

Special Tax Bills Blocked By Reform Drive in House

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WASHINGTON, Feb. 29 — The House of Representatives, in a fresh demonstration of reform spirit, refused today even to consider a series of tax bills that would ordinarily have passed with little opposition or debate.

A group of liberal Democrats, most of them young but led by 78-year-old Wright Patman of Texas, mounted an attack that led to withdrawal of 15 of 22 bills that had been scheduled for consideration by the House. Postponement of consideration of three other bills on the list was also forced. Four were passed.

The bills under attack are tax bills with relatively minor impact that are known as "members" bills because they are sponsored by members of the Ways and Means Committee. A batch of members' bill is generally brought to a vote in each Congressional session after they have been approved by the committee.

Members' bills are supposed to correct unintended inequities in the tax law—situations

where a provision of the law has a freakish effect on an individual or company or industry. But critics have long charged that these bills sometimes constitute giveaways.

The attack in the House today was the first that has ever been made on the basic procedure used in passing members' bills, which has been in effect for more than two decades.

The critics did not attack the substance of any of the bills but simply the procedure.

Under the standard procedure, no hearings are ever held on members' bills, and they are discussed only at closed-door sessions of the Ways and Means Committee. The committee's rule is that if any member of the committee objects, or if the Treasury Department objects, a bill does not get approval as a member's bill.

One organizer of today's attack, Representative Les Aspin of Wisconsin, said that its

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success constituted "a major victory in the fight to reform the rules of the House of Representatives."

Rules changes in the last two years have included the inauguration of procedures for more recorded votes on important amendments to bills and the imposition of some limitations on the power of committee chairmen.

The opponents of the members' bills were able to prevent enactment of all those they sought to block today because of the procedure under which such bills are brought before the House for a vote. This procedure requires the unanimous consent of all those present, and thus an objection from one House member can force postponement of consideration of the bill he objected to. The objection does not kill the bill.

Lack of Hearings Scored

Mr. Patman, the principal objector today, had several angry exchanges on the House floor with the Ways and Means Committee chairman, Wilbur D. Mills of Arkansas, who was defending the procedure governing members' bills.

It was the lack of public hearings and the secrecy in which these bills are considered that Mr. Patman mainly attacked.

He drew from Mr. Mills the admission that about 50 such bills were enacted last year and termed them "50 chances for 50 raids on the Treasury."

Mr. Mills responded "I don't think it's very practical to suggest that we have hearings when people don't want to testify" because the impact of these bills is so narrow. He challenged Mr. Patman to testify on each one.

Mr. Mills also deplored the action of the opponents in apparently making it impossible to pass bills of this type with an expedited procedure.

"If we can't pass them this way, we will have to find another way," he said.

Three of the four members' bills that passed were apparently considered so meritorious that opponents of the basic procedure felt they simply could not try to block them.

What Bills Provide

The three bills would:

Extend to military officers and civilian employes of the Government who are prisoners of war the same exemption from taxes during their imprisonment that enlisted men already get.

Tax United States nationals living in American Samoa the same as American citizens.

Prohibit the importation into the United States of pre-Columbian works of art if such importation violates the laws of the country of origin. The Ways and Means Committee has jurisdiction over imports because of its power over tariffs.

The fourth bill that was passed apparently slipped through because of confusion among the opponents about who was supposed to object to it.

This bill, sponsored by Mr. Mills, would give a special tax-exempt status to veterans organizations and provide that income they received from writing insurance on their members be untaxed if it was used for charitable or educational purposes.

Two Objections Given

The opponents had intended to object to this bill for two reasons. One is that the general trend recently has been to tighten up the rules covering tax-exempt organizations and the exempt income that they may earn, whereas this bill goes in the opposite direction.

In addition, the committee's report on the bill contains some unusual language stating that the committee intended to include, among the tax-exempt uses to which the insurance earnings could be put, "programs involving Americanism, youth activities, community activities and information and educational programs relative to national security and foreign affairs."

Lawyers who worked with the opponents said that the precise meaning of this section was not clear, but that they feared it might permit what amounted to lobbying for causes associated with right-wing views, whereas the lobbying that most tax-exempt organizations may legally do is very restricted.