

Acts done or omitted  
in good faith in con-  
formity to regulations,  
etc.

Penalties.  
Vol. 48, p. 904.

Failure to file re-  
quired information, etc.

Status of present reg-  
istered brokers, etc.

Vol. 48, p. 895.  
*Ante*, p. 1377.

Prior liabilities.

Effective dates.

*Ante*, p. 1375.

*Ante*, p. 1377.

in them by this title, and may for such purpose classify issuers, securities, exchanges, and other persons or matters within their respective jurisdictions. No provision of this title imposing any liability shall apply to any act done or omitted in good faith in conformity with any rule or regulation of the Commission or the Board of Governors of the Federal Reserve System, notwithstanding that such rule or regulation may, after such act or omission, be amended or rescinded or be determined by judicial or other authority to be invalid for any reason."

SEC. 9. Section 32 of such Act is amended by striking out "SEC. 32." and inserting in lieu thereof "SEC. 32. (a)"; by inserting immediately before the comma following the phrase "filed under this title or any rule or regulation thereunder" the following: "or any undertaking contained in a registration statement as provided in subsection (d) of section 15 of this title"; and by adding thereto a new subsection (b) to read as follows:

"(b) Any issuer which fails to file information, documents, or reports pursuant to an undertaking contained in a registration statement as provided in subsection (d) of section 15 of this title shall forfeit to the United States the sum of \$100 for each and every day such failure to file shall continue. Such forfeiture, which shall be in lieu of any criminal penalty for such failure to file which might be deemed to arise under subsection (a) of this section, shall be payable into the Treasury of the United States and shall be recoverable in a civil suit in the name of the United States."

SEC. 10. All brokers and dealers for whom registration is in effect on the date of enactment of this Act in accordance with rules and regulations of the Commission prescribed pursuant to section 15 of the Securities Exchange Act of 1934 shall be deemed to be registered pursuant to section 15 of such Act as amended by section 3 of this Act.

SEC. 11. Nothing in this Act shall be deemed to extinguish any liability which may have arisen prior to the effective date of this Act by reason of any violation of section 15 of the Securities Exchange Act of 1934 or of any rule or regulation thereunder.

SEC. 12. This Act shall become effective immediately upon the enactment thereof; except that clause (2) of subsection (f) of section 12 of the Securities Exchange Act of 1934, as amended by section 1 hereof, and subsections (a) and (d) of section 15 of such Act, as amended by section 3 hereof, shall become effective ninety days after the enactment of this Act, and that clause (3) of said subsection (f), as amended by section 1 hereof, shall become effective six months after the enactment of this Act.

Approved, May 27, 1936.

#### [CHAPTER 463.]

#### AN ACT

May 27, 1936.  
[H. R. 8599.]  
[Public, No. 622.]

To provide for a change in the designation of the Bureau of Navigation and Steamboat Inspection, to create a marine casualty investigation board and increase efficiency in administration of the steamboat inspection laws, and for other purposes.

Department of Com-  
merce.  
Bureau of Naviga-  
tion and Steamboat  
Inspection.  
Change in designa-  
tion of.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled*, That the Bureau of Navigation and Steamboat Inspection in the Department of Commerce shall hereafter be known as the "Bureau of Marine Inspection and Navigation."



SEC. 2. That section 4404 of the Revised Statutes is hereby amended to read as follows:

"SEC. 4404. There shall be seven supervising inspectors, who shall be appointed by the Secretary of Commerce. In the appointment of the supervising inspectors provided for by this section the Secretary of Commerce shall give due consideration to the reappointment of such of the present supervising inspectors as by their record of efficiency and experience have demonstrated their fitness for their positions. All vacancies occurring thereafter in the Board of Supervising Inspectors may be filled by selection from the principal traveling inspectors provided for by section 3 of this Act, or from the United States Local Inspectors. Each supervising inspector shall be entitled to a salary of not to exceed \$6,000 per annum and his necessary traveling expenses while traveling on official business assigned him by competent authority, together with his actual and reasonable expenses for transportation of instruments, which shall be certified and sworn to under such instructions as shall be given by the Secretary of Commerce.

"In the case of the absence of any such supervising inspector from his official station, the Secretary of Commerce may designate some officer of the Bureau of Marine Inspection and Navigation to perform the duties of such officer during his absence."

SEC. 3. That there shall be in the field service of the Bureau of Marine Inspection and Navigation in the Department of Commerce not to exceed ten principal traveling inspectors to be appointed by the Secretary of Commerce, the compensation of such principal traveling inspectors to be fixed by the Secretary of Commerce at not to exceed \$5,000 per annum. Each of said principal traveling inspectors shall be entitled to his necessary traveling expenses while traveling on official business. Such principal traveling inspectors shall be selected for their knowledge, skill, and practical experience in steam and motor power for navigation and shall be competent judges of the character and qualities of such vessels and of all parts of the machinery employed in such navigation. They also shall have full knowledge of the duties imposed by law on licensed officers and crews of vessels.

SEC. 4. That section 4450 of the Revised Statutes is hereby amended so as to read:

SEC. 4450. (a) The Secretary of Commerce shall prescribe rules and regulations for the investigation of marine casualties involving loss of life in order to determine whether any incompetence, misconduct, unskillfulness or willful violation of law on the part of any licensed officer, pilot, seaman, employee, owner, or agent of such owner of any vessel involved in such casualty, or any inspector, officer of the Coast Guard, or other officer or employee of the United States, or any other person, caused, or contributed to the cause of such casualty. For the purpose of investigating such a marine casualty, the Secretary of Commerce shall appoint a marine casualty investigation board or boards consisting of a chairman and two other members; the chairman shall be an officer or employee of the Department of Justice (learned in maritime laws) designated by the Attorney General; one member shall be a representative of the Bureau of Marine Inspection and Navigation designated by the Secretary of Commerce; and the other member shall be an officer of the United States Coast Guard designated by the Secretary of the Treasury. All reports shall be made to the Secretary of Commerce and such reports shall be public records and be open to inspection at reasonable times by any persons. Copies of such reports shall be sent to the Attorney General and to the Secretary of the Treasury.

R. S., sec. 4404, p. 853; U. S. C., p. 2014.

Supervising inspectors.  
Appointment; number.

Filling vacancies.

Salary and expenses.

Designation of acting supervising inspectors.

Field service.  
Principal traveling inspectors; number.

Compensation and expenses.

Qualifications.

R. S., sec. 4450, p. 861; U. S. C., p. 2003.

Investigation of marine casualties.

Marine casualty investigation boards; personnel, reports, etc.



Rules and regulations.

Classification of marine casualties, etc.

"Serious" casualties.

"Less serious" casualties.

Other personal services.

Investigations of violations of Act or regulations.  
Incompetency or misconduct.

Scope of investigations.

Rights of person subject to investigation.

Securing evidence.

"(b) The Secretary of Commerce shall establish rules and regulations for the investigation of marine casualties and accidents not involving loss of life, any act in violation of any of the provisions of this title or of any of the regulations issued thereunder, and all cases of acts of incompetency or misconduct committed by any licensed officer or holder of a certificate of service while acting under the authority of his license or certificate of service, whether or not any of such acts are committed in connection with any marine casualty or accident. The Secretary of Commerce shall classify marine casualties and accidents not involving loss of life according to the gravity thereof and in making such classification the Secretary shall give consideration to the extent of injuries to persons, the extent of property damage, the dangers actual or potential which such marine casualties or accidents may create to the safety of navigation or commerce. All such marine casualties or accidents classified as serious shall be investigated by a marine board appointed by the Secretary of Commerce consisting of two principal traveling inspectors and a supervising inspector of the Bureau of Marine Inspection and Navigation. Marine casualties or accidents classified as less serious shall be investigated by a marine board consisting of representatives of the Bureau of Marine Inspection and Navigation designated by the Director thereof.

"(c) The said boards provided for in subsections (a) and (b) of this section shall, upon the approval of the Director of the Bureau of Marine Inspection and Navigation, have authority to engage such other assistants, clerical or technical, as may be deemed necessary by the said Director. The members of said boards shall not receive any compensation in addition to that for their regular appointment but shall be entitled to their necessary traveling expenses while traveling on official business.

"(d) All acts in violation of any of the provisions of this title or of any of the regulations issued thereunder, whether or not committed in connection with any marine casualty or accident, and all acts of incompetency or misconduct, whether or not committed in connection with any marine casualty or accident, committed by any licensed officer acting under authority of his license or by any chief or assistant steward, purser, radio operator, electrician, able seaman, or lifeboat man acting under authority of a certificate of service issued to him by the Bureau of Marine Inspection and Navigation, and all marine casualties and accidents and the attendant circumstances shall be immediately investigated by the appropriate board as provided in subsections (a) and (b) of this section. Such board shall determine, as far as possible, the cause of any such casualty or accident, the persons responsible therefor, and whether or not the United States Government employees charged with the inspection of the vessel or the vessels involved and with the examination and licensing of the officers thereof have properly performed their duties in connection with such inspection, examination and licensing. In all investigations conducted under the authority of this section, any owner, licensed officer, or any holder of a certificate of service, or any other person whose conduct is under investigation, or any other party in interest, shall be allowed to be represented by counsel, to cross-examine witnesses, and to call witnesses in his own behalf, and a full and complete record of the facts and circumstances shall be submitted to the Director of the Bureau of Marine Inspection and Navigation.

"(e) In any investigation directed by this section a marine casualty investigation board or a marine board shall have power to summon before it witnesses and to require the production of books, papers,



documents, and any other evidence. Attendance of witnesses or the production of books, papers, documents, or any other evidence shall be compelled by a similar process as in the United States District Court. The chairman of each of said boards shall administer all necessary oaths to any witnesses summoned before said boards.

Attendance of witnesses, etc.

"(f) The disbursing clerk, Department of Commerce, shall pay, on properly certified vouchers, such fees to any witness summoned under subsection (e) of this section, for his actual travel and attendance, as shall be officially certified to by the chairman of the board conducting the investigation, not exceeding the rate allowed for fees and to witnesses for travel and attendance in any District Court of the United States.

Fees allowed.

"(g) In any investigation of acts of incompetency or misconduct or of any act in violation of the provisions of this title, or of any of the regulations issued thereunder, committed by any licensed officer or any holder of a certificate of service, the person whose conduct is under investigation shall be given reasonable notice of the time, place, and subject of such investigation and an opportunity to be heard in his own defense. The whole record of the testimony received by the board conducting such investigation and the findings and recommendations of such board shall be forwarded to the Director of the Bureau of Marine Inspection and Navigation, and if that officer shall find that such licensed officer or holder of certificate of service is incompetent or has been guilty of misbehavior, negligence, or unskillfulness, or has endangered life, or has willfully violated any of the provisions of this title or any of the regulations issued thereunder, he shall, in a written order reciting said findings, suspend or revoke the license or certificate of service of such officer or holder of such certificate. The person whose license or certificate of service is revoked may within thirty days appeal from the order of the said Director to the Secretary of Commerce. On such appeal the appellant shall be allowed to be represented by counsel. The Secretary of Commerce may alter or modify any finding of the board which conducted the investigation or of the Director of the Bureau of Marine Inspection and Navigation, but the decision of the Secretary of Commerce shall be based solely on the testimony received by the said board and shall recite the findings of fact on which it is based.

Notice to accused.

Determination of guilt by Director.

Suspension or revocation of license.

Appeal to Secretary of Commerce.

Powers of Secretary.

"(h) If the Director of the Bureau of Marine Inspection and Navigation shall find evidence of criminal liability on the part of any licensed officer or holder of a certificate of service, he shall submit such findings to the Secretary of Commerce who, if he be satisfied that such criminal liability exists, shall refer all of the evidence and the findings in such investigation to the Attorney General for investigation by and prosecution through the Federal district attorney of the district having jurisdiction, under the provisions of the Criminal Code. Nothing in this section shall be construed as prohibiting the Federal district attorney from conducting a criminal investigation or prosecution in connection with a shipping casualty.

Criminal liability. Findings, submission of, to Secretary.

Prosecution.

Investigations and prosecutions by Federal district attorneys.

"(i) Any attempt to coerce any witnesses, or to induce them to testify falsely in connection with a shipping casualty, or to induce them to leave the jurisdiction of the United States, shall be punishable by a fine of \$5,000 or imprisonment for one year, or both such fine and imprisonment. Any person making such attempts shall be prosecuted by the Federal district attorney of the district having jurisdiction.

Attempt to coerce, etc., witnesses; punishment.

Prosecution.

"(j) The Secretary of Commerce shall make such regulations as may be necessary to secure the proper administration of this section."

Administrative regulations.



Effective date of section.  
Technical staff established.  
Personnel, qualifications.

Appointment.  
U. S. C., p. 81.

Supervision of contract plans, etc., for passenger vessels.

Disapproval of plans.

Safety of vessels; regulations for builders.

*Proviso.*  
Approval by Secretary.

Certificates of inspection.  
Requirements for granting.

*Proviso.*  
Acceptance of approved plans, etc., of American Bureau of Shipping classed vessels.

Functions of Bureau continued.

Vol. 41, p. 998.  
U. S. C., p. 2067.  
Vol. 45, p. 1492.  
U. S. C., p. 1987.

(k) This section shall take effect ninety days from its enactment.

SEC. 5. (a) That hereafter there shall be in the Bureau of Marine Inspection and Navigation a technical staff, consisting of the Director and technical members who shall be selected for their knowledge, skill, and practical experience in designing and supervising the construction and operation of vessels propelled by machinery, and they shall be competent judges of the character, strength, stability, and safety qualities of such vessels and their equipment. Such technical members shall be appointed by the Secretary of Commerce, without reference to the civil-service laws and regulations. The Director of the said Bureau with the advice and assistance of the technical staff so appointed shall pass upon all contract plans and specifications for passenger vessels of the United States of one hundred gross tons and over, propelled by machinery, as provided for by subsection (b) of this section, including the installation of tested and effective sprinkler systems, and upon arrangement plans for all material alterations to existing vessels. Such approval shall be given promptly and with due regard to the orderly progress of the work but only when the Director is satisfied, after a full and complete examination of the plans and specifications, that the vessel, when built or altered, as the case may be, can be navigated with safety to those on board. In case the said Director shall disapprove such plans and specifications, the person or persons submitting the same shall be apprised thereof the reasons for such disapproval and advised of the amendments necessary to secure such approval. The Director shall, at as early a date as practicable, and from time to time thereafter as he shall deem advisable, formulate and publish regulations and instructions for the guidance of builders of prospective vessels showing the safety characteristics of vessels which will meet the approval of the Director: *Provided, however,* That such regulations and instructions shall in all cases be subject to the approval of the Secretary of Commerce.

(b) That no passenger vessel of the United States of one hundred gross tons and over, propelled by machinery, the construction or material alteration of which shall be begun subsequent to the passage of this Act, shall be granted a certificate of inspection by a board of local inspectors of the Bureau unless the said general contract plans and specifications therefor shall have been submitted at least in triplicate to and approved by the aforesaid Director before the construction of such vessel or alteration thereof shall have been commenced; nor shall any such vessel, the said plans or specifications for which have been materially altered subsequent to such approval be granted a certificate, as aforesaid, unless such altered plans and specifications shall have been submitted at least in triplicate to and approved by the said Director, prior to such change in construction having been made. No such certificate shall be granted to any such vessel which has not been constructed and equipped in accordance with said plans and specifications approved as aforesaid: *Provided,* That approved plans and certificates of the American Bureau of Shipping classed vessels may be accepted by the Director as evidence of the structural efficiency of the hull and the reliability of the machinery of such vessels, except as far as existing law places definite responsibility on the Bureau of Marine Inspection and Navigation. The American Bureau of Shipping shall continue to function in connection with the Government, its bureaus, departments, boards, and commissions, as heretofore provided under the Merchant Marine Act, June 5, 1920 (ch. 250, sec. 25; 41 Stat. 998; 46 U. S. C. Annotated, sec. 881), and as provided in the Act of March 2, 1929, entitled "An Act to establish load lines for American



vessels, and for other purposes", or any similar Act hereinafter enacted.

(c) Upon the approval by the said Director of the original or modified plans and specifications for any such vessel or for any subsequent alteration of such vessel, an endorsement to that effect, signed by the Director, shall be placed upon such plans and specifications, and one copy thereof shall be delivered to the person or persons submitting the same. Whenever any inspector shall ascertain to his satisfaction that any such vessel does not conform in all material respects to said plans and specifications approved as aforesaid, he shall immediately report his conclusions to the aforesaid Director, setting forth the reasons for his belief; and if, after a preliminary examination of the facts of the case, the said Director shall be of the opinion that reasonable ground exists for believing the conclusions of such reporting officer to be correct, he shall notify the person or persons who submitted the said plans and specifications and the board of local inspectors of the Bureau who shall not issue the vessel's certificate of inspection until the discrepancy has been corrected to the satisfaction of the said Director. The final decision of the Director shall be reached with as little delay as the proper consideration of the question will permit. The owner of any vessel coming within the provisions of this Act shall notify the Director of any material alterations proposed to be made on such vessel, and should any such alteration be made on such vessel before the plans and specifications for such alteration have received the approval of the said Director the owners shall, in addition to any suspension of the certificate of inspection which the Director may determine to be necessary, incur a penalty of \$500 for which the vessel shall be liable and which may be mitigated or remitted by the Secretary of Commerce on such condition as he may deem proper.

(d) That the words "plans and specifications" wherever used in this Act shall be held to include prints of all general contract plans and copies of the specifications and other matters of a similar nature, as necessary to the purposes of this Act for any vessel to which this Act applies. The said plans and specifications of all passenger ships of one hundred gross tons and over shall specify for fire-retardant material in their construction so far as reasonable and practicable.

(e) That any person or persons who shall alter, deface, obliterate, remove, or destroy any plans or specifications approved as provided in this Act, with intent to deceive or delay any officer of the United States in the discharge of his duties under this Act, shall be deemed guilty of a misdemeanor, and upon conviction thereof in any court of competent jurisdiction shall be punished by a fine of not to exceed \$5,000 or by imprisonment for not to exceed five years, or by both such fine and imprisonment, in the discretion of the court.

(f) This section shall not take effect as to vessels under five hundred gross tons until three months, nor as to vessels of five hundred gross tons and over until thirty days, after its enactment.

SEC. 6. That the Secretary of Commerce shall fix a reasonable rate of extra compensation for overtime services of local inspectors of steam vessels and their assistants, United States shipping commissioners and their deputies and assistants, who may be required to remain on duty between the hours of 5 o'clock postmeridian and 8 o'clock antemeridian or on Sundays or holidays to perform services in connection with the inspection of vessels or their equipment, supplying or signing on or discharging crews of vessels on the basis of one-half day's additional pay for each two hours or fraction thereof of at least one hour that the overtime extends beyond 5 o'clock postmeridian (but not to exceed two and one-half days'

Endorsement of approval on plans, etc.

Vessel not conforming to plans, etc.

Certificate withheld until discrepancy corrected.

Owner to report proposed changes.

Penalty for violation.

"Plans and specifications" construed.

Intentional alteration, etc., deemed a misdemeanor.

Penalty.

Effective date of section.

Local inspectors of steam vessels.  
Compensation for overtime services.



To be paid by ship's master, etc.

Use of receipts, fiscal year 1936.

*Provisos.*  
Disposition, July 1, 1936, and thereafter.

Appropriations authorized to cover deficiencies.

Pay due if reporting for duty.

Working hours.

Regulations to be made.

Appropriation authorized.

Inconsistent laws repealed.

pay for the full period from 5 o'clock postmeridian to 8 o'clock antemeridian) and two additional days' pay for Sunday or holiday duty. The said extra compensation for overtime services shall be paid by the master, owner, or agent of such vessel to the local United States collector of customs or his representative who shall deposit such collection into the Treasury of the United States to an appropriately designated receipt account. The amount of the receipts so covered during the fiscal year 1936 is hereby authorized to be appropriated and made available for payment of extra compensation for overtime services to the several employees entitled thereto according to rates fixed therefor by the Secretary of Commerce: *Provided*, That effective July 1, 1936 and thereafter, the amounts of such collections received by the said collector of customs or his representative shall be covered into the Treasury as miscellaneous receipts; and the payments of such extra compensation to the several employees entitled thereto shall be made from the annual appropriations for salaries and expenses of the Bureau: *Provided further*, That to the extent that the annual appropriations, which are hereby authorized to be made from the general fund of the Treasury, are insufficient, there are hereby authorized to be appropriated from the general fund of the Treasury such additional amounts as may be necessary, to the extent that the amounts of such receipts are in excess of the amounts appropriated: *Provided*, That such extra compensation shall be paid if such officers or employees have been ordered to report for duty and have so reported, whether the actual inspection of the vessel or her equipment, or the supplying, or signing on, or discharging crews takes place or not: *Provided further*, That in those ports where customary working hours are other than those herein above mentioned, the local inspectors of steam vessels or United States shipping commissioners, as the case may be, are vested with authority to regulate the hours of such employees so as to agree with prevailing working hours in said ports, but nothing contained in this proviso shall be construed in any manner to alter the length of a working day for the local inspectors, their assistants, the United States shipping commissioners and their deputies and assistants, or the overtime pay herein fixed.

SEC. 7. The Secretary of Commerce may make such regulations as may be necessary to carry out the purposes of this Act.

SEC. 8. There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

SEC. 9. That all laws or parts of laws insofar as they are in conflict with this Act are hereby repealed.

Approved, May 27, 1936.

#### [CHAPTER 464.]

#### AN ACT

May 27, 1936.  
[H. R. 11747.]  
[Public, No. 623.]

Extending the time for making the report of the commission to study the subject of Hernando De Soto's Expedition.

Hernando De Soto's Expedition Commission.  
Time for making report by, extended.  
*Ante*, p. 870.  
*Post*, p. 1635.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled*, That the commission to study the subject of Hernando De Soto's Expedition, appointed pursuant to the joint resolution entitled "Joint resolution pertaining to an appropriate celebration of the four-hundredth anniversary of the expedition of Hernando De Soto", approved August 26, 1935, may make its report to Congress on or before January 2, 1939.

Approved, May 27, 1936.