

[CHAPTER 205]

AN ACT

To increase the debt limit of the United States, to further amend the Second Liberty Bond Act, and for other purposes.

March 28, 1942
[H. R. 6691]
[Public Law 510]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the Public Debt Act of 1942.

Public Debt Act of 1942.

SEC. 2. Section 21 of the Second Liberty Bond Act, as amended, is further amended to read as follows:

49 Stat. 21.
31 U. S. C., Supp. I, § 757b.

“SEC. 21. The face amount of obligations issued under the authority of this Act shall not exceed in the aggregate \$125,000,000,000 outstanding at any one time.”

Limitation on obligations.

SEC. 3. Section 20 of the Second Liberty Bond Act, as amended, is further amended to read as follows:

48 Stat. 343.
31 U. S. C. § 754b.

“SEC. 20. (a) Any obligations authorized by sections 1, 5, and 18 of this Act, may be issued on an interest-bearing basis, on a discount basis, or on a combination interest-bearing and discount basis, at such price or prices and with interest computed in such manner and payable at such time or times as the Secretary of the Treasury may prescribe; and any such obligations may be offered for sale on a competitive or other basis under such regulations and upon such terms and conditions as the Secretary of the Treasury may prescribe; and his decision with respect to any such issue shall be final.

Basis of issue.

“(b) Any obligations authorized by this Act and redeemable upon demand of the owner or holder may, under such regulations and upon such terms and conditions as the Commissioner of Internal Revenue with the approval of the Secretary of the Treasury may prescribe, be receivable by the United States in payment of any taxes imposed by the United States.

Receivable in payment of Federal taxes.

“(c) Any obligations authorized by this Act may, under such regulations and upon such terms as the Secretary of the Treasury may prescribe, be issued in exchange for any obligations of any agency or instrumentality of the United States which are unconditionally guaranteed both as to principal and interest by the United States, at or before their maturity.”

Exchange of obligations.

SEC. 4. Section 19 of the Second Liberty Bond Act, as amended, is further amended to read as follows:

48 Stat. 343.
31 U. S. C. § 754a.

“SEC. 19. Any obligations authorized by this Act may be issued for the purchase, redemption, or refunding, at or before maturity, of any outstanding bonds, notes, certificates of indebtedness, Treasury bills, or savings certificates of the United States, and any money received from the sale of such obligations or any other money in the general fund of the Treasury may, under such rules, regulations, terms, and conditions as the Secretary of the Treasury may prescribe, be used for such purchase, redemption, or refunding.”

Purchase, redemption, or refunding of U. S. obligations.

SEC. 5. The authority of the Postmaster General contained in section 6 of the Act of June 25, 1910, as amended (U. S. C., 1940 edition, title 39, sec. 756), and section 22 (c) of the Second Liberty Bond Act, as amended, to prepare and issue postal-savings cards and postal-savings stamps shall terminate on such date as stamps issued by the Secretary of the Treasury pursuant to the authority contained in section 22 (c) of the Second Liberty Bond Act, as amended, are made available for sale to the public; and, as soon as practicable thereafter, the Board of Trustees of the Postal Savings System shall pay to the Secretary of the Treasury a sum equal to the redemption value of all postal-savings stamps outstanding, and after such payment has been made the obligation to redeem such stamps shall cease to be a liability of the Board of Trustees of the Postal Savings System but shall constitute a public debt obligation of the United States.

Issuance of postal-savings cards and stamps.
Termination of authority.
36 Stat. 815.
39 U. S. C. § 756; Supp. I, § 756 note.

55 Stat. 8.
31 U. S. C., Supp. I, § 757c (c).

Redemption of outstanding stamps.

55 Stat. 9.
31 U. S. C., Supp. I,
§ 742a.

SEC. 6. Section 4 of the Public Debt Act of 1941 (Public, Numbered 7, Seventy-seventh Congress, first session), is hereby amended to read as follows:

Taxation of obligations.

“SEC. 4. (a) Interest upon obligations, and dividends, earnings, or other income from shares, certificates, stock, or other evidences of ownership, and gain from the sale or other disposition of such obligations and evidences of ownership issued on or after the effective date of the Public Debt Act of 1942 by the United States or any agency or instrumentality thereof shall not have any exemption, as such, and loss from the sale or other disposition of such obligations or evidences of ownership shall not have any special treatment, as such, under Federal tax Acts now or hereafter enacted; except that any such obligations which the United States Maritime Commission or the Federal Housing Administration had, prior to March 1, 1941, contracted to issue at a future date, shall when issued bear such tax-exemption privileges as were, at the time of such contract, provided in the law authorizing their issuance. For the purposes of this subsection a Territory, a possession of the United States, and the District of Columbia, and any political subdivision thereof, and any agency or instrumentality of any one or more of the foregoing, shall not be considered as an agency or instrumentality of the United States.

Exceptions.

“(b) The provisions of this section shall, with respect to such obligations and evidences of ownership, be considered as amendatory of and supplementary to the respective Acts or parts of Acts authorizing the issuance of such obligations and evidences of ownership, as amended and supplemented.

55 Stat. 697, 698.
26 U. S. C., Supp. I,
§§ 42, 117.

“(c) Nothing contained herein shall be construed to amend or repeal sections 114 and 115 of the Revenue Act of 1941.”

Approved, March 28, 1942.

[CHAPTER 206]

AN ACT

March 28, 1942
[H. R. 6738]
[Public Law 511]

To limit the initial base pay of \$21 per month for enlisted men in the Army and Marine Corps to those of the seventh grade.

Selective Training and Service Act of 1940, amendment.
54 Stat. 895.
50 U. S. C., app. § 312 (a).
Post, p. 369.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 12 (a) of the Selective Training and Service Act of 1940 (54 Stat. 885) be, and it is hereby, amended by adding the words “of the seventh grade” after the word “men” in line 7 of said section.

Approved, March 28, 1942.

[CHAPTER 207]

AN ACT

April 1, 1942
[H. R. 5784]
[Public Law 512]

To consolidate the Police Court of the District of Columbia and the Municipal Court of the District of Columbia, to be known as “The Municipal Court for the District of Columbia”, to create “The Municipal Court of Appeals for the District of Columbia”, and for other purposes.

The Municipal Court for the District of Columbia.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Police Court of the District of Columbia and the Municipal Court of the District of Columbia, be, and they are hereby, consolidated into a single court to be known as “The Municipal Court for the District of Columbia”.

THE MUNICIPAL COURT FOR THE DISTRICT OF COLUMBIA

Composition.

The court shall consist of ten judges appointed by the President with the advice and consent of the Senate, one of whom shall be designated by the President as chief judge.