

no interest and to be reimbursed in such installments as may be determined by the Administrator by proper deductions from any future payments of pension or retirement pay.

"9. The Administrator shall have the power to provide courses of instruction for personnel and may detail employees to attend the same and may detail any such personnel to attend courses conducted by other than Veterans' Administration agencies, including private organizations, and such employees in addition to their salaries shall be entitled to the payment of expenses incident to such detail, including transportation and tuition, as the Administrator by rules and regulations shall provide; and also in his discretion, to make, or, as by agreement with other agency or institution, cause to be made studies, investigations, and reports inquiring into the rehabilitation of disabled persons and the relative abilities, aptitudes, and capacities of the several groups of the variously handicapped and as to how their potentialities can best be developed and their services best utilized in gainful and suitable employment, including the rehabilitation programs of foreign nations engaged in the present war. For this purpose he shall have the power to cooperate with such public and private agencies as he may deem advisable and to call in consultants who shall receive as compensation for their services a reasonable per diem, which the Administrator shall by rules and regulations provide, for each day actually spent in the work provided for herein and shall in addition be reimbursed for their necessary traveling and other expenses. For the purposes of this part, the Administrator may accept uncompensated services upon such agreement as he may deem feasible."

SEC. 3. The appropriations for the Veterans' Administration, "Salaries and expenses, medical and hospital, and compensation and pensions", shall be available for necessary expenses, including but not confined to necessary medical care, and pension payment, payment or reimbursement of expenses in connection with supplying suitable training under this Act; and there is hereby authorized to be appropriated such additional amount or amounts as may be necessary to accomplish the purposes of this Act.

Approved March 24, 1943.

Instruction for personnel.

Expenses.

Studies, investigations, and reports.

Cooperation with other agencies.

Uncompensated services.

Funds available.

Additional appropriation authorized.

[CHAPTER 26]

AN ACT

To amend and clarify certain provisions of law relating to functions of the War Shipping Administration, and for other purposes.

March 24, 1943

[H. R. 133]

[Public Law 17]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) officers and members of crews (hereinafter referred to as "seamen") employed on United States or foreign flag vessels as employees of the United States through the War Shipping Administration shall, with respect to (1) laws administered by the Public Health Service and the Social Security Act, as amended by subsection (b) (2) and (3) of this section; (2) death, injuries, illness, maintenance and cure, loss of effects, detention, or repatriation, or claims arising therefrom not covered by the foregoing clause (1); and (3) collection of wages and bonuses and making of allotments, have all of the rights, benefits, exemptions, privileges, and liabilities, under law applicable to citizens of the United States employed as seamen on privately owned and operated American vessels. Such seamen, because of the temporary wartime character of their employment by the War Shipping Administration, shall not be considered as officers or employees of the United

War Shipping Administration.
Rights and benefits of seamen.
Post, p. 629.

49 Stat. 620.
42 U. S. C. §§ 301-1307; Supp. II, §§ 1101-1109.
Post, p. 47.

Status.

39 Stat. 742.
 5 U. S. C. §§ 751-791,
 793; Supp. II, § 793.
 41 Stat. 614.
 5 U. S. C. §§ 691-738;
 Supp. II, ch. 14.
 56 Stat. 143.
 50 U. S. C., Supp.
 II, app. §§ 1001-1017.
 56 Stat. 1028.
 42 U. S. C., Supp.
 II, §§ 1701-1706, 1711-
 1717, 1651.
Post, pp. 626, 627.

41 Stat. 525.
 46 U. S. C. §§ 741-
 752.

49 Stat. 620.
 42 U. S. C. §§ 301-
 1307; Supp. II, §§ 1101-
 1109.
Post, p. 47.
 Terms construed.

Internal Revenue
 Code, amendment.

"Employment."

55 Stat. 838, 841.
 50 U. S. C., Supp.
 II, app. §§ 601-605, 621.

"Wages."

Employment taxes.

States for the purposes of the United States Employees Compensation Act, as amended; the Civil Service Retirement Act, as amended; the Act of Congress approved March 7, 1942 (Public Law 490, Seventy-seventh Congress); or the Act entitled "An Act to provide benefits for the injury, disability, death, or detention of employees of contractors with the United States and certain other persons or reimbursement therefor", approved December 2, 1942 (Public Law 784, Seventy-seventh Congress). Claims arising under clause (1) hereof shall be enforced in the same manner as such claims would be enforced if the seaman were employed on a privately owned and operated American vessel. Any claim referred to in clause (2) or (3) hereof shall, if administratively disallowed in whole or in part, be enforced pursuant to the provisions of the Suits in Admiralty Act, notwithstanding the vessel on which the seaman is employed is not a merchant vessel within the meaning of such Act. Any claim, right, or cause of action of or in respect of any such seaman accruing on or after October 1, 1941, and prior to the date of enactment of this section may be enforced, and upon the election of the seaman or his surviving dependent or beneficiary, or his legal representative to do so shall be governed, as if this section had been in effect when such claim, right, or cause of action accrued, such election to be made in accordance with rules and regulations prescribed by the Administrator, War Shipping Administration. Rights of any seaman under the Social Security Act, as amended by subsection (b) (2) and (3), and claims therefor shall be governed solely by the provisions of such Act, so amended. When used in this subsection the term "administratively disallowed" means a denial of a written claim in accordance with rules or regulations prescribed by the Administrator, War Shipping Administration. When used in this subsection the terms "War Shipping Administration" and "Administrator, War Shipping Administration" shall be deemed to include the United States Maritime Commission with respect to the period beginning October 1, 1941, and ending February 11, 1942, and the term "seaman" shall be deemed to include any seaman employed as an employee of the United States through the War Shipping Administration on vessels made available to or sub-chartered to other agencies or departments of the United States.

(b) (1) Section 1426 of the Internal Revenue Code (53 Stat. 177, 1383; 26 U. S. C. 1426) is amended by adding at the end thereof the following new subsection:

"(i) OFFICERS AND MEMBERS OF CREWS EMPLOYED BY WAR SHIPPING ADMINISTRATION.—The term 'employment' shall include such service as is determined by the Administrator, War Shipping Administration, to be performed after September 30, 1941, and prior to the termination of title I of the First War Powers Act, 1941, on or in connection with any vessel by an officer or member of the crew as an employee of the United States employed through the War Shipping Administration, or, in respect of such service performed before February 11, 1942, the United States Maritime Commission. The term 'wages' means, with respect to service which constitutes employment by reason of this subsection, such amount of remuneration as is determined (subject to the provisions of this section) by the Administrator, War Shipping Administration, to be paid for such service. The Administrator and such agents as he may designate for the purpose are authorized and directed to comply with the provisions of the internal revenue laws on behalf of the United States as the employer of individuals whose service constitutes employment by reason of this subsection, but the Administrator and his agents shall not be liable for the tax on any employee imposed by section

1400 (unless the Administrator or his agent collects such tax from the employee) with respect to service performed before the date of enactment of this subsection which constitutes employment by reason of the enactment of this subsection.”

(2) Section 209 of the Social Security Act, as amended (U. S. C., title 42, sec. 409), is amended by adding at the end thereof the following new subsection:

“(o) (1) OFFICERS AND MEMBERS OF CREWS EMPLOYED BY WAR SHIPPING ADMINISTRATION.—The term ‘employment’ shall include such service as is determined by the Administrator, War Shipping Administration, to be performed after September 30, 1941, and prior to the termination of title I of the First War Powers Act, 1941, on or in connection with any vessel by an officer or member of the crew as an employee of the United States employed through the War Shipping Administration or, in respect of such service performed before February 11, 1942, the United States Maritime Commission.

“(2) The Social Security Board shall not make determinations as to whether an individual has performed services which are employment by reason of this subsection, or the periods of such services, or the amounts of remuneration for such services, or the periods in which or for which such remuneration was paid, but shall accept the determinations with respect thereto of the Administrator, War Shipping Administration, and such agents as he may designate, as evidenced by returns filed by such Administrator as an employer pursuant to section 1426 (i) of the Internal Revenue Code and certifications made pursuant to this subsection. Such determinations shall be final and conclusive.

“(3) The Administrator, War Shipping Administration, is authorized and directed, upon written request of the Social Security Board, to make certification to it with respect to any matter determinable for the Board by the War Shipping Administrator under this subsection, which the Board finds necessary in administering this title.

“(4) This subsection shall be effective as of September 30, 1941.”

(3) Section 907 of the Social Security Act Amendments of 1939 is amended by inserting after the phrase “attaining age sixty-five.” the following: “and 1 per centum of any wages paid him for services which constitute employment by virtue of subsection (o) of section 209 of the Social Security Act, as amended.”

(c) The War Shipping Administration and its agents or persons acting on its behalf or for its account may, for convenience of administration, with the approval of the Administrator, make payments of any taxes, fees, charges, or exactions to the United States or its agencies.

SEC. 2. (a) Section 222 (f) of Subtitle—Insurance of Title II of the Merchant Marine Act, 1936, as amended (Public Law 523, Seventy-seventh Congress), is amended by inserting before the period at the end thereof a semicolon and the following: “and, whenever the Commission shall insure any risks included under subsection (d) or (e) of this section, or under this subsection insofar as it concerns liabilities relating to the master, officers, and crews of such vessels or to other persons transported thereon, the insurance on such risks may include marine risks to the extent that the Commission determines to be necessary or advisable”.

(b) Whenever the Administrator, War Shipping Administration, finds that, on or after October 1, 1941, and before thirty days after the date of enactment of this subsection, a master, officer, or member of the crew of, or any persons transported on, a vessel owned by or chartered to the Maritime Commission or the War Shipping Admin-

53 Stat. 175.
26 U. S. C. § 1400;
Supp. II, § 1400.
Post, p. 607.

Social Security Act,
amendment.
53 Stat. 1373.

“Employment.”

55 Stat. 838, 841.
50 U. S. C., Supp.
II, app. §§ 601-605, 621.

Determinations as
to employment, pay,
etc.

Ante, p. 46.

Certifications.

Effective date.

53 Stat. 1402.
26 U. S. C. § 1400
note.

Supra.

Payments of taxes,
etc.

Marine war-risk
insurance.
56 Stat. 215.
46 U. S. C., Supp.
II, § 1128a (f).

Retrospective cover-
age for loss or injury
related to war effort.

istration or operated by, or for the account of, or at the direction or under the control of the Commission or the Administration, has suffered death, injury, detention, or other casualty, for which the War Shipping Administration would be authorized to provide insurance under Subtitle—Insurance of Title II of the Merchant Marine Act, 1936, as amended by this Act, the Administrator may declare that such death, injury, detention, or other casualty, shall be deemed and considered to be covered by such insurance at the time of the disaster or accident, if the Administrator finds that such action is required to make equitable provision for loss or injury related to the war effort and not otherwise adequately provided for: *Provided*, That in making provision for insurance under this subsection the Administrator shall not provide for payments in excess of those generally provided for in comparable cases under insurance hereafter furnished under the said Subtitle—Insurance of Title II, as amended: *Provided further*, That any money paid to any person by reason of insurance provided for under this subsection shall apply in pro tanto satisfaction of the claim of such person against the United States arising from the same loss or injury. The declarations, findings, and actions of or by the Administrator under this subsection shall be final and conclusive.

SEC. 3. (a) The second proviso of section 1 of the Act of June 6, 1941 (Public Law 101, Seventy-seventh Congress), as amended, is hereby amended to read as follows: "*Provided further*, That such compensation hereunder, or advances on account thereof, 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 prior to June 30, 1943, or within six months after the first such deposit with the Treasurer and publication of notice thereof in the Federal Register, whichever date is later, 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 requisition 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 any decree in said suit shall be paid out of the first and all subsequent deposits of compensation; 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."

(b) The Administrator, War Shipping Administration, may determine at any time prior to the payment in full or deposit in full with the Treasurer of the United States, or the payment or deposit of 75 per centum, of just compensation therefor that the ownership of any vessel (the title to which has been requisitioned pursuant to section 902 of the Merchant Marine Act, 1936, as amended, or the Act of June 6, 1941 (Public Law 101, Seventy-seventh Congress)), is not required by the United States, and after such determination has been made and notice thereof has been published in the Federal Register, the use rather than the title to such vessel shall be deemed

54 Stat. 689.
46 U. S. C., Supp.
II, §§ 1128-1128g.
Ante, p. 47; *post*,
pp. 50, 51.

Limitation.

Application of pay-
ments.

Finality of actions.

Emergency acquisi-
tion of vessels.
55 Stat. 242.
46 U. S. C., Supp.
II, note prec. § 1101.
Manner of pay-
ment.

Suit in admiralty.

41 Stat. 525.
46 U. S. C. § 742.

Change of title re-
quisition to use requisition.

49 Stat. 2015; 55
Stat. 242.
46 U. S. C. § 1242;
Supp. II, note prec.
§ 1101.
Post, pp. 49, 51.
Supra.

to have been requisitioned for all purposes as of the date of the original taking: *Provided, however,* That no such determination shall be made with respect to any vessel after the expiration of a period of two months after the date of delivery of such vessel pursuant to title requisition except with the consent of the owner. Except as provided by Executive Order Numbered 9001-A, December 27, 1941, such a determination may be made by the Administrator, War Shipping Administration, with respect to any vessel title to which has been requisitioned pursuant to the Act of June 6, 1941 (Public Law 101, Seventy-seventh Congress), and which vessel thereafter has been lost or destroyed or converted to naval or military use by the United States, upon owner's consent and certification by the Secretary of State that understanding had been reached between the United States and the diplomatic representatives of the country of which the owner of such vessel was a national, that such title requisition instead of requisition for use was necessitated by the circumstances existing at the date of requisitioning, but that such vessel should be returned after the termination of the national emergency declared by the President on May 27, 1941.

(c) In the event that a vessel the title or use and possession of which is requisitioned or taken pursuant to section 902 of the Merchant Marine Act, 1936, as amended, or the Act of June 6, 1941 (Public Law 101, Seventy-seventh Congress), is in the custody of any court, State or Federal, it shall be the duty of all agents and officers of the court having possession, custody, or control of said vessel, forthwith upon the filing with the clerk of said court of a certified copy of the order of requisitioning or taking, and without further order of the court, to comply with said requisitioning or taking and to permit the representatives of the United States Maritime Commission or the War Shipping Administration, as the case may be, to take possession, custody, and control of said vessel.

(d) Section 902 of the Merchant Marine Act, 1936, as amended, is hereby amended by adding at the end of subsection (d) thereof a paragraph to read as follows:

"The existence of any valid claim by way of mortgage or maritime claim or attachment lien upon such vessel shall not prevent the taking thereof pursuant to this section: *Provided, however,* That in the event any such claim exists the United States Maritime Commission may in its discretion deposit such portion of the compensation hereunder, or advances on account thereof, as may equal but not exceed the amount of such claims in respect of the vessel, 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 prior to June 30, 1943, or within six months after the first such deposit with the Treasurer and publication of notice thereof in the Federal Register, whichever date is later, 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 any decree in said suit shall be paid out of the first and all subsequent deposits of compensation; and such suit shall be commenced

1 CFR, 1941 Supp., p. 332.

55 Stat. 242.
46 U. S. C., Supp. II, note prec. § 1101.
Ante, p. 48; *post*, p. 51.

55 Stat. 1647.
60 U. S. C., Supp. II, app., note prec. § 1.
Requisitioned vessel in custody of court.

49 Stat. 2015; 55 Stat. 242.
46 U. S. C. § 1242; Supp. II, note prec. § 1101.
Infra, *Ante*, p. 48; *post*, p. 51.

53 Stat. 1256.
46 U. S. C. § 1242 (d).

Valid claims against requisitioned vessels.

Manner of payment.

Suit in admiralty.

41 Stat. 525.
46 U. S. C. § 742.

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."

56 Stat. 215.
46 U. S. C., Supp.
II, § 1128b.

Compensation for
servicing insurance.

(e) (1) The second sentence of section 223 of Subtitle—Insurance of Title II of the Merchant Marine Act, 1936, as amended (Public Law 523, Seventy-seventh Congress), is amended by inserting before the period at the end thereof a comma and the following: "but the Commission may allow fair and reasonable compensation to any company authorized to do an insurance business in any State of the United States for servicing insurance written by such company as an underwriting agent for the Commission, and such compensation may include an allowance for expenses reasonably incurred by such agent but such expenses shall not include any commission paid by such agent in excess of 5 per centum of the premiums in respect of such insurance".

Commissions.

(2) The last sentence of such section 223 is amended by striking out the clause in parentheses, and by inserting before the period at the end of such sentence a comma and the following: "but in no case shall such allowance to the carrier provide for payment by the carrier of commissions in excess of 5 per centum of the premiums paid for that portion of the direct insurance so reinsured".

56 Stat. 215.
46 U. S. C., Supp.
II, § 1128c (a).

Ante, p. 47; *post*,
p. 51.

(f) Section 224 (a) of Subtitle—Insurance of Title II of the Merchant Marine Act, 1936, as amended (Public Law 523, Seventy-seventh Congress), is amended by striking out the words "section 222" and inserting in lieu thereof the words "sections 222 and 229" and by inserting after the word "subtitle" and before the comma following such word the words "or in section 10 of the Merchant Marine Act, 1920, as amended".

41 Stat. 992.
46 U. S. C. § 869.

56 Stat. 215.
46 U. S. C., Supp.
II, § 1128d.

Interpleader in
insurance suits against
U. S.

(g) Section 225 of Subtitle—Insurance of Title II of the Merchant Marine Act, 1936, as amended (Public Law 523, Seventy-seventh Congress), is amended by adding at the end thereof the following: "All persons having or claiming to have an interest in such insurance, or who it is believed might assert such an interest, may be made parties to such suit, either initially or upon the motion of either party. In any case where the Commission acknowledges the indebtedness of the United States on account of such insurance, and there may be a dispute as to the person or persons entitled to receive payment, the United States may bring an action in the nature of a bill of interpleader against the persons having or claiming to have an interest in such insurance, or who it is believed might assert such an interest, in the District Court of the United States for the District of Columbia, or in the district court in and for the district in which any such person resides. In either of such actions any person claiming to have an interest in such insurance, or who it is believed might assert such an interest, if not an inhabitant of or found within the district within which either of such actions is brought, may be brought in by order of the court to be served personally or by publication or in such other reasonable manner as the court may direct, and if it be shown to the satisfaction of the court that persons unknown might assert a claim on account of such insurance, the court may direct service upon such persons unknown by publication in the Federal Register. Judgment in any such action shall discharge the United States from further liability to any parties to such action, and to all persons where service by publication upon persons unknown is directed by the court. The procedure herein provided shall apply

Service upon per-
sons in interest.

Discharge of lia-
bility.

to all actions now pending against the United States under the provisions of this subtitle, as amended.”

(h) Section 226 (f) of Subtitle—Insurance of Title II of the Merchant Marine Act, 1936, as amended (Public Law 523, Seventy-seventh Congress), is amended by adding at the end thereof a new paragraph to read as follows:

56 Stat. 216.
46 U. S. C., Supp.
II, § 1128e (f).

“(3) The term ‘risks of war’ shall include those losses which, in accordance with commercial practice prevailing from time to time, are excluded from marine insurance coverage under ‘free of capture and seizure’ clauses or clauses analogous thereto.”

“Risks of war.”

(i) Subtitle—Insurance of Title II of the Merchant Marine Act, 1936, as amended (Public Law 523, Seventy-seventh Congress), is amended by adding at the end thereof a section to read as follows:

54 Stat. 689.
46 U. S. C., Supp.
II, §§ 1128-1128g.
Ante, pp. 47, 50:
supra.
Insurance against
certain legal liabilities.

“Sec. 229. In addition to the insurance functions authorized by the other sections of this subtitle, the War Shipping Administration may insure directly, or may reinsure in whole or in part any company authorized to do business in any State in the United States and which shall insure directly, any person who shall perform services or provide facilities for or with respect to any American or foreign flag vessel, public or private, or any naval vessel of a foreign government against legal liabilities (except liability to employees in respect of employer’s liability and workmen’s compensation) that may be incurred by such person in connection with the performance of such services or the providing of such facilities, whenever in the opinion of the Administrator, War Shipping Administration, such insurance or reinsurance is required in the prosecution of the war effort and cannot be obtained at reasonable rates or upon reasonable conditions from approved companies authorized to do an insurance business in any State of the United States.”

(j) The clause in parentheses in the first sentence of section 3 (b) of the Act of June 6, 1941, as amended (Public Law 101, Seventy-seventh Congress), is amended to read as follows: “(including any interest or liability of the owner, charterer, or agent)”.

55 Stat. 244.
46 U. S. C., Supp.
II, note prec. § 1101.

(k) The second sentence of section 4 of such Act of June 6, 1941, is amended by inserting after the words “national defense” and before the semicolon a comma and the following: “and when so chartered or operated may be insured as provided in said section 3”.

55 Stat. 244.
46 U. S. C., Supp.
II, note prec. § 1101.

SEC. 4. The United States shall, with respect to vessels owned by or chartered to the War Shipping Administrator under bareboat charter or time charter or operated directly by such Administrator or for his account, be entitled to the benefits of all exemptions and of all limitations of liability accorded by law to the owners of vessels. With respect to any such vessel, the term “the United States” shall include agents or other persons acting for or on behalf of the Administrator in connection with the operation thereof.

Right of U. S. to
exemptions, etc.

“The United
States.”

SEC. 5. The provisions of section 1 (a) of this Act shall remain in force until the termination of title 1 of the First War Powers Act, 1941. The termination of the provisions of such section shall not affect any act done or any right accruing or accrued, or any suit or proceeding had or commenced in any cause before such termination, but all rights and liabilities under law as modified by such provisions shall continue, and may be enforced in the same manner as if such provisions had not terminated. The authority conferred upon the United States Maritime Commission by any provision of this Act shall be vested in and exercised by the Administrator of the War Shipping Administration in conformity with the Executive order of February 7, 1942 (Numbered 9054; 7 F. R. 837), as heretofore or hereafter amended.

Duration of § 1 (a).
Ante, p. 45.
55 Stat. 838, 841.
50 U. S. C., Supp.
II, app. §§ 601-605, 621.

Exercise of authority.

Approved March 24, 1943.