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for the particular trade or industry, exclusive of overtime, shall be considered in computing the rate of allowances payable under this paragraph."

SEC. 2. So much of paragraph 3 of part VII of Veterans Regulation Numbered 1 (a), as amended, as precedes the first proviso, is hereby amended to read as follows: *Ante*, p. 20.

"3. While pursuing training prescribed herein and for two months after his employability is determined, each veteran pursuing a course under this part, shall be paid a subsistence allowance of $65 per month, if without a dependent or dependents, or $90 per month, if he has a dependent or dependents: Except, That (1) each veteran pursuing a course of full-time institutional training under this part shall be paid a subsistence allowance of $75 per month, if without a dependent or dependents, or $105 per month, if he has one dependent, or $120 per month, if he has more than one dependent, and (2) each veteran enrolled in and pursuing a course of institutional on-farm training or other combination course, under this part shall be paid, subject to the limitations of this paragraph, additional subsistence allowance in an amount bearing the same relation to the difference between the basic rates and the increased rates provided in (1) hereof as the institutional training part of such course bears to a course of full-time institutional training."

SEC. 3. This Act shall take effect on the first day of April, 1948. Effective date.

Approved May 4, 1948.

[CHAPTER 256]

AN ACT

To authorize the Secretary of the Navy to provide salvage facilities, and for other purposes.

May 4, 1948
[H. R. 4490]
[Public Law 513]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Navy is hereby authorized: Navy Department. Salvage facilities.

(a) To provide, by contract or otherwise, necessary salvage facilities for both public and private vessels upon such terms and conditions as he may, in his discretion, determine to be in the best interests of the United States: *Provided*, That the proposed contracts for salvage facilities which affect the interests of the United States Maritime Commission shall be submitted to the Maritime Commission for recommendation and comment. Submission to U. S. Maritime Commission.

(b) To acquire or to transfer, by charter or otherwise, for operation by private salvage companies, such vessels and equipment as he may deem necessary.

(c) To advance to private salvage companies such funds as may, in his judgment, be necessary to provide for the immediate financing of salvage operations, these advances to be on such terms and under such conditions as he may deem adequate for the protection of the Government.

SEC. 2. (a) Term contracts for the provision of salvage facilities shall be made under section 1 (a) of this Act only (1) after the Secretary of the Navy shall have determined that existing commercial salvage facilities available are not adequate to meet the requirements for such services in the interest of the national defense, and (2) after public notice of the intention to enter into such contracts shall have been given in such manner and for such period of time as will, in the judgment of the Secretary, provide the maximum competition among commercial salvage organizations for such contracts. Term contracts.

(b) When any salvage vessel or salvage gear are sold, chartered, leased, loaned, or otherwise transferred by the Department of the Navy Agreement by private party.

to any private party, such party shall first execute an agreement with the Department of the Navy (1) under which such vessel or gear will be employed, for such period of years as the Secretary of the Navy shall deem appropriate, to support organized offshore salvage facilities, and (2) which shall contain such other provisions as the Secretary of the Navy shall deem appropriate to assure the fulfillment of such undertaking.

Settlement of claims.

SEC. 3. The Secretary of the Navy and his designees are hereby authorized to consider, ascertain, adjust, determine, compromise, or settle any claim for salvage services rendered by the Navy Department to any vessel, and moneys received as a result of the exercise of authority contained in this Act shall be credited to appropriations made for the Navy Department and the naval service for the purpose of maintaining salvage facilities by the Navy for the purposes prescribed by this Act: *Provided*, That if the total moneys received annually by the Navy pursuant to authority contained in this Act shall exceed the total annual costs incurred by the Navy in rendering and maintaining salvage service as authorized in this Act, the amount of such excess shall be covered into the Treasury as "miscellaneous receipts".

Appropriation authorized.

SEC. 4. There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, such funds, not in excess of $3,000,000 annually, as may be necessary to effectuate the purposes of this Act.

Repeal.

SEC. 5. (a) The Act entitled "An Act to authorize the Secretary of the Navy to provide salvage facilities, and for other purposes", approved October 24, 1941 (55 Stat. 745), as amended by the Act of February 10, 1942 (56 Stat. 86), is hereby repealed.

46 U. S. C. § 732 and note.

34 U. S. C. § 472.

Repeal.

(b) That portion of the Act of July 1, 1918, which is the last full paragraph appearing on page 705, volume 40, Statutes at Large, and which reads as follows: "That hereafter the Secretary of the Navy is authorized to cause vessels under his control adapted to the purpose, to afford salvage service to public or private vessels in distress: *Provided*, That when such salvage service is rendered by a vessel specially equipped for the purpose or by a tug, the Secretary of the Navy may determine and collect reasonable compensation therefor.", is hereby repealed.

Approved May 4, 1948.

[CHAPTER 257]

May 4, 1948
[H. R. 5448]
[Public Law 514]

AN ACT

To amend sections 212 (b) and 231 (d) of the Internal Revenue Code.

53 Stat. 76.
26 U. S. C. § 212 (b).

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 212 (b) of the Internal Revenue Code (relating to income of nonresident alien individuals) is hereby amended to read as follows:

"(b) EXCLUSIONS.—The following items shall not be included in gross income of a nonresident alien individual and shall be exempt from taxation under this chapter:

"(1) SHIPS UNDER FOREIGN FLAG.—Earnings derived from the operation of a ship or ships documented under the laws of a foreign country which grants an equivalent exemption to citizens of the United States and to corporations organized in the United States;

"(2) AIRCRAFT OF FOREIGN REGISTRY.—Earnings derived from the operation of aircraft registered under the laws of a foreign country which grants an equivalent exemption to citizens of the United States and to corporations organized in the United States."