

The next bill is H.R. 4815, transit and sightseeing operations, District of Columbia.

On either Monday or Tuesday, there are several resolutions from the House Committee on Administration. The list of resolutions was printed in the RECORD the other day. Those resolutions will be called up on either Monday or Tuesday.

Of course, there is the usual reservation that any further program will be announced later and the usual procedure that conference reports may be brought up at any time.

CREDITS AGAINST UNEMPLOYMENT TAX IN THE CASE OF CERTAIN SUCCESSOR EMPLOYERS—VETO MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 411)

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. 6482, entitled "An act relating to the credits against the unemployment tax in the case of certain successor employers."

To help finance the Federal-State unemployment compensation system, the Federal Government imposes on covered employers an annual tax of 3 percent on the first \$3,000 of each employee's wages.

A special provision of law permits the wages paid each employee by a predecessor employer to be taken into account for purposes of the \$3,000 annual limitation on taxable wages by an employer who succeeds to the business. This provision is intended to insure that taxes paid with respect to the wages of any one employee are not increased for any year as a result of the business changing hands during the year. This desirable purpose is thwarted under present law, however, whenever a predecessor does not qualify as an "employer" within the meaning of that word as it is defined in the Federal law.

H.R. 6482 would correct this situation, but it would do so, not just prospectively, but also retroactively to the beginning of 1951.

Strict avoidance of retroactive tax legislation, except in extraordinary and compelling circumstances not here in evidence, is essential to orderly tax administration, the Government's revenues, and the fair treatment of taxpayers.

Although constrained, therefore, to disapprove the bill, I urge the Congress at its earliest opportunity to enact new legislation without retroactive effect.

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, June 3, 1960.

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

Mr. MILLS. Mr. Speaker, I ask unanimous consent that the message and the bill be referred to the Committee on Ways and Means and ordered printed.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

VETO MESSAGE FROM THE PRESIDENT OF THE UNITED STATES—TO AMEND THE INTERNAL REVENUE CODE OF 1954 (H. DOC. NO. 412)

The SPEAKER laid before the House the following message from the President of the United States, which was read by the Clerk:

To the House of Representatives:

I return herewith, without my approval, H.R. 6779 entitled "An act to amend section 170 of the Internal Revenue Code of 1954 (relating to the unlimited deduction for charitable contributions for certain individuals)."

Existing law allows a taxpayer an unlimited deduction for charitable contributions if the sum of his contributions and Federal income tax payments in the taxable year and in each of 8 of the 10 preceding taxable years exceeds 90 percent of his taxable income.

H.R. 6779 would provide that under certain circumstances the 90 percent test shall be considered satisfied in each of 2 consecutive years if the sum of the contributions and income tax payments for the 2 consecutive years exceeds 90 percent of the combined taxable income for such 2 years. The bill is a temporary measure without effect after the 1968 taxable year. It would also apply retroactively to taxable years beginning after December 31, 1956.

Nothing appears in the record on this bill that would justify a departure from the general rule that changes in the tax laws should apply only prospectively. In actual fact, the retroactive feature of this bill is highly discriminatory. Some taxpayers could avoid an otherwise assessable deficiency for 1957, 1958, or 1959 by using the bill's benefits to amend incorrect returns for those years, but other taxpayers who filed correct returns could not avail themselves of the bill's benefits to claim a refund for those years.

Although unable to approve this bill, I would be willing to sign new legislation provided it applied only prospectively and were truly designed to encourage substantial gifts to educational institutions and other recognized public charities.

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, June 3, 1960.

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

Mr. MILLS. Mr. Speaker, I ask unanimous consent that the message and bill be referred to the Committee on Ways and Means and ordered printed.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

RED CHINA

Mr. WOLF. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

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

There was no objection.

Mr. WOLF. Mr. Speaker, there has been considerable misunderstanding about a working paper prepared at the request of a group of U.S. Congressmen, designed for discussion, modification, and improvement, which was misinterpreted in an Associated Press report, in which my name was involved, dealing with the question of Red China. There was also a misunderstanding in the AP report on the question of a unified Germany. I want the record to clearly show that I have never been in favor of diplomatic recognition of Red China. I voted against diplomatic recognition in the Zablocki House Concurrent Resolution 369 on August 17, 1959.

During the past decade Red China has emerged as the most highly organized and the most powerful nation in Asia, with one-fifth of the world's population—600 million people strong, dominated by the bloodiest government in the world today. We simply cannot close our eyes and pretend it is not there, for it is an accomplished fact, whether we like it or not. We look to Eastern Europe—Russia—in apprehension and fail to realize that the Communist writers have said that the way to world victory is through Peiping. This is what we must recognize about Red China. It is there; it is organized for world conquest, and it can very well be a far greater threat to us than Russia. In my opinion, the interests of the United States and of world peace demand a drastic revision in our thinking regarding the bloody government in China.

A recent poll of the United States conclusively demonstrated that the American people are more concerned about the question of peace and the fear of nuclear destruction than any other one consideration. I am convinced that any problems which the United States may face are pale by comparison with this constant and ever-present danger of nuclear war. Any discussion at Geneva on the question of disarmament is only a verbal exercise with no meaning unless it includes Red China, and the Russians cannot speak for Red China.

Just yesterday some facts were made available to me which prove conclusively that the Russians are transferring much of their research and development equipment into northwest China in anticipation of reaching some agreement at Geneva. I was told that within 1 year it is very likely that Red China will explode her own atom bomb and so the nuclear club grows ever larger.

Mr. Speaker, this is the reason why I say that the survival of the human race dictates that we open channels of communication with the leaders of Red China. I do not advocate diplomatic recognition of Red China—I do not believe it is necessary. As to what "opening of channels" means—I should like to point out that in Warsaw for several years now there have been discussions between our special Ambassador in Poland, Jacob Beam, and the Communist Chinese Ambassador to Poland. That is one channel of communication, and it was established by the Eisenhower administration. Other such channels are now absolutely necessary. The late