

**[ Act No. 3481, December 07, 1928 ]**

**AN ACT AUTHORIZING THE PROVINCE AND CERTAIN MUNICIPALITIES OF LEYTE TO ISSUE BONDS FOR THE PURPOSE OF RAISING FUNDS FOR THE CONSTRUCTION OF PERMANENT IMPROVEMENTS, AND AUTHORIZING ALSO AN INSULAR GOVERNMENT BOND ISSUE SECURED BY SAID PROVINCIAL AND MUNICIPAL BONDS, AND FOR OTHER PURPOSES.**

*Be it enacted by the Senate and House of Representatives of the Philippines in Legislature assembled and by the authority of the same:*

SECTION 1. Pursuant to the provisions of section eleven of the Act of Congress approved August twenty-ninth, nineteen hundred and sixteen, entitled "An Act to declare the purpose of the people of the United States as to the future political status of the people of the Philippine Islands, and to provide a more autonomous government for those Islands," as amended by the Act of Congress approved May thirty-first, nineteen hundred and twenty-two, the Province of Leyte and certain municipalities thereof, hereinafter named, are hereby authorized to negotiate a loan to be used for the construction of permanent improvements, in the sums hereinafter set forth:

Province of Leyte, for waterworks and for reimbursement of insular loan, six hundred and eighty thousand pesos; municipality of Tacloban, for waterworks and for reimbursement of insular loan, sixty-eight thousand one hundred pesos; municipality of Palo, for waterworks and reimbursement of insular loan, thirty-four thousand and two hundred pesos; municipality of Tanauan, for waterworks, fifteen thousand pesos; municipality of Dagami, for waterworks, eight thousand pesos, making a total sum of eight hundred and five thousand and three hundred pesos: *Provided*, That if it shall for any reason not be necessary to use any of the sums above mentioned in their entirety, the unexpended balance thereof shall be used for the construction of such permanent improvements as the provincial board or the municipal council concerned may designate, subject to the approval of the Governor-General.

The Governor-General of the Philippine Islands is hereby authorized to issue the necessary bonds for said loan, at the request of the provincial board of Leyte and the municipal councils of the municipalities above named, and in the name and behalf of the aforesaid province and municipalities. The bonds so authorized shall be issued in convenient denominations, in registered form, and shall be registered and transferable and payable in the office of the Insular Treasurer at Manila. They shall have the same date, bear interest at the same rate, and be payable at the same time as the bonds of the Government of the Philippine Islands authorized to be issued in section three of this Act.

SEC. 2. The Governor-General is further authorized to assign and transfer said bonds to the Government of the Philippine Islands for a consideration, charging the same to the net proceeds of the sale of the bonds of the Government of the Philippine Islands issued in an equivalent amount, as provided in section four of this Act, and to deposit the proceeds of said assignment in an authorized depository of the Government of the Philippine Islands. The proceeds of the assignment to the

Insular Government of said bonds shall be applied by the Insular Treasurer to the payment of the outstanding indebtedness of the province and municipalities herein mentioned to the Insular Government, and the balance shall be credited to the "Public Works Bond Issue Fund of the Province and Four Municipalities of Leyte," which shall be transferred to the provincial treasurer of Leyte and be used only for the purposes set forth in this Act.

SEC. 3. The Secretary of War is hereby authorized to issue in the name and behalf of the Government of the Philippine Islands, bonds to the amount of four hundred and two thousand six hundred and fifty dollars, United States currency, for a term of thirty years, secured by the bonds of the Province and four municipalities of Leyte herein authorized and assigned and transferred to the Insular Government as provided in sections one and two of this Act. The Secretary of War shall determine the form and dates of the insular bonds and the rate and dates of payment of the interest thereon, which shall not be in excess of five per centum per annum. The insular bonds may be coupon bonds or registered bonds, convertible, in the discretion of the Secretary of War, into either form, and shall be registered in the Treasury of the United States, where the principal and interest shall be payable in gold coin of the United States.

The Secretary of War is further authorized to sell said insular bonds upon such terms and conditions as in his judgment are most favorable to the Government of the Philippine Islands, and he shall deposit the proceeds of the sale thereof in an authorized depository or depositories of the Government of the Philippine Islands in the United States, to the credit of the Treasurer of the Philippine Islands.

SEC. 4. The proceeds of the sale of the insular bonds, authorized to be issued by this Act, are hereby appropriated for the payment of the bonds issued by the Province of Leyte and its four municipalities and assigned and transferred as security for the aforesaid Insular Government bonds in accordance with sections one and two of this Act.

SEC. 5. The insular, provincial, and municipal bonds hereby authorized to be issued shall be exempt from taxation by the Government of the United States, by the Government of the Philippine Islands or any political or municipal subdivision thereof, or by any State or territory of the United States, or by any county, municipality, or other municipal subdivision of any state or territory of the United States, or by the District of Columbia, which fact shall be stated upon their face by virtue of section one of the Act of Congress approved February sixth, nineteen hundred and five, according to which Act, as well as in accordance with the Act of Congress approved on August twenty-ninth, nineteen hundred and sixteen, as amended, and in accordance with this Act, the said bonds are issued.

SEC. 6. A sinking fund is hereby created for the payment of the insular bonds issued under the provisions of this Act, in such manner that the total amount thereof at each annual due date of the bond issue shall be equal to the total of an annuity of nineteen hundred and thirty-seven pesos and thirteen centavos for each one hundred thousand pesos of bonds outstanding, accrued at the rate of interest of three and one-half per centum per annum. Said fund shall be under the custody of the Treasurer of the Philippine Islands, who shall invest the same, in such manner as the Secretary of Finance may approve, in accordance with the provisions of Act Numbered Three thousand and fourteen governing the investment of sinking funds;