ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. The Chair desires to announce that pursuant to the authority granted him on Thursday, June 24, 1965, he did on June 25, 1965, sign the following enrolled bill of the House:

H.R. 5994. An act to provide the enrollment of the United States in the South Pacific Commission, and

H.R. 5998. An act to provide that Commissioners of the Federal Maritime Commission shall hereafter be appointed for a term of 5 years, and for other purposes; and


COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER laid before the House the following communication from the Clerk of the House of Representatives:

The Honorable the Speaker, House of Representatives.

Sm: Pursuant to authority granted on June 24, 1965, the Clerk received from the Secretary of the Senate today, the following message:

The Senate passed H.J. Res. 541, entitled “Joint resolution to extend the Area Redevelopment Act for a period of 2 months.” Respectfully yours,


STAIMAN BROS.-SIMON WRECKING CO.—VEETO MESSAGE FROM THE PRESIDENT OF THE UNITED STATES, DOC. NO. 221

The SPEAKER. The Clerk will read the message.

To the House of Representatives:

I return without my approval H.R. 2166, a bill “For the relief of Staiman Brothers-Simon Wrecking Co.”

The bill confers jurisdiction on the Court of Claims to render judgment on the claim of Staiman Brothers-Simon Wrecking Co. for losses allegedly sustained by them in connection with a $301,000 contract for the purchase from the General Services Administration of buried cast iron pipe in a surplus military water system which had been laid some 16 years previously. The bill also waives all defenses of the United States based upon provisions in the purchase contract explicitly denying warranty as to quantity, size, and character and barring claims based on errors or omissions in the description of the pipe.

The claimants allege that the weight of the pipe which they removed fell almost 40 percent short of the estimated weights. They argue that adequate inspection was not possible because the pipe was buried and that under these circumstances the descriptions of the pipe set out in the Government's invitation to bid should be regarded as nullifying by implication the express disclaimers by the Government of any warranty or guaranty.

The conditions of sale of the property were clear and specific. The invitation to bid invited bidders to inspect the material being offered, with a notation that claimants would have to do so or to fully inform himself as to the condition of the property. The claimants would not constitute grounds for any adjustment. It also stated that the property was being sold without warranty as to quantity, condition, size, or kind. It is stated that no claim for deduction on such grounds would be considered. It further indicated that while identification and location of the property were to be correct, any error or omission in the description would not constitute ground for a claim.

In short, the contract involved a substantial business risk — the amount of pipe actually in the ground could exceed, equal, or fall below expectations, with consequent effect on profits from the contract.

The General Accounting Office denied a claim submitted administratively in a decision dated May 25, 1962. I note that this bill would restrict the Court of Claims from this case on the merits, since it would waive the Government's defenses based on contract provisions to which the claimants agreed with their eyes wide open.

Many other purchasers of Government surplus property have been able to abide by provisions in their contracts like the ones involved in this case even though losses were the consequence. The decision of the Comptroller General referred to above cited numerous similar contract cases in which the courts have applied the rule of caveat emptor.

In summary, I believe that the relief which this bill would grant would be discriminatory and would set an unwisely and unfortunate precedent. Accordingly, I am constrained to withhold my approval.

LYNDON B. JOHNSON.


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

Without objection, the bill and message will be referred to the Committee on the Judiciary and ordered to be printed.

There was no objection.