

50 U. S. C., Sup. III,
§ 191 note.

Issuance of rules and
regulations by Presi-
dent.

191), is amended by adding at the end thereof the following new paragraph:

“Whenever the President finds that the security of the United States is endangered by reason of actual or threatened war, or invasion, or insurrection, or subversive activity, or of disturbances or threatened disturbances of the international relations of the United States, the President is authorized to institute such measures and issue such rules and regulations—

“(a) to govern the anchorage and movement of any foreign-flag vessels in the territorial waters of the United States, to inspect such vessels at any time, to place guards thereon, and, if necessary in his opinion in order to secure such vessels from damage or injury, or to prevent damage or injury to any harbor or waters of the United States, or to secure the observance of rights and obligations of the United States, may take for such purposes full possession and control of such vessels and remove therefrom the officers and crew thereof, and all other persons not especially authorized by him to go or remain on board thereof;

“(b) to safeguard against destruction, loss, or injury from sabotage or other subversive acts, accidents, or other causes of similar nature, vessels, harbors, ports, and waterfront facilities in the United States, the Canal Zone, and all territory and water, continental or insular, subject to the jurisdiction of the United States.

Any appropriation available to any of the Executive Departments shall be available to carry out the provisions of this title.”

SEC. 2. Section 4 of title II of the Act of June 15, 1917 (40 Stat. 220; U. S. C., title 50, section 194), is amended to read as follows:

“The President may employ such departments, agencies, officers, or instrumentalities of the United States as he may deem necessary to carry out the purpose of this title.”

SEC. 3. Section 2 of title II of the Act of June 15, 1917 (40 Stat. 220; U. S. C., title 50, sec. 192), as amended, is amended by adding at the end thereof the following subsection:

Penalty.

“(a) If any other person knowingly fails to comply with any regulation or rule issued or order given under the provisions of this title, or knowingly obstructs or interferes with the exercise of any power conferred by this title, he shall be punished by imprisonment for not more than ten years and may, at the discretion of the court, be fined not more than \$10,000.”

Expiration date.

SEC. 4. The provisions of this Act shall expire on such date as may be specified by concurrent resolution of the two Houses of Congress.

Approved August 9, 1950.

[CHAPTER 657]

AN ACT

To amend section 501 (b) (6) of the Internal Revenue Code.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 501

(b) (6) of the Internal Revenue Code is amended to read as follows:

“(6) (A) A licensed personal finance company under State supervision, 80 per centum or more of the gross income of which is lawful interest received from loans made to individuals in accordance with the provisions of applicable State law if at least 60 per centum of such gross income is lawful interest (i) received from individuals each of whose indebtedness to such company did not at any time during the taxable year exceed

August 9, 1950

[H. R. 6073]

[Public Law 880]

56 Stat. 894.
26 U. S. C. § 501 (b)
(6).

Licensed personal
finance company.

in principal amount the limit prescribed for small loans by such law (or, if there is no such limit, \$500), and (ii) not payable in advance or compounded and computed only on unpaid balances, and if the loans to a person, who is a shareholder in such company during the taxable year by or for whom 10 per centum or more in value of its outstanding stock is owned directly or indirectly (including in the case of an individual, stock owned by the members of his family as defined in section 503 (a) (2)), outstanding at any time during such year do not exceed \$5,000 in principal amount; and

53 Stat. 106.
26 U. S. C. § 503 (a)
(2).

Lending company
in small loan business.

“(B) A lending company, not otherwise excepted by section 501 (b), authorized to engage in the small loan business under one or more State statutes providing for the direct regulation of such business, 80 per centum or more of the gross income of which is lawful interest, discount or other authorized charges (i) received from loans maturing in not more than thirty-six months made to individuals in accordance with the provisions of applicable State law, and (ii) which do not, in the case of any individual loan, exceed in the aggregate an amount equal to simple interest at the rate of 3 per centum per month not payable in advance and computed only on unpaid balances, if at least 60 per centum of the gross income is lawful interest, discount or other authorized charges received from individuals each of whose indebtedness to such company did not at any time during the taxable year exceed in principal amount the limit prescribed for small loans by such law (or, if there is no such limit, \$500), and if the deductions allowed to such company under section 23 (a) (relating to expenses), other than for compensation for personal services rendered by shareholders (including members of the shareholder's family as described in section 503 (a) (2)) constitute 15 per centum or more of its gross income, and the loans to a person, who is a shareholder in such company during the taxable year by or for whom 10 per centum or more in value of its outstanding stock is owned directly or indirectly (including in the case of an individual, stock owned by the members of his family as defined in section 503 (a) (2)), outstanding at any time during such year do not exceed \$5,000 in principal amount.”

53 Stat. 12.
26 U. S. C. § 23 (a).

53 Stat. 106.
26 U. S. C. § 503 (a)
(2).

SEC. 2. That section 501 (b) of the Internal Revenue Code is amended by adding at the end thereof the following new paragraph:

53 Stat. 105.
26 U. S. C. § 501 (b).

“(8) A finance company, actively and regularly engaged in the business of purchasing or discounting accounts or notes receivable or installment obligations, or making loans secured by any of the foregoing or by tangible personal property, at least 80 per centum of the gross income of which is derived from such business in accordance with the provisions of applicable State law or does not constitute personal holding company income as defined in section 502, if 60 per centum of the gross income is derived from one or more of the following classes of transactions:

Finance company.

53 Stat. 105.
26 U. S. C. § 502.
Post. p. 947.

“(A) Purchasing or discounting accounts or notes receivable, or installment obligations evidenced or secured by contracts of conditional sale, chattel mortgages, or chattel lease agreements, arising out of the sale of goods or services in the course of the transferor's trade or business;

“(B) Making loans, maturing in not more than thirty-six months, to, and for the business purposes of, persons engaged in trade or business, secured by—

“(i) accounts or notes receivable, or installment obligations, described in subparagraph (a) above;

“(ii) warehouse receipts, bills of lading, trust receipts, chattel mortgages, bailments, or factor’s liens, covering or evidencing the borrower’s inventories;

“(iii) a chattel mortgage on property used in the borrower’s trade or business;

except loans to any single borrower which for more than ninety days in the taxable year of the company exceed 15 per centum of the average funds employed by the company during such taxable year;

“(C) Making loans, in accordance with the provisions of applicable State law, secured by chattel mortgages on tangible personal property, the original amount of each of which is not less than the limit referred to in, or prescribed by, subsection (b) (6) (A) (i), and the aggregate principal amount of which owing by any one borrower to the company at any time during the taxable year of the company does not exceed \$5,000; and

“(D) If 30 per centum or more of the gross income of the company is derived from one or more of the classes of transactions described in subparagraphs (A), (B) and (C) of this paragraph, purchasing, discounting, or lending upon the security of, installment obligations of individuals where the transferor or borrower acquired such obligations either in transactions of the classes described in subparagraphs (A) and (C) of this paragraph or as a result of loans made by such transferor or borrower in accordance with the provisions of clauses (i) and (ii) of paragraph 6 (A) or of clauses (i) and (ii) of paragraph 6 (B) of this subsection, if the funds so supplied at all times bear an agreed ratio to the unpaid balance of the assigned installment obligations, and documents evidencing such obligations are held by the company;

provided that the deductions allowable under subsection 23 (a) (relating to expenses), other than compensation for personal services rendered by shareholders (including members of the shareholder’s family as described in section 503 (a) (2)), constitute 15 per centum or more of the gross income, and that loans to a person who is a shareholder in such company during such taxable year by or for whom 10 per centum or more in value of its outstanding stock is owned directly or indirectly (including in the case of an individual, stock owned by members of his family as defined in section 503 (a) (2)) outstanding at any time during such year do not exceed \$5,000 in principal amount.”

Approved August 9, 1950.

[CHAPTER 658]

AN ACT

To provide that the United States shall aid the States in fish restoration and management projects, 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 Secretary of the Interior is authorized and directed to cooperate with the States through their respective State fish and game departments in fish restoration and management projects as hereinafter set forth: No money apportioned under this Act to any State, except as hereinafter provided, shall be expended therein until its legislature, or other State agency authorized by the State constitution to make laws governing the conservation of fish, shall have assented to the provisions of this Act and shall have passed laws for the conservation of fish, which shall include a prohibition against the diversion of license

53 Stat. 12.
26 U. S. C. § 23 (a).

53 Stat. 106.
26 U. S. C. § 503 (a)
(2).

August 9, 1950
[H. R. 6533]
[Public Law 681]

Fish restoration and
management projects.
Aid to States.