

"In no event shall the amount of credit allowed under this subsection or subsection (d) for a traded-in tanker exceed the price paid by the owner for such tanker, plus the cost of any additions or betterments to the tanker capitalized by such owner and allowed for income-tax purposes.

"If an owner uses any tanker traded in pursuant to this section subsequent to the date of the contract for construction of a new tanker, the allowance determined shall be reduced by an amount equal to depreciation for the period of such use and computed in accordance with the schedule adopted or accepted by the Internal Revenue Service. Title to the traded-in tanker shall in all instances vest in the United States, and the allowance of credit shall be applied at the time of physical delivery of such tanker to the United States, which shall be no later than ninety days after delivery of the new tanker. The traded-in tanker shall thereupon be placed in the national defense reserve subject to the provisions of section 11 of the Merchant Ship Sales Act of 1946, as amended."

Approved August 10, 1954.

Restriction.

Title.

50 USC app. 1744.

Public Law 575

CHAPTER 665

AN ACT

To authorize the long term time chartering of tankers and the construction of tankers by the Secretary of the Navy, and for other purposes.

August 10, 1954 [S. 3458]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the Secretary of the Navy or such officer as he shall designate is authorized to enter into contracts upon such terms as the Secretary of the Navy shall determine to be in the best interests of the Government for the time charter to the Navy of not to exceed fifteen tankers not now in being for periods of not more than ten years to commence upon tender of the tankers for service after completion of construction. The Secretary of the Navy shall (1) award such contracts on a competitive basis to the lowest responsible bidder, and (2) give preference to operators who are exclusively engaged in the operation of American flag ships.

Tankers for Navy Charter.

(b) The hire stipulated with respect to any tanker in any charter party entered into under this section shall not exceed an average rate for the life of the charter party of \$5 per deadweight ton per month: *Provided*, That such average rate will not result in the recovery of more than two-thirds of the construction cost of such tanker.

Hire.

(c) No contract shall be entered into by the Secretary of the Navy pursuant to the provisions of this section unless the contractor agrees (1) that during the period of such contract he will not transfer to foreign registry any tanker owned by him at the time of entering into such contract, and (2) that the tanker or tankers contracted for shall remain under United States registry during the period in which such tanker or tankers are under charter to the United States.

U. S. registry.

(d) Any contract entered into pursuant to this section shall grant to the Secretary of the Navy an option to purchase any tanker chartered pursuant to this section at the expiration of such contract at its then depreciated value or fair market value, whichever is less, and shall contain a provision that such option shall not be exercised later than one year prior to the expiration of such contract.

Purchase option.

SEC. 2. The President is authorized to undertake the construction of not to exceed five tankers, and there is hereby authorized to be appropriated not to exceed \$37,500,000 for such purpose.

Construction. Appropriation.

Requirements.

SEC. 3. All tankers constructed pursuant to sections 1 and 2 of this Act shall be approximately twenty-five thousand deadweight tons each, shall have a speed of not less than eighteen knots, and shall be constructed in private shipyards within the continental United States. The construction of the tankers shall be, so far as practicable, of materials and equipment produced or manufactured in the United States. Not more than three tankers authorized by this Act shall be constructed in any one shipyard.

Approved August 10, 1954.

Public Law 576

CHAPTER 666

AN ACT

To amend the District of Columbia Credit Unions Act.

August 10, 1954
[S. 3683]

D. C. credit unions.
47 Stat. 327.
D. C. Code 26-504.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 4 of the District of Columbia Credit Unions Act is hereby amended by striking out "Comptroller of the Currency" and inserting in lieu thereof "Director of the Bureau of Federal Credit Unions".

D. C. Code 26-506.
Supervision. Reports.

SEC. 2. Section 6 of such Act is hereby amended to read as follows:

"SEC. 6. (a) Credit unions established under this Act shall be under the supervision of the Director of the Bureau of Federal Credit Unions. They shall make such financial reports to him (at least annually) as he may require.

Fees.

"(b) Not later than January 31 of each calendar year each credit union established under this Act shall pay to the Bureau of Federal Credit Unions, for the preceding calendar year, a supervision fee in accordance with the scale prescribed for Federal credit unions. All such fees shall be deposited with the Treasurer of the United States for the account of the Bureau in the special fund created by section 5 of the Federal Credit Union Act and may be expended by the Director for such administrative and other expenses incurred in carrying out the provisions hereof as he may determine to be proper, the purpose of such fees being to defray, as far as practical, the administrative and supervisory costs of the Bureau incident to the execution of its functions under this Act.

D. C. Code 26-505.

Examination.

"(c) Each credit union established under this Act shall be subject to examination by, and for this purpose shall make its books and records accessible to, any person designated by the Director. The scale of examination fees prescribed for Federal credit unions shall also be applicable to credit unions established under this Act which fees shall be assessed against and paid by each credit union established under this Act promptly after the completion of such examination. Examination fees collected under the provisions of this section shall be deposited to the credit of the special fund created by section 5 of the Federal Credit Union Act, and shall be available for the purposes specified in subsection (b) of this section.

Fees.

D. C. Code 26-505.

License.

"(d) It shall be unlawful for any credit union established under this Act to transact business in the District of Columbia without procuring a license from the District of Columbia; and all such credit unions shall pay a license tax of \$5 per annum to the District of Columbia. No license shall be granted for a longer period than one year: *Provided*, That the Commissioners of the District of Columbia may suspend or revoke a license upon proof of the bankruptcy or insolvency of any such credit union or upon conviction of a violation of any provision of this Act or any law or regulation of the District of Columbia or of the United States."