

[Act No. 3281, November 30, 1926]

AN ACT AUTHORIZING THE PROVINCE OF LA UNION 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 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 La Union is hereby authorized to negotiate a loan in the sum of three hundred and thirty thousand pesos, which shall be used for the construction of permanent bridges over the Caba, Darigayos, Maragayap and Naguilian rivers and the payment to the Insular Government of outstanding loans contracted for permanent improvements. At the request of the provincial board of La Union, the necessary bonds for said loan shall be issued by the Governor-General of the Philippine Islands, who is hereby authorized to issue the same in the name and behalf of the said province. 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 in 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: *Provided, however,* That the interest rate on said bonds shall not be in excess of five per centum per annum.

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 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 Province of La Union to the Insular Government, and the balance shall be credited to the "Public Works Bond Issue Fund of the Province of La Union" and be withdrawn only for the purposes set forth in this Act, by order of the Secretary of Finance.

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 one hundred and sixty-five thousand dollars, United States currency, for a term of thirty years, secured by the bonds of the Province of La Union hereby 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 of the Insular