

Rules and regulations.  
54 Stat. 679.  
41 U. S. C., prec. § 1  
note.

Duration.

SEC. 3. The provisions of section 2 of this Act and of section 7 of the Act of June 28, 1940 (Public, Numbered 671), shall be administered in accordance with such rules and regulations as the President may prescribe.

SEC. 4. The provisions of this Act shall be effective during the national emergency declared by the President on September 8, 1939, to exist, and shall terminate June 30, 1942, unless the Congress shall otherwise provide.

Approved, June 3, 1941.

[CHAPTER 174]

AN ACT

June 6, 1941  
[H. R. 4466]  
[Public Law 101]

To authorize the acquisition by the United States of title to or the use of domestic or foreign merchant vessels for urgent needs of commerce and national defense, and for other purposes.

Emergency acquisition of domestic or foreign merchant vessels.

54 Stat. 2643.  
50 U. S. C., app.,  
prec. § 1 note.  
Utilization of idle  
foreign merchant ves-  
sels.

Provisos.  
Compensation.

49 Stat. 2015.  
46 U. S. C. § 1242.  
Manner of payment.

Claims and liens.

Suit in admiralty.

Commencement of  
suit.

41 Stat. 525.  
46 U. S. C. § 742.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That whereas Congress has power to provide for the common defense and general welfare and to regulate commerce with foreign nations and whereas for this purpose embargo Acts and nonintercourse Acts have from time to time been passed and whereas the commerce of the United States is at the present time interrupted and the general welfare of its citizens is threatened and an emergency has been declared, for the purposes of national defense, during the existence of the national emergency declared by the President on September 8, 1939, to exist, but not after June 30, 1942, the President is authorized and empowered, through such agency or officer as he shall designate, to purchase, requisition, for any period during such emergency charter or requisition the use of, or take over the title to, or the possession of, for such use or disposition as he shall direct, any foreign merchant vessel which is lying idle in waters within the jurisdiction of the United States, including the Philippine Islands and the Canal Zone, and which is necessary to the national defense: *Provided,* That just compensation shall be determined and made to the owner or owners of any such vessel in accordance with the applicable provisions of section 902 of the Merchant Marine Act, 1936, as amended: *Provided further,* That such compensation hereunder shall be deposited with the Treasurer of the United States, and the fund so deposited shall be available for the payment of such compensation, and shall be subject to be applied to the payment of the amount of any valid claim by way of mortgage or maritime lien or attachment lien upon such vessel, or of any stipulation therefor in a court of the United States, or of any State, subsisting at the time of such requisition or taking of title or possession; the holder of any such claim may commence within six months after such deposit with the Treasurer and maintain in the United States District Court from whose custody such vessel has been or may be taken or in whose territorial jurisdiction the vessel was lying at the time of requisitioning or taking of title or possession, a suit in admiralty according to the principles of libels in rem against the fund, which shall proceed and be heard and determined according to the principles of law and to the rules of practice obtaining in like cases between private parties; and such suit shall be commenced in the manner provided by section 2 of the Suits in Admiralty Act and service of process shall be made in the manner therein provided by service upon the United States attorney and by mailing by registered mail to the Attorney General and the United States Maritime Commission and due notice shall under order of the court be given to all interested persons, and any decree shall be subject to appeal and revision as now provided in other cases of

admiralty and maritime jurisdiction: *Provided further*, That if the Maritime Commission, after consideration by it of evidence submitted to it within ten days after the approval of this Act, shall find that on September 3, 1939, and continuously thereafter, any vessel was exclusively owned, used and operated for its exclusive sovereign purposes by a sovereign nation making claim therefor, such vessel may be taken under this section only by purchase or charter; and in determining said ownership, use and operation the Commission shall disregard (1) all contributions made in whole or in part at any time to the construction, repair, reconditioning, equipping or operation of said vessel, (2) all such matters, in nature similar to or dissimilar from, the foregoing clause as in the opinion of the Commission are immaterial or irrelevant to the determination of such ownership. Use of such vessel at any time since September 3, 1939, in commercial trade shall be presumptively deemed to show that said vessel is not owned, used and operated by a sovereign nation for its sovereign purposes. The final determination by the Maritime Commission shall be conclusive: *Provided further*, That if any vessel shall be found under the proviso next preceding to be exclusively owned, used and operated by any sovereign nation so that it can only be chartered or purchased, and such vessel shall be chartered or purchased, then the cash to be paid for said charter or purchase, to the extent that may be necessary, after payment of existing claims and liens of creditors against said vessel, shall be held for application upon such debt, if any, as may be due to the United States from the sovereign nation so found to have exclusive ownership to said vessel: *Provided further*, That the Maritime Commission and the Department of Justice are authorized to make just provisions out of funds provided in section 2 of this Act for employees displaced by the taking of any ship hereunder and report to the Congress their action within thirty days after the enactment of this Act.

SEC. 2. Funds appropriated by the Act of March 27, 1941 (Public Law 23, Seventy-seventh Congress), are hereby made available to carry out the provisions of section 1 hereof, including payment of the costs of repair, reconstruction, or reconditioning necessary or incidental to the use or disposition under this Act of vessels acquired, or the use or possession of which is acquired, under such section.

SEC. 3. (a) During the national emergency declared by the President on September 8, 1939, to exist, but not after June 30, 1942, the United States Maritime Commission, whenever it finds that vessels in addition to those otherwise available are necessary for transportation of foreign commerce of the United States or of commodities essential to the national defense, is authorized, notwithstanding any other provision of law, (1) to charter any vessel, whether undocumented or documented under the laws of the United States or of a foreign country, deemed by the Commission to be suitable for such transportation, without regard to the provisions of section 3709 of the Revised Statutes, on a time-charter or bare-boat basis, upon such terms and conditions, and for such period or periods, as the Commission may deem necessary or desirable in the public interest, and at such rate of hire as it may deem to be fair and reasonable in view of the attendant circumstances, and (2) to charter any vessel chartered by the Commission under clause (1) hereof to a private operator, a citizen of the United States (including a corporation, partnership, or association, only if it is a citizen of the United States within the meaning of section 2 of the Shipping Act, 1916, as amended), or to any department or agency of the United States Government, without regard to the provisions of title VII of the Merchant Marine Act, 1936, on time-charter or bare-boat basis, for use in any foreign trade or service or as otherwise hereinafter pro-

Vessel owned by  
sovereign nation.

Determination of  
ownership.

Vessel belonging to  
nation indebted to  
U. S.

Displaced employ-  
ees.

Availability of  
funds.  
*Ante*, p. 53.

Chartering of vessels  
by U. S. Maritime  
Commission.  
54 Stat. 2643.  
50 U. S. C., app.,  
prec. § 1 note.

41 U. S. C. § 5.  
Basis, terms, etc.

39 Stat. 729.  
46 U. S. C. § 802.  
Charter to Govern-  
ment agencies.

49 Stat. 2008.  
46 U. S. C. §§ 1191-  
1204.

vided, upon such terms and conditions, for such period or periods, and subject to such restrictions as the Commission may deem necessary or desirable for the protection of the public interest, and at such rate of hire as it may deem to be fair and reasonable. Any department or agency of the United States Government is authorized to enter into such charters. All moneys received by the Commission under the provisions of this subsection shall be deposited in the construction fund of the Commission, and all disbursements made by the Commission in carrying out the provisions of this subsection shall be paid from such fund.

(b) The Commission is authorized to provide such insurance and reinsurance with respect to vessels (including any interest of the owner or charterer) chartered, purchased, requisitioned, or the title to which or the possession of which is taken over, under this Act, as it may deem necessary in connection with the operation, use, or disposition thereof under this Act, whenever it appears to the Commission that adequate and satisfactory insurance is not otherwise obtainable at reasonable rates and upon reasonable terms and conditions. The fund established pursuant to Public Resolution Numbered 94, Seventy-sixth Congress, approved July 18, 1940 (54 Stat. 766), shall be available for all purposes of this subsection; and all moneys received from premiums and from salvage or other recoveries and all receipts in connection with such insurance shall be deposited to the credit of such fund, and all disbursements made by the Commission in carrying out the provisions of this subsection, including the payment of return premiums and all liabilities incurred hereunder, shall be paid from such fund. The provisions of sections 225 and 226 (a) to (e), inclusive, of the Merchant Marine Act, 1936, as amended, shall be applicable in the administration of this subsection.

(c) Nothing in this Act shall be construed to modify or affect any provision of the Neutrality Act of 1939, as amended.

SEC. 4. Whenever the United States Maritime Commission is authorized to charter vessels under section 3 hereof, it is further authorized, notwithstanding any other provision of law, to purchase any vessel, whether undocumented or documented under the laws of the United States or of a foreign country, deemed by the Commission to be suitable for transportation of foreign commerce of the United States or of commodities essential to the national defense, without regard to the provisions of section 3709 of the Revised Statutes, at such price and upon such terms and conditions as it may deem fair and reasonable and in the public interest. Such vessels and vessels otherwise acquired by or made available to the Commission may be chartered as provided in section 3 of this Act, or operated by the Commission upon such terms and conditions as it may deem desirable and in the public interest, giving primary consideration to the needs of national defense; but no vessel constructed under the provisions of the Merchant Marine Act, 1936, as amended, may be chartered to a private operator hereunder. All moneys received by the Commission under the provisions of this section shall be deposited in the construction fund of the Commission, and all disbursements made by the Commission in carrying out the provisions of this section or section 5 (f) (except as provided in section 2) shall be paid from such fund.

SEC. 5. (a) Notwithstanding any other provision of law, during the effective period of section 3 of this Act, any vessel (except a vessel constructed under the provisions of the Merchant Marine Act, 1936, as amended), not documented under the laws of the United States, acquired by or made available to the Commission under this Act or otherwise, may (1) in the discretion of the Secretary of Com-

Receipts and dis-  
bursements.

Insurance and re-  
insurance.

Marine and war-risk  
insurance fund.

Receipts.

Disbursements.

54 Stat. 690, 691.  
46 U. S. C. §§ 1128d,  
1128e (a)-(e).

54 Stat. 4; *post*, p. 764.  
22 U. S. C. §§ 441-  
457.

Purchase of vessels  
by U. S. Maritime  
Commission.

41 U. S. C. § 5.

Charter or opera-  
tion.

Restriction.

49 Stat. 1985.  
46 U. S. C. ch. 27.  
Receipts and dis-  
bursements.

Documentation of  
vessels.

49 Stat. 1985.  
46 U. S. C. ch. 27.

merce be documented as a vessel of the United States under such rules and regulations or orders, and with such limitations, as the Secretary of Commerce may prescribe or issue as necessary or appropriate to carry out the purposes and provisions of this Act; and (2) in accordance with the provisions of subsection (c) hereof engage in the coastwise trade when so documented. Any document issued to a vessel under the provisions of this Act shall be surrendered at any time that such surrender may be ordered by the Secretary of Commerce. No vessel, the surrender of the documents of which has been so ordered, shall, after the effective date of such order, have the status of a vessel of the United States unless documented anew.

Surrender of document.

(b) Notwithstanding any other provisions of law, the President may, by rules and regulations or orders, waive compliance with any provision of law relating to masters, officers, members of the crew, or crew accommodations on any vessel documented under authority of this Act to such extent and upon such terms as he finds necessary because of the lack of physical facilities on said ships, and because of the need to employ aliens for their operation. No vessel shall cease to enjoy the benefits and privileges of a vessel of the United States by reason of the employment of any person in accordance with the provisions of this subsection.

Provisions relating to personnel, etc.

(c) Any vessel while documented under the provisions of this Act, when chartered hereunder by the Commission to other Government agencies or departments or to private operators, may engage in the coastwise trade under permits issued by the Commission, which is hereby authorized to issue permits for such purpose pursuant to such rules and regulations as it may prescribe. The Commission is hereby authorized to prescribe such rules and regulations as it may deem necessary or appropriate to carry out the purposes and provisions of this Act.

Engagement in coastwise trade.

(d) The second paragraph of section 9 of the Shipping Act, 1916, as amended, shall not apply with respect to vessels chartered to other Government agencies or departments or to private operators under section 3 or section 4 of this Act.

39 Stat. 730.  
46 U. S. C. § 808.  
Waiver of certain provisions.

(e) Existing laws covering the inspection of steam vessels are hereby made applicable to vessels documented under this Act only to such extent and upon such conditions as may be required by the regulations of the Board of Supervising Inspectors with the approval of the Secretary of Commerce: *Provided*, That in determining to what extent those laws should be made applicable, due consideration shall be given to the primary purpose of transporting commodities essential to the national defense.

Inspection of vessels.

*Provido.*

(f) The Commission without regard to the provisions of section 3709 of the Revised Statutes may repair, reconstruct, or recondition any vessels to be utilized under this Act. Any other Government department or agency by which any vessel is acquired or chartered, or to which any vessel is transferred or made available under this Act may, with the aid of any funds available, and without regard to the provisions of said section 3709, repair, reconstruct, or recondition any such vessels to meet the needs of the services intended, or provide facilities for such repair, reconstruction, or reconditioning.

Repair, reconstruction, etc.  
41 U. S. C. § 5.

(g) In case of voyage of a vessel documented under the provisions of this Act is begun before the date of termination of the effective period of section 3, but is completed after such date, the provisions of this section shall continue in effect with respect to such vessel until such voyage is completed.

Voyage uncompleted when Act expires.

(h) When used in this Act, the term "documented" means "registered" and "enrolled and licensed".

"Documented."

Approved, June 6, 1941, 11 a. m., E. S. T.

## [CHAPTER 175]

## AN ACT

Amending the Act of February 27, 1936 (49 Stat. 1144).

June 6, 1941  
[H. R. 1801]  
[Public Law 102]

Naval Academy.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That the Act of February 27, 1936 (49 Stat. 1144), insofar as the provisions thereof are embodied in section 1033a of title 34 of the United States Code, is hereby amended to read as follows:

Appointment of  
midshipmen from  
"honor schools."

"The Secretary of the Navy is authorized to appoint not more than twenty midshipmen annually to the Naval Academy from among the honor graduates of educational institutions which are designated as 'honor schools' by the War Department in accordance with the provisions of the Act of July 9, 1918 (40 Stat. 894), as amended (10 U. S. C. 1091), or by the Navy Department in accordance with regulations established by the Secretary of the Navy, and from among the members of the Naval Reserve Officers' Training Corps: *Provided*, That such appointments shall be made under such rules and regulations as the Secretary of the Navy may prescribe."

Naval Reserve Offi-  
cers' Training Corps.

*Proviso.*

Approved, June 6, 1941.

## [CHAPTER 176]

## AN ACT

To authorize the Secretary of the Navy to sell equipment and supplies to and perform work for the Commonwealth of the Philippine Islands.

June 6, 1941  
[H. R. 2107]  
[Public Law 103]

Commonwealth of  
Philippine Islands.  
Materials and serv-  
ices for.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That the Secretary of the Navy is authorized, in his discretion, to sell to the Commonwealth of the Philippine Islands such materials, supplies, and equipment and to repair or assist with the design of vessels, armament, or equipment for said Commonwealth as the Naval Establishment may be in a position to do at prices to be specified by said Secretary, the prices of the work performed, and of new materials, supplies, and equipment, to be not less than the cost to the Government: *Provided*, That the amounts received in payment for work performed, or for new materials, supplies, or equipment sold, shall be credited to appropriations or funds as may be authorized by other law, or if not so authorized, so as to be available to replace the materials, supplies, or equipment, unless the said Secretary determines that such replacement is not necessary, in which case the amounts shall be covered into the Treasury as miscellaneous receipts: *Provided further*, That the amounts received in payment for obsolete or surplus materials, supplies, or equipment sold, less the costs to the Government occasioned by such sales, shall be covered into the Treasury as miscellaneous receipts.

*Provisos.*  
Disposition of re-  
ceipts.

Receipts for obsolete  
or surplus materials.

Nontransferability.

SEC. 2. All contracts or agreements made by the Secretary of the Navy for the sale of the materials, supplies, or equipment authorized by this Act shall contain a clause by which the Commonwealth of the Philippine Islands undertakes not to dispose of such materials, supplies, or equipment, or of any plans, specifications, or information pertaining thereto, by gift, sale, or any mode of transfer in such manner that they become a part of the armament of, or available to, any state other than the said Commonwealth.

Termination.

SEC. 3. The authority granted under this Act shall terminate upon the final granting of independence to the Commonwealth of the Philippine Islands.

Approved, June 6, 1941.