRELL,  
BEN F. JENSEN,

As to chapter VIII:

JOHN E. FOGARTY,  
A. M. FERNANDEZ,  
T. MILLET HAND,

As to chapter IX:

LOUIS C. RABAUT,  
MICHAEL J. KIRWAN,

As to chapter X:

JOHN J. ROONEY,  
PRINCE H. PRESTON, Jr.,  
F. R. COUDERT, Jr.,

As to chapter XI:

J. VAUGHAN GARY,  
OTTO E. PASSMAN,  
GORDON CANFIELD,

As to chapters XII, XIII, XIV, and XV:

LOUIS C. RABAUT,  
W. F. NORRELL,  
WALT HORAN,

*Managers on the Part of the House.*

CARL HAYDEN,  
RICHARD B. RUSSELL,  
DENNIS CHAVEZ,  
ALLEN J. ELLENDER,  
LISTER HILL (except as to amendment number 104),  
JOHN STENNIS,  
STYLES BRIDGES,  
LEVERETT SALTONSTALL,  
WM. F. KNOWLAND,  
MILTON R. YOUNG,  
EDWARD J. THYE,

*Managers on the Part of the Senate.*

**STATEMENT**

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 7278) making supplemental appropriations for the fiscal year ending June 30, 1956, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

**CHAPTER I**

*Department of Agriculture*

Amendment No. 1: Inserts heading.  
Amendment Nos. 2 and 3: Reported in disagreement.

Amendment Nos. 4 through 8: Strike out House language as proposed by the Senate.

Amendment No. 9: Appropriates \$33,000 for the Commodity Exchange Authority as proposed by the Senate.

Amendment Nos. 10 and 11: Insert headings.

Amendment No. 12: Authorizes \$15,000,000 for loans under title II of the Bankhead-Jones Farm Tenant Act as proposed by the Senate, with perfecting amendment.

Amendment No. 13: Eliminates \$25,000,000 proposed by the Senate for farm housing loans.

Amendment No. 14: Appropriates \$350,000 for salaries and expenses, Farmers Home Administration instead of \$1,300,000 as proposed by the Senate.

Amendment No. 15: Strikes out House language as proposed by the Senate.

Amendment No. 16: Appropriates \$40,000 for the Office of the General Counsel instead of \$65,000 as proposed by the Senate, and eliminates House language appropriating \$26,000 to this office for the rural development program.

Amendment Nos. 17 and 18: Strike out House language as proposed by the Senate.

Amendment Nos. 19 and 20: Reported in disagreement.

#### CHAPTER II

##### Department of Commerce

Amendment No. 21: Appropriates \$600,000 for operation and regulation, Civil Aeronautics Administration instead of \$1,200,000 as proposed by the Senate.

Amendment Nos. 22 and 23: Reported in disagreement.

Amendment No. 24: Appropriates \$37,730,000 for the Inter-American Highway instead of \$49,730,000 as proposed by the Senate.

Amendment No. 25: Reported in disagreement. The motion which will be offered by the managers will recommend an additional \$500,000 to be used entirely for hurricane and tornado research.

Amendment No. 26: Inserts heading.

Amendment Nos. 27 through 29: Reported in disagreement.

#### CHAPTER III

##### Central Intelligence Agency

Amendment No. 30: Appropriates \$5,500,000 for the Central Intelligence Agency headquarters installation instead of \$7,000,000 as proposed by the Senate. The managers, by the action taken, are not designating any particular site nor do they preclude the selection of any particular site. Of the amount appropriated not to exceed \$350,000 may be used for the purchase of a site in the event the Langley, Virginia, site is not selected; and in the event the Langley, Virginia, site (which is now Government owned) is selected not to exceed \$2,500,000 of the amount appropriated may be used in connection with the taking of steps with regard to roads and other facilities.

##### Department of the Army—Military Construction

Amendment No. 31: Reported in disagreement for technical reasons. The motion which will be offered by the managers will recommend the sum of \$485,077,000 which represents modification of the amount in the Senate bill by deletion of the item of \$1,350,000 for family housing at the Black Hills Ordnance Depot, South Dakota. The increase of \$200,000 proposed by the Senate for Fort Leavenworth, Kansas, and the increase of \$1,265,000 proposed by the Senate for Fort Huachuca, Arizona, are included in the total appropriation agreed upon.

##### Department of the Navy—Military Construction

Amendment No. 32: Inserts heading.  
Amendment No. 33: Reported in disagreement for technical reasons. The motion

which will be offered by the managers will recommend the sum of \$442,628,300, which represents modification of the amount in the Senate bill in the following respects: (1) Omission of the \$2,000,000 for plans for a new drydock at the Puget Sound shipyard; (2) Restoration of the \$350,000 for plans for a new Armed Services Medical Library; and (3) Restoration of \$1,000,000 (allowing a total of \$3,000,000) for family housing at the Marine Corps Base, Quantico, Virginia. In connection with acceptance of the Senate addition of \$3,800,000 for a new manufacturing building at the Naval Ordnance Plant, Macon, Georgia, the managers on the part of the Senate and the House are in agreement that this construction project shall not be undertaken unless and until the Secretary of Defense certifies in writing to the Committees on Appropriations of the House and the Senate that such project is essential to the national defense and in the best interests of the Government.

Amendment No. 34: Reported in disagreement.

##### Department of the Air Force—Military construction

Amendment No. 35: Reported in technical disagreement. The motion which will be offered by the managers will recommend an appropriation of \$984,291,000, of which \$255,000,000 shall be derived by transfer from the appropriation "Procurement and production, Army". This represents modifications of the amount in the Senate bill in the following respects: (1) omits \$5,822,000 for Grand Forks Air Force Base; (2) omits \$1,881,000 for Traverse City Area Air Force Base; (3) omits \$155,000 additional proposed by the Senate for a second swimming pool at Lake Charles Air Force Base; (4) omits \$2,667,000 additional proposed by the Senate for a hospital at Lincoln Air Force Base, and deletes language relating to this base; (5) omits \$218,000 additional proposed by the Senate for a second swimming pool at Travis Air Force Base; (6) omits \$129,000 additional proposed by the Senate for a second swimming pool at England Air Force Base; (7) provides \$20,000,000 for the Air Academy instead of \$79,527,000 as recommended by the Senate; (8) reduces the amount for classified overseas bases by \$16,556,000, and (9) deletes \$70,000 to correct an error in previous estimates.

The managers are agreed that the Air Force should proceed with land acquisition and construction of the Grand Forks Air Force Base with presently available funds in the amount of \$6,280,000. In the event additional funds (within limit of the total authorized for this base) are required for obligation during fiscal year 1956 they may be obtained from other available funds through the regular reprogramming procedures.

In providing \$20,000,000 for the Air Academy the managers are of the opinion that essential preliminary construction can proceed pending further finalization of the design and plans. Request for additional funds based upon more complete design work can be presented to the Congress in the next session.

Funds were left in the bill for a second swimming pool at Hunter Air Force Base, because the existing pool at this base was constructed from nonappropriated funds.

Amendment No. 36: Inserts center heading.

Amendments Nos. 37 through 41: Reported in technical disagreement. The managers on the part of the House will move to recede and concur.

#### CHAPTER IV

##### Department of Defense—Civil functions

Amendment No. 42: Inserts heading.

Amendment No. 43: Reported in disagreement.

#### CHAPTER V

##### General Government matters

Amendment No. 44: Inserts chapter number.

Amendment No. 45: Appropriates \$50,000 for Office of Defense Mobilization instead of \$100,000 as proposed by the Senate.

Amendment No. 46: Deletes Senate proposal to appropriate \$25,000 for District of Columbia Auditorium Commission.

Amendment No. 47: Inserts heading.

Amendment No. 48: Reported in disagreement.

Amendment No. 49: Reported in disagreement.

Amendment No. 50: Reported in disagreement.

#### CHAPTER VI

##### Independent offices

Amendment No. 51: Changes chapter number.

Amendment No. 52: Appropriates \$825,000 for the Federal Civil Defense Administration for "Operations" instead of \$650,000 as proposed by the House and \$1,000,000 as proposed by the Senate.

Amendment No. 53: Appropriates \$10,000,000 for "Surveys, Plans, and Research" of the Federal Civil Defense Administration instead of \$8,000,000 as proposed by the House and \$12,000,000 as proposed by the Senate.

Amendment No. 54: Appropriates \$1,500,000 for "Salaries and expenses, Civil Defense Functions of Federal Agencies" instead of \$3,050,000 as proposed by the Senate.

Amendment No. 55: Inserts heading.

Amendment No. 56: Reported in disagreement.

Amendment No. 57: Deletes item of \$300,000 for "Acquisition of Land, District of Columbia" proposed by the Senate.

Amendment No. 58: Reported in disagreement.

Amendment No. 59: Reported in disagreement.

Amendment No. 60: Inserts heading.

Amendment No. 61: Reported in disagreement.

Amendment No. 62: Reported in disagreement.

Amendment No. 63: Appropriates \$122,500 for "Operating Expenses, National Archives and Records Service" instead of \$145,000 as proposed by the Senate.

Amendment No. 64: Reported in disagreement.

Amendment Nos. 65 through 74: Strike out amendments proposed by the Senate. The managers on the part of the House and Senate do not believe the additional appropriations and increased authorizations included in said amendments for the Housing and Home Finance Agency and its constituent agencies are necessary at this time. However, should housing amendments for certain new and expanded programs be enacted in the present session of the Congress, or should the need for additional funds become acute because of unanticipated increases in programs, the Director of the Bureau of the Budget may accelerate apportionments of funds presently available by minimum amounts pending the submission of supplemental estimates to the next session of the Congress.

Amendment Nos. 75 and 76: Reported in disagreement.

#### CHAPTER VII

##### Department of the Interior

Amendment No. 77: Changes chapter number.

Amendment No. 78: Reported in disagreement.

Amendment No. 79: Appropriates \$1,200,000 for Bureau of Mines, Conservation and Development of Mineral Resources, instead of \$625,000 as proposed by the House and \$1,450,000 as proposed by the Senate. Of the amount provided \$1,000,000 is for con-

ment of research in mining methods at the Hill, Colorado, oil shale plant and for putting the retorting, refining, and all other required facilities into standby condition.

Amendment No. 80: Reported in disagreement.

Amendment No. 81: Appropriates \$750,000 for Fish and Wildlife Service. Construction, instead of \$325,000 as proposed by the House and \$780,000 as proposed by the Senate. Of this amount provided \$6,000 is for the construction of an auxiliary spillway on the James River at the Dakota Lake National Wildlife Refuge in North Dakota.

Amendment No. 82: Reported in disagreement.

#### Department of Agriculture

Amendment No. 83: Reported in disagreement.

#### Alexander Hamilton Bicentennial Commission

Amendment No. 84: Reported in disagreement.

#### Boston National Historic Sites Commission

Amendment No. 85: Reported in disagreement.

#### John Marshall Bicentennial Celebration Commission

Amendment No. 86: Reported in disagreement.

#### National Capital Planning Commission

Amendment No. 87: Strikes language inserted by the Senate.

#### Smithsonian Institution

Amendment No. 88: Reported in disagreement.

#### Soo Locks Centennial Celebration Commission

Amendment No. 89: Reported in disagreement.

#### CHAPTER VIII

##### Department of Labor

Amendment No. 90: Changes chapter number.

Amendment No. 91: Appropriates \$250,000 for "Salaries and expenses, Office of the Solicitor," instead of \$110,000 as proposed by the House and \$303,800 as proposed by the Senate.

Amendment No. 92: Reported in disagreement.

Amendment No. 93: Reported in disagreement.

#### Department of Health, Education, and Welfare

Amendment No. 94: Inserts heading.

Amendment No. 95: Reported in disagreement.

Amendment No. 96: Strikes appropriation of \$8,700 for "Salaries and expenses, Gallaudet College," proposed by the Senate.

Amendment No. 97: Inserts heading.

Amendment No. 98: Reported in disagreement.

Amendment No. 99: Strikes appropriation of \$220,000 for "salaries and expenses, Howard University" proposed by the Senate.

Amendment No. 100: Appropriates \$220,000 for "Salaries and expenses, White House Conference on Education" instead of \$50,000 as proposed by the House and \$238,000 as proposed by the Senate, however, the managers on the part of the House reiterate the thought set forth in House Report No. 1116, that the legislation which authorized the White House Conference on Education does not authorize the use of Federal funds for the travel expenses of delegates to the Con-

ference, and will expect that the Department secure an opinion on this matter from the Comptroller General before obligating any funds for such purpose. If this opinion is that the use of funds for such purpose is not so authorized, it will be expected that the Director of the Bureau of the Budget will impound \$170,000 of the appropriation for this item.

Amendment No. 101: Strikes appropriations for 19 Public Health Service items totaling \$1,375,000 proposed by the Senate.

Amendment No. 102: Appropriates \$1,190,000 for "Sanitary engineering activities" as proposed by the Senate.

Amendment No. 103: Appropriates \$250,000 for "Mental health activities" for the purpose of carrying out the purposes of Public Law 182, approved July 28, 1955, as proposed by the Senate.

Amendment No. 104: Reported in disagreement for technical reasons. A motion will be made to recede from disagreement to the Senate amendment that proposed an appropriation of \$60,000,000 for "Grants to States for poliomyelitis vaccination" and concur therein with an amendment to substitute the sum of \$30,000,000. The managers are agreed that, if legislation is enacted which will require more than \$30,000,000 in fiscal year 1956, the Director of the Bureau of the Budget should apportion these funds on a deficiency basis.

Amendment No. 105: Appropriates \$600,000 for "Construction of housing facilities for animals" instead of \$400,000 as proposed by the House and \$685,280 as proposed by the Senate. The language of this paragraph is sufficiently broad to permit the Public Health Service to handle the construction direct or to arrange for contracts through the General Services Administration. The managers will expect the method to be employed which will assure the earliest completion of the building.

#### CHAPTER IX

##### Public works

##### Atomic Energy Commission

Amendment No. 106: Changes chapter number.

Amendment No. 107: Appropriates \$256,327,000 for Plant and Equipment instead of \$163,577,000 as proposed by the House and \$270,800,000 as proposed by the Senate. None of the amount appropriated is to be used for construction of the new Reactor Training School, Argonne National Laboratory, as proposed in the Budget.

Amendment No. 108: Deletes House language.

Amendment No. 109: Reported in disagreement.

##### Department of the Interior

Amendments Nos. 110 through 112: Strike headings and language inserted by the Senate.

The use of \$240,000 of available funds for completion of the Yellowtail-Lovell transmission line is approved.

##### Department of Defense—Civil Functions, Department of the Army

Amendment No. 113: Appropriates \$5,551,014 for Rivers and Harbors and Flood Control Construction, General, as proposed by the Senate.

#### CHAPTER X

##### Department of State

Amendment No. 114: Changes chapter number.

Amendment No. 115: Appropriates \$1,970,000 for "Salaries and expenses" instead of

\$1,820,000 as proposed by the House and \$2,120,000 as proposed by the Senate.

Amendment No. 116: Reported in disagreement.

Amendment No. 117: Reported in disagreement.

Amendment No. 118: Deletes language proposed by the Senate.

Amendment No. 119: Deletes language proposed by the Senate.

Amendment No. 120: Appropriates \$75,000 for "Salaries and expenses, International Boundary and Water Commission, United States and Mexico," as proposed by the Senate.

#### Department of Justice

Amendment No. 121: Deletes proposal of Senate to appropriate \$500,000 for "Buildings and Facilities."

#### United States Information Agency

Amendment No. 122: Appropriates \$336,630 for "Salaries and expenses" instead of \$243,260 as proposed by the House and \$430,000 as proposed by the Senate.

#### Funds appropriated to the President

Amendment No. 123: Reported in disagreement.

#### CHAPTER XI

##### Treasury—Post Office

Amendment No. 124: Changes chapter number.

Amendment No. 125: Appropriates \$7,000,000 for Operating Expenses, Coast Guard, as proposed by the Senate instead of \$5,000,000 as proposed by the House.

Amendment No. 126: Inserts heading.

Amendment No. 127: Reported in disagreement.

Amendment No. 128: Reported in disagreement.

#### CHAPTER XII

##### District of Columbia

Amendment No. 129: Changes chapter number.

Amendment No. 130: Reported in disagreement.

Amendment No. 131: Reported in disagreement.

#### CHAPTER XIII

##### Legislative branch

Amendment No. 132: Inserts chapter number.

Amendments Nos. 133 and 134: Insert headings.

Amendment No. 135: Appropriates \$185,635 for Contingent Expenses of the Senate, as proposed by the Senate.

Amendment No. 136: Strikes out language proposed by the Senate amending Section 1311, Public Law 663, Eighty-third Congress.

#### CHAPTER XIV

##### Claims for damages, audited claims, and judgments

Amendment No. 137: Changes chapter number.

Amendments Nos. 138 and 139: Appropriates \$8,117,523 as proposed by the Senate instead of \$5,843,868 as proposed by the House; and insert reference to Senate Document.

#### CHAPTER XV

##### General provisions

Amendment No. 140: Inserts chapter number.

Amendment No. 141: Inserts heading.

Amendment No. 142: Reported in disagreement.

Attachment No. 143: Reported in dis-

CLARENCE CANNON,  
 JOHN TABER,  
 As to chapter I:  
 JAMIE I. WHITTEN,  
 FRED MARSHALL,  
 H. CARL ANDERSEN,  
 As to chapter II:  
 QUINCY H. PRESTON, Jr.,  
 ALBERT THOMAS,  
 FRANK T. BOW,  
 As to chapter III:  
 GEORGE MAHON,  
 HARRY R. SHEPPARD,  
 ROBERT L. F. SIKES,  
 R. B. WIGGLESWORTH,  
 ERRETT P. SCRIVNER,  
 GERALD R. FORD, Jr.,  
 As to chapter IV:  
 OTTO E. PASSMAN,  
 J. VAUGHAN GARY,  
 R. B. WIGGLESWORTH,  
 As to chapter V:  
 GEORGE ANDREWS,  
 GEORGE MAHON,  
 IVOR D. FENSON,  
 As to chapter VI:  
 ALBERT THOMAS,  
 SIDNEY R. YATES,  
 JOHN PHILLIPS,  
 As to chapter VII:  
 MICHAEL J. KIRWAN,  
 W. F. NORRELL,  
 BEN F. JENSEN,  
 As to chapter VIII:  
 JOHN E. FOGARTY,  
 A. M. FERNANDEZ,  
 T. MILLET HAND,  
 As to chapter IX:  
 LOUIS C. RABAUT,  
 MICHAEL J. KIRWAN,  
 As to chapter X:  
 JOHN J. ROONEY,  
 PRINCE H. PRESTON, Jr.,  
 F. R. COUDERT, Jr.,  
 As to chapter XI:  
 J. VAUGHAN GARY,  
 OTTO E. PASSMAN,  
 GORDON CANFIELD,  
 As to chapters XII, XIII, XIV, and XV:  
 LOUIS C. RABAUT,  
 W. F. NORRELL,  
 WALT HORAN,  
 Managers on the Part of the House.

**CORRECTION OF RECORD**

Mr. THOMSON of Wyoming. Mr. Speaker, I ask unanimous consent that my remarks on the floor of the House yesterday, as they appear on page 10295 of the CONGRESSIONAL RECORD be corrected as follows: On line 20, page 10295, strike out the words "do not."

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

There was no objection.

**EXTENSION OF REMARKS**

By unanimous consent, permission to extend remarks in the Appendix of the RECORD, or to revise and extend remarks, was granted to:

Mr. COOPER and to include a report from the Treasury Department with respect to the tax treatment of cooperatives.

Mr. VINSON, and to include an address made by Hon. DEWEY SHORT before the Post-Graduate Medical Society at Houston, Tex.

Mr. PRICE in five instances and in each to include extraneous matter.

Mr. MULTER in five instances and in each to include extraneous matter.

Mr. MULTER, the remarks he expects to make in Committee of the Whole today and to include extraneous matter.

Mr. LANKFORD and to include an article.  
 Mr. SIKES in two instances and to include other material.

Mr. HAYS of Ohio in two instances and to include extraneous matter.

Mr. WALTER and to include an article.  
 Mr. MADDEN and to include a statement.

Mr. MAGNUSON in five instances and to include extraneous material.

Mr. FALLON.  
 Mr. DEROUNIAN.

Mr. BOGGS.  
 Mr. PHILBIN in four instances.

Mr. REECE of Tennessee (at the request of Mr. BROWN of Ohio) and include certain material.

Mr. SAYLOR in three instances in each to include extraneous matter.

Mr. SMITH of Wisconsin in five instances in each to include extraneous matter.

Mr. RADWAN (at the request of Mr. ARENDS).

Mr. LAIRD in five instances in each to include extraneous matter.

Mr. RIEHLMAN in two instances in each to include extraneous matter.

Mr. MILLER of Nebraska.  
 Mr. BROWNSON and to include extraneous matter.

Mr. PILLION.  
 Mr. UTT and include extraneous matter.

Mr. POWELL (at the request of Mr. MADDEN) in two instances and to include extraneous matter.

Mr. PATMAN, his remarks made in Committee of the Whole and to include extraneous matter.

Mr. HÉBERT (at the request of Mr. MULTER) and to include extraneous matter.

Mr. KLEIN (at the request of Mr. MULTER) and to include extraneous matter, notwithstanding that it may exceed two pages of the RECORD and is estimated by the Public Printer to cost \$280.

Mrs. KELLY of New York (at the request of Mr. ZABLOCKI) in six instances and to include extraneous matter.

Mr. FLOOD (at the request of Mr. ZABLOCKI) in two instances.

Mr. ZABLOCKI in two instances.

Mr. PELY in five instances and to include extraneous matter.

Mr. MACK of Washington in five instances and to include extraneous matter.

Mr. VANIK to revise and extend his remarks made in Committee of the Whole.

Mr. THOMSON of Wyoming.

Mr. DOBB in two instances and to include extraneous matter.

Mr. TEAGUE of Texas.

Mr. McDONOUGH.

**SENATE BILLS REFERRED**

Bills of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 366. An act for the relief of Bart Erieger; to the Committee on the Judiciary.

S. 421. An act for the relief of Jose Alvarez; to the Committee on the Judiciary.

S. 433. An act for the relief of Markos Demetrius Spanos; to the Committee on the Judiciary.

S. 912. An act to amend the Act of April 23, 1930, relating to a uniform retirement date for authorized retirements of Federal personnel, and the Foreign Service Act of 1946, as amended; to the Committee on Post Office and Civil Service.

S. 1105. An act for the relief of Mrs. Lese-lotte Emilie Dailey; to the Committee on the Judiciary.

S. 1118. An act for the relief of Katherine Lajmodiere (nee Schneberger); to the Committee on the Judiciary.

S. 1125. An act for the relief of Stephen Fodo; to the Committee on the Judiciary.

S. 1226. An act for the relief of Soterios Christopoulos; to the Committee on the Judiciary.

S. 1299. An act for the relief of Mrs. Esteni Rodriguez Estopian de Witlicki; to the Committee on the Judiciary.

S. 1348. An act for the relief of Anna Jerman Bonito; to the Committee on the Judiciary.

S. 1357. An act for the relief of Ingeburg Edith Stallings (nee Nitzki); to the Committee on the Judiciary.

S. 1594. An act for the relief of Dosinda Gonzalez Mendez; to the Committee on the Judiciary.

S. 1676. An act for the relief of Antonio Domenico Narciso Bianchi; to the Committee on the Judiciary.

S. 1682. An act for the relief of Maria Del Carmen Intriago Martinez; to the Committee on the Judiciary.

S. 1706. An act for the relief of Spyridon Sainthofis and his wife Efrossini Sainthofis; to the Committee on the Judiciary.

S. 1732. An act for the relief of Panagiotis Nicolas Lalos and his wife, Antyro Panagiotis Lalos; to the Committee on the Judiciary.

S. 1787. An act for the relief of Edith Kalwies; to the Committee on the Judiciary.

S. 1818. An act to limit the amount of land on Federal irrigation projects which may be exchanged under the act of August 13, 1953; to the Committee on Interior and Internal Affairs.

S. 1882. An act for the relief of Constantine Salmon; to the Committee on the Judiciary.

S. 1888. An act for the relief of Cesare Picco; to the Committee on the Judiciary.

S. 1905. An act for the relief of Winston Bros. Co. and the Utah Construction Co. and the J. A. Terteling & Sons, Inc.; to the Committee on the Judiciary.

S. 1917. An act to authorize the construction within Grand Teton National Park of an alternate route to United States Highway 89, also numbered U. S. 187 and U. S. 26 and the conveyance thereof to the State of Wyoming, and for other purposes; to the Committee on Interior and Insular Affairs.

S. 1933. An act for the relief of Dr. Elpidio Dosado, Aurella, Deanna, Elpidio, Jr., and Ambrosio Dosado; to the Committee on the Judiciary.

S. 1972. An act for the relief of William Theodore and Emily Sansur Saad; to the Committee on the Judiciary.

S. 1973. An act for the relief of Toufic N. Jideh; to the Committee on the Judiciary.

S. 1983. An act for the relief of Myra Louise Dew; to the Committee on the Judiciary.

S. 2036. An act for the relief of Rosa Roppo; to the Committee on the Judiciary.

S. 2053. An act for the relief of Ivan Gerasko; to the Committee on the Judiciary.

S. 2060. An act to amend the act of March 3, 1901 (31 Stat. 1449), as amended, to incorporate in the Organic Act of the National Bureau of Standards the authority to use the working capital fund, and to permit certain