

be prescribed by the constitution. The constitution may prescribe the number of members of the board of directors necessary to constitute a quorum which number shall not be less than twenty, or two-fifths of the whole number. The board of directors, to the extent provided in the constitution and bylaws, shall have the powers of the national council, in the interim between its meetings. The national council, or between meetings thereof, the board of directors, may authorize and cause to be executed leases, mortgages, and liens upon, and sales and conveyances of, any of the property of the corporation; and the proceeds arising therefrom shall be applied or invested for the use and benefit of the corporation.

Meetings

SEC. 5. A meeting of the national council shall be held at least once each two years at a time and place to be fixed as provided in the constitution, for elections, and to receive the reports of the officers and board of directors. Special meetings may be called as prescribed in the constitution. The national council and the board of directors shall have power to hold meetings and keep the seal, books, documents, and papers of the corporation within or without the District of Columbia.

Emblems, badges,  
etc.

SEC. 6. The corporation shall have the sole and exclusive right to have and to use, in carrying out its purposes, all emblems and badges, descriptive or designating marks, and words or phrases now or heretofore used by the old corporation in carrying out its program, it being distinctly and definitely understood, however, that nothing in this Act shall interfere or conflict with established or vested rights.

Report to Congress.

SEC. 7. On or before the 1st day of April of each year the corporation shall make and transmit to Congress a report of its proceedings for the year ending December 31 preceding, including a full, complete, and itemized report of receipts and expenditures of whatever kind.

Merger.

SEC. 8. On the effective date of this Act, the separate existence of the old corporation shall cease and the old corporation shall be merged into the corporation. The corporation shall possess all the public and private rights, privileges, powers, and franchises and shall be subject to all the restrictions, disabilities, and duties of the old corporation so merged into it, and all of the rights, privileges, powers, and franchises of the old corporation, and all property—real, personal, and mixed—and all debts due it on whatever account shall be vested in the corporation; and all property, rights, privileges, powers, and franchises and all other interests of the old corporation shall be the property of the corporation and the title to any real estate vested in the old corporation by deed or otherwise, under the laws of the District of Columbia or any State, shall not revert or be in any way impaired by reason of this Act: *Provided, however,* That all rights of creditors and all liens upon any property of the old corporation shall be preserved unimpaired and all its debts, liabilities, and duties shall attach to the corporation and may be enforced against it to the same extent as if such debts, liabilities, and duties had been incurred or contracted by it.

Right to repeal, etc.

SEC. 9. Congress shall have the right to repeal, alter, or amend this Act at any time.

Approved March 16, 1950.

## [CHAPTER 70]

## AN ACT

March 18, 1950  
[S. 88]  
[Public Law 461]

To amend an Act entitled "An Act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, and Acts amendatory thereof and supplementary thereto.

Bankruptcy Act,  
amendments.  
*Post*, p. 1113.

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

of section 60 of the Act entitled "An Act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, as amended, is amended to read as follows:

"a. (1) A preference is a transfer, as defined in this Act, of any of the property of a debtor to or for the benefit of a creditor for or on account of an antecedent debt, made or suffered by such debtor while insolvent and within four months before the filing by or against him of the petition initiating a proceeding under this Act, the effect of which transfer will be to enable such creditor to obtain a greater percentage of his debt than some other creditor of the same class.

"(2) For the purposes of subdivisions a and b of this section, a transfer of property other than real property shall be deemed to have been made or suffered at the time when it became so far perfected that no subsequent lien upon such property obtainable by legal or equitable proceedings on a simple contract could become superior to the rights of the transferee. A transfer of real property shall be deemed to have been made or suffered when it became so far perfected that no subsequent bona fide purchase from the debtor could create rights in such property superior to the rights of the transferee. If any transfer of real property is not so perfected against a bona fide purchase, or if any transfer of other property is not so perfected against such liens by legal or equitable proceedings prior to the filing of a petition initiating a proceeding under this Act, it shall be deemed to have been made immediately before the filing of the petition.

"(3) The provisions of paragraph (2) shall apply whether or not there are or were creditors who might have obtained such liens upon the property other than real property transferred and whether or not there are or were persons who might have become bona fide purchasers of such real property.

"(4) A lien obtainable by legal or equitable proceedings upon a simple contract within the meaning of paragraph (2) is a lien arising in ordinary course of such proceedings upon the entry or docketing of a judgment or decree, or upon attachment, garnishment, execution, or like process, whether before, upon, or after judgment or decree and whether before or upon levy. It does not include liens which under applicable law are given a special priority over other liens which are prior in time.

"(5) A lien obtainable by legal or equitable proceedings could become superior to the rights of a transferee or a purchase could create rights superior to the rights of a transferee within the meaning of paragraph (2), if such consequences would follow only from the lien or purchase itself, or from such lien or purchase followed by any step wholly within the control of the respective lien holder or purchaser, with or without the aid of ministerial action by public officials. Such a lien could not, however, become so superior and such a purchase could not create such superior rights for the purposes of paragraph (2) through any acts subsequent to the obtaining of such a lien or subsequent to such a purchase which require the agreement or concurrence of any third party or which require any further judicial action, or ruling.

"(6) The recognition of equitable liens where available means of perfecting legal liens have not been employed is hereby declared to be contrary to the policy of this section. If a transfer is for security and if (A) applicable law requires a signed and delivered writing, or a delivery of possession, or a filing or recording, or other like overt action as a condition to its full validity against third persons other than a buyer in the ordinary course of trade claiming through or under the transferor and (B) such overt action has not been taken, and (C) such transfer results in the acquisition of only an equitable lien, then

30 Stat. 562; 52 Stat. 869.  
11 U. S. C. § 96 (a).  
Preferred creditors.  
Preference defined.

When transfer deemed to have been made.  
30 Stat. 562; 52 Stat. 870.  
11 U. S. C. § 96 (b).

Lien obtainable on simple contract.

Superior rights.

Perfection of transfers.

such transfer is not perfected within the meaning of paragraph (2). Notwithstanding the first sentence of paragraph (2), it shall not suffice to perfect a transfer which creates an equitable lien such as is described in the first sentence of paragraph (6), that it is made for a valuable consideration and that both parties intend to perfect it and that they take action sufficient to effect a transfer as against liens by legal or equitable proceedings on a simple contract: *Provided, however,* That where the debtor's own interest is only equitable, he can perfect a transfer thereof by any means appropriate fully to transfer an interest of that character: *And provided further,* That nothing in paragraph (6) shall be construed to be contrary to the provisions of paragraph (7).

Time of transfer.

“(7) Any provision in this subdivision a to the contrary notwithstanding if the applicable law requires a transfer of property other than real property for or on account of a new and contemporaneous consideration to be perfected by recording, delivery, or otherwise, in order that no lien described in paragraph (2) could become superior to the rights of the transferee therein, or if the applicable law requires a transfer of real property for such a consideration to be so perfected in order that no bona fide purchase from the debtor could create rights in such property superior to the rights of the transferee, the time of transfer shall be determined by the following rules:

“I. Where (A) the applicable law specifies a stated period of time of not more than twenty-one days after the transfer within which recording, delivery, or some other act is required, and compliance therewith is had within such stated period of time; or where (B) the applicable law specifies no such stated period of time or where such stated period of time is more than twenty-one days, and compliance therewith is had within twenty-one days after the transfer, the transfer shall be deemed to be made or suffered at the time of the transfer.

“II. Where compliance with the law applicable to the transfer is not had in accordance with the provisions of subparagraph I, the transfer shall be deemed to be made or suffered at the time of compliance therewith, and if such compliance is not had prior to the filing of the petition initiating a proceeding under this Act, such transfer shall be deemed to have been made or suffered immediately before the filing of such petition.

“(8) If no such requirement of applicable law specified in paragraph (7) exists, a transfer wholly or in part, for or on account of a new and contemporaneous consideration shall, to the extent of such consideration and interest thereon and the other obligations of the transferor connected therewith, be deemed to be made or suffered at the time of the transfer. A transfer to secure a future loan, if such a loan is actually made, or a transfer which becomes security for a future loan, shall have the same effect as a transfer for or on account of a new and contemporaneous consideration.”

52 Stat. 881.  
11 U. S. C. § 110 (c).

Title to property.  
Defenses and powers  
of trustee.

SEC. 2. Subdivision c of section 70 of such Act, as amended, is amended to read as follows:

“c. The trustee may have the benefit of all defenses available to the bankrupt as against third persons, including statutes of limitation, statutes of frauds, usury, and other personal defenses; and a waiver of any such defense by the bankrupt after bankruptcy shall not bind the trustee. The trustee, as to all property of the bankrupt at the date of bankruptcy whether or not coming into possession or control of the court, shall be deemed vested as of the date of bankruptcy with all the rights, remedies, and powers of a creditor then holding a lien thereon by legal or equitable proceedings, whether or not such a creditor actually exists.”

SEC. 3. a. All Acts or parts of Acts inconsistent with any provisions of this amendatory Act are hereby repealed.

Repeal.

b. If any provision of this amendatory Act or the application thereof to any person or circumstances is held invalid, such invalidity shall not affect other provisions or applications of this amendatory Act which can be given effect without the invalid provision or application, and to this end the provisions of this amendatory Act are declared to be severable.

Separability.

SEC. 4. EFFECT OF THIS AMENDATORY ACT.—a. Nothing herein contained shall have the effect to release or extinguish any penalty, forfeiture, or liability incurred under any Act or Acts of which this Act is amendatory.

b. The provisions of this amendatory Act shall govern proceedings so far as practicable and applicable in cases pending when it takes effect; but proceedings in cases then pending to which the provisions of this amendatory Act are not applicable shall be disposed of conformably to the provisions of said Act approved July 1, 1898, and the Acts amendatory thereof and supplementary thereto.

30 Stat. 544.  
11 U. S. C. note prec. § 1; Sup. III, § 32 et seq. *Ante*, pp. 24-26; *post*, pp. 866, 1113, 1134.

Approved March 18, 1950.

[CHAPTER 71]

AN ACT

To extend the benefits of the Vocational Education Act of 1946 to the Virgin Islands.

March 18, 1950  
[S. 493]  
[Public Law 462]

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled*, That the Virgin Islands shall be entitled to share in the benefits of the Vocational Education Act of 1946, approved August 1, 1946, and any Act amendatory thereof or supplementary thereto, upon the same terms and conditions as any of the several States. There is hereby authorized to be appropriated, out of any moneys in the Treasury not otherwise appropriated, for the fiscal year ending June 30, 1950, and annually thereafter, the sum of \$40,000, to be available for allotment to the Virgin Islands under such Act and the modifications hereinafter provided.

Virgin Islands.  
Vocational Education Act of 1946, benefits.  
60 Stat. 775.  
20 U. S. C. § 151 note.  
Appropriation authorized.

SEC. 2. Sums appropriated under authority of section 1 of this Act shall be allocated for vocational education in (1) agriculture, (2) home economics, (3) trades and industries, and (4) distributive occupations, in the proportions specified by the Vocational Education Act of 1946, except insofar as the Commissioner of Education, with the approval of the Federal Security Administrator, deems it necessary to modify said proportion to meet special conditions existing in the Virgin Islands.

Allocation of funds.

SEC. 3. The provisions of sections 3, 5, 6, 7, and 8 of the Vocational Education Act of 1946, relating to the use and payment of sums under said Act, shall apply to sums appropriated under this Act with such modifications as the Commissioner of Education, with the approval of the Federal Security Administrator, shall deem necessary to meet the special conditions existing in the Virgin Islands.

60 Stat. 775.  
20 U. S. C. §§ 151, 154-156.

Approved March 18, 1950.

[CHAPTER 72]

AN ACT

To authorize the Secretary of the Interior to acquire, construct, operate, and maintain public airports in, or in close proximity to, national parks, monuments, and recreation areas, and for other purposes.

March 18, 1950  
[S. 1283]  
[Public Law 463]

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

Airports in or near national parks, etc.