

BOARD OF GOVERNORS  
OF THE  
FEDERAL RESERVE SYSTEM

# Office Correspondence

Date January 31, 1941.

To Chairman Eccles

Subject: Revised draft of bill on

From Mr. Vest

debt limit, Federal taxation, etc.

For your information, Mr. Doughton on January 30, 1941, introduced H.R. 2959, which is merely a revised draft of H.R. 2653, which he introduced on January 24, relating to the increase in the debt limit and Federal taxation of obligations of the United States. There are only two substantial differences between the new bill and the old bill:

(1) The old bill would have removed the tax exemption from the principal of United States obligations as well as from interest thereon. The new bill removes the tax exemption from interest on such obligations but contains no provision regarding the taxation of the principal thereof.

(2) The old bill authorized the withdrawal of Postal Savings deposits on less than 60 days' notice without loss of interest for the purpose of acquiring savings bonds and savings certificates offered by the Treasury. This provision is not in the new bill.

Respectfully,

*George B. Vest*  
George B. Vest,  
Assistant General Counsel.

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