

and that receipts from such reimbursements shall be deposited as refunds to the appropriation from which paid, in the manner provided for in section 524, Tariff Act of 1930, as amended (U. S. C., 1946 edition, title 19, sec. 1524).

Approved June 12, 1951.

46 Stat. 741.

Public Law 47

CHAPTER 123

AN ACT

To amend the Civil Aeronautics Act of 1938, as amended, and for other purposes.

June 14, 1951  
[S. 435]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Civil Aeronautics Act of 1938, as amended (U. S. C., title 49, secs. 401-581), is hereby amended by adding at the end thereof the following new title:

Civil Aeronautics Act, 1938, amendments. 52 Stat. 977.

“TITLE XIII—WAR RISK INSURANCE

“SEC. 1301. As used in this title—

“(a) The term ‘American aircraft’ means ‘civil aircraft of the United States’ as defined in section 1 (15) of this Act, and any aircraft owned or chartered by or made available to the United States, or any department or agency thereof, or the government of any State, Territory, or possession of the United States, or any political subdivision thereof, or the District of Columbia.

Definitions. 49 U. S. C. § 401.

“(b) The term ‘war risks’ includes, to such extent as the Secretary may determine, all or any part of those risks which are described in ‘free of capture and seizure’ clauses, or analogous clauses.

“(c) The term ‘Secretary’ means the Secretary of Commerce.

“(d) The terms ‘insurance company’ and ‘insurance carrier’ in sections 1305 (a) and (b) and in section 1307 (d) shall include any mutual or stock insurance company, reciprocal insurance association, and any group or association authorized to do an aviation insurance business in any state of the United States.

Post, pp. 66, 67.

“SEC. 1302. (a) The Secretary, with the approval of the President, and after such consultation with interested agencies of the Government as the President may require, may provide insurance and reinsurance against loss or damage arising out of war risks in the manner and to the extent provided in this title, whenever it is determined by the Secretary that such insurance adequate for the needs of the air commerce 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: *Provided*, That no insurance shall be issued under this title to cover war risks on persons or property engaged or transported exclusively in air commerce within the several States of the United States and the District of Columbia.

Authority to provide insurance.

Restriction.

“(b) Any insurance or reinsurance issued under any of the provisions of this title shall be based, insofar as practicable, upon consideration of the risk involved.

“SEC. 1303. The Secretary may provide the insurance and reinsurance, authorized by section 1302 with respect to the following persons, property, or interest:

“(a) American aircraft, and those foreign-flag aircraft engaged in aircraft operations deemed by the Secretary to be in the interest of the national defense or the national economy of the United States, when so engaged.

Aircraft.

Cargoes.	“(b) Cargoes transported or to be transported on any such aircraft, including shipments by express or registered mail; air cargoes owned by citizens or residents of the United States, its Territories, or possessions; air cargoes imported to, or exported from, the United States, its Territories, or possessions and air cargoes sold or purchased by citizens or residents of the United States, its Territories, or possessions, under contracts of sale or purchase by the terms of which the risk of loss by war risks or the obligation to provide insurance against such risks is assumed by or falls upon a citizen or resident of the United States, its Territories, or possessions; air cargoes transported between any point in the United States and any point in a Territory or possession of the United States, between any point in any such Territory or possession and any point in any other such Territory or possession, or between any point in any such Territory or possession and any other point in the same Territory or possession.
Personal effects.	“(c) The personal effects and baggage of the captains, pilots, officers, members of the crews of such aircraft, and of other persons employed or transported on such aircraft.
Loss of life, etc.	“(d) Captains, pilots, officers, members of the crews of such aircraft, and other persons employed or transported thereon against loss of life, injury, or detention.
Liabilities of aircraft, etc.	“(e) Statutory or contractual obligations or other liabilities of such aircraft or of the owner or operator of such aircraft of the nature customarily covered by insurance.
Government departments or agencies.	“SEC. 1304. (a) Any department or agency of the United States may, with the approval of the President, procure from the Secretary any of the insurance provided under this title, except with respect to valuables covered by sections 1 and 2 of the Act of July 8, 1937 (50 Stat. 479).
5 U. S. C. §§ 134, 134a.	
Insurance without premium. Indemnity agreement.	“(b) The Secretary is authorized with such approval to provide such insurance at the request of the Secretary of Defense, and such other agencies as the President may prescribe, without premium in consideration of the agreement of the Secretary of Defense or such agency to indemnify the Secretary against all losses covered by such insurance, and the Secretary of Defense and such other agencies are authorized to execute such indemnity agreement with the Secretary.
Reinsurance of insurance companies.	“SEC. 1305. (a) To the extent that he is authorized by this title to provide insurance, the Secretary may reinsure, in whole or in part, any company authorized to do an insurance business in any State of the United States. The Secretary may reinsure with, or cede or retrocede to, any such company, any insurance or reinsurance provided by the Secretary in accordance with the provisions of this title.
Rates.	“(b) Reinsurance shall not be provided by the Secretary at rates less than nor obtained by the Secretary at rates more than the rates established by the Secretary on the same or similar risks or the rates charged by the insurance carrier for the insurance so reinsured, whichever is most advantageous to the Secretary, except that the Secretary may make to the insurance carrier such allowances for expenses on account of the cost of services rendered or facilities furnished as he deems reasonable to accord with good business practice, but such allowance to the carrier shall not provide for any payment by the carrier on account of solicitation for or stimulation of insurance business.
Revolving fund. Deposits and payments.	“SEC. 1306. (a) Moneys appropriated by Congress to carry out the provisions of this title and all moneys received from premiums, salvage, or other recoveries and all receipts in connection with this title shall be deposited in a revolving fund in the Treasury of the United States. Payments of return premiums, losses, settlements, judgments, and all liabilities incurred by the United States under this title shall be made from such funds through the disbursing facilities of the Treasury Department.

“(b) Such sums as shall be necessary to carry out the provisions of this title are authorized to be appropriated to such fund.

Appropriation authorized.

“(c) At least annually, any balance in the revolving fund in excess of an amount determined by the Secretary to be necessary for the requirements of the fund, and for reasonable reserves to maintain the solvency of the fund shall be paid into the Treasury as miscellaneous receipts.

Excess balance in revolving fund.

“(d) Annual payments shall be made by the Secretary to the Treasury of the United States as miscellaneous receipts by reason of costs incurred by the Government through the employment of appropriated funds by the Secretary in carrying out the provisions of this title. These payments shall be computed by applying to the average monthly balance of appropriated funds retained in the revolving fund a percentage determined annually in advance by the Secretary of the Treasury. Such percentage shall not be less than the current average rate which the Treasury pays on its marketable obligations.

Annual payments to U. S. Treasury.

Computation.

“(e) The Secretary shall contribute to the Civil Service Retirement and Disability Fund, on the basis of annual billings as determined by the Civil Service Commission, for the Government’s share of the cost of the Civil Service Retirement System applicable to the employees engaged in carrying out the provisions of this title. The Secretary shall also contribute to the employees’ compensation fund, on the basis of annual billings as determined by the Secretary of Labor for the benefit payments made from such fund on account of the employees engaged in carrying out the provisions of this title. The annual billings shall also include a statement of the fair portion of the cost of the administration of the respective funds, which shall be paid by the Secretary into the Treasury as miscellaneous receipts.

Contributions to Civil Service Retirement and Disability Fund, etc.

“SEC. 1307. (a) The Secretary, in the administration of this title, may issue such policies, rules, and regulations as he deems proper and, subject to the following provisions of this subsection, may adjust and pay losses, compromise and settle claims, whether in favor of or against the United States and pay the amount of any judgment rendered against the United States in any suit, or the amount of any settlement agreed upon, in respect of any claim under insurance authorized by this title. In the case of any aircraft which is insured under the provisions of this title, (1) the policy shall specify a stated amount to be paid in the event of total loss, and such stated amount shall not exceed an amount determined by the Secretary, after consultation with the Civil Aeronautics Board, to represent the fair and reasonable value of the aircraft, and (2) the amount of any claim which is adjusted, compromised, settled, adjudged, or paid shall in no event exceed such stated amount.

Issuance of policies, etc.

“(b) The Secretary may prescribe and change forms and policies, and fix, adjust, and change the amounts insured and rates of premium provided for in this title: *Provided*, That with respect to policies in effect at the time any such change is made, such change shall apply only with the consent of the insured.

“(c) The Secretary, in administering this title, may exercise his powers, perform his duties and functions, and make his expenditures, in accordance with commercial practice in the aviation insurance business. Except as authorized in subsection (d) of this section, no insurance broker or other person acting in a similar intermediary capacity shall be paid any fee or other consideration by the Secretary by virtue of his participation in arranging any insurance wherein the Secretary directly insures any of the risk thereof.

Restriction on fees.

“(d) The Secretary may, and whenever he finds it practical to do so shall, employ companies or groups of companies authorized to do an aviation insurance business in any State of the United States, to act as his underwriting agent. The Secretary may allow such companies

Employment of underwriting agent.

or groups of companies fair and reasonable compensation for servicing insurance written by such companies or groups of companies as underwriting agent for the Secretary. The services of such underwriting agents may be utilized in the adjustment of claims under insurance provided by this title, but no claim shall be paid unless and until it has been approved by the Secretary. Such compensation may include an allowance for expenses reasonably incurred by such agent, but such allowance shall not include any payment by such agent on account of solicitation for or stimulation of insurance business.

Services of Government agencies.

“(e) The Secretary with the consent of any executive department, independent establishment, or other agency of the Government, including any field service thereof, may avail himself of the use of information, services, facilities, officers, and employees thereof in carrying out the provisions of this title.

Annual budget program.

“(f) The Secretary, in the performance of, and with respect to, the functions, powers, and duties vested in him by this title, shall prepare annually and submit a budget program as provided for wholly owned Government corporations by the Government Corporation Control Act as amended (59 Stat. 597; 31 U. S. C. 841). The Secretary shall maintain an integral set of accounts which shall be audited annually by the General Accounting Office in accordance with principles and procedures applicable to commercial transactions as provided by the said Government Corporation Control Act: *Provided*, That because of the business activities authorized by this title, the Secretary may exercise the powers conferred in said title, perform the duties and functions, and make expenditures required in accordance with commercial practice in the aviation insurance business, and the General Accounting Office shall allow credit for such expenditures when shown to be necessary because of the nature of such authorized activities.

Auditing of accounts.

Rights of airmen.

“SEC. 1308. This title shall not affect rights of airmen under existing law.

Reports to Congress.

“SEC. 1309. The Secretary shall include in his annual report to Congress a detailed statement of all activities and of all expenditures and receipts under this title for the period covered by such report and in addition make quarterly progress reports to the Congress with reference to contracts entered into, proposed contracts, and the general progress of his insurance activities.

Claims suits.

“SEC. 1310. Upon disagreement as to a loss insured under this title, suit may be maintained against the United States in the United States District Court for the District of Columbia or in the United States district court in and for the district in which the claimant or his agent resides, notwithstanding the amount of the claim and any provision of existing law as to the jurisdiction of United States district courts, and this remedy shall be exclusive of any other action by reason of the same subject matter against any agent or employee of the United States employed or retained under this title. If the claimant has no residence in the United States, suit may be brought in the United States District Court for the District of Columbia or in any other United States district court in which the Attorney General of the United States agrees to accept service. The procedure in such suits shall otherwise be the same as that provided for suits in the district courts by title 28, United States Code, section 1346 (a) (2), so far as applicable. All persons having or claiming or who might have an interest in such insurance may be made parties either initially or upon the motion of either party. In any case where the Secretary acknowledges the indebtedness of the United States on account of such insurance, and there is a dispute as to the persons entitled to receive

62 Stat. 933.

payment, the United States may bring an action in the nature of a bill of interpleader against such parties, in the United States District Court for the District of Columbia, or in the United States district court of the district in which any such person resides. In such actions any party, if not a resident of or found within the district, may be brought in by order of court served in such reasonable manner as the court directs. If the court is satisfied that persons unknown might assert a claim on account of such insurance, it may direct service upon such persons unknown by publication in the Federal Register. Judgment in any such suit shall discharge the United States from further liability to any parties to such action, and to all persons when service by publication upon persons unknown is directed by the court. The period within which suits may be commenced contained in said Act providing for bringing of suits against the United States shall, if claim be filed therefor within such period, be suspended from such time of filing until the claim shall have been administratively denied by the Secretary and for sixty days thereafter: *Provided, however,* That such claim shall be deemed to have been administratively denied if not acted upon within six months after the time of filing, unless the Secretary for good cause shown shall have otherwise agreed with the claimant.

"SEC. 1311. A person having an insurable interest in an aircraft may, with the approval of the Secretary, insure with other underwriters in an amount in excess of the amount insured with the Secretary, and, in that event, the Secretary shall not be entitled to the benefit of such insurance, but nothing in this section shall prevent the Secretary from entering into contracts of coinsurance.

Insurance with other underwriters.

"SEC. 1312. The authority of the Secretary to provide insurance and reinsurance under this title shall expire five years from the date of enactment of this title."

Expiration of authority.

SEC. 2. Section 1 of the Civil Aeronautics Act of 1938, as amended, is hereby amended as follows:

52 Stat. 977.  
49 U. S. C. § 401.

(1) Paragraph (20) (a) of such section is amended by striking out "(except the Philippine Islands)".

(2) Paragraph (21) (a) of such section is amended by striking out "(except the Philippine Islands)".

(3) Paragraph (29) of such section is amended by striking out "(c) the Philippine Islands, except that the operation of civil aircraft within the jurisdiction of the Philippine Islands shall be governed by laws enacted by the legislature of the islands and by executive regulations designating air-space reservations or other prohibited areas; and (d)" and inserting in lieu thereof "and (c)".

Approved June 14, 1951.

## Public Law 48

## CHAPTER 138

### AN ACT

To furnish emergency food aid to India.

June 15, 1951  
[S. 872]

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That this Act may be cited as the "India Emergency Food Aid Act of 1951".

India Emergency Food Aid Act of 1951.

SEC. 2. Notwithstanding any other provisions of law, the Administrator for Economic Cooperation is authorized and directed to provide emergency food relief assistance to India on credit terms as