

## Public Law 90-224

## AN ACT

To authorize the extension of certain naval vessel loans now in existence and new loans, and for other purposes.

December 26, 1967  
[H. R. 6167]

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That, notwithstanding section 7307 of title 10, United States Code, or any other law, the President may extend on such terms and under such conditions as he deems appropriate the loan of ships, previously authorized as indicated, as follows: (1) Argentina, three destroyers (Act of July 18, 1958 (72 Stat. 376)); (2) Brazil, two destroyers and two submarines (Act of July 18, 1958 (72 Stat. 376)); (3) Chile, two submarines and two destroyers (Act of July 18, 1958 (72 Stat. 376)); (4) Colombia, one destroyer (Act of July 18, 1958 (72 Stat. 376)); (5) Federal Republic of Germany, one destroyer (Act of August 5, 1953 (67 Stat. 363), as amended by Act of August 3, 1956 (70 Stat. 967)); (6) Greece, one submarine (Act of August 5, 1953 (67 Stat. 363), as amended by Act of August 3, 1956 (70 Stat. 967)), two destroyers (Act of October 4, 1961 (75 Stat. 815)); (7) Korea, two destroyer escorts (Act of August 5, 1953 (67 Stat. 363), as amended), one destroyer and one destroyer escort (Act of October 4, 1961 (75 Stat. 815)); (8) Portugal, two destroyer escorts (Act of August 5, 1953 (67 Stat. 363), as amended by Act of August 3, 1956 (70 Stat. 967)); (9) Spain, two destroyers (Act of August 5, 1953 (67 Stat. 363), as amended by Act of August 3, 1956 (70 Stat. 967)); (10) Peru, one destroyer (Act of July 18, 1958 (72 Stat. 376)).

Naval vessels.  
Loan extension.  
70A Stat. 452.

50 USC app.  
1878e-1878i.

50 USC app.  
1878-1878d.

50 USC app.  
1878q-1878x.

SEC. 2. Notwithstanding section 7307 of title 10, United States Code, or any other provision of law, the President may lend two destroyers to the Government of Korea and one destroyer to the Republic of China, in addition to any ships previously authorized to be loaned to these nations, with or without reimbursement and on such terms and under such conditions as the President may deem appropriate. All expenses involved in the activation, rehabilitation, and outfitting (including repairs, alterations, and logistic support) of ships transferred under this section shall be charged to funds programed for the recipient government as grant military assistance, or as reimbursable, under the provisions of the Foreign Assistance Act of 1961, as amended, or successor legislation. The authority of the President to lend naval vessels under this section shall terminate on December 31, 1969.

Government of  
Korea; Republic  
of China.

75 Stat. 424.  
22 USC 2151  
note.

SEC. 3. All new loans and loan extensions executed under this Act shall be for periods not exceeding five years, but the President may in his discretion extend such loans for an additional period of not more than five years. Any agreement for a new loan or for the extension of a loan executed under this Act shall be made subject to the condition that the agreement may be terminated by the President if he finds that the armed forces of the borrowing country have engaged, at any time after the date of such agreement, in acts of warfare against any country which is a party to a mutual defense treaty ratified by the United States. Any agreement for a new loan or for the extension of a loan executed pursuant to this Act shall be subject to the condition that the agreement will be immediately terminated upon a finding made by the President that the country with which such agreement was made has seized any United States fishing vessel on account of its fishing activities in international waters, except that such condition shall not be applicable in any case governed by international agreement to which the United States is a party. All loans and loan extensions shall be made on the condition that they

Duration of  
loans; con-  
ditions.

may be terminated at an earlier date if necessitated by the defense requirements of the United States.

Notice to Congress.

SEC. 4. No loan may be made or extended under this Act unless the Secretary of Defense, after consultation with the Joint Chiefs of Staff, determines that such loan or extension is in the best interest of the United States. The Secretary of Defense shall keep the Congress currently advised of all loans made or extended under this Act.

SEC. 5. The President may promulgate such rules and regulations as he deems necessary to carry out the provisions of this Act.

Approved December 26, 1967, 4:09 p.m.

Public Law 90-225

AN ACT

December 27, 1967  
[H. R. 4765]

To amend the Internal Revenue Code of 1954 with respect to the income tax treatment of certain distributions pursuant to the Bank Holding Company Act of 1956, as amended, and for other purposes.

Taxes,  
Bank Holding  
Company distri-  
butions.

26 USC 1102,  
12 USC 1841  
note.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 1102 of the Internal Revenue Code of 1954 (relating to special rules for income tax treatment of distributions pursuant to the Bank Holding Company Act of 1956) is amended by adding at the end thereof the following new subsection:

“(e) CERTAIN BANK HOLDING COMPANIES.—This part shall apply in respect of any company which becomes a bank holding company as a result of the enactment of the Act entitled ‘An Act to amend the Bank Holding Company Act of 1956’, approved July 1, 1966 (Public Law 89-485), with the following modifications:

80 Stat. 236.  
70 Stat. 139.

“(1) Subsections (a) (3) and (b) (3) of section 1101 shall not apply.

“(2) Subsections (a) (1) and (2) and (b) (1) and (2) of section 1101 shall apply in respect of distributions to shareholders of the distributing bank holding corporation only if all distributions to each class of shareholders which are made—

“(A) after April 12, 1965, and

“(B) on or before the date on which the Board of Governors of the Federal Reserve System makes its final certification under section 1101 (e),

are pro rata. For purposes of the preceding sentence, any redemption of stock made in whole or in part with property other than money shall be treated as a distribution.

“(3) In applying subsections (c) and (d) of section 1101 and