

[Acts No. 4030, December 08, 1932]

AN ACT AUTHORIZING CERTAIN MUNICIPALITIES OF PANGASINAN 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 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 municipalities, hereinafter named, are hereby authorized to negotiate a loan to be used for the construction of permanent improvements in the sum hereinafter set forth:

Municipality of Urdaneta, seventy-two thousand pesos; municipality of Binalonan, fifty-four thousand pesos; municipality of Pozorrubio, forty-six thousand pesos, making a total sum of one hundred and seventy-two thousand pesos, which sum shall be used for waterworks system.

Upon petition of the municipal councils of the above mentioned municipalities of the Province of Pangasinan, and thru the recommendation of the Secretary of Finance, the Governor-General of the Philippine Islands is hereby authorized to issue the necessary bonds for said loan in the name and on behalf of the aforesaid 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 for in section three 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 municipalities herein mentioned to the Insular Government, and the balance shall be credited to the "Public Works Bond Issue Fund of the municipalities above mentioned" and be withdrawn only for the purposes set forth in this Act, subject to the approval of the Secretary of Finance.

SEC. 3. The Governor-General is hereby authorized to issue in the name and on behalf of the Government of the Philippine Islands, bonds to the amount of one hundred and seventy-two thousand pesos, Philippine currency, for a term of thirty

years, redeemable after ten years, in the discretion of the Insular Government, and bearing such date as he may determine, secured by the bonds of the three municipalities of the Province of Pangasinan, above mentioned, herein authorized and assigned and transferred to the Insular Government as provided in section two. The Governor-General shall determine the form of the bonds and the rate and dates of payment of the interest thereon. The bonds may be coupon bonds or registered bonds, in the discretion of the Governor-General, and the registered bonds shall be registered in the Insular Treasury, where the principal and interest shall be payable in Philippine currency, or its equivalent in lawful currency of the United States, at the discretion of the Insular Treasurer.

The Governor-General is further authorized to sell in the Philippine Islands said Insular bonds at public auction and through the Insular Treasurer 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 the Treasury 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 three municipalities above specified, 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 and municipal bonds herein 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 country, 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 one hundred ninety-three pesos and seventy-one centavos for each ten 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; shall charge all the expenses of such investment to said sinking fund, and shall credit to the same the interest on investment and other income belonging to it.

SEC. 7. A standing annual appropriation is hereby out of the general funds in the Insular Treasury, not otherwise appropriated, of such sums as may be necessary to provide for the sinking fund created in section six hereof and for the interest on the Insular bonds issued by virtue of this Act. A further appropriation is hereby made out of the general funds in the Insular Treasury, not otherwise appropriated, of a sufficient sum to cover the expenses of the issue and sale of the insular and