

was executed, shall be cancelled, and such vessel or vessels shall cease to have any rights or privileges of vessels of the United States; but if any such contract shall have been partly performed by the building, completion, and registry of any such new vessel or vessels the registration of such foreign-built vessel or vessels shall be cancelled, and such vessel or vessels deprived of the rights and privileges of vessels of the United States only to the extent of the proportionate failure to build, complete, and register the amount of tonnage of the new vessel or vessels required by this section. The provisions of this section shall not affect the liability of the signers of the bond provided for herein, and all earned and unpaid compensation in respect of any vessel or vessels the registry of which shall be so cancelled shall be forfeited to the United States. But if it shall happen that any of such new vessels shall, without any fault or want of diligence on the part of the obligors in such bond, fail to be built and registered as required by this section the Secretary of the Treasury shall extend the time of the performance of the conditions of such bond for such period or periods as shall appear to him to be just, and in that case the right of such obligors shall be the same as if the performance of the condition of such bond had occurred within the said five years. The Secretary of the Treasury is hereby empowered to decide upon principles of justice and equity which vessel or vessels of a fleet of the same owner or owners shall be the vessel or vessels to be deprived of registry as aforesaid.

Sec. 8. That no further or other inspection shall be required for such foreign-built steamship or steamships than is now required for foreign steamships carrying passengers under the existing laws of the United States; and a special certificate of inspection shall be issued for each foreign-built steamship registered under this Act; and before issuing the registry for any such steamship as a vessel of the United States the Collector of Customs of the proper collection district shall cause such steamship to be measured and described in accordance with the laws of the United States, which measurement and description shall be recited in the certificate of registry to be issued under this Act, after which such vessel shall be entitled to all the rights and privileges of vessels of the United States as provided for in section one of this Act, except that it shall not be employed in the coasting trade of the United States, including the trade between the Atlantic and Gulf ports and the Pacific coast ports thereof.

Sec. 9. That the compensation earned under the provisions of this Act by any foreign-built vessel or vessels registered as vessels in the United States, as provided in section seven of this Act, shall be retained by the Secretary of the Treasury until the American owner or owners of such vessel or vessels shall have fulfilled the conditions of the bond provided for in said section seven: Provided that, as each new vessel built according to the conditions of the said bond shall be completed and registered as a vessel of the United States, the owner or owners of such new vessel shall receive compensation out of such compensation retained under this Act, from the date of the registry of such foreign vessel or vessels, on a tonnage in a proportion equal to double the amount of the gross tonnage of the new vessel or vessels aforesaid; and the compensation thereafter earned by such foreign-built vessel or vessels shall be retained only in the same proportion applied to the total gross tonnage of the new vessel or vessels remaining to be built, completed, and registered as provided in this Act.

Sec. 10. That the compensation applicable to the service of the existing vessels of the United States provided for in this Act, other than as conditioned in section seven of this Act, shall be allowed and paid only on the condition precedent that the owner or owners of any such now existing vessel or vessels claiming such compensation shall have given bond to the United States in the penal sum of twenty-five thousand dollars (but the Secretary of the Treasury may, in the case of vessels not exceeding two thousand gross tons, receive a bond for these purposes for such smaller sum as shall to him appear just), with surety to the satisfaction of the Secretary of the Treasury, conditioned that such owner or owners will, within five years next after the giving of such bond, make, in good faith and with responsible parties, a contract or contracts, as the case may be, for the building in the United States of another vessel or other vessels, as the case may be, of an aggregate gross tonnage at least equal to twenty-five per centum of the tonnage of the vessel or vessels so now existing in respect of which such compensation shall be claimed. The provisions of this section shall not affect the rights of the owners of the vessels mentioned in section four of this Act.

Sec. 11. That all the vessels, excepting those provided for in section four of this Act, receiving compensation under this Act shall, when required so to do by the Secretary of the Treasury or the Secretary of the Navy, as the case may be, carry on each foreign voyage as a member of the ship's company one American boy under twenty-one years of age, and suitable for such employment, for each one thousand tons gross registered tonnage; which boys shall be taught in the duties of seamanship, or engineering, or other maritime knowledge, as the case may be, respectively, and receive such pay for their services as shall be reasonable.

Sec. 12. That any and every of such vessels so admitted to American registry or so built, as in this Act provided, may be taken or employed and used by the United States as cruisers or transports at any time; and in every such case the owner or owners of any such vessel or vessels so taken or employed shall be paid the fair value thereof, if taken, at the time of the taking, and, if employed, shall be paid the fair value of such use. And if there shall be a disagreement as to such fair value the question of the valuation shall be submitted to and determined by three impartial appraisers, one to be appointed pursuant to the regulations provided for in section thirteen of this Act, one by the owner or owners of the vessel, and one as next stated. The appraisers so appointed shall, before they proceed to act, select a third appraiser, who shall form one of the appraisal board. The decision of a majority of said board shall be final and effective.

Sec. 13. That the President of the United States shall from time to time cause to be made, by the proper heads of departments, regulations for the due execution of the provisions of this Act.

Sec. 14. That all vessels receiving compensation under this Act shall carry mails of the United States free of charge if required to do so, and no vessel shall be entitled to compensation