son in 1947 at Schofield Barracks, Hawaii.

As a member of the Armed Forces, the beneficiary's son had been convicted of housebreaking by a court-martial, sentenced to 5 years' confinement, and given a suspended dishonorable discharge. While confined in a post stockade he was shot and killed during an abortive jailbreak. It was subsequently determined that the decedent was not involved in the attempted escape in any way, and his death was declared to have occurred in line of duty. On the basis of this determination the beneficiary was paid the usual 6 months' death gratuity.

Earlier in his military career the beneficiary's son had taken out a $10,000 national service life insurance policy, designating his mother as beneficiary, and paying the premiums on his policy by allotments from his pay. However, since he had forfeited all pay and allowances while in confinement his allotment became ineffective, causing the policy to lapse for lack of premium payment. When the beneficiary made application after her son's death for regular monthly payments under the policy, the Veterans' Administration made such payments to her over a period of several years in an aggregate amount of $4,324.50 before discovering that the policy had not actually been in effect at the time of the son's death. Under discretionary authority which it possesses, the Veterans' Administration waived recovery of the amount thus erroneously paid to the beneficiary on the grounds that she had received it in good faith and to require repayment would work an undue hardship on her. In this connection, it may be noted that the award proposed by the present measure is based on the difference between the aggregate amount of the erroneous insurance payments and $5,000, the sum deemed by the Congress to be a reasonable total payment in the light of the circumstances of the case.

It appears that, even if she were dependent upon her son for support, which she was not, the beneficiary is ineligible for survivorship benefits under laws administered by the Veterans' Administration, because such benefits are denied in cases in which the serviceman died while in confinement, regardless of whether or not his death was incurred in line of duty.

The only question presented by this case is whether its special facts warrant the additional relief which the bill would afford the beneficiary. It might be argued that such relief is warranted not only because the beneficiary, apart from the issue of dependency, is ineligible for benefits under laws administered by the Veterans' Administration even though her son died in line of duty but also because neither she nor her son was ever specifically notified by the Veterans' Administration that this insurance had lapsed. Even if such arguments were valid, and I do not consider that they are, I still believe that there would be no justification for the award proposed here. I believe that any equities which might have existed in favor of the beneficiary were more than satisfied when the Veterans' Administration waived recovery of the insurance payments erroneously made to her.

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, *September 1, 1954.*

RALEIGH HILL, H. R. 6529

H. R. 6529. I am withholding my approval from the bill, H. R. 6529, 83d Congress, an act for the relief of Raleigh Hill.

The bill would authorize and direct the Administrator of Veterans' Affairs to pay the proceeds of national service life insurance of Walter H. Nichols, Jr., to Raleigh Hill, uncle of the insured and designated principal beneficiary of such insurance.

National service life insurance in the amount of $10,000 matured on April 8, 1945, the date of death in service of Walter H. Nichols, Jr. The Veterans' Administration denied the claim of his uncle, Raleigh Hill, the designated principal beneficiary, on the ground that he did not stand in loco parentis to the insured and was therefore not within the permitted classes of beneficiaries, a statutory requirement applicable to national service life insurance maturing prior to August 1, 1946. The correctness of the Veterans' Administration determination under the applicable law is not disputed.

Favorable action appears to have been predicated on a belief that because the restriction concerning the permitted classes of beneficiaries has been removed as to national service life insurance maturing on and after August 1, 1946, payment should be made to an ineligible beneficiary in this case involving insurance which matured prior to August 1, 1946, and further, that the Government failed to advise the insured properly concerning classes of eligible beneficiaries. I am advised that the latter view is not supported by the record. As to the former, a similar view was urged in support of H. R. 3733, 83d Congress, which likewise proposed to pay an ineligible beneficiary the proceeds of a national service life insurance policy. In my message of February 23, 1954, returning the bill without approval, I said that it seemed to me irrelevant and unwise to accept as justification for that bill the fact that the ineligible beneficiary could at the time of the message qualify as a beneficiary under existing law which was not made retroactive. My view has not changed and applies with equal force to the present case.

Furthermore, approval of H. R. 6529 would be discriminatory and precedential. I am advised that of the approximately 3,600 claims for the proceeds of national service life insurance denied by the Veterans' Administration because the claimants were not within the classes of beneficiaries permitted by law, it is estimated that a majority were cases similar to Mr. Hill's, where the claimants had been designated as beneficiaries.

As stated on previous occasions, I am opposed to setting aside the principles and rules of administration prescribed in the general law relating to veterans' benefit programs. Uniformity and equality of treatment to all who are similarly situated must be the steadfast rule if the Federal programs for veterans and their beneficiaries are to be operated successfully. Approval of H. R. 6529 would not be in keeping with these principles.

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, *September 1, 1954.*

CARL PIOWATY AND W. J. PIOWATY, H. R. 1665

H. R. 1665. I have withheld my approval from H. R. 1665, for the relief of Carl Piowaty and W. J. Piowaty.

This bill authorizes and directs the Secretary of the Treasury to pay to Carl Piowaty and W. J. Piowaty the sum of $4,450 in full settlement of their claim against the United States for war-crop advances made to them by the Regional Agricultural Credit Corporation prior to April 16, 1943.

The claims of the United States against these two persons and their claims against the United States have been adjudicated in the courts where both sides were afforded an opportunity to present all pertinent evidence on the issues involved. The case was tried before a jury in the circuit court of Orange County, Fla., on May 22 and 23, 1947, and a judgment was obtained against both Carl Piowaty and W. J. Piowaty for the full amount they owed. They appealed the verdict to the Supreme Court of Florida where the lower court's judgment was sustained on February 13, 1948. Appeal for a rehearing was thereafter denied.

In 1950, W. J. Piowaty and his wife instituted an action in the circuit court of Orange County, Fla., seeking a declaratory judgment relieving their real property from the lien of the judgment. That suit was dismissed on motion of the United States. In 1951, suit was filed by the United States against Carl Piowaty, W. J. Piowaty, and the Globe Indemnity Co. on the bonds which were posted when the appeal was taken to the Supreme Court of Florida. Carl Piowaty and W. J. Piowaty filed an answer in that suit, but on motion for summary judgment, judgment was rendered against all the defendants in favor of the United States on October 29, 1952.

In the light of this history of repeated judicial review, I cannot agree that Carl Piowaty and W. J. Piowaty should be given the special consideration and relief which the bill would provide.

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, *September 2, 1954.*

TRUST ASSOCIATION OF H. KEMPNER, H. R. 951

H. R. 951. I have withheld my approval from H. R. 951, for the relief of the Trust Association of H. Kempner.

This bill would provide an indirect means for payment of approximately $1 million by the United States for certain peacetime commercial losses of the Kempner Trust Association. To accomplish this purpose the bill would require the Court of Claims to determine the amount that the trust association lost as a result of cotton sales made to certain private business firms in Germany during 1923 and 1924. The bill would then require that the Court of Claims determine how much of the property seized during World War I by the United States from a German firm wholly unconnected

with Kempner or the cotton sales, Germann & Co., had been lost through improper administration by the Alien Property Custodian. The determined amount of the loss of the Germann & Co. vested property would be then withdrawn from the war claims fund and used to compensate the Kempner Trust Association to the extent of its loss.

Following World War I the Kempner Trust Association through subsidiary corporations entered into contracts for the sale of cotton with a number of German textile manufacturers for future delivery. A fall in cotton prices before delivery led the German firms to breach their contracts with the association. The amounts payable by the German debtors on account of the breaches of contract, as determined by judgments and negotiated settlements, could not be paid through the subsequent period before World War II because of German foreign exchange controls, and, as a result, the trust association lost money on the transactions. These losses would be paid by the United States if this bill were enacted although it is clear that the United States bears no moral or legal liability for the transactions which resulted in the losses in question.

Moreover, the method of payment proposed by the bill raises serious questions of propriety. The matter involving Germann & Co. has no relationship to the claim which the Kempner Trust Association seeks to have paid. During World War I the Alien Property Custodian had seized the property of Germann & Co., a firm in the Philippines, as enemy property. When the property was returned to Germann & Co., following enactment of legislation authorizing return of seized property after World War I, it was claimed that the firm's assets had been depleted by approximately $1 million during the period of its administration by the Alien Property Custodian through allegedly improper payments. The Treaty of Berlin which terminated World War I between the United States and Germany, however, precludes Germann & Co. from asserting any claim against the United States on account of the seizure of its property or any losses during the period it was held by the United States. There is, therefore, no valid claim to be asserted by Germann & Co. as the basis for the proposed determination by the Court of Claims. Even if such a claim existed, however, the proposed payment of its proceeds to the Kempner Trust Association instead of to Germann & Co. would not appear to be a proper disposition of the rights of the latter company.

Furthermore, the bill confers upon the United States Court of Claims jurisdiction to sit in judgment upon the acts of the former German Government with respect to acts committed in Germany. I am informed that this would be contrary to a well-recognized principle of international law and practice.

For these reasons, the purpose and method of payment would not appear justified. Moreover, enactment of this bill would establish an undesirable precedent for the assumption by the United States for the commercial losses of American citizens, even where no governmental sponsorship of the commercial venture appeared. It would also set an undesirable precedent for the use of the German and Japanese assets vested during World War II for commercial losses suffered during peacetime in lieu of their present use through the war claims fund as the source of payment of the wartime personal injury damages suffered by American nationals.

Accordingly, I am constrained to withhold my approval from the bill.

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, *September 3, 1954.*

SANITARY DISTRICT OF CHICAGO, H. R. 3300

H. R. 3300. I have withheld my approval of H. R. 3300, to authorize the State of Illinois and the Sanitary District of Chicago, under the direction of the Secretary of the Army, to help control the lake level of Lake Michigan by diverting water from Lake Michigan into the Illinois Waterway.

The bill would authorize the State of Illinois and the Sanitary District of Chicago, under the supervision and direction of the Secretary of the Army, to withdraw from Lake Michigan, in addition to all domestic pumpage, a total annual average of 2,500 cubic feet of water per second into the Illinois Waterway for a period of 3 years. This diversion would be 1,000 cubic feet per second more than is presently permitted under a decree of the Supreme Court of the United States dated April 21, 1930. The bill also would direct the Secretary of the Army to study the effect in the improvement in conditions in the Illinois Waterway by reason of the increased diversion, and to report to the Congress as to the results of the study on or before January 31, 1957, with his recommendations as to continuance of the increased diversion authorized.

The bill specifies that the diversion would be authorized in order to regulate and promote commerce, to protect, improve, and promote navigation in the Illinois Waterway and Mississippi Valley, to help control the lake level, to afford protection to property and shores along the Great Lakes, and to provide for a navigable Illinois Waterway. No mention is made of possible improvement of sanitary conditions or increase in hydroelectric power generation on the waterway.

I am unable to approve the bill because (1) existing diversions are adequate for navigation on the Illinois Waterway and Mississippi River, (2) all methods of control of lake levels and protection of property on the Great Lakes should be considered before arbitrarily proceeding with the proposed increased diversion, (3) the diversions are authorized without reference to negotiations with Canada, and (4) the legitimate interests of other States affected by the diversion may be adversely affected. I wish to comment briefly on each of these points.

I understand that waterborne traffic on the Illinois Waterway has grown in the last 20 years from 200,000 tons to 16 million tons annually. The Corps of Engineers advises, however, that the existing diversions of water are adequate for navigation purposes in the Illinois Waterway and the Mississippi River. Surveys are now underway by the International Joint Commission and the Corps of Engineers to determine the best methods of obtaining improved control of the levels of the Great Lakes and of preventing recurrence of damage along their shores. Reasonable opportunity to complete these surveys should be afforded before legislative action is undertaken.

The diversion of waters into and out of the Great Lakes has historically been the subject of negotiations with Canada. To proceed unilaterally in the manner proposed in H. R. 3300 is not wise policy. It would be the kind of action to which we would object if taken by one of our neighbors. The Canadian Government protested the proposed authorization when it was under consideration by the Congress, and has continued its objection to this bill in a note to the Department of State dated August 24, 1954. It seems to me that the additional diversion is not of such national importance as to justify action without regard to the views of Canada.

Finally, as is clear from the report of the Senate committee, a major purpose of the proposal to divert additional water from Lake Michigan into the Illinois waterway is to determine whether the increased flow will improve existing adverse sanitation conditions. The waters of Lake Michigan are interstate in character. It would seem to me that a diversion for the purposes of one State alone should be authorized only after general agreement has been reached among all the affected States. Officials of several States adjoining the Great Lakes, other than Illinois, have protested approval of the bill as being contrary to their interests and not in accord with the diversion authorized under the 1930 decree of the Supreme Court. Under all of these circumstances, I have felt that the bill should not be approved.

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, *September 3, 1954.*

FEDERAL FOOD, DRUG, AND COSMETIC ACT, H. R. 9728

H. R. 9728. I have withheld my approval from H. R. 9728, to revise, codify, and enact into law, title 21 of the United States Code, entitled "Food, Drugs, and Cosmetics."

The legislative history of this measure indicates that it was enacted in the view that existing law would not be substantially changed by the bill or that no changes in existing law would be made which would not meet with substantially unanimous approval.

Notwithstanding this, the bill makes one very important substantive change and casts serious doubts on the status and interpretation of other statutory provisions. The most important change is the deletion from the multiple seizure powers of the present law the authority which the Food and Drug Administration has had for a number of years to make more than one seizure of food, drugs, and cosmetics, where they bear identical labeling which is believed fraudulent or so materially misleading as to injure or damage the purchaser or consumer. In the cases subject to removal of authority made by the bill, the Food and Drug Administration