

[Act No. 2940, February 05, 1921]

**AN ACT TO PROVIDE FOR THE ISSUE OF BONDS OF THE
GOVERNMENT OF THE PHILIPPINE ISLANDS IN THE AMOUNT OF
TEN MILLION DOLLARS, FOR THE PURPOSE OF PROVIDING
FUNDS FOR PUBLIC WORKS.**

Whereas it is expected that the Congress of the United States will, before the next session of the Philippine Legislature, authorize the issue of bonds in excess of the amount which the Government of the Philippine Islands can now issue under the acts of said Congress at present in force;

Whereas it will redound to the benefit of the Government of the Philippine Islands to prepare the issue and sell part or all of the bonds the issue whereof Congress may authorize, prior to the next session of the Philippine Legislature: Now, therefore,

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. The Secretary of War is hereby authorized to issue, in the name and behalf of the Government of the Philippine Islands, additional bonds in the amount of ten million dollars, the issue whereof may be authorized by an Act of Congress taking effect prior to the inauguration of the next session of the Philippine Legislature. The proceeds of said bonds shall be used for the construction of irrigation systems and other public works of a permanent character which may hereafter be authorized by the Legislature. The bonds so authorized to be issued shall be payable twenty years from the date of issue; may be coupon or registered bonds, convertible, in the discretion of the Secretary of War, into either form, and shall in all cases be registered, and in case of a transfer, the same may be registered in the United States Treasury; shall be dated on such date as the Secretary of War may direct, but not prior to the date of the Act of the United States Congress authorizing them, and shall bear interest at the rate Congress may authorize or the Secretary of War, the Governor-General, and the presiding officers of both Houses of the Philippine Legislature agree upon. Both principal and interest shall be payable in gold coin of the United States, in the Treasury of the United States.

SEC. 2. The Secretary of War is further authorized to sell said bonds on such terms as are most favorable to the Government of the Philippine Islands, and shall deposit the proceeds of the sales thereof with an authorized depository or depositories of the Government of the Philippine Islands to the credit of the Treasurer of the Philippine Islands.

SEC. 3. A sinking fund is hereby created for the payment of the bonds issued, in such manner that the total thereof at each annual due date of the bond issue shall be equal to the total of an annuity of thirty-five thousand three hundred and sixty-one pesos and ten centavos for each million of pesos of bonds outstanding, with interest at the rate of three and one-half per centum per annum. This sinking fund shall be under the custody of the Insular Treasurer, who shall invest it in such manner as the Secretary of Finance may approve.