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adopted prior to the enactment of this Act, pursuant to the Public Health Service Act, shall remain in effect until repealed, amended, or superseded.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.

[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.

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:

“(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;”.

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.

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

Tax exemption.

Nonapplicability.

Prior regulations.

Narcotic drug.

Foreign vessels in U. S. waters.
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