

[Act No. 3266, December 07, 1925]

AN ACT AUTHORIZING THE PROVINCE AND CERTAIN MUNICIPALITIES OF ILOCOS NORTE 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 Ilocos Norte and certain municipalities thereof, hereinafter named, are hereby authorized to negotiate a loan in the sum of five hundred and forty-eight thousand pesos, to be used for the construction of permanent improvements and the payment to the Insular Government of outstanding loans contracted for the construction of permanent improvements, as follows: Province of Ilocos Norte, for waterworks, a provincial high-school building, and for payment of the Insular loan, four hundred and forty-two thousand pesos; municipality of Bacarra, for waterworks, seven thousand pesos; municipality of Laoag, for waterworks, eighty-nine thousand pesos; and municipality of Pasuquin, for waterworks, ten thousand pesos. At the request of the Provincial Board of Ilocos Norte and the municipal councils of the municipalities above-mentioned, 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 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 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 and one-half 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 with 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 Ilocos Norte with the Insular Government, and the balance shall be credited to the "Public Works Bond Issue Fund of the Province and three municipalities of Ilocos Norte," 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 two hundred and seventy-four thousand dollars, United States currency, for a term of thirty years, secured by the bonds of the Province and three municipalities of Ilocos Norte 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 of the Insular bonds, the date of issue thereof, and the rate and dates of payment of the interest thereon, which rate shall not be in excess of five and one-half 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 such 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 with 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 and three municipalities of Ilocos Norte and assigned and transferred as security for the Insular bonds above-mentioned, 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 a 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; shall charge all the expenses of such investment to said sinking fund, and shall credit to the same the interest on investments and other income belonging to it.

SEC. 7. A standing annual appropriation is hereby made out of the general funds in the Insular Treasury, of such sums as may be necessary to provide for the sinking