to such children or at reduced cost: Provided, That such reimburse­
ment shall be made only in cases where such lunches are served to
children of families who are recipients of public assistance granted by
the government of the District of Columbia. The rate of such reim­
bursement for such lunches served by the public schools in the District
of Columbia shall be the student price of 'Type A Lunch' in effect at
the time such lunches are served. As used in this section the term
'Type A Lunch' means a Type A Lunch as defined in regulations
promulgated by the Secretary of Agriculture pursuant to authority
in the National School Lunch Act. Appropriations authorized by
this section shall be available for reimbursement of the Food Service
Fund in the amount of any agency contributions paid out of such
Fund pursuant to the provisions of section 4 (a) of the Civil Service
Retirement Act'.

Approved September 2, 1958.

Public Law 85-902

AN ACT

To amend section 27 of the Merchant Marine Act of 1920.

Be it enacted by the Senate and House of Representatives of the
United States of America in Congress assembled, That the Merchant
Marine Act, 1920, as amended (46 U. S. C. 861 and the following), is
amended by adding immediately following section 27 thereof (46
U. S. C. 883), a new section 27A reading as follows:

'Sec. 27A. Notwithstanding any other provision of law, a corpo­
nation incorporated under the laws of the United States or any State,
Territory, District, or possession thereof, shall be deemed to be a
citizen of the United States for the purposes of and within the mean­
ing of that term as used in sections 9 and 37 of the Shipping Act, 1916,
as amended (46 U. S. C. 808, 885), section 27 of the Merchant Marine
Act of 1920, as amended (46 U. S. C. 883), Revised Statutes, section
4370 (46 U. S. C. 316), and the laws relating to the documentation of
vessels, if it is established by a certificate filed with the Secretary of
the Treasury as hereinafter provided, that—

(a) a majority of the officers and directors of such corpora­
tion are citizens of the United States;

(b) not less than 90 per centum of the employees of such cor­
poration are residents of the United States;

(c) such corporation is engaged primarily in a manufactur­
ing or mineral industry in the United States or any Territory,
District, or possession thereof;

(d) the aggregate book value of the vessels owned by such
corporation does not exceed 10 per centum of the aggregate book
value of the assets of such corporation; and

(e) such corporation purchases or produces in the United
States, its Territories, or possessions not less than 75 per centum
of the raw materials used or sold in its operations

but no vessel owned by any such corporation shall engage in the
fisheries or in the transportation of merchandise or passengers for
hire between points in the United States, including Territories, Dis­
tricts, and possessions thereof, embraced within the coastwise laws,
except as a service for a parent or subsidiary corporation and except
when such vessel is under demise or bareboat charter at prevailing
rates for use otherwise than in the domestic noncontiguous trades from
any such corporation to a common or contract carrier subject to part
3 of the Interstate Commerce Act, as amended, which otherwise qualifies as a citizen under section 2 of the Shipping Act, 1916, as amended (46 U. S. C. 802), and which is not connected, directly or indirectly, by way of ownership or control with such corporation.

"As used herein (1), the term 'parent' means a corporation which controls, directly or indirectly, at least 50 per centum of the voting stock of such corporation, and (2), the term 'subsidiary' means a corporation not less than 50 per centum of the voting stock of which is controlled, directly or indirectly, by such corporation or its parent, but no corporation shall be deemed to be a 'parent' or 'subsidiary' hereunder unless it is incorporated under the laws of the United States, or any State, Territory, District, or possession thereof, and there has been filed with the Secretary of the Treasury a certificate as hereinafter provided.

"Vessels built in the United States and owned by a corporation meeting the conditions hereof which are non-self-propelled or which, if self-propelled, are of less than five hundred gross tons shall be entitled to documentation under the laws of the United States, and except as restricted by this section, shall be entitled to engage in the coastwise trade and, together with their owners or masters, shall be entitled to all the other benefits and privileges and shall be subject to the same requirements, penalties, and forfeitures as may be applicable in the case of vessels built in the United States and otherwise documented or exempt from documentation under the laws of the United States.

"A corporation seeking hereunder to document a vessel under the laws of the United States or to operate a vessel exempt from documentation under the laws of the United States shall file with the Secretary of the Treasury of the United States a certificate under oath, in such form and at such times as may be prescribed by him, executed by its duly authorized officer or agent, establishing that such corporation complies with the conditions of this section above set forth. A 'parent' or 'subsidiary' of such corporation shall likewise file with the Secretary of the Treasury a certificate under oath, in such form and at such time as may be prescribed by him, executed by its duly authorized officer or agent, establishing that such corporation complies with the conditions of this section above set forth. If any material matter of fact alleged in any such certificate which, within the knowledge of the party so swearing is not true, there shall be a forfeiture of the vessel (or the value thereof) documented or operated hereunder in respect to which the oath shall have been made. If any vessel shall transport merchandise for hire in violation of this section, such merchandise shall be forfeited to the United States. If any vessel shall transport passengers for hire in violation of this section, such vessel shall be subject to a penalty of $200 for each passenger so transported. Any penalty or forfeiture incurred under this section may be remitted or mitigated by the Secretary of the Treasury under the provisions of section 7 of title 46, United States Code.

"Any corporation which has filed a certificate with the Secretary of the Treasury as provided for herein shall cease to be qualified under this section if there is any change in its status whereby it no longer meets the conditions above set forth, and any documents theretofore issued to it, pursuant to the provisions of this section, shall be forthwith surrendered by it to the Secretary of the Treasury."

Approved September 2, 1958.