under the provisions of this Act for any single enterprise shall not exceed 20 per centum of the combined capital and surplus of such small business investment company authorized by this Act."

Investment of funds.
15 USC 687.

SEC. 5. The last sentence of section 308(b) of the Small Business Investment Act of 1958 is amended to read as follows: "Such companies may invest funds not reasonably needed for their current operations in direct obligations of, or obligations guaranteed as to principal and interest by, the United States, or in insured savings accounts (up to the amount of the insurance) in any institution the accounts of which are insured by the Federal Savings and Loan Insurance Corporation."

72 Stat. 691; 75 Stat. 753.
15 USC 681-687c.

SEC. 6. (a) The Small Business Investment Act of 1958 is further amended by adding at the end of title III a new section as follows:

"CONFLICTS OF INTEREST

"SEC. 312. For the purpose of controlling conflicts of interest which may be detrimental to small business concerns, to small business investment companies, to the shareholders of either, or to the purposes of this Act, the Administration shall adopt regulations to govern transactions with any officer, director, or shareholder of any small business investment company, or with any person or concern, in which any interest, direct or indirect, financial or otherwise, is held by any officer, director, or shareholder of (1) any small business investment company, or (2) any person or concern with an interest, direct or indirect, financial or otherwise, in any small business investment company. Such regulations shall include appropriate requirements for public disclosure (including disclosure in the locality most directly affected by the transaction) necessary to the purposes of this section."

(b) That part of the Table of Contents of such Act which describes the matter included in title III is amended by adding at the end thereof the following:

"Sec. 312. Conflicts of interest."

Approved February 28, 1964.

Public Law 88-274

AN ACT

February 29, 1964
[S. 2064]

To relieve the Veterans' Administration from paying interest on the amount of capital funds transferred in fiscal year 1962 from the direct loan revolving fund to the loan guaranty revolving fund.

Veterans' Administration.
Interest on capital funds.
72 Stat. 1214.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 1823(b) of title 38, United States Code, is amended by adding at the end thereof the following sentence: "The Administrator shall not be required to pay interest on transfers made pursuant to the Act of February 13, 1962 (76 Stat. 8), from the capital of the 'direct loans to veterans and reserves revolving fund' to the 'loan guaranty revolving fund' and adjustments shall be made for payments of interest on such transfers before the date of enactment of this sentence."

Approved February 29, 1964.

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