

“(7) the mortgage complies with all of the requirements of section 1104(a) of this Act (which defines an eligible mortgage) except subdivision 2 thereof (which specifies the maximum principal amount of the mortgage), subdivision 3 thereof (which specifies the maximum duration of the mortgage), and subdivision 8 thereof (which specifies the purpose of the loan secured by the mortgage);

68 Stat. 1269.
46 USC 1274.
Requirements,
compliance.

“(8) the mortgaged vessel shall be in class A-1, American Bureau of Shipping, with all required certificates, including but not limited to marine inspection certificates of the United States Coast Guard, with all outstanding requirements and recommendations necessary for retention of class accomplished, unless the Secretary of Commerce permits a deferment of such repairs, and shall be tight, staunch, strong and well and sufficiently tackled, appareled, furnished and equipped, and in every respect seaworthy and in good running condition and repair and in all respects fit for service.”

Class and certifi-
cates.

SEC. 2. Section 1104(a) (2) of the Merchant Marine Act, 1936, as amended, is amended by striking out of the proviso the words: “That in the case of a vessel, the size and speed of which are approved by the Secretary of Commerce, which is eligible for mortgage aid” and inserting in lieu thereof the words: “That in the case of a vessel, the size and speed of which are approved by the Secretary of Commerce, and which is, or in the case of a vessel to be reconstructed or reconditioned would have been, eligible for mortgage aid for construction”.

46 USC 1274.

Approved July 31, 1959.

Public Law 86-124

AN ACT

To provide for equal treatment of all State-owned hydroelectric power projects with respect to the taking over of such projects by the United States.

July 31, 1959
[S. 114]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Act entitled “An Act to facilitate the development and construction of water conservation facilities by States and municipalities, and for other purposes”, approved August 15, 1953 (Public Law 278, Eighty-third Congress, 67 Stat. 587; 16 U.S.C. 828) is hereby amended by deleting from section 3 thereof the following: “, except that the provisions of section 14 and section 4(b) shall continue to be applicable to any license issued for a hydroelectric development in the International Rapids section of the Saint Lawrence River”.

Hydroelectric
power projects.

Approved July 31, 1959.

Public Law 86-125

AN ACT

To make payments to Indians for destruction of fishing rights at Celilo Falls exempt from income tax.

July 31, 1959
[S. 1976]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the funds paid by the United States to Indian tribes, the portion of such funds subsequently distributed to members of the tribes or to trustees for or representatives of such members, and the funds paid by the United

Indians.

States directly to individual Indians, as compensation for the loss of fishing rights due to the construction, operation, and maintenance of the Dalles Dam, Columbia River, Washington and Oregon, shall not be subject to Federal or State income tax.

Approved July 31, 1959.

Public Law 86-126

July 31, 1959
[S. 175]

AN ACT

To provide transportation on Canadian vessels between ports in southeastern Alaska, and between Hyder, Alaska, and other points in southeastern Alaska, and between Hyder, Alaska, and other points in the United States outside Alaska, either directly or via a foreign port, or for any part of the transportation.

Alaska.
Transportation
on Canadian ves-
sels.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, until June 30, 1960, notwithstanding the provisions of law of the United States restricting to vessels of the United States the transportation of passengers and merchandise directly or indirectly from any port in the United States to another port of the United States, passengers may be transported on Canadian vessels between ports in southeastern Alaska, and passengers and merchandise may be transported on Canadian vessels between Hyder, Alaska, and other points in southeastern Alaska, and between Hyder, Alaska, and other points in the United States outside Alaska, either directly or via a foreign port, or for any part of the transportation, unless the Secretary of Commerce determines that United States-flag service is available to provide such transportation.

Approved July 31, 1959.

Public Law 86-127

July 31, 1959
[S. 2148]

AN ACT

To amend title XI of the Merchant Marine Act, 1936, as amended, to provide for the deposit of funds in escrow with the Secretary of Commerce, to provide for the payment of insurance, in part, on the basis of such deposits, and for other purposes.

Vessels.
Escrow fund.

52 Stat. 969.

Insurance.
Restriction.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That title XI of the Merchant Marine Act, 1936, as amended (46 U.S.C. 1271-1279), is amended as follows:

(1) By revising the proviso in section 1101(f) to read as follows: "That in no event shall the Secretary of Commerce pay as insurance under this title in respect of the unpaid balance of the principal of a mortgage or loan an amount in excess of 75 per centum, or 87½ per centum, as the case may be, of the amount paid by or for the account of the mortgagor or borrower for the construction, reconstruction, or reconditioning (including designing, inspecting, outfitting, and equipping) of such vessel, except that if the mortgagor or borrower creates an escrow fund as authorized by section 1111 of this Act, the amount that shall be paid as insurance is the interest on and the unpaid balance of the principal of such loan or mortgage."

(2) By inserting after section 1110 a new section 1111 to read as follows:

"SEC. 1111. (a) CREATION OF THE ESCROW FUND.—In connection with the insurance of loans and mortgages, which are financed by sale

Ante, p. 269.