

Public Law 87-877

October 24, 1962
[H. R. 11586]

AN ACT

To amend section 502 of the Merchant Marine Act, 1936, as amended, and for other purposes.

Merchant Marine
Act, 1936, amend-
ment.
52 Stat. 956.
Construction
differential sub-
sidy.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 502(b) of the Merchant Marine Act, 1936, as amended (46 U.S.C. 1152(b)), is hereby further amended to read as follows:

“(b) The amount of the reduction in selling price which is herein termed ‘construction differential subsidy’ may equal, but not exceed, the excess of the bid of the shipbuilder constructing the proposed vessel (excluding the cost of any features incorporated in the vessel for national defense uses, which shall be paid by the Secretary in addition to the subsidy), over the fair and reasonable estimate of cost, as determined by the Secretary, of the construction of the proposed vessel if it were constructed under similar plans and specifications (excluding national defense features as above provided) in a foreign shipbuilding center which is deemed by the Secretary to furnish a fair and representative example for the determination of the estimated foreign cost of construction of vessels of the type proposed to be constructed. The construction differential approved and paid by the Secretary shall not exceed 55 per centum of the construction cost of the vessel, except that in the case of reconstruction or reconditioning of a passenger vessel having the tonnage, speed, passenger accommodations and other characteristics set forth in section 503 of this Act, the construction differential approved and paid shall not exceed 60 per centum of the reconstruction or reconditioning cost (excluding the cost of national defense features as above provided): *Provided, however,* That after June 30, 1964, the construction differential approved by the Secretary shall not exceed in the case of the construction, reconstruction or reconditioning of any vessel, 50 per centum of such cost. When the Secretary finds that the construction differential in any case exceeds the foregoing applicable percentage of such cost, the Secretary may negotiate and contract on behalf of the applicant to construct, reconstruct, or recondition such vessel in a domestic shipyard at a cost which will reduce the construction differential to such applicable percentage or less. In the event that the Secretary has reason to believe that the bidding in any instance is collusive, he shall report all of the evidence on which he acted (1) to the Attorney General of the United States, and (2) to the President of the Senate and to the Speaker of the House of Representatives if the Congress shall be in session or if the Congress shall not be in session, then to the Secretary of the Senate and Clerk of the House, respectively.”

SEC. 2. (a) The Merchant Marine Act, 1936 (49 Stat. 1985), is amended by striking out subsection (d) of section 502: *Provided, however,* That the repeal of subsection (d) of section 502 of the Merchant Marine Act, 1936, shall not be effective with respect to contracts for new ship construction under title V of said Act awarded on the basis of bids opened prior to the date of the enactment of this Act.

(b) Section 509 of the Merchant Marine Act, 1936 (46 U.S.C. 1159), is amended by striking out “: *And provided,* That in case a vessel is to be constructed under this section for an applicant who has as his principal place of business a place on the Pacific coast of the United States” and all that follows in that section down through and including “maintains his principal place of business at any place on the Pacific coast.” and insert in lieu thereof a period.

46 USC 1153.

46 USC 1152.

46 USC 1151-
1161.

49 Stat. 2000.

(c) Section 213 of the Merchant Marine Act, 1936, as amended (46 U.S.C. 1123), is amended by striking out "a report" and inserting in lieu thereof "reports" and by striking out "as soon as practicable".

49 Stat. 1991.

(d) Paragraph (c) of said section 213 is amended by striking out the period at the end thereof and adding the following "; reports under this paragraph shall be made annually on the first day of July of each year."

(e) The first sentence of subsection (f) of section 502 of the Merchant Marine Act, 1936, as amended (46 U.S.C. 1152), is amended by striking out "periodically" and inserting in lieu thereof "at least once each year".

52 Stat. 957.

(f) The second sentence of subsection (f) of section 502 of the Merchant Marine Act, 1936, as amended (46 U.S.C. 1152), is amended (1) by striking out the words ", with the approval of the President," and (2) by striking out "existing inadequacy" and inserting in lieu thereof "existing or impending inadequacy".

SEC. 3. The Act entitled "An Act to amend title V of the Merchant Marine Act, 1936, in order to change the limitation of the construction differential subsidy under such title, and for other purposes", approved July 7, 1960 (74 Stat. 362), is amended by inserting at the end thereof a new section as follows:

"SEC. 4. No official or employee of the United States Government nor any member of their immediate families may accept directly or indirectly free or at a reduced rate passenger travel or carriage of personal property on any ship sailing under a flag other than that of the United States. This restriction shall not apply to persons injured in accidents at sea and physicians and nurses attending such persons, and persons rescued at sea, and this restriction shall not apply to persons referred to in section 405(b) of the Merchant Marine Act, 1936, as amended (46 U.S.C. 1145(b)), relating to steamship companies carrying the mails of the United States. Any person who knowingly violates this section shall upon conviction thereof be fined not less than \$500 nor more than \$10,000 at the discretion of the courts for each such violation."

SEC. 4. (a) During the one-year period which begins on the date of enactment of this Act, the provisions of section 27 of the Merchant Marine Act, 1920 (46 U.S.C. 883) shall be suspended with respect to the transportation of lumber to the Commonwealth of Puerto Rico from any ports or terminal areas in the United States whenever the Secretary of Commerce, after notice and opportunity for hearing, determines that there is no domestic vessel reasonably available to serve between such ports or terminal areas for the transportation of such lumber. Such determination shall be made within 45 days after application for suspension and shall be final and conclusive and no other official or any court of the United States shall have power or jurisdiction to review any such determination. Upon making the determination provided for in this section, the Secretary of Commerce shall establish such terms, conditions, and regulations with respect to operations under such suspension as he determines to be in the national interest.

49 Stat. 442.

(b) Any suspension under the provisions of this Act shall terminate whenever the Secretary of Commerce determines that conditions required in the subsection (a) of this section for such suspension no longer exist, or upon the expiration of the one-year period which begins on the date of enactment of this Act, whichever first occurs.

(c) No Federal laws shall apply to any water carrier because of operations under a suspension provided for in this Act if such laws did not apply to such carrier prior to such suspension.

Effective date.

SEC. 5. The amendment made by the first section of this Act shall be effective only with respect to contracts entered into with respect to (a) the construction of a vessel the keel of which was laid after June 30, 1959, or (b) the reconstruction or reconditioning of a vessel the shipyard contract for which was entered into after June 30, 1959, and the Secretary may, with the consent of the parties thereto, modify any such contract entered into prior to the date of the enactment of this Act to the extent authorized by the amendment made by this Act.

Approved October 24, 1962.

Public Law 87-878

AN ACT

October 24, 1962
[H. R. 12820]

To validate the coverage of certain State and local employees in the State of Arkansas under the agreement entered into by such State pursuant to section 218 of the Social Security Act, and for other purposes.

Social security.
Coverage valida-
tion.
64 Stat. 514.
42 USC 418.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for purposes of the agreement under section 218 of the Social Security Act entered into by the State of Arkansas, where employees of an integral unit of a political subdivision of the State of Arkansas have in good faith been included under the State's agreement as a coverage group on the basis that such integral unit of a political subdivision was a political subdivision, then such unit of the political subdivision shall, for purposes of section 218(b)(2) of such Act, be deemed to be a political subdivision, and employees performing services within such unit shall be deemed to be a coverage group, effective with the effective date specified in such agreement or modification of such agreement with respect to such coverage group and ending with the last day of the year in which this Act is enacted.

70 Stat. 826.

SEC. 2. Section 218(p) of the Social Security Act is amended by inserting "Maine," after "Kansas,".

Tariff Act of
1930, amend-
ment.
19 USC 1001,
par. 1518.

SEC. 3. (a) Paragraph 1518(a) of the Tariff Act of 1930 is amended—

(1) by striking out "when bleached, 50 per centum ad valorem;"; and

(2) by striking out "or other material above mentioned, shall be subject to the rate of duty provided in this paragraph for such materials" and inserting in lieu thereof "or other material above mentioned, or wholly or in chief value of any bleached natural grasses, grains, leaves, plants, shrubs, herbs, trees, or parts thereof provided for in paragraph 1722, shall be subject to the rate of duty provided for such materials".

19 USC 1201,
par. 1722.

(b) Paragraph 1722 of the Tariff Act of 1930 is amended by striking out "and" before "seaweeds", and by inserting before the period at the end of such paragraph the following: "; and natural grasses, grains, leaves, plants, shrubs, herbs, trees, and parts thereof, not specially provided for, not further advanced than bleached".

Effective
date.

SEC. 4. The amendments made by section 3 of this Act shall apply to articles entered, or withdrawn from warehouse, for consumption, after the date of the enactment of this Act.

Approved October 24, 1962.