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[CHAPTER 240]

AN ACT

April 11, 1942
[H. R. 6554]
[Public Law 523]

To amend war-risk insurance provisions of the Merchant Marine Act, 1936, as amended, in order to expedite ocean transportation and assist the war effort.

Merchant Marine Act, 1936, amendments.
49 Stat. 1985; 54 Stat. 689.
46 U. S. C. §§ 1128–1128g.
Ante, p. 140.
Post, p. 217.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Subtitle—Insurance of title II of the Merchant Marine Act, 1936, as amended (Public, Numbered 677, Seventy-sixth Congress), is hereby amended, effective as of April 1, 1942, to read as follows:

"SUBTITLE—INSURANCE

Marine war-risk insurance and reinsurance and marine reinsurance.
Provision of, by Maritime Commission.

"SEC. 221. (a) Until six months after the termination of the present war is proclaimed or until such earlier date as the President may designate, the Commission is authorized to provide marine insurance and reinsurance against loss or damage by the risks of war and reinsurance against loss or damage by marine risks, as prescribed in this subtitle, whenever it appears to the Commission that (1) such insurance adequate for the needs of transportation in the water-borne commerce of the United States and its Territories and possessions (including the Philippine Islands, the Canal Zone, and any bases or lands leased or occupied by or on behalf of the United States), or of other transportation by water or other vessel services deemed by the Commission to be in the interest of the war effort or the domestic economy of the United States, cannot be obtained on reasonable terms and conditions from companies authorized to do an insurance business in a State of the United States, or (2) the furnishing by the Commission of such insurance or reinsurance with respect to any such transportation or other vessel services at nominal or other rate basis would be of material benefit to the war effort, or (after consultation with the Office of Price Administration or other agencies) to the domestic economy of the United States, or (after consultation with the Secretary of the Navy or the Secretary of War) is necessary or advisable for military or naval reasons: *Provided*, That there shall be reported on the last day of each calendar month to the chairman of the Committee on Commerce of the United States Senate, and the chairman of the Committee on Merchant Marine and Fisheries of the House, the insurance or reinsurance written under clause (2) of this subsection (a), during the preceding month, together with the rates and the reasons for such rates and such insurance and reinsurance.

Proviso.
Monthly reports.

Marine and war-risk insurance fund.

"(b) There shall be in the Treasury of the United States a revolving fund to be known as the marine and war-risk insurance fund (hereinafter referred to as the fund), to be used for carrying out the provisions of this subtitle, and to be constituted of such sums as may be appropriated to such fund and of moneys and receipts credited thereto as herein provided. There are hereby authorized to be appropriated to such fund such sums as may be necessary to carry out the provisions of this subtitle. All moneys received from premiums and from salvage or other recoveries, and all receipts in connection with this subtitle, shall be deposited to the credit of such fund. Payments of return premiums, losses, settlements, judgments, and all liabilities incurred by the United States under this subtitle shall be made from such fund.

Appropriation authorized.
Post, p. 310.

Scope of insurance.

"SEC. 222. The Commission may insure against loss or damage by the risks of war, persons, property, or interests, as follows:

Classes of vessels.

"(a) (1) American vessels (including vessels under construction), (2) vessels registered under the law of the Philippine Islands, (3) foreign-flag vessels owned by citizens of the United States (as said

term 'citizens' is used in Public Law 173, Seventy-seventh Congress, approved July 14, 1941) or owned or controlled by, or made available to, the United States or any department or agency thereof, and (4) any foreign-flag vessel not owned or controlled or made available as described in clause (3) hereof, but engaged in the water-borne foreign commerce of the United States or other transportation by water or other vessel services deemed by the Commission to be in the interest of the war effort or the domestic economy of the United States, while so engaged.

55 Stat. 591.
46 U. S. C., Supp. I, prec. § 1101 note.

"(b) Cargoes shipped or to be shipped on any vessels specified in subsection (a), including shipments by express or registered mail.

Cargoes.

"(c) The disbursements (including advances to masters and general average disbursements) and freight and passage moneys of such vessels.

Disbursements.

"(d) The personal effects of the masters, officers, and crews of such vessels, and of other persons transported on such vessels.

Personal effects.

"(e) Masters, officers, and crews of such vessels and other persons employed or transported thereon against loss of life, personal injury, or detention by an enemy of the United States following capture.

Individuals.

"(f) Statutory or contractual obligations or other liabilities of such vessels or of the owner or charterer of such vessels of the nature customarily covered by insurance.

Liabilities.

"SEC. 223. The Commission may reinsure, in whole or in part, any company authorized to do an insurance business in any State of the United States, on account of marine and marine war risks, including protection and indemnity risks, assumed by any such company, on persons, property, and interests specified in section 222 of this subtitle, and may reinsure with, or cede or retrocede to, any such company any war risk insured pursuant to such section 222, or any marine or war risk reinsured with the Commission as hereinbefore provided. No insurance broker or other person acting in a similar intermediary capacity shall be paid any fee or other consideration by the Commission by virtue of his participation in arranging any insurance wherein the Commission directly insures any of the risk thereof. Reinsurance shall not be provided by the Commission at rates less than (1) the rates established by the Commission on the same or similar risks or (2) the rates charged by the insurance carrier for the insurance so reinsured, whichever is the higher, except that the Commission may make to the insurance carrier such allowance for taxes, commissions, and other customary expenses (not to exceed 5 per centum of the premiums paid for that portion of the direct insurance so reinsured) as it may deem reasonably to accord with good business practice.

Reinsurance of companies.

Ante, p. 214.

Restriction on brokerage fees.

Rates.

Allowance for taxes, etc.

"SEC. 224. (a) Any department or agency of the United States is hereby authorized to procure insurance from the Commission as provided for in section 222 of this subtitle, except as provided in the Government Losses in Shipment Act, approved July 8, 1937, as amended (50 Stat. 479; U. S. C., Supp. VI, title 5, secs. 134 to 134h).

U. S. departments and agencies.

Ante, p. 214.

5 U. S. C. §§ 134–134h.

"(b) The Commission is authorized to provide such insurance at the request of the Secretary of War or the Secretary of the Navy on a nominal premium basis in consideration of the agreement of the department concerned to indemnify the Commission against all losses covered by such insurance, and the Secretary of War or the Secretary of the Navy is authorized to execute such indemnity agreement with the Commission.

Nominal premium basis.

"SEC. 225. In the event of disagreement as to a claim for losses or the amount thereof, on account of insurance under this subtitle, an action on the claim may be brought and maintained against the United States in the district court of the United States sitting in

Suits against U. S.

admiralty in the district in which the claimant or his agent may reside, or in case the claimant has no residence in the United States, in a district court in which the Attorney General of the United States shall agree to accept service. Said suits shall proceed and shall be heard and determined according to the provisions of an Act entitled 'An Act authorizing suits against the United States in admiralty, suits for salvage services, and providing for the release of merchant vessels belonging to the United States from arrest and attachment in foreign jurisdictions, and for other purposes', approved March 9, 1920, as amended (known as the Suits in Admiralty Act), insofar as such provisions are not inapplicable and are not contrary to or inconsistent with the provisions of this subtitle.

41 Stat. 525.
46 U. S. C. §§ 741–752.

Authority to settle claims.

"SEC. 226. (a) The Commission in the administration of this subtitle is authorized to adjust and pay losses, compromise and settle claims whether in favor of or against the Government, and to pay the amount of any judgment rendered in respect of any suit or settlement agreed upon in respect of any claim. The determinations of the Commission with respect to adjustments, compromises, settlements, and payments hereunder shall not be subject to review by any other executive or accounting officer of the Government.

Policies and rates.

"(b) The Commission is authorized to prescribe such forms and policies, to change or modify such forms and policies as may be necessary or appropriate under the circumstances, and to fix and adjust, as may be required by circumstances, the rates and changes of rates of insurance provided for in this subtitle.

Rules and regulations.

"(c) The Commission is authorized and directed to prescribe such rules and regulations as may be necessary or appropriate to carry out the provisions of this subtitle. The Commission is authorized, in administering the provisions of this subtitle, to exercise its powers, perform its duties and functions, and make its expenditures, in accordance with commercial practice in the marine insurance business.

Employment of experts.

"(d) The Commission, without regard to the laws, rules, or regulations relating to the employment of employees of the United States, may appoint and prescribe the duties of such number of experts in marine insurance as the Commission may deem necessary in carrying out the provisions of this subtitle. The Commission, with the consent of any executive department, independent establishment, or other agency of the Government, including any field service thereof, may avail itself of the use of information, services, facilities, officers, and employees thereof in carrying out the provisions of this subtitle.

Cooperation of Government agencies.

Report to Congress.

"(e) The Commission shall include in the annual report to Congress a detailed statement of all activities and of all expenditures and receipts under this subtitle for the period covered by such report.

"(f) When used in this subtitle—

"American vessels."

"(1) The term 'American vessels' includes any vessel registered, enrolled, or licensed under the laws of the United States and any undocumented vessel owned or chartered by or made available to the United States or any department or agency thereof and any American-owned tug or barge or other watercraft (documented or undocumented) used in essential water transportation or in the fishing trade or industry. This subsection shall not be construed as including any watercraft used exclusively in or for sport fishing.

Transportation in water-borne commerce of U. S.

"(2) The term 'transportation in the water-borne commerce of the United States' shall be deemed to include the operation of vessels in the fishing trade or industry.

Rights of seamen.

"SEC. 227. Nothing in this subtitle shall be deemed to affect the rights of seamen under any provision of existing law.

"SEC. 228. In conformity with the President's Executive order of February 7, 1942 (Numbered 9054; 7 F. R. 837), the authority conferred upon the Commission by this subtitle shall be vested in and exercised by the Administrator of the War Shipping Administration."

Vesting of authority.

Ante, p. 214.

Approved, April 11, 1942.

[CHAPTER 241]

JOINT RESOLUTION

To provide decorations for outstanding conduct or service by persons serving in the American merchant marine.

April 11, 1942
[H. J. Res. 263]
[Public Law 524]

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the United States Maritime Commission is hereby authorized and directed, under such rules and regulations as it may prescribe, to provide and award a medal of such material and design and with such devices and inscriptions as the Commission may deem suitable to each person who in the American merchant marine, on or after September 3, 1939, has distinguished himself or during the war distinguishes himself by outstanding conduct or service in the line of duty. Such medals shall be presented with appropriate ceremony as specified by the Commission.

American merchant marine.
Medals for outstanding service.

SEC. 2. There may be issued with each medal a rosette or other device to be worn in lieu of the medal. Not more than one medal shall be issued hereunder to any person, but for each succeeding instance sufficient to justify the award of a medal to such person the Commission may award a suitable bar or other emblem or insignia to be worn with the medal and the corresponding rosette or other device. In case any person who so distinguishes himself as to justify the award of a medal or decoration hereunder dies before the award can be made to him, the award may be made and the medal or decoration presented to such representative of the deceased as the Commission deems proper.

Rosette to be worn in lieu of medal.

Awards in case of death.

Approved, April 11, 1942.

[CHAPTER 243]

AN ACT

Granting the consent of Congress to the State of Minnesota to construct, maintain, and operate a free highway bridge across the Mississippi River at or near the village of Brooklyn Center, Minnesota.

April 20, 1942
[H. R. 6495]
[Public Law 525]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the consent of Congress is hereby granted to the State of Minnesota to construct, maintain, and operate a free highway bridge and approaches thereto across the Mississippi River, at a point suitable to the interests of navigation, at or near the village of Brooklyn Center, Minnesota, in accordance with the provisions of the Act entitled "An Act to regulate the construction of bridges over navigable waters", approved March 23, 1906, and subject to the conditions and limitations contained in this Act.

Mississippi River.
Bridge authorized across, at Brooklyn Center, Minn.

34 Stat. 84.
33 U. S. C. §§ 491-498.

SEC. 2. The right to alter, amend, or repeal this Act is hereby expressly reserved.

Approved, April 20, 1942.