

of the base and longevity pay, the allowance for subsistence, and the allowance for rental of quarters (whether or not he was receiving such allowance on such date), which were applicable to him on such date under provisions of law then in effect: *Provided*, That there shall be deducted from the number of days upon which such lump-sum payment is otherwise authorized to be computed the number of days of leave in excess of thirty days taken during the period from July 1, 1949, to June 30, 1950. Payments authorized pursuant to this subsection shall be due and payable on July 1, 1950. All amounts received pursuant to this subsection shall be exempt from taxation.

(c) The provisions of this Act shall not be applicable to an officer who has, prior to July 1, 1950, been placed on terminal leave preceding separation, retirement, or release from active duty.

SEC. 4. Funds appropriated by the Act of August 8, 1946 (60 Stat. 910), to enable the President to carry out the provisions of the Armed Forces Leave Act of 1946, are hereby made available for carrying out the provisions of section 3 of this Act and may be allotted to the Public Health Service by transfer to and merger with appropriations thereof or otherwise, in such amounts as may be determined by the Director of the Bureau of the Budget.

SEC. 5. Except insofar as the provisions of this Act are inconsistent therewith, leave regulations adopted prior to the enactment of this Act, pursuant to the Public Health Service Act, shall remain in effect until repealed, amended, or superseded.

Approved August 9, 1950.

Tax exemption.

Nonapplicability.

60 Stat. 963.
37 U. S. C., Sup. III,
§§ 31a-37.
Ante, pp. 88, 194;
post, p. 978.

Prior regulations.

58 Stat. 682.
42 U. S. C. § 201
note; Sup. III, § 201 *et*
seq.
Ante, p. 426; *post*,
pp. 444, 446, 447.

[CHAPTER 655]

AN ACT

To amend the Act of August 9, 1939, to redefine the term "contraband article" with respect to narcotic drugs, and for other purposes.

August 9, 1950
[S. 3380]
[Public Law 678]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 1 (b) (1) of the Act of August 9, 1939 (53 Stat. 1291; U. S. C., 1946 edition, title 49, sec. 781 (b) (1)), is amended to read as follows:

"Contraband article."

"(1) Any narcotic drug which has been or is possessed with intent to sell or offer for sale in violation of any laws or regulations of the United States dealing therewith; or which has been acquired or is possessed, sold, transferred, or offered for sale, in violation of any laws of the United States dealing therewith; or which has been acquired by theft, robbery, or burglary and carried or transported within any Territory, possession, or the District of Columbia, or from any State, Territory, possession, the District of Columbia, or the Canal Zone, to another State, Territory, possession, the District of Columbia, or the Canal Zone; or which does not bear appropriate tax-paid internal-revenue stamps as required by law or regulations;"

Narcotic drug.

Approved August 9, 1950.

[CHAPTER 656]

AN ACT

To authorize the President to control the anchorage and movement of foreign-flag vessels in waters of the United States when the national security of the United States is endangered, and for other purposes.

August 9, 1950
[S. 3859]
[Public Law 679]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 1 of title II of the Act of June 15, 1917 (40 Stat. 217; U. S. C., title 50, section

Foreign vessels in
U. S. waters.

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.

August 9, 1950

[H. R. 6073]

[Public Law 680]

56 Stat. 894.
26 U. S. C. § 501 (b)
(6).
Licensed personal
finance company.

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