

January 30, 1945

Memorandum: Extension of the purposes for which the Second Liberty Bond Act, as amended, may be used.

*primary authority
with respect to
the extension of
the Act by U.S.*

1. The Secretary of the Treasury has been authorized to use as a public-debt transaction the proceeds of the sale of any securities thereafter issued under the Second Liberty Bond Act, as amended, to purchase the bonds, mortgages or other obligations of the following corporations: Reconstruction Finance Corporation, (U.S.C. title 15, sec. 809); Federal Deposit Insurance Corporation, (U.S.C. title 12, sec. 264(o)); Federal Farm Mortgage Corporation, (U.S.C. title 12, sec. 1020c); Home Owners Loan Corporation, (U.S.C. title 12, sec. 1463); United States Housing Authority, (U.S.C. title 42, sec. 1420), Tennessee Valley Authority, (U.S.C. title 16, sec. 831n-1),

2. The purposes for which obligations of the United States may be issued under the Second Liberty Bond Act have been extended to authorize the issuance of special obligations to the Old-Age Reserve Account and the Unemployment Trust Fund, established under the Social Security Act, (U.S.C. title 42, secs. 401 and 1104) and to the Railroad Retirement Account, established under the Railroad Retirement Act of 1937, (U.S.C. title 45, sec. 228c). The authority to issue these obligations was granted to provide for appropriate investment of the funds in the accounts above enumerated.

3. The Secretary of the Treasury was authorized to borrow under the Second Liberty Bond Act, as amended, such amounts as were necessary to meet the expenditures authorized by the National Industrial Recovery Act, (Sec. 210a of title II of the Act of June 16, 1933, 48 stat. 206). This section contains no statement that the purposes of the Second Liberty Bond Act were extended to provide for such expenditures.

Commodity Credit Corp. (U.S.C. title 15, sec. 713a-4)