

*Provided*, That no part of the funds herein authorized to be appropriated shall be available for compensation in connection with the establishment of a noncotton zone in any county unless and until the live pink bollworm is found within such county or within a radius of five miles thereof: *Provided further*, That such loss as to noncotton zones established by the State of Texas shall be determined as provided for in existing statutes of that State, and similarly by similar statutes which may later be provided by other States concerned, and that in estimating such loss due account shall be taken of the value of other crops which may be produced on said land, so that the loss shall not exceed the difference in return to the farmer from cotton over such other crops: *Provided further*, That such determination of actual and necessary loss shall be subject to the review and approval of the Secretary of Agriculture: *And provided further*, That no reimbursement shall be made with respect to any farmer who has not complied in good faith with all of the quarantine and control regulations prescribed by said Secretary of Agriculture and such State relative to the pink bollworm: *And provided further*, That the appropriation herein authorized shall be available only for compensation for the crop of 1928 unless the State in which any noncotton zone is established shall thereafter appropriate and pay a sum in each year equal to the amount expended in such State by the United States under this authorization.

Approved, May 21, 1928.

*Provisos.*  
Not available unless live bollworm be found in county, etc.

Determination of loss in Texas as provided by laws thereof.

Similar legislation by other States.

Subject to approval of Secretary.

Compliance with all quarantine regulations required.

Available only for crop of 1928.  
Post, p. 1216.

**CHAP. 666.**—Joint Resolution Authorizing the president and fellows of Harvard College to erect on public grounds in the District of Columbia a monument to Major General Artemas Ward.

*Resolved by the Senate and House of Representatives of the United State of America in Congress assembled*, That the Director of Public Buildings and Public Parks of the National Capital be, and he hereby is, authorized and directed to select a suitable site and to grant permission to the president and fellows of Harvard College to erect, as a gift to the people of the United States, on public grounds of the United States in the city of Washington, District of Columbia, a monument in memory of Major General Artemas Ward commemorative of the services rendered by him to his country during the war of Independence: *Provided*, That the site chosen and the design of the memorial shall be approved by the Commission of Fine Arts, that it shall be erected under the supervision of the Director of Public Buildings and Public Parks of the National Capital, and that the United States shall be put to no expense in or by the erection of the monument.

Approved, May 21, 1928.

May 21, 1928.  
[H. J. Res. 263.]  
[Pub. Res., No. 48.]

Major General Artemas Ward.  
Monument authorized to be erected to, in District of Columbia.

*Proviso.*  
Approval of site and design.

No Federal expense.

**CHAP. 675.**—An Act To further develop an American merchant marine, to assure its permanence in the transportation of the foreign trade of the United States, and for other purposes.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled*,

May 22, 1928.  
[S. 744.]  
[Public, No. 463.]

Merchant Marine Act, 1923.

## TITLE I—DECLARATION OF POLICY

Sec. 1. The policy and the primary purpose declared in section 1 of the Merchant Marine Act, 1920 [U. S. C., Title 46, § 861], are hereby confirmed.

Policy of former Act confirmed.  
Vol. 41, p. 988.  
U. S. Code, p. 1537.

## TITLE II—SHIPPING BOARD VESSELS

Shipping Board, ves-  
sels.

Sales by the Board.

## SALES BY BOARD

Restrictions on.

SEC. 201. The United States Shipping Board shall not sell any vessel or any line of vessels except when in its judgment the building up and maintenance of an adequate merchant marine can be best served thereby, and then only upon the affirmative vote of five members of the board duly recorded.

Remodeling and im-  
proving.

## REMODELING AND IMPROVING

Vessels of United  
States to be remodeled  
etc.Vol. 41, p. 993, Vol.  
43, p. 468.  
U. S. Code, p. 1539.

SEC. 202. In addition to its power to recondition and repair vessels under section 12 of the Merchant Marine Act, 1920, as amended [U. S. C., Title 46, § 871], the board may remodel and improve vessels owned by the United States and in its possession or under its control, so as to equip them adequately for competition in the foreign trade of the United States. Any vessel so remodeled or improved shall be documented under the laws of the United States and shall remain documented under such laws for not less than five years from the date of the completion of the remodeling or improving and so long as there remains due the United States any money or interest on account of such vessel, and during such period it shall be operated only on voyages which are not exclusively coastwise.

Documenting, etc.

Replacements.

## REPLACEMENTS

Recommendations to  
Congress as to new  
vessels required in for-  
eign trade.

SEC. 203. The necessity for the replacement of vessels owned by the United States and in the possession or under the control of the board and the construction for the board of additional up-to-date cargo, combination cargo and passenger, and passenger ships, to give the United States an adequate merchant marine, is hereby recognized, and the board is authorized and directed to present to Congress from time to time, recommendations setting forth what new vessels are required for permanent operation under the United States flag in foreign trade, and the estimated cost thereof, to the end that Congress may, from time to time, make provision for replacements and additions. All vessels built for the board shall be built in the United States, and they shall be planned with reference to their possible usefulness as auxiliaries to the naval and military services of the United States.

Construction to be in  
United States.Construction loan  
fund.

## TITLE III—CONSTRUCTION LOAN FUND

Terms and condi-  
tions of loans.

## TERMS AND CONDITIONS OF LOANS

Vol. 44, p. 1451,  
amended.  
U. S. Code, p. 1539.  
Ante, p. 586.Revenues from sales,  
etc., of board to be set  
aside for fund.  
Post, p. 889.

SEC. 301. (a) Section 11 of the Merchant Marine Act, 1920, as amended [U. S. C., Title 46, § 870; 44 Statutes at Large, pt. 2, 1451], is amended to read as follows:

"SEC. 11. (a) That the board may set aside, out of the revenues from sales, including proceeds of securities consisting of notes, letters of credit, or other evidences of debt, taken by it for deferred payments on purchase money from sales by the board, whether such securities are to the order of the United States, the United States Shipping Board, the United States Shipping Board Emergency Fleet Corporation, or the United States Shipping Board Merchant Fleet Corporation, either directly or by indorsement, until the amounts thus set aside from time to time aggregate \$125,000,000. The amount thus set aside shall be known as the construction loan fund. The board may use such fund to the extent it thinks proper, upon such terms as the board may prescribe, in making loans to aid persons citizens of the United States in the construction by them in private shipyards or navy yards in the United States of vessels of

Aggregate amount.

Loans from, to citi-  
zens for ship construc-  
tion in United States of  
best type, equipment,  
etc.

the best and most efficient type for the establishment or maintenance of service on lines deemed desirable or necessary by the board, provided such vessels shall be fitted and equipped with the most modern, the most efficient, and the most economical engines, machinery, and commercial appliances; or in the outfitting and equipment by them in private shipyards or navy yards in the United States of vessels already built, with engines, machinery, and commercial appliances of the type and kind mentioned; or in the reconditioning, remodeling, or improvement by them in private shipyards or navy yards in the United States of vessels already built.

“(b) The term ‘vessel’ or ‘vessels’, where used in this section, shall be construed to mean a vessel or vessels to aid in whose construction, equipment, reconditioning, remodeling, or improvement, a loan is made from the construction loan fund of the board. All such vessels shall be documented under the laws of the United States and shall remain documented under such laws for not less than twenty years from the date the loan is made, and so long as there remains due the United States any principal or interest on account of such loan.

“(c) No loan shall be made for a longer time than twenty years. If it is not to be repaid within two years from the date when the first advance on the loan is made by the board, the principal shall be payable in equal annual installments to be definitely prescribed in the instruments. The loan may be paid at any time, on thirty days’ written notice to the board, with interest computed to date of payment.

“(d) All such loans shall bear interest at rates as follows, payable not less frequently than annually: During any period in which the vessel is operated exclusively in coastwise trade, or is inactive, the rate of interest shall be as fixed by the board, but not less than 5¼ per centum per annum. During any period in which the vessel is operated in foreign trade the rate shall be the lowest rate of yield (to the nearest one-eighth of 1 per centum) of any Government obligation bearing a date of issue subsequent to April 6, 1917 (except postal-savings bonds), and outstanding at the time the loan is made by the board, as certified by the Secretary of the Treasury to the board upon its request. The board may prescribe rules for determining the amount of interest payable under the provisions of this paragraph.

“(e) No loan shall be for a greater sum than three-fourths the cost of the vessel or vessels to be constructed or than three-fourths the cost of the reconditioning, remodeling, improving, or equipping hereinbefore authorized for a vessel already built.

“(f) The board shall require such security as it shall deem necessary to insure the completion of the construction, reconditioning, remodeling, improving, or equipping of the vessel within a reasonable time and the repayment of the loan with interest; when the construction, reconditioning, remodeling, improving, or equipping of the vessel is completed the security shall include a preferred mortgage on the vessel, complying with the provisions of the Ship Mortgage Act, 1920 [U. S. C., Title 46, Chap. 25], which mortgage shall contain appropriate covenants and provisions to insure the proper physical maintenance of the vessel, and its protection against liens for taxes, penalties, claims, or liabilities of any kind whatever, which might impair the security for the debt. It shall also contain any other covenants and provisions the board may prescribe, including a provision for the summary maturing of the entire debt, for causes to be enumerated in the mortgage.

Outfitting in American yards of vessels already built, with engines, etc.

Reconditioning, etc., in private or navy yards.

Term of “vessel” construed to be one aided by loan.

Vol. 43, p. 467, amended.

Documenting for twenty years under United States laws.

Time limit for loans. Vol. 43, p. 467, amended.

Installment intervals.

Payment in full allowed.

Interest rates.

While in coastwise trade, or inactive.

Vol. 43, p. 468, amended.

In foreign trade.

Limit of loans.

Security for completion and repayments.

Preferred mortgage on completion of vessel.

Vol. 41, p. 1000. U. S. Code, p. 1543.

Additional covenants to be prescribed.

Insurance against all insurable risks required.

“(g) The board shall also require and the security furnished shall provide that the owner of the vessel shall keep the same insured against loss or damage by fire, and against marine risks and disasters, and against any and all other insurable risks the board specifies, with such insurance companies, associations, or underwriters, and under such forms of policies, and to such an amount, as the board may prescribe or approve; such insurance shall be made payable to the board and/or to the parties, as interest may appear. The board is authorized to enter into any agreement that it deems wise in respect to the payment and for the guaranty of premiums of insurance.”

Premium payments agreements.

Prior loans not disturbed.  
Vol. 41, p. 993.

(b) Section 11 of the Merchant Marine Act, 1920, as in force immediately prior to the enactment of this Act, shall remain in force in respect of all loans made before the enactment of this Act.

Increase of loan fund.

#### INCREASE OF CONSTRUCTION LOAN FUND

Additional appropriation of \$250,000,000 authorized for.  
*Ante*, p. 586.  
*Post*, pp. 889, 910.

SEC. 302. (a) There is authorized to be appropriated, to be credited to and for the purposes of the construction loan fund created by section 11 of the Merchant Marine Act, 1920, as amended, such amounts as will, when added to the amounts credited to such fund by the United States Shipping Board under authority of law (exclusive of repayments on loans from the fund), make the aggregate of the amounts credited to such fund (exclusive of such repayments) equal to \$250,000,000.

No further credit to the fund.

(b) When \$250,000,000 has been credited to such fund (whether by the board under authority of law or from appropriations authorized by this section, but exclusive of repayments on loans from the fund) then no further sums (except such repayments) shall be credited by the board to such fund.

To be a revolving fund.

(c) The construction loan fund shall continue to be a revolving fund. Repayments on loans from the fund shall be credited to the fund, but interest on such loans shall be covered into the Treasury as miscellaneous receipts.

Ocean mail service.

#### TITLE IV.—OCEAN MAIL SERVICE

Scope of title.

##### SCOPE OF TITLE

All mails between ports, excluding Canadian, to be carried on contract vessels.

SEC. 401. All mails of the United States carried on vessels between ports (exclusive of ports in the Dominion of Canada other than ports in Nova Scotia) between which it is lawful under the navigation laws for a vessel not documented under the laws of the United States to carry merchandise shall, if practicable, be carried on vessels in respect of which a contract is made under this title.

Requirements of Postal Service.

##### REQUIREMENTS OF POSTAL SERVICE

Postmaster General to certify to Board what ocean mail routes be established between ports now served by foreign vessels.

SEC. 402. As soon as practicable after the enactment of this Act, and from time to time thereafter, it shall be the duty of the Postmaster General to certify to the United States Shipping Board what ocean mail routes, in his opinion, should be established and/or operated for the carrying of mails of the United States between ports (exclusive of ports in the Dominion of Canada other than ports in Nova Scotia) between which it is lawful under the navigation laws for a vessel not documented under the laws of the United States to carry merchandise, distributed so as equitably to serve the Atlantic, Mexican Gulf, and Pacific coast ports, the volume of mail then moving over such routes and the estimated volume thereof during the next five years, the times deemed by him advisable for the departure of the vessels carrying such mails, and other

Distribution, etc.

requirements necessary to provide an adequate postal service between such ports.

RECOMMENDATIONS BY SHIPPING BOARD

SEC. 403. The board shall, as soon as practicable after receipt of such certification from the Postmaster General, determine and certify to him the type, size, speed, and other characteristics of the vessels which should be employed on each such route, the frequency and regularity of their sailings, and all other facts which bear upon the capacity of the vessels to meet the requirements of the service stated by the Postmaster General. The board in making its determination shall take into consideration the desirability of having the mail service performed by vessels constructed in accordance with the latest and most approved types, with modern improvements and appliances.

Recommendations by Board.

Determination of type, etc., of vessels, sailings, etc.

Latest and most approved types, etc.

AUTHORITY TO MAKE CONTRACTS

SEC. 404. The Postmaster General is authorized to enter into contracts with citizens of the United States whose bids are accepted, for the carrying of mails between ports (exclusive of ports in the Dominion of Canada other than ports in Nova Scotia) between which it is lawful under the navigation laws for a vessel not documented under the laws of the United States to carry merchandise. He shall include in such contracts such requirements and conditions as in his best judgment will insure the full and efficient performance thereof and the protection of the interests of the Government. Performance under any such contract shall begin not more than three years after the contract is let, and the term of the contract shall not exceed ten years.

Contracts.

Postmaster General may make, with American citizens for carrying foreign mails.

Requirements and conditions.

Term, etc.

VESSELS

SEC. 405. (a) The vessels employed in ocean mail service under a contract made under this title shall be steel vessels, shall be steam or motor vessels, and shall be either (1) American-built and registered under the laws of the United States during the entire time of such employment, or (2) registered under the laws of the United States not later than February 1, 1928, and so registered during the entire time of such employment, or (3) actually ordered and under construction for the account of citizens of the United States prior to February 1, 1928, and registered under the laws of the United States during the entire time of such employment.

Vessels.

Steel vessels.

American built and registered.

Registered not later than February 1, 1928.

Under construction for American citizens.

(b) A vessel for the services of which a contract is entered into under authority of this title, and the construction of which is hereafter begun, shall be either (1) a vessel constructed, according to plans and specifications approved by the Secretary of the Navy, with particular reference to economical conversion into an auxiliary naval vessel, or (2) a vessel which will be otherwise useful to the United States in time of national emergency.

Construction hereafter with reference to use by the Navy.

Useful in national emergency.

(c) From and after the enactment of this Act, all licensed officers of vessels documented under the laws of the United States, as now required by law, shall be citizens of the United States; from and after the enactment of this Act and for a period of four years, upon each departure from the United States of a vessel employed in ocean mail service under this title, one-half of the crew (crew including all employees of the ship other than officers) shall be citizens of the United States and, thereafter, two-thirds of the crew as above defined shall be citizens of the United States.

Licensed officers to be American citizens.

Citizenship of crew.

Advertising for bids.

ADVERTISING FOR BIDS

Public notice in daily newspapers of specified cities.

SEC. 406. Before making any contract for carrying ocean mails under this title the Postmaster General shall give public notice by advertisement once a week for three weeks in such daily newspapers as he shall select in each of the cities of Boston, New York, Philadelphia, Baltimore, New Orleans, Charleston, Norfolk, Savannah, Jacksonville, Galveston, Houston, and Mobile, calling for bids for carrying of such ocean mails; or when the proposed service is to be on the Pacific Ocean then in Los Angeles, San Francisco, Portland, Tacoma, and Seattle. Such notice shall describe the proposed route, the time when such contract will be made, the number of trips a year, the schedule required, the time when the service shall commence, the character of the vessels required, and all other information deemed by the Postmaster General to be necessary to inform prospective bidders as to the character of the service to be required.

For Pacific Ocean service.

Contents of notice.

Awarding contracts.

AWARDING CONTRACTS

Lowest qualified bidder accepted.

SEC. 407. Each contract for the carrying of ocean mails under this title shall be awarded to the lowest bidder who, in the judgment of the Postmaster General, possesses such qualifications as to insure proper performance of the mail service under the contract.

Classification of vessels.

CLASSIFICATION OF VESSELS

Determined by speed and tonnage.

SEC. 408. (a) The vessels employed in ocean mail service under this title shall be divided into classes as follows:

Class 7.

Class 7. Vessels capable of maintaining a speed of 10 knots at sea in ordinary weather, and of a gross registered tonnage of not less than 2,500 tons.

Class 6.

Class 6. Vessels capable of maintaining a speed of 10 knots at sea in ordinary weather, and of a gross registered tonnage of not less than 4,000 tons.

Class 5.

Class 5. Vessels capable of maintaining a speed of 13 knots at sea in ordinary weather, and of a gross registered tonnage of not less than 8,000 tons.

Class 4.

Class 4. Vessels capable of maintaining a speed of 16 knots at sea in ordinary weather, and of a gross registered tonnage of not less than 10,000 tons.

Class 3.

Class 3. Vessels capable of maintaining a speed of 18 knots at sea in ordinary weather, and of a gross registered tonnage of not less than 12,000 tons.

Class 2.

Class 2. Vessels capable of maintaining a speed of 20 knots at sea in ordinary weather, and of a gross registered tonnage of not less than 16,000 tons.

Class 1.

Class 1. Vessels capable of maintaining a speed of 24 knots at sea in ordinary weather, and of a gross registered tonnage of not less than 20,000 tons.

Classification may be based on speed without regard to tonnage on particular routes.

(b) The classification of a vessel may be based upon its speed without regard to its tonnage if the Postmaster General is of opinion that speed is especially important on the particular route on which the vessel is to be employed, and that a suitable vessel documented under the laws of the United States of a higher classification is not available on reasonable terms and conditions, or, on account of the character of the ports served or for other reasons, can not be safely or economically employed on such route.

Compensation under contracts.

COMPENSATION UNDER CONTRACTS

Rates.

SEC. 409. (a) The rate of compensation to be paid under this title for ocean-mail service shall be fixed in the contract. Such rate

shall not exceed: For vessels of Class 7, \$1.50 per nautical mile; for vessels of Class 6, \$2.50 per nautical mile; for vessels of Class 5, \$4 per nautical mile; for vessels of Class 4, \$6 per nautical mile; for vessels of Class 3, \$8 per nautical mile; for vessels of Class 2, \$10 per nautical mile; and for vessels of Class 1, \$12 per nautical mile. As used in this section the term "nautical mile" means 6,080 feet.

(b) When the Postmaster General is of opinion that the interests of the postal service will be served thereby, he may, in the case of a vessel of class 1 capable of maintaining a speed in excess of 24 knots at sea in ordinary weather, contract for the payment of compensation in excess of the maximum compensation authorized in subsection (a), but the compensation per nautical mile authorized by this subsection shall not be greater than an amount which bears the same ratio to \$12 as the speed which such vessel is capable of maintaining at sea in ordinary weather bears to 24 knots.

(c) If the Postmaster General is of opinion that to expedite and maintain satisfactory service under a contract made under this title, airplanes or airships are required to be used in conjunction with vessels, he may allow additional compensation, in amounts to be determined by him, on account of the use of such airplanes or airships. Such airplanes or airships shall be American-built and owned, officered, and manned by citizens of the United States.

(d) The Postmaster General shall determine the number of nautical miles by the shortest practicable route between the ports involved and payments under any contract made under this title shall be made for such number of miles on each outward voyage regardless of the actual mileage traveled.

Extra pay for class I vessels maintaining excess speed.

Airplane or airship service allowance.

Conditions.

Determining miles between ports.

VIOLATION OF CONTRACTS

SEC. 410. In the case of failure of a vessel from any cause to perform any regular voyage required by a contract made under this title, a pro rata deduction shall be made from the contract price on account of such omitted voyage; and suitable deductions, to be determined by the Postmaster General, may be made from the compensation payable under the contract for delays, failures to properly safeguard the mails, or other irregularities in the performance of the contract. Deductions so determined upon shall be deducted by the Postmaster General from the payments otherwise due and payable under the terms of the contract. The Postmaster General may, in case of emergency, permit the substitution for a particular voyage of a vessel not within the provisions of the contract, even though not conforming to the requirements of section 405.

Violation of contracts.

Deductions to be made for failure to perform regular voyage, etc.

PASSENGERS, FREIGHT, AND EXPRESS

SEC. 411. Any vessel operating under a contract made under this title may carry passengers and their baggage, and freight and express, and may do all ordinary business done by similar vessels.

Passengers, freight, and express.

Contract vessels may carry.

NAVAL OFFICERS

SEC. 412. Naval officers of the United States on the active list may volunteer for service on any vessel employed in mail service under a contract made under the provisions of this title, and when accepted by the owner or master thereof may be assigned to such duty by the Secretary of the Navy. While in such employment such officers shall receive from the Government half pay, exclusive of allowances, and such other compensation from the owner or master as may be agreed upon by the parties; but such officers while in such employment shall be required to perform only such duties as appertain to the merchant marine.

Naval officers.

On active list may volunteer for service on mail vessels.

Compensation, etc.

Mail messengers.

## MAIL MESSENGERS

Transportation, etc., of, on contract vessels.

SEC. 413. Upon each vessel employed in ocean mail service under a contract made under this title, the Postmaster General shall be entitled to have transported such mail messengers as he may require, for whom shall be provided subsistence, suitable staterooms, and working quarters, all free of charge.

Amendments and repeals.

## AMENDMENTS AND REPEALS

Vol. 41, p. 998, amended.

U. S. Code, p. 1541.  
Mails to be shipped on American vessels.

SEC. 414. (a) Section 24 of the Merchant Marine Act, 1920 [U. S. C., Title 46, § 880], is amended to read as follows:

"SEC. 24. That all mails of the United States shipped or carried on vessels shall, if practicable, be shipped or carried on American-built vessels documented under the laws of the United States. No contract hereafter made with the Postmaster General for carrying mails on vessels so built and documented shall be assigned or sublet, and no mails covered by such contract shall be carried on any vessel not so built and documented. No money shall be paid out of the Treasury of the United States on or in relation to any such contract for carrying mails on vessels so built and documented when such contract has been assigned or sublet or when mails covered by such contract are in violation of the terms thereof carried on any vessel not so built and documented. This section shall not be applicable in the case of contracts made under Title IV of the Merchant Marine Act, 1928."

Contract assignments, etc., forbidden.

No payment on assigned contracts.

Not applicable to contracts under this Act.

Act, p. 693.

Allowance of former rates repealed.

Vol. 41, p. 991, amended.

U. S. Code, p. 1633.

(b) Section 7 of the Merchant Marine Act, 1920 [U. S. C., Title 46, § 866], is amended by striking out so much thereof as reads as follows: "The Postmaster General is authorized, notwithstanding the Act entitled 'An Act to provide for ocean mail service between the United States and foreign ports, and to promote commerce,' approved March 3, 1891, to contract for the carrying of the mails over such lines at such price as may be agreed upon by the board and the Postmaster General."

Ocean mail service Act of 1891, repealed.

Vol. 26, pp. 830-832, repealed.

U. S. Code, pp. 1274, 1275.

(c) The Act entitled "An Act to provide for ocean mail service between the United States and foreign ports, and to promote commerce," approved March 3, 1891 [U. S. C., Title 39, §§ 657-665], is repealed.

Contracts for carry-mails to Great Britain, repealed.

Vol. 39, p. 1066, repealed.

U. S. Code, p. 1275.

(d) So much of the Act entitled "An Act making appropriations for the service of the Post Office Department for the fiscal year ending June 30, 1918, and for other purposes," approved March 3, 1917, as provides for contracts for the carrying of mails between the United States and Great Britain [U. S. C., Title 39, § 666], is repealed.

Contract transportation.

R. S. sec. 4009, p. 774 amended.

Vol. 44, p. 900, amended.

Compensation not limited to specified contracts.

R. S. sec. 4007, p. 774.

Vol. 41, p. 998.

U. S. Code, pp. 1274, 1541.

Act, p. 693.

(e) Subdivision (b) of section 4009 of the Revised Statutes, as amended [44 Statutes at Large, pt. 2, 900], is amended to read as follows:

"(b) The provisions of subdivision (a) of this section shall not limit the compensation for transportation of mail which the Postmaster General may pay under contracts entered into in accordance with the provisions of section 4007 of the Revised Statutes [U. S. C., Title 39, § 652], section 24 of the Merchant Marine Act, 1920 [U. S. C., Title 46, § 880], or Title IV of the Merchant Marine Act, 1928."

Prior contracts continued.

(f) Any contract made prior to the enactment of this Act shall remain in force and effect in the same manner and to the same extent as though this Act had not been enacted. Any such contract which expires on June 30, 1928, may be extended for a period of not more than one year from such date.

TITLE V—INSURANCE FUND

Insurance fund.

SEC. 501. Section 10 of the Merchant Marine Act, 1920 [U. S. C., Title 46, § 869], is amended to read as follows:

Vol. 41, p. 992, amend ed. U. S. Code, p. 1536.

“SEC. 10. That the board may create out of insurance premiums, and revenue from operations and sales, and maintain and administer separate insurance funds which it may use to insure in whole or in part against all hazards commonly covered by insurance policies in such cases, any legal or equitable interest of the United States (1) in any vessel constructed or in process of construction; and (2) in any plants or property in the possession or under the authority of the board. The United States shall be held to have such an interest in any vessel toward the construction, reconditioning, remodeling, improving, or equipping of which a loan has been made under the authority of this Act, in any vessel upon which it holds a mortgage or lien of any character, or in any vessel which is obligated by contract with the owner to perform any service in behalf of the United States, to the extent of the Government’s interest therein.”

Authorized for Government interest in vessels, plants, etc.

Extent of interest stated.

TITLE VI—TRANSPORTATION OF GOVERNMENT OFFICIALS

Transportation of Government officials.

SEC. 601. Any officer or employee of the United States traveling on official business overseas to foreign countries, or to any of the possessions of the United States, shall travel and transport his personal effects on ships registered under the laws of the United States when such ships are available, unless the necessity of his mission requires the use of a ship under a foreign flag: *Provided*, That the Comptroller General of the United States shall not credit any allowance for travel or shipping expenses incurred on a foreign ship in the absence of satisfactory proof of the necessity therefor.

Use of American ships when traveling to foreign countries.

*Proviso.* Proof of necessity required for travel on foreign ships.

TITLE VII—MISCELLANEOUS

AUTHORIZATION OF APPROPRIATIONS

SEC. 701. The appropriations necessary to carry out the provisions and accomplish the purposes of this Act are hereby authorized.

Appropriations authorized.

REQUISITION OF VESSELS

Requisition of vessels.

SEC. 702. (a) The following vessels may be taken and purchased or used by the United States for national defense or during any national emergency declared by proclamation of the President:

For national defense.

(1) Any vessel in respect of which, under a contract hereafter entered into, a loan is made from the construction loan fund created by section 11 of the Merchant Marine Act, 1920, as amended—at any time until the principal and interest of the loan has been paid; and

Vessels under contract from loan fund.

*Ante*, p. 690.

(2) Any vessel in respect of which an ocean mail contract is made under Title IV of this Act—at any time during the period for which the contract is made.

Ocean mail contract vessels.

(b) In such event the owner shall be paid the fair actual value of the vessel at the time of taking, or paid the fair compensation for her use based upon such fair actual value; but in neither case shall such fair actual value be enhanced by the causes necessitating the taking. In the case of a vessel taken and used, but not purchased, the vessel shall be restored to the owner in a condition at least as good as when taken, less reasonable wear and tear, or the owner shall be paid an amount for reconditioning sufficient to place the vessel in such condition. The owner shall not be paid for any consequential damages arising from such taking and purchase or use.

Compensation, if bought.

Used, but not purchased.

No consequential damages.

Certification of amount to Congress.

(c) The President shall ascertain the fair compensation for such taking and purchase or use and shall certify to Congress the amount so found by him to be due, for appropriation and payment to the person entitled thereto. If the amount found by the President to be due is unsatisfactory to the person entitled thereto, such person shall be entitled to sue the United States for the amount of such fair compensation and such suit shall be brought in the manner provided by paragraph 20 of section 24 or by section 145 of the Judicial Code, as amended [U. S. C., Title 28, §§ 41, 250].

Suit if amount unsatisfactory.

Vol. 36, pp. 1093, 1136.  
U. S. Code, pp. 867, 897.

Definitions.

#### DEFINITIONS

Meaning of "foreign trade."

SEC. 703. (a) When used in this Act, and for the purposes of this Act only, the words "foreign trade" mean trade between the United States, its Territories or possessions, or the District of Columbia and a foreign country: *Provided, however,* That the loading or the unloading of cargo, mail, or passengers at any port in any territory or possession of the United States shall be construed to be foreign trade if the stop at such territory or possession is an intermediate stop on what would otherwise be a voyage in foreign trade.

*Proviso.*  
Loading or unloading at any port in any territory, construed as foreign trade.

Inclusion of corporation, etc., as "citizen of the United States."

(b) When used in this Act the term "citizen of the United States" includes 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 [U. S. C., Title 46, § 802].

Vol. 41, p. 1008.  
U. S. Code, p. 1530.

Reaffirmation of policy.

#### REAFFIRMATION OF POLICY

Vol. 41, p. 991.  
U. S. Code, p. 1538.

SEC. 704. The policy and the primary purpose declared in section 7 of the Merchant Marine Act, 1920 [U. S. C., Title 46, § 866], are hereby reaffirmed.

Ship operations.

#### SHIP OPERATIONS

Allocation of service among various ports.

SEC. 705. In the allocations of the operations of the ships, the Shipping Board shall distribute them as far as possible and without detriment to the service among the various ports of the country.

Short title.

#### SHORT TITLE

Merchant Marine Act, 1928.

SEC. 706. This Act may be cited as the "Merchant Marine Act, 1928".

Approved, May 22, 1928.

May 22, 1928.  
[S. 1829.]

[Public, No. 464.]

CHAP. 676.—An Act To authorize the collection, in monthly installments, of indebtedness due the United States from enlisted men, and for other purposes.

Army.  
Indebtedness of enlisted men may be deducted in monthly installments from pay rolls.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That under such regulations as the Secretary of War shall prescribe, when it has been administratively ascertained that an enlisted man of the Army is indebted to the United States or any of its instrumentalities, the amount of such indebtedness may be collected in monthly installments by deduction from his pay on current pay rolls: *Provided,* That the aggregate sum of such deductions for any month shall not exceed two-thirds of the soldier's rate of pay for that month: *And provided further,* That whenever any part of the pay of a soldier for a certain month shall have been legally forfeited by sentence of court-martial, or otherwise legally authorized to be withheld, then no deduction under this Act shall be so applied as to reduce the actual pay received by the soldier for that month below one-third

*Provisos.*  
Aggregate deduction from month's pay, limited.

Limitation, if pay forfeited by court martial sentence, etc.