

transfer to the control and jurisdiction of the Secretary of War as an addition to MacDill Field, Florida, or for use for other military purposes, the land and improvements now comprising the United States quarantine station adjoining MacDill Field, Florida.

Approved, August 13, 1940.

[CHAPTER 666]

AN ACT

To amend the Transportation Act, 1920, as amended.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled*, That title II of the Transportation Act, 1920 (41 Stat. 457), as amended, is hereby further amended by adding at the end of that title the following new section:

“SEC. 213. With respect to any bonds, notes, or other securities acquired on behalf of the United States under the provisions of this Act, including, without limitation of the foregoing, any securities acquired as an incident to a bankruptcy, receivership, or reorganization proceeding, or by assignment, transfer, substitution, or issuance, or by purchase, default, or other acquisition (whether at a foreclosure sale or otherwise) of collateral given for the payment of obligations to the United States, the President, or any officer, agent, or agency he may designate, is authorized to sell, exchange, or otherwise dispose of, any such bonds, notes, or other securities, or to enter into arrangements for the extension of the maturity thereof, in such manner, in such amounts, at such prices, for cash, securities or other property, or any combination thereof, and upon such terms and conditions as the President or any officer, agent, or agency so designated may deem advisable and in the public interest.”

Approved, August 13, 1940.

[CHAPTER 684]

AN ACT

To amend the Act entitled “An Act for the protection of certain enlisted men of the Army”, approved August 19, 1937, and for other purposes.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled*, That the body of the Act entitled “An Act for the protection of certain enlisted men of the Army”, approved August 19, 1937 (50 Stat. 696), be, and the same is hereby, amended to read as follows:

“That, notwithstanding the language contained in the second proviso under the subheading ‘Pay, and so forth, of the Army’ of the Act of July 1, 1937 (50 Stat. 446), and similar provisos of other Acts heretofore or hereafter enacted, any alien otherwise eligible for enlistment in the Regular Army, who shall have been an enlisted man therein for any period subsequent to June 30, 1937, who shall have made a valid and still effective declaration of intention to become a citizen of the United States, or shall have furnished prima facie evidence of his eligibility for admission to such citizenship without prior formal declaration of intention, and shall have agreed in writing to complete his naturalization without unnecessary delay, shall up to and including June 30, 1943, be deemed eligible (1) if in the service, for continuance therein until expiration of current enlistment, for reenlistment, and for continuance in the service under such reenlistment not later than June 30, 1943; (2) if not in the service, for reenlistment and for continuance in the service under such reenlistment not later than June 30, 1943; and (3) in either case for

August 13, 1940

[H. R. 10014]

[Public, No. 766]

Transportation Act  
of 1920, amendment.  
41 Stat. 457, 1145.  
49 U. S. C. §§ 72-79.

Sale, extension of  
maturity, etc., of des-  
ignated securities ac-  
quired by U. S.

August 16, 1940

[H. R. 9158]

[Public, No. 767]

Protection of certain  
enlisted men of the  
Army.

Reenlistment of  
aliens.

Extension of time  
for perfecting citizen-  
ship; conditions.

receipt while so serving of the pay of his grade and length of prior service: *Provided*, That Filipinos who were serving in the Army on July 1, 1937, may be retained in the service under current enlistments and may be reenlisted without regard to their citizenship status, and may receive their proper pay and allowances under such enlistments and reenlistments.

*Proviso.*  
Reenlistment of  
Filipinos.

"SEC. 2. Hereafter, service in the Regular Army honorably terminated shall be credited for purposes of legal residence under the naturalization laws of the United States, regardless of the legality or illegality of the original entry into the United States of the alien, the certificate of the honorable termination of such service or a duly authenticated copy thereof made by a naturalization examiner of the Immigration and Naturalization Service being accepted in lieu of the certificate from the Department of Labor of the alien's arrival in the United States required by the naturalization laws; and service so credited in each case shall be considered as having been performed immediately preceding the filing of the petition for naturalization."

Army service as  
legal residence under  
naturalization laws.

Approved, August 16, 1940.

[CHAPTER 686]

#### AN ACT

To provide for the registration and regulation of investment companies and investment advisers, and for other purposes.

August 22, 1940  
[H. R. 10065]  
[Public, No. 768]

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

### TITLE I—INVESTMENT COMPANIES

Investment Com-  
pany Act of 1940.

#### FINDINGS AND DECLARATION OF POLICY

SEC. 1. (a) Upon the basis of facts disclosed by the record and reports of the Securities and Exchange Commission made pursuant to section 30 of the Public Utility Holding Company Act of 1935, and facts otherwise disclosed and ascertained, it is hereby found that investment companies are affected with a national public interest in that, among other things—

Findings and dec-  
laration of policy.

49 Stat. 837.  
15 U. S. C., Supp.  
V, § 792-4.

(1) the securities issued by such companies, which constitute a substantial part of all securities publicly offered, are distributed, purchased, paid for, exchanged, transferred, redeemed, and repurchased by use of the mails and means and instrumentalities of interstate commerce, and in the case of the numerous companies which issue redeemable securities this process of distribution and redemption is continuous;

(2) the principal activities of such companies—investing, reinvesting, and trading in securities—are conducted by use of the mails and means and instrumentalities of interstate commerce, including the facilities of national securities exchanges, and constitute a substantial part of all transactions effected in the securities markets of the Nation;

(3) such companies customarily invest and trade in securities issued by, and may dominate and control or otherwise affect the policies and management of, companies engaged in business in interstate commerce;

(4) such companies are media for the investment in the national economy of a substantial part of the national savings and may have a vital effect upon the flow of such savings into the capital markets; and