

Public Law 86-575

AN ACT

To authorize the exchange of certain war-built vessels for more modern and efficient war-built vessels owned by the United States.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 510 of the Merchant Marine Act, 1936, is amended by adding a new subsection as follows:

“(i) In order to improve the type and suitability of vessels operating in the domestic and foreign commerce of the United States, and to further the policies of this Act, the Secretary of Commerce is authorized (subject to the provisions of this subsection) to acquire at any time within five years from the date of enactment of this Act war-built vessels (which are defined for purposes of this subsection as oceangoing vessels of one thousand five hundred gross tons or over which were constructed or contracted for by the United States shipyards during the period beginning September 8, 1939, and ending September 2, 1945) in exchange for more modern or efficient war-built vessels owned by the United States. Such exchanges shall be subject to the following conditions:

“(1) The traded-in vessels shall have been owned and operated without subsidy under title VI of this Act by a citizen or citizens of the United States, and documented under the laws of the United States, for at least three years immediately prior to the date of the exchange.

“(2) The fair and reasonable value of the traded-in and traded-out vessels shall be determined, as of the date of the exchange, pursuant to subsection (d) of this section.

“(3) In determining said fair and reasonable value the Secretary shall consider the cost of placing the vessels in class with respect to hull and machinery, and, with respect to any traded-out vessels of the military type, the cost of reconverting and restoring such vessels for normal operation in commercial service. The Secretary of Commerce shall consult with and obtain the approval of the Defense Department before any vessel of a military type is traded out under the provisions of this subsection. In determining the value of the traded-in vessel or vessels the Secretary may take into consideration the cost to the owner of compliance with subparagraph (8), clauses (A) and (B), of this subsection.

“(4) The value of the traded-out vessel which is in excess of the value of the traded-in vessel or vessels shall be paid in cash at the time of the exchange. No payments shall be made by the United States to the owner of a traded-in vessel in connection with any exchange under this subsection.

“(5) A contract shall be entered into under this subsection by any person acquiring a traded-out vessel, which shall provide (A) that in the event the United States shall, through purchase or requisition or otherwise, reacquire ownership of said vessel, at any time within twenty years of the date of construction thereof, the owner shall be paid therefor the value thereof, but in no event shall such payment exceed the fair and reasonable exchange value determined under this subsection (together with the actual cost of capital improvements thereon) depreciated to the date of such purchase or acquisition, or the fair and reasonable scrap value of such vessel, as determined by the Secretary of Commerce, whichever is the greater; (B) that such determination shall be final; (C) that in computing the depreciated exchange value of such vessel, the depreciation shall be computed on the vessel on the schedule adopted or accepted by the Secretary of the

War-built ves-
sels.
Exchange.
53 Stat. 1183.
46 USC 1160.

Conditions.

Treasury for Federal income tax purposes as applicable to such vessel; (D) that such vessel shall remain documented under the laws of the United States for a period of at least five years after the date of the exchange, or twenty years from the date of its construction, whichever is the later date; and (E) that the foregoing conditions respecting requisition or acquisition of ownership by the United States and documentation shall run with the title to such vessel and be binding on all owners thereof. Any other conditions respecting purchase or requisition by the United States heretofore applicable by statute to any traded-out vessel are hereby made inapplicable to such vessel.

“(6) Neither subsection (e) of this section, nor the nontaxable exchange provisions of the Internal Revenue Code, shall apply to the exchange of vessels under this subsection.

“(7) Any repairs or reconversion necessary at the time of the exchange to place the traded-out vessel in class and prepare it for commercial operation shall be performed in a shipyard within the continental United States.

“(8) The owner of the traded-in vessel, at his own expense and in a manner satisfactory to the Secretary of Commerce, shall (A) effect deactivation and preparation of the traded-in vessel and its equipment for storage or layup; (B) make delivery of such vessel and its equipment at a location designated by the Secretary of Commerce; and (C) execute a bond, with one or more approved sureties, conditioned upon indemnifying the United States from all loss resulting from any lien against such vessel existing at the time of the exchange.

“(9) No tanker vessel shall be traded out under the provisions of this subsection.”

Approved July 5, 1960.

Public Law 86-576

AN ACT

To provide for the leasing of oil and gas interests in certain lands owned by the United States in the State of Texas.

July 5, 1960
[H. R. 8740]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Interior is authorized to act on behalf of the United States in providing for the exploration, development and leasing of the oil and gas deposits in any lands owned by the United States in the State of Texas to which articles 5367 and 5368 of the Revised Civil Statutes (1925) of said State are applicable and which are not excluded or excepted from the provisions of the Mineral Leasing Act for Acquired Lands (61 Stat. 913, 30 U.S.C. 351 and the following) by section 3 thereof. Sections 2-4 and 6-10, both inclusive, of the Mineral Leasing Act for Acquired Lands shall apply to leases entered into, or proposed to be entered into, under this Act. Neither the proviso to the fourth paragraph of section 17 of the Mineral Leasing Act (41 Stat. 443), as amended (30 U.S.C. 226) nor any other provision of law which would have the effect of depriving the State of Texas of the amounts to which it is entitled under section 5368 of its Revised Civil Statutes shall apply to any lease entered into, or proposed to be entered into, under this Act, and every lessee shall be required by the Secretary to pay to said State the amounts provided in said section 5368.

Approved July 5, 1960.

Oil and gas
interests.
Leasing.

30 USC 351-353,
355-359.