sideration the current average market yield on outstanding marketable obligations of the United States of comparable maturities during the month preceding the issuance of such notes or other obligations. The Secretary of the Treasury is authorized and directed to purchase any notes and other obligations to be issued hereunder and for such purpose he is authorized to use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under such Act, as amended, are extended to include any purchases of such notes and obligations. The Secretary of the Treasury may at any time sell any of the notes or other obligations acquired by him under this section. All redemptions, purchases, and sales by the Secretary of the Treasury of such notes or other obligations shall be treated as public debt transactions of the United States. Funds borrowed under this section shall be deposited in the Federal Ship Mortgage Insurance Fund and redemptions of such notes and obligations shall be made by the Secretary of Commerce from such Fund."

40 Stat. 288.
31 USC 774(2).

Approved July 15, 1958.

Public Law 85-521

AN ACT

July 15, 1958
[H. R. 11451]

To authorize the construction and sale by the Federal Maritime Board of a superliner passenger vessel equivalent to the steamship United States, and a superliner passenger vessel for operation in the Pacific Ocean, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That it is necessary, in order to carry out the merchant marine policy declared in the Merchant Marine Act, 1936, as amended, to have (a) a superliner passenger vessel equivalent to the steamship United States, to replace the steamship America for operation on an essential trade route in the North Atlantic, and (b) a superliner passenger vessel with capacity of approximately one thousand four hundred passengers for operation on an essential trade route in the Pacific Ocean. Nothing herein shall preclude the operation of either of these vessels in other areas, subject to the approval of the Federal Maritime Board. There is hereby authorized to be appropriated to the Department of Commerce such sums as may be necessary, to remain available until expended, for the construction, outfitting, and equipping of such vessels.

Superliner passenger vessels, construction.
49 Stat. 1985.
46 USC 1245.

Appropriation.

SEC. 2. Concurrently with entering into contracts with shipbuilders for the construction of said vessels, the Board is authorized to enter into contracts for the sale of the vessels, fully outfitted and equipped, upon their completion, (a) with respect to the superliner passenger vessel equivalent to the steamship United States, to the United States Lines Company, for the fixed price of $47,000,000, and (b) with respect to the superliner passenger vessel for operation in the Pacific Ocean, to the American President Lines, Limited, for the fixed price of $34,000,000, or 45 per centum of the domestic construction cost of the vessel fully outfitted and equipped (excluding national defense features and escalation) whichever is the greater. The sales prices stated herein shall include the cost of stabilizers, all outfit and equipment not covered by the shipbuilders' bids, customary architects' and interior decorators' fees for design, inspection during construction, and all escalation provided for in the shipbuilders' bids: *Provided, however*, That such prices shall be increased in an amount equal to

Sale contracts.

Prices.

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45 per centum of any net change in the cost of the vessels (other than national defense features) arising out of any changes in the bid specifications approved by the Federal Maritime Board or any changes in the usual outfitting and equipping of the vessels if such changes are requested by the purchasers and approved by the Federal Maritime Board after the enactment hereof. Terms and conditions of payment of the purchase price shall be as provided for in sections 502 (c) and 503 of the Merchant Marine Act, 1936, as amended. In order that such construction of the superliner passenger vessel equivalent to the steamship United States may be accomplished promptly, the Federal Maritime Board, in its discretion, may have such a vessel constructed, without further bidding, under outstanding bids which have hitherto been made by United States shipbuilders on a similar vessel.

Terms.
46 USC 1152, 1153.

SEC. 3. Except as otherwise provided in this Act, the construction and sale of the superliner passenger vessels authorized by this Act shall be in accordance with the provisions of the Merchant Marine Act, 1936, as amended.

"Construction differential subsidy".

SEC. 4. For the purposes of this Act the words "construction differential subsidy" used in the Merchant Marine Act, 1936, as amended, shall mean the difference between the sales price paid by the purchaser hereunder and the cost of the vessel (less national defense features) including the cost of stabilizers, all outfit and equipment not covered by the shipbuilders' bids, customary architects' and interior decorators' fees for design, inspection during construction, and all escalation provided for in the shipbuilders' bids.

Recapture provision.
46 USC 1171-1182.

SEC. 5. Any contract for an operating differential subsidy on the operation of a vessel constructed and sold under this Act shall be subject to the provisions of title VI of the Merchant Marine Act, 1936, as amended: *Provided, however*, That such contract shall provide that, if at the end of any recapture period, the net profits on the operation of such vessel for such recapture period, computed without regard to profits or losses on other vessels operated by the contractor, exceed 10 per centum per annum on a cumulative basis upon the contractor's capital necessarily employed in the operation of such vessel, as determined by the Federal Maritime Board, the contractor shall account to the United States for an amount equal to 75 per centum of such excess profits.

Approved July 15, 1958.

Public Law 85-522

July 15, 1958
[H. J. Res. 633]

JOINT RESOLUTION

To designate the lake formed by the Ferrells Bridge Dam across Cypress Creek in Texas as Lake O' the Pines.

Lake O' the Pines, Tex.
60 Stat. 651.
33 USC 701f.

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the reservoir formed by the Ferrells Bridge Dam across Cypress Creek in Texas, authorized to be constructed by section 11 of the Flood Control Act of 1946, is hereby designated as Lake O' the Pines. Any law, regulation, map, document, record, or other paper of the United States in which such reservoir is referred to shall be held to refer to such reservoir by the name of Lake O' the Pines.

Approved July 15, 1958.