

## Refunds.

53 Stat. 360.  
26 U. S. C. § 3113.

53 Stat. 320, 331.  
26 U. S. C. §§ 2836,  
2870.

53 Stat. 298, 389.  
26 U. S. C. § 2800  
(a) (5); Supp. I, § 3250  
(f) (1).

Industrial alcohol  
plants and ware-  
houses.

53 Stat. 357.  
26 U. S. C. §§ 3100-  
3124.

Provisos.  
Tax liability and  
liens.

Spirits of 160° or  
proof or greater.

53 Stat. 320, 331.  
26 U. S. C. §§ 2836,  
2870.

55 Stat. 1647.  
50 U. S. C., Supp. I,  
app., prec. § 1 note.

house: *Provided further*, That taxes on distilled spirits removed under the provisions of this paragraph, either before or after redistillation, if such distilled spirits or any portion thereof are lost shall be remitted or refunded in the same manner and under the same conditions as the tax on alcohol would be remitted or refunded under the provisions of section 3113 of the Internal Revenue Code: *And provided further*, That sections 2836 and 2870 shall not apply to the production and removal, and such sections and sections 2800 (a) (5) and 3250 (f) (1) shall not apply to the redistillation and removal, of such spirits.

“(e) TRANSFER OF SPIRITS FOR REDISTILLATION.—Under regulations to be prescribed by the Commissioner and approved by the Secretary, and subject to the provisions of part II of subchapter C of this chapter, spirits of any proof may, without payment of tax and in bond, be removed in approved containers, including pipe lines, from registered distilleries (including registered fruit distilleries) and internal revenue bonded warehouses to industrial alcohol bonded warehouses and industrial alcohol plants for redistillation and removal for any tax-free purpose, or upon payment of tax for any purpose, authorized by said part II of subchapter C of this chapter: *Provided*, That when the spirits are so withdrawn, the tax liability of the producing distiller and the internal revenue bonded warehouseman, and the liens on the premises of the producing distiller shall cease, and the tax shall be the liability of, and the liens shall be transferred to the warehouse or plant of, the industrial alcohol bonded warehouseman or proprietor of the industrial alcohol plant to whom the spirits are transferred: *And provided further*, That any such spirits of one hundred and sixty degrees of proof or greater, so removed and stored in any alcohol bonded warehouse, may be removed from such warehouse without redistillation for any tax-free purpose, or upon payment of tax for any purpose, so authorized: *And provided further*, That sections 2836 and 2870 shall not apply to the production or removal of spirits of any proof for such redistillation. This subsection and subsection (d) shall cease to be in effect upon the termination of the unlimited national emergency proclaimed by the President on May 27, 1941.”

Approved, March 27, 1942.

## [CHAPTER 201]

## AN ACT

March 27, 1942

[H. R. 6769]

[Public Law 509]

To amend the Act entitled “An Act to fix the hours of duty of postal employees, and for other purposes”, approved August 14, 1935, as amended, so as to permit payment for overtime for Saturday service in lieu of compensatory time.

Postal Service.  
49 Stat. 650.  
39 U. S. C. § 832.

Overtime pay for  
Saturdays.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled*, That the second proviso of the first section of the Act entitled “An Act to fix the hours of duty of postal employees, and for other purposes”, approved August 14, 1935, as amended, is further amended to read as follows: “*Provided further*, That the Postmaster General may, if the exigencies of the service require it, authorize the payment of overtime for Saturdays in lieu of compensatory time, except cleaners, janitors, telephone operators, and elevator conductors paid from the appropriation of the First Assistant Postmaster General, and custodial employees who shall be given compensatory time in lieu of overtime pay within thirty days next succeeding. This amendment shall be in effect only during the present war and for six months thereafter.”

Approved, March 27, 1942.

[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.